Annual Report 2014

Frankfurt Airport at Night

Fraport

Key Figures at a Glance

As of the start of 2014, Fraport has applied the new IFRS 10, 11 and 12 accounting standards. In connection with the application of IFRS 11 "Joint Arrangements," the joint ventures that until then were proportionately included in the consolidated financial statements according to the proportionate consolidation method must be revalued and consolidated using the equity method. This has a particular impact on the Group companies of Antalya, N*ICE Aircraft Services & Support GmbH, Medical Airport Service GmbH and AirIT Systems GmbH. The effects resulting from the first-time application of IFRS 11 on the consolidated financial statements are presented in the Notes to this report in note 4. For the purposes of comparability, the previous year's values were adjusted in line with the new accounting standards.

Financial performance indicators

€ million	2014	2013	Change in %
Revenue	2,394.6	2,375.7	0.8
Revenue adjusted by IFRIC 12	2,383.8	2,310.0	3.2
EBITDA	790.1	732.9	7.8
EBIT	482.8	438.6	10.1
EBT	374.7	331.5	13.0
Group result	251.8	235.7	6.8
Profit attributable to shareholders of Fraport AG	234.7	221.0	6.2
Earnings per share (basic) (€)	2.54	2.40	5.8
Year-end closing price of the Fraport share (€)	48.04	54.39	–11.7
Dividend per share [1] (€)	1.35	1.25	8.0
Operating cash flow	506.2	454.2	11.4
Free cash flow	246.8	34.3	>100
Total assets	9,013.2	8,816.8	2.2
Shareholders' equity	3,286.0	3,098.8	6.0
Group liquidity	1,179.6	1,368.1	– 13.8
Net financial debt	3,012.8	2,870.6	5.0
Return on revenue (%)	15.6	14.0	–
Return on shareholders' equity (%)	7.6	7.5	–
EBITDA margin (%)	33.0	30.8	–
EBIT margin (%)	20.2	18.5	–
ROCE (%)	7.9	7.6	–
ROFRA (%)	9.2	8.7	–
Gearing ratio (%)	97.3	97.7	–

Table 1

Non-financial performance indicators

	2014	2013	Change in %
Global satisfaction (Frankfurt) (%)	80	80	–
Punctuality rate (Frankfurt) (%)	81.1	82.3	–
Baggage connectivity (Frankfurt) (%)	98.6	98.4	–
Equipment availability rate (Frankfurt) (%)	97.8	94.8	–
Employee satisfaction	2.89	3.02	–
Total number of work accidents	1,473	1,342	9.8

Table 2

Employees

	2014	2013	Change in %
Average number of employees	20,395	20,481	–0.4
Total employees as of the balance sheet date	23,116	22,458	2.9

[1] Proposed dividend (2014).

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Letter of the CEO

Dear Shareholders,

First of all, I am delighted at your interest in our company and in the Annual Report. Fraport AG again helped millions of people to reach their destination last year; either via the Frankfurt hub or via one of our numerous airports worldwide. Airports create encounters: They indispensably assist imports and exports, help companies to present themselves worldwide, make global tourism possible, and are instrumental in making the world “a little bit smaller”.

That’s why airports never stand still. Large airports are usually available for flight operations 24 hours a day. At your Frankfurt Airport, however, a ban on planned night flights was implemented with the opening of Runway Northwest in 2011 to provide relief for our neighbors. All the same, these nocturnal hours are still used to carry out various services and maintenance work, whether to avoid disturbing the smooth running of passenger processes or to help provide important cargo for the first fliers in the morning. Runways are cleaned or even renovated and terminals shine like new when the first passengers are welcomed the next morning. We try to carry out any very noisy construction work in the terminals overnight. And of course we maintain operations at your Frankfurt Airport for emergencies in German air space. The following pages will give you a unique insight into the world of Frankfurt Airport at night with its wide variety of functions and highly motivated employees.

For they, not least, have also made it possible for us to set a new passenger record in Frankfurt in 2014: With 59.6 million passengers, a growth of 2.6 percent, Frankfurt Airport is scratching at the 60 million mark for the first time, which would have been surpassed had it not been for the serious industrial action at our main customer, Lufthansa. Regarding our cargo throughput, we again took top position in Europe. 2.1 million metric tons of cargo throughput corresponded to a growth of 1.8 percent. As one of the largest airports in Europe, Frankfurt thus reinforces its role within the value chain in Germany, an export nation that needs to rely on a competitive passenger and cargo hub.

Dr Stefan Schulte

Chairman of the Executive Board Fraport AG

As pleasing as these growth figures are, they bring us, particularly in the summer months, closer than ever to our capacity limits for terminal and air-side areas. Even if punctuality in Frankfurt has been on a high level for a hub airport since the opening of Runway Northwest, the number of bus boardings for total air traffic at Frankfurt Airport remains high in comparison with our main competitors in Europe. Operating processes on the air-side are furthermore impeded due to the concentration of all passenger aircraft movement in front of Terminal 1 and 2. As passenger numbers continue to increase over the coming years, this will be one of the biggest challenges to maintaining service quality at an acceptable level.

What level of passenger growth can be expected at Frankfurt? We had this investigated, again, by two independent expert companies in 2014. Both arrived at the same clear result: Your Frankfurt Airport will, in the coming years, see another substantial increase in passenger numbers. Accordingly, some 68 to 73 million passengers can be expected in 2021. This is very positive, but forces us to take action. So I am all the more pleased that we have now received all approvals for the construction of Terminal 3 in the southern part of the airport. Alongside the expert report's verification carried out by the State of Hesse, the major shareholder of Fraport AG, as well as the continuing and in-depth planning, we prepared the tenders for the first civil engineering services. Work is intended to start this year, in 2015, and the new Terminal 3 should be brought into service at the end of 2021/beginning of 2022.

In 2014, challenging was also the situation at the security controls, mainly in the last quarter. This issue will continue in 2015. This applies to both the unsatisfactory results of the EU audit as well as the sometimes significantly increased waiting times at the checkpoints. Responsibility for the organization and performance of security controls lies, depending on the process step, with the various service providers, the Federal Police, and the Federal Ministry of the Interior as well as the airport operator. In the interests of safety and the service quality for our passengers, it is essential that all interested parties identify and swiftly implement the necessary improvement measures and changes.

Our investments outside of Frankfurt, in operational terms, performed very satisfactorily. At all our airports, we can look back on a successful fiscal year with growing passenger numbers – in spite of the overcast geopolitical situation compared to 2013. What's more, we were once again able to demonstrate our skill in airport terminal construction: The new terminals in Varna and Burgas, Bulgaria, and St. Petersburg, Russia, were both completed on time and on budget and operated faultlessly in their first fiscal year. Finally, it is both crucial – and welcome – that our passengers at the respective airports have responded positively to the new terminals and we are receiving a lot of acclaim.

In 2014, not only did we organically develop our existing airport investments successfully, we also succeeded in expanding our portfolio of investments. With the acquisition of AMU Holdings, we have taken over the center management for retail business of four US American airports and as a result have established a first foothold in the USA in this area. Your company was also awarded to take over the airport operating company of the airport in the Slovenian capital, Ljubljana. We were likewise able to win the tender for 14 mainly tourist airports in Greece as "preferred bidder". In late 2015/begin of 2016, we currently expect to close the transaction and take over the operation of the regional airports.

As you can already see from these few paragraphs, 2014 was, in several respects, another eventful and demanding fiscal year in which we were still able to further increase your company's performance. With EBITDA of some 790 million Euros and EBIT of around 483 million Euros, we once again significantly surpassed the previous year's figures on a comparable basis for both performance indicators. The Group result in 2014 also saw an increase on 2013, comprising nearly 252 million euros, corresponding to an increase of around seven percent. We have thus achieved the goals set for 2014. This very positive development has led the Executive Board and Supervisory Board to increase the dividend recommendation for this year's Annual General Meeting to 1.35 Euro per share.

For 2015, we anticipate a difficult environment with a continuation of the positive financial trend. We expect passenger growth of two to three percent as a basis for this in Frankfurt, while growth should prove to be higher at our international airports. With regard to the development of our key financial performance indicators, we expect Group EBITDA between around 820 million Euros and some 840 million Euros, and Group EBIT between some 500 million Euros and about 520 million Euros. We are also expecting a further increase in Group result. However, a further deterioration of the geopolitical situation and further air traffic strikes, particularly at the Frankfurt site, could depress passenger demand and, consequently, the development of the financial key figures.

The basis for the good performance by your company in fiscal year 2014 and the prerequisite for further growth of the financial key indicators in 2015 are motivated and engaged employees, whom I would like to thank for their dedication 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 we are looking forward to your continued loyalty.

I would like to make one further short comment: For the fiscal year 2014, we revised our approach to financial and sustainability reporting. The significantly declining demand for printed copies has persuaded us to offer the complete version of the Annual Report only in electronic format from now on. At the same time, we have summarized the Sustainability Report and our Annual Report in a condensed report with their respective considerable contents. We offer this new, handy format, "2014 Compact. Fraport. Finance. Sustainability", both in electronic form and as a printed edition.

I hope you enjoy reading this 2014 Annual Report.

Sincerely yours,

Stefan Schulte

The Fraport Executive Board

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 Operations
Born in 1963
Appointed until December 31, 2017

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

01:20 A.M.

Aviation

14.8 km

Takeoff and landing runways are regularly checked for their skid resistance.

In order to guarantee safe airport operation, Fraport regularly checks the condition of the takeoff and landing runways through friction tests. Should the friction coefficient (the skid resistance of the surface) not reach the required values, potentially due to rubber abrasion, Fraport arranges the cleaning of the runway in question using special vehicles. In order to be able to carry out the cleaning without interrruption, this is usually performed at night when there is no traffic.

03:03 A.M.

Retail & Real Estate

More than 8,600,000

parking process per year at parking spaces at and around Frankfurt Airport.

Fraport operates more than 56,000 parking spaces at Frankfurt Airport and at other locations around Frankfurt. Fraport's parking facility managers also consult on construction and renovation plans and diversify their products. The holiday parking service, for example, is tailored towards price-sensitive passengers at the Frankfurt site. The approximately 1,500 parking spaces to the south of the airport are cheaper than the parking spaces directly in front of the terminals. A free shuttle bus brings the passengers to their desired departure terminal within around 15 minutes at any time.

04:36 A.M.

Ground Handling

2,132,132 metric tons

make the Frankfurt site number one in Europe in terms of cargo throughput.

"Cargo needs the night" is a well-known slogan in the aviation industry. Following the opening of the Runway Northwest at the Frankfurt site in October 2011, a night flight ban between 11 p.m. and 5 a.m. was introduced, with Fraport specialists working hard to compensate for this competitive disadvantage. Fraport employees begin with loading operations in the middle of the night so that the freight machines are able to start promptly once the new day begins.

External Activities & Services

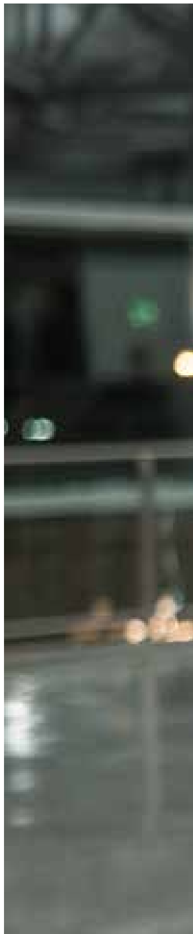
Almost 650

committed employees perform day and night to ensure the cleanliness of the airport.

The cleanliness of the terminal is one of the most important criteria when it comes to how an airport is perceived. It is also this conviction that has led Fraport to increase its shares in the Group company GCS Gesellschaft für Cleaning Service mbH & Co. Airport/Frankfurt Main KG from 40 percent to 100 percent in the past year. This strategic step was carried out on January 1, 2015. Together with the GCS employees, Fraport intends to expand this business unit profitably in the future.

11:45 P.M.

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 2014. 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 though explained in detail to the Supervisory Board. Based on the reports of the Executive Board, the Supervisory Board extensively discussed the business transactions of significance to the company. The Supervisory Board harmonized the strategic alignment of the company with the Executive Board. In addition, the Chairman of the Executive Board maintained regular contact with the Chairman of the Supervisory Board and informed him about the current developments concerning the business situation as well as significant business transactions. The Supervisory Board was directly involved in all the decisions that were of fundamental importance to the company. Where required by law, the company statutes or rules of internal procedure, the Supervisory Board voted on the relevant proposals made by the Executive Board after having thoroughly examined and consulted on those matters.

During the reporting period, the Supervisory Board convened four ordinary meetings, one strategy session, and one special meeting. On average for all of the meetings, around 95 % 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 subject of regular discussions by the Supervisory Board. The intensifying competitive situation with airports in the Middle East also played a prominent role.

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

> In 2014, the Supervisory Board also obtained extensive information on various measures and initiatives to improve active and passive noise abatement at Frankfurt Airport. A particular focal point was the agreement on procedures for the introduction of a "noise break" to allow residents at times an extension to the night-time break of up to seven hours.

> In addition, in-depth information on further pioneering projects for the purpose of increasing results at the Frankfurt site was provided. Here the focal point was on considerations to use new communications media for passenger loyalty and the promotion of retail activities.

> Another topic in the reporting was the security division and the efforts to achieve a noticeable improvement in the service quality there. Regarding a dispute over the remuneration of control hours worked, the Supervisory Board agreed to the submission of an action for performance in relation to outstanding accounts receivable against the Federal Republic of Germany.

- As a continuation of the internationalization strategy of the Group, the Supervisory Board decided on the unfortunately unsuccessful participation in the tender process for the Turkish regional airports in Dalaman and Bodrum at its special meeting held on March 5, 2014. Furthermore, the Supervisory Board agreed to the successful tendering for the acquisition of Ljubljana Airport and to the acquisition of the US company AMU Holdings Inc. on June 16, 2014. Also the tendering decided on September 12, 2014, on the airport concessions of Greek regional airports, ended with the Fraport consortium winning as “preferred bidder”. The Supervisory Board also agreed to the submission of an offer regarding the share purchase of Quito Airport on December 12, 2014.
- 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 Executive Board and Supervisory Board noted with disappointment that the ICSID Court of Arbitration in Washington once again declined jurisdiction in mid-December 2014.
- In addition, the Supervisory Board dealt with the financial statements and management reports of the company and the Group as at December 31, 2013, the agenda and the including resolution proposals for the Annual General Meeting (AGM) on May 30, 2014, as well as the 2013 Annual Report. Furthermore, the Supervisory Board again decided to propose to the AGM that PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, be appointed as the auditor for fiscal year 2014.

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

- On March 21, 2014, the Supervisory Board agreed to an adjustment to existing contracts with IVG Immobilien AG in relation to their insolvency plan procedure.
- As a result of the efficiency review of its activities in 2013, the Supervisory Board decided on an adjustment to the rules of internal procedure for the Executive Board and the Supervisory Board, particularly with regard to the limits set out therein which trigger an approval obligation by the Supervisory Board or a reporting obligation by the Executive Board to the Supervisory Board. The AGM agreed to the amendment of the statutes necessary in this regard on May 30, 2014.
- It also approved the 2015 Business Plan.

As part of its strategy session in mid-September 2014, the Supervisory Board also focused on addressing the development of Terminal 3 at Frankfurt Airport. Using two reports prepared independently by the renowned consulting and planning companies Intraplan and MKmetric, the development of traffic growth – which was the basis for the passing of a resolution to implement the expansion of Frankfurt Airport South in accordance with the zoning decision – was reviewed in particular.

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 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 2014 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 2015 Business Plan of Fraport AG (prepared in accordance with the German Commercial Code, HGB) and the 2015 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 2014. In this context, the auditor's confirmation of independence pursuant to Section 7.2.1 of the German Corporate Governance Code (GCGC) was obtained, the qualification of the auditor monitored, and the remuneration of same discussed. Furthermore, the issue of mandates for non-audit-related services to the auditor was discussed. After the cyclical change of the auditor for the fiscal year 2013, it was proposed to the plenum again to recommend PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to the AGM as auditor for fiscal year 2014.

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.

The focal points of the discussion of the **investment and capital expenditure committee** in fiscal year 2014 were again the further business development of the investment business and the area of capital expenditure. In its four meetings as well as a special meeting, the committee intensely discussed the preparation of Supervisory Board resolutions on the projects "Dalaman and Bodrum", "Ljubljana", "Greek regional airports", and "Quito", and the possibility of acquiring shares in US retail company AMU Holdings Inc., among other things. The focus of attention was also regularly on existing investments, both globally and at the Frankfurt site. Once the Supervisory Board had passed amendments to the rules of internal procedure for the Executive Board and Supervisory Board and had agreed to, among other things, an increase in the limits for investment-related measures for the committee, the investment and capital expenditure committee approved a non-regular capital expenditure volume relating to a digital customer experience project for inclusion in the business plan for 2014 and after. It also agreed to the capitalization of an operating company. Finally, the committee assisted with the capital expenditure at the Frankfurt site and commented on the investment plan in the context of the 2015 Business Plan.

The **human resources committee** met four times in fiscal year 2014 and was regularly involved with the topics related to human resources within the Group. Focal points of the discussion were also current topics of human resource management, such as the situation regarding the take over of apprentices, the structuring of working hours, the agreement to promote professional training, and the presentation of the demography report. Alongside the development of the workforce, the topics of restructuring airport security, the development of executives in the Group, wage issues, and the results of the barometer survey on employee satisfaction formed part of the discussion. Furthermore, the concept of strategic succession planning for management levels 1 and 2 was discussed and the background for establishing lean management was evaluated.

The **executive committee** met twice during the reporting period. It dealt with Executive Board matters arising in fiscal year 2014 and discussed points of reference for the internal vertical comparison to be made according to GCGC when determining Executive Board remuneration.

The **nomination committee** formed for preparing for the new election of shareholder representatives met once in the 2014 fiscal year to consult on the succession of Karl Ulrich Garnadt, who stepped down from the Supervisory Board at the end of the AGM on May 30, 2014. The committee also consulted in writing on the succession of Jörg-Uwe Hahn, who stepped down from the Supervisory Board at the end of the AGM on May 30, 2014.

It was not necessary to convene the **mediation committee** in accordance with the German Co-Determination Act in fiscal year 2014.

Corporate Governance and statements of compliance

The Executive Board and the Supervisory Board addressed the implementation of GCGC also in the past fiscal year. In light of the fact that the Government Commission only made slight adjustments to the GCGC in 2014, the committees' discussions focused less on its further development and any effects it had on the company.

Nevertheless, the Executive Board and Supervisory Board had to submit a mid-term update of the compliance statement on April 8, 2014, because the appointment of Mr. Frank-Peter Kaufmann as successor to the outgoing Supervisory Board member Mr. Jörg-Uwe Hahn meant the age limit of 65 years set by the Board was exceeded at the time of election by the AGM.

Since then, Fraport AG is nevertheless in alignment with the recommendations of the GCGC Government Commission and will continue to be in future.

The Supervisory Board implemented the annual efficiency review in the form of a self-evaluation using a catalog of topics in 2014. As a result, the Supervisory Board will deal more intensively with the investment strategy and innovation management. 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 12, 2014 can be found in the chapter "Statement on Corporate Governance and Corporate Governance Report" starting on page 22. 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

To prevent the appearance of a potential conflict of interest, state secretary Michael Odenwald did not participate in the resolution to submit the action for performance against the Federal Republic of Germany relating to outstanding accounts receivable in the security division.

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, 2014 as well as the management report and Group management report and issued unqualified auditor's reports. The Supervisory Board issued the audit mandate on December 12, 2014 in accordance with the resolution passed by the AGM on May 30, 2014.

The annual financial statements and the management report were prepared in accordance with the regulations of the HGB applicable to large capital companies; the consolidated financial statements and the Group management report were prepared in accordance with IFRS as applicable in the EU, and both audited by the auditor. 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 could jeopardize the company as a going concern, was in place.

The documents mentioned as well as the proposal by the Executive Board for the utilization of the profit earmarked for distribution 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 auditor who reported on significant results of its audit, and were available to respond to additional questions and provide further information. In the meeting, the chairwoman of the finance and audit committee provided 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 €1.35 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, 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."

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

"Based on mandatory our audit and the conclusions reached, we confirm that
1. the effective 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 16, 2015 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 agrees with the assessment by the auditor and raises 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 Supervisory Board members Karl Ulrich Garnadt and Jörg-Uwe Hahn both resigned with effect from the end of the AGM on May 30, 2014.

Mr. Peter Gerber and Mr. Frank-Peter Kaufmann were elected to the committee as their successors for the remaining term of office – i.e. in both cases until the end of the AGM which shall decide on the exoneration of members of the Supervisory Board for the fiscal year 2017.

Peter Schmitz, member of the Executive Board, resigned from the company at his own request on August 31, 2014, after thirteen years with the company and retired. The position that had become free was not reappointed and as a result the Executive Board has been reduced to four persons. The responsibilities of Mr. Schmitz were distributed among the four remaining Executive Board members. The new schedule of responsibilities of the Executive Board resulting from this change was approved by the Supervisory Board.

Looking back on the 2014 fiscal year – which was positive despite various strikes at the Frankfurt site – the Supervisory Board thanks the Executive Board and the employees for their great joint efforts in the interests of the company.

Frankfurt am Main, March 16, 2015

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 reports on the company's management and the corporate governance of Fraport – simultaneously for the Supervisory Board and in summary (see also Section 3.10 of the GCGC).

The term "corporate governance" at Fraport means responsible corporate management and control, the objective of which is sustainable value creation. Good corporate governance has the 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 monitors 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 12, 2014, the Executive Board and the Supervisory Board of Fraport AG issued the following statement of compliance for the year 2014 in accordance with Section 161 of the AktG:

"The last Compliance Statement was issued on December 17, 2013. An updated Compliance Statement was issued on April 8, 2014. 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 13, 2013, and the amended version of June 24, 2014."

The Compliance Statement 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 (AGM) via modern communication media (Section 2.3.3 of the GCGC).

Primarily for security reasons and personal privacy, Fraport only published the speeches of the Chairman of the Supervisory Board and the Chairman of the Executive Board at the beginning of the 2014 AGM 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 still 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 had already set the following unchanged objective for its composition in fiscal year 2010:

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

The ratio of female employees to the total number of employees at Fraport AG (single entity) is 19.2%. The Supervisory Board of Fraport AG comprises 20 members, with the number of female members currently at four since the Supervisory Board elections in 2013. This corresponds to 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, in its meeting on December 14, 2012, the Supervisory Board decided that at least three independent shareholder representatives within the meaning of Section 5.4.2 of the GCGC should be members of the board.

As the Supervisory Board has at least three independent shareholder representatives with Kathrin Dahnke, Dr Margarete Haase, and Prof Dr Katja Windt, this target has already been reached.

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 on 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 June 1, 2014). It can be downloaded from the company website www.fraport.com in the section The Fraport Group.

Values-based compliance

Fraport understands the term “compliance” to mean compliance with laws and internal regulations. At Fraport, the issues of compliance and values management are brought together in a values-based compliance management system. Thus, the preventive nature of values management introduced in 2003 enhances the overarching compliance management system. A key element of the system is the central compliance guideline, which have formed part of the employment contracts since 2005. In addition to an internal confidant, Fraport introduced an electronic whistle-blower system (BKMS® System) in 2009. An external ombudsperson was appointed in 2011 who in particular confidentially receives and legally examines tips on serious legal violations. Suspected cases of compliance breaches have been processed by central case management since 2012. To prevent this, e-learning courses on the subject of compliance have been run since 2013 – in addition to a range of communication measures and a number of classroom training courses.

In the last few years, key elements of the compliance management system have been successively introduced into the national and international subsidiaries. In 2014, this development was further advanced in the organization by a mandatory Group guideline.

The code of conduct introduced in 2013 enabled Fraport to visibly and sustainably anchor the company in corporate governance in terms of its long-standing commitment to comply with internationally accredited regulations, such as the principles of the UN Global Compact, OECD Guidelines, and ILO Core Labor Standards. The Fraport Policy forms the core of this commitment and is published on www.fraport.com in the Sustainability section.

Structure and functioning of the management and control bodies

For Fraport AG, a responsible and transparent corporate governance and control structure is the cornerstone for creating value and trust. In accordance with the provisions of law, Fraport AG is subject to a “dual governance system”, which is achieved by the strict separation of 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 four members since September 1, 2014: Dr Stefan Schulte (Chairman), Anke Giesen, Michael Müller, and Dr Matthias Zieschang. As the management body, it conducts the business of the company. The Executive Board is bound by the company’s interests and corporate sociopolitical principles within the framework of the stock corporation law. 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 on all relevant matters of business development, corporate strategy and possible risks in a regular, timely and comprehensive manner. In addition, the Executive Board must have the prior approval of the Supervisory Board for several matters, particularly for capital expenditure measures above a value of €10 million, to the extent that this is not provided for in a business plan approved by the Supervisory Board. The length of the appointment of the Executive Board members is geared toward the long term and is – as already stated – five years as standard. 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 beginning on page 28.

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, the chairman holds the casting vote.

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 employee representatives 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 a shareholder representative, is entitled to a second vote. Beyond this, 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 (2014: six 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. The Supervisory Board reviews its activities in the past fiscal year on an annual basis in the Supervisory Board Report.

A detailed breakdown of the remuneration of the Supervisory Board is provided in the Group management report beginning on page 28.

At the time of adopting 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 (Chair)	Gerold Schaub (Vice-Chair)
Uwe Becker	Claudia Amier
Kathrin Dahnke	Devrim Arslan
Peter Feldmann	Hakan Cicek
Peter Gerber	Dr Roland Krieg
Dr Margarete Haase	Mehmet Özdemir
Frank-Peter Kaufmann	Arno Prangenberg
Lothar Klemm	Hans-Jürgen Schmidt
Michael Odenwald	Werner Schmidt
Prof Dr Katja Windt	Edgar Stejskal

Table 4

Committees of the Supervisory Board

The Supervisory Board has formed the following committees based on the statutory provisions and the provisions of its rules of procedure:

Committees of the Supervisory Board

Committee	Functions	Normal number of meetings	Meetings 2014	Normal number of members	Members
Finance and audit committee	> Preparation of Supervisory Board resolutions in the area of finance and audit-related resolutions > Addressing the supervision 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 as well as 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 proposal of the Executive Board for the appropriation of profits, 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 actions of the Executive Board, 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-Chair) 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 a capital expenditure measure (outside of the approved business plan) or an investment-related action between €10,000,000.01 and €30,000,000 > Final decision on the acquisition or disposal of, or charge on, property or land rights between €5,000,000.01 and €10,000,000 > Statement of opinion on the capital expenditure plan and on capital expenditure reporting	4	5	8	Lothar Klemm (Chair) Gerold Schaub (Vice-Chair) Claudia Amier Peter Feldmann Frank-Peter Kaufmann Lothar Klemm Werner Schmidt Edgar Stejskal Prof Dr Katja Windt
Human resources committee	> Preparation of resolutions in the area of human resources > Statement of opinion, in particular, on changes in headcount, fundamental issues relating to collective bargaining law, payment systems, employee investment plan, matters concerning the company retirement plan	4	4	8	Claudia Amier (Chair) Frank-Peter Kaufmann (Vice-Chair) Devrim Arslan Uwe Becker Hakan Cicek Mehmet Özdemir Michael Odenwald Prof Dr 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	2	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 Frank-Peter Kaufmann Werner Schmidt Edgar Stejskal
Committee in accordance with Section 27 MitbestG	> Preparation of a recommendation on the appointment or dismissal of members of the Executive Board, if the entire Supervisory Board does not reach 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 5

Shareholders and AGM

The shareholders of Fraport AG exercise their rights in the company at the AGM where they exercise their right to a voice and a vote. The shareholders are informed of business developments in the past year and the company's forecasts through the management report with sufficient time prior to the meeting. 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 in the first six months of every 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. This is part of the Group management report in compliance with Section 4.2.5 and Section 5.4.6 (3) of the GCGC.

Acquisition or disposal of company shares

Pursuant to Section 15a of the WpHG, management and persons closely related thereto are legally obliged 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.

Group Management Report for the 2014 Fiscal Year

Information about reporting

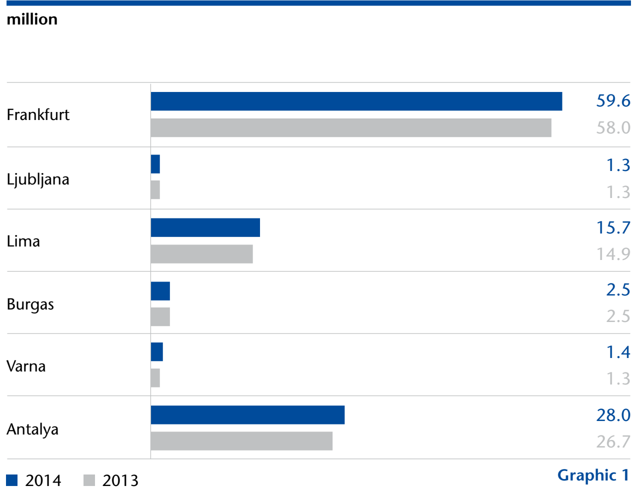
As of the start of 2014, Fraport has applied the new IFRS 10, 11, and 12 accounting standards. In connection with the application of IFRS 11 “Joint Arrangements”, the joint ventures that until then were proportionately consolidated in the consolidated financial statements in accordance with the proportional consolidation method must be revalued and consolidated using the equity method. This has a particular impact on the Group companies of Antalya, N*ICE Aircraft Services & Support GmbH, Medical Airport Service GmbH, and AirIT Systems GmbH. The effects resulting from the first-time application of IFRS 11 on the consolidated financial statements are presented in the notes to this report in note 4. For reasons of comparison, the previous year figures were adjusted in accordance with the new accounting standards.

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

Overview of Business Development

The following graphics and notes provide an overview of the business development of the Fraport Group in the past fiscal year. More detailed information on business development can be found in the further chapters of the Group management report and the Group notes.

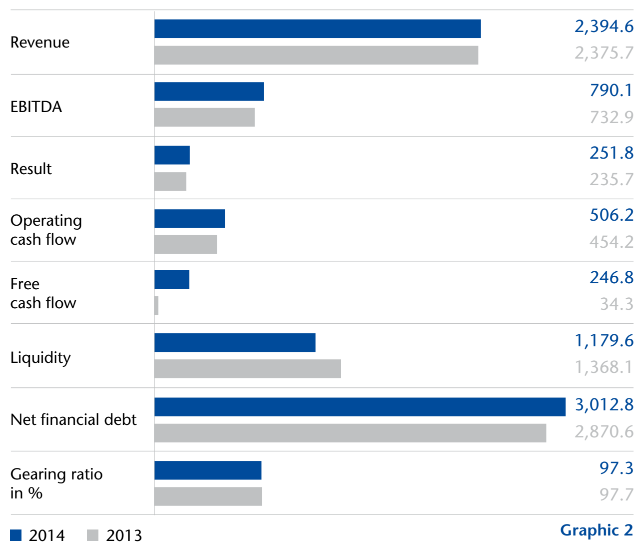
Passenger development at Group airports in which an interest of at least 50% is held



Graphic 1

- Almost 60 million passengers in Frankfurt
- Slight growth in the new Group company Ljubljana
- Airport in Lima experiences significant growth rate again
- Good summer season led to higher passenger numbers in Varna and Burgas
- Stable growth in Antalya on high basis

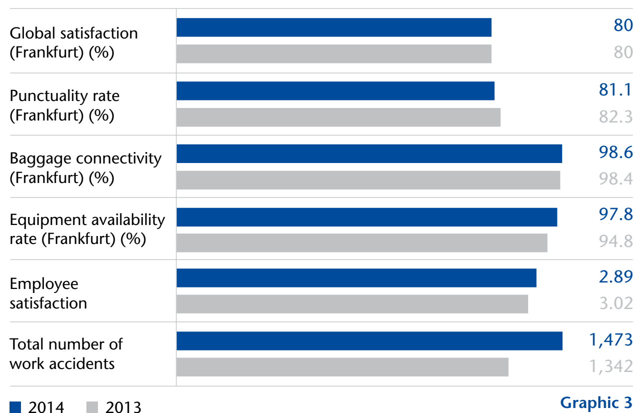
Performance of selected financial figures



Graphic 2

- Positive business development and new Group companies led to a rise in income, despite lower IFRIC 12 revenue
- Significant increase in EBITDA
- Increase in result due to positive operating development
- Operating cash flow also above previous year
- Free cash flow strongly up due to reduced capital expenditure
- Decline in liquidity through repayments, expansions in external business, and dividend payments
- Rise in net financial debt
- Gearing ratio at previous year level

Performance of key non-financial performance indicators



Graphic 3

- Overall passenger satisfaction meets last year's high standards
- Punctuality rate slightly below 2013
- Slightly higher baggage connectivity
- Equipment availability rate significantly improved
- Average employee satisfaction above previous year
- Total number of work accidents increased

Target/actual comparison of capital market-relevant forecasts

	Forecast for 2014	Actual 2014
Frankfurt passengers	Increase between 2% and 3%	59.6 million (+2.6%)
Group revenue	Increase up to a level of approximately €2.5 billion	€2,394.6 million (+0.8%)
Group EBITDA	Between approximately €780 million and some €800 million	€790.1 million (+7.8%)
Group result	Slightly above the previous year	€251.8 million (+6.8%)
Dividend per share	At least a stable dividend recommendation	Dividend recommendation of €1.35 [1]

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

Table 6

- Major forecasts for 2014 realized
- Revenue slightly below forecast due to lower earnings-neutral IFRIC 12 revenue
- Group result slightly above expectations thanks to stable financial result
- Proposed dividend €0.10 above previous year

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 investments. The range of the Group includes all services of aviation and terminal operations as well as associated services. The further development of airports into integrated mobility, event, and real estate locations additionally represents a broad revenue and earnings basis for the Group.

The Group's 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 more than ten thousand employees, Fraport AG, which has been stock exchange-listed since 2001, is also the biggest single company of the Fraport Group, which has more than 20 thousand employees. It directly or indirectly holds the shares in the Group companies (companies pursuant to Section 313 (2) of the German Commercial Code (HGB)) and its head office is in Frankfurt am Main.

In addition to Frankfurt Airport, Fraport was active at 14 other airports on four continents at the time of preparing the consolidated financial statements via majority and minority holdings and joint ventures. The Group companies Lima (concession agreement until 2031 with extension options by ten years), Twin Star (concession agreement for operating Varna and Burgas airports until 2041) as well as Antalya (concession agreement until 2024) were some of the key Group companies in terms of their results. While the Group companies Lima and Twin Star are fully consolidated in the consolidated accounting, the Group company Antalya has been recognized as a joint venture at equity since January 1, 2014.

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 2014 fiscal year. In connection with the scheduled expiry of the contract of Peter Schmitz, Executive Director Operations, the Executive Board has reallocated its divisional responsibilities from September 1, 2014 and has assigned the Group's operating activities to the four members Dr Stefan Schulte (Chair), Anke Giesen (Executive Director Operations), Michael Müller (Executive Director Labor Relations), and Dr Matthias Zieschang (Executive Director Controlling and Finance).

In connection with the expansion of the external business, the Executive Board expanded the Group portfolio in August 2014 by acquiring AMU Holdings Inc., USA, and in October 2014 by purchasing Aerodrom Ljubljana, d.d., Slovenia, (hereinafter also referred to as: Airport or Group company Ljubljana). In addition, Fraport was nominated with a consortium partner as the preferred investor to operate the 40-year concession of 14 Greek regional airports in November 2014. At the time of preparing the consolidated financial statements, the Executive Board assumes that the transaction will be closed by the end of 2015/start of 2016 and the airports will be taken over. The nomination had no effects on the present consolidated financial statements as at December 31, 2014. Further major acquisitions or company sales as well as significant increases or reductions in investments did not take place in the previous fiscal year. As at December 31, 2014, there were 47 companies consolidated excluding companies accounted for using the equity method, and 67 companies including companies accounted for using the equity method (in the previous year 40 and 58 companies respectively). For a detailed overview of the shareholdings within the Group, please see the Group notes (see Group note 58).

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. The Executive Board is responsible for the Group result and consisted at the time of preparing the consolidated financial statements of the four members Dr Stefan Schulte (Chair), Anke Giesen (Executive Director Operations), Michael Müller (Executive Director Labor Relations), and Dr Matthias Zieschang (Executive Director Controlling and Finance). Peter Schmitz, former Executive Director Operations, left the Executive Board as scheduled on September 1, 2014.

As a control body, the **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. As an additional control and co-determination body of Fraport AG, the shareholders 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 Group annual audit by the auditor and can be found in the chapter "Statement on Corporate Governance and Corporate Governance Report".

Organization

For the purpose of managing the Group, the Executive Board has divided the strategic business and service areas 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.

The **Aviation** segment incorporates the strategic business units "Airside and Terminal Management, Corporate Safety and Security" and "Airport Security Management". In addition to the Frankfurt site, the Aviation segment is also active via the Group company FraSec Fraport Security Services at German airports outside the Fraport Group. The core of the business remained the Frankfurt site in the previous fiscal year.

In addition to the Group companies assigned, the **Retail & Real Estate** segments consist of the strategic business unit of "Retail and Properties". The strategic business unit conducts the retail activities, in particular, parking lot management as well as the renting and marketing of areas at the Frankfurt site. The Retail & Real Estate segment generated income exclusively in and around the Frankfurt site in the previous fiscal year.

The **Ground Handling** segment largely consists of the "Ground Services" strategic business unit as well as, among others, the assigned Group companies Fraport Cargo Services and APS Airport Personal Service. In 2014, the segment again generated predominantly its income from providing ground handling services and the central infrastructure at the Frankfurt site.

The **External Activities & Services** segment includes, in particular, the central area of "Global Investments and Management". The central unit is responsible for all Group companies whose business processes are not integrated at the Frankfurt site. In addition to this external business, the segment includes the "Facility Management", "Information and Telecommunications", and "Corporate Infrastructure Management" service units, which are exclusively active at the Frankfurt site.

In addition to the before-mentioned units, twelve central units provide, amongst other things, Group-wide services such as "Corporate Compliance, Risk and Values Management", "HR Top Executives", or "Finance and Investor Relations". The costs of the central units are allocated to the four segments appropriately.

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 Facility Management Information and Telecommunications Corporate Infrastructure Management

[1] Including assigned Group companies.

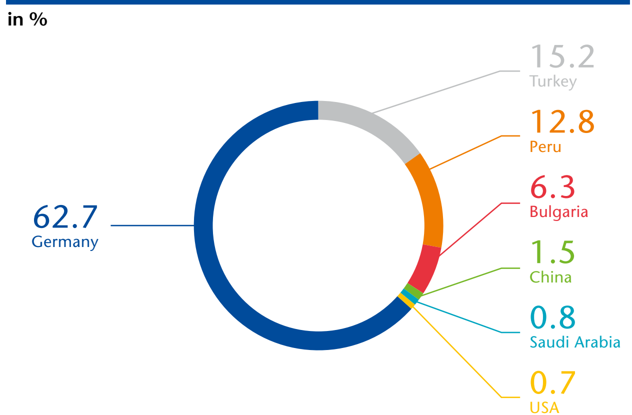
Graphic 4

Key sites and competitive positions

With a share of about 63 % in the 2014 Group results, the German site – and almost exclusively only Frankfurt Airport – was again the key site of the Fraport Group.

Share in the Group result by sites

in %



Graphic 5

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 function as an international transport hub. In this respect, its largest competitors are the European hub airports London-Heathrow, Paris-Charles de Gaulle, Amsterdam-Schiphol, and also – due to the dynamic performance of the relevant national airlines – the airports Dubai-International and Istanbul-Atatürk, in Germany in particular Munich Airport. With 59.6 million passengers, Frankfurt Airport again took third position in Europe in the previous fiscal year after London-Heathrow (73.4 million passengers) and Paris-Charles de Gaulle (63.8 million passengers); their lead remained more or less stable in comparison with the previous year. In 2014, the strongly growth-driven development of Turkish Airlines led again to a strong growth rate at Atatürk Airport in Istanbul (+10.6 % to 56.8 million passengers) and thus to gains in market share versus other European competitors. With 55.0 million passengers, Amsterdam-Schiphol Airport was in fifth place after Istanbul. With a significant distance behind Frankfurt Airport, Munich Airport continued to be the second-largest German passenger airport with 39.7 million passengers (+2.7 %).

Compared across continents, some airports in Asia performed much more dynamically without change and recorded gains in market share compared with the European hubs, for instance, also compared to Frankfurt Airport. In the transfer segment especially, airports in the Gulf States, primarily Dubai Airport, continued to record increases. This was partly at the expense of European airports, such as Frankfurt, because transfer passengers were diverted from it.

The expansion and modernization programs are continuing to contribute to maintaining the international competitive position of the Frankfurt site. The programs, which mainly include the already completed projects 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 site a successful, lasting competitive edge. The ongoing enhancement of CargoCity supports the competitive position in the cargo segment (air freight and air mail).

The competitive situation at the very tourist-oriented sites of Antalya, Turkey, as well as in Varna and Burgas, Bulgaria, 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 some 28.0 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 dominant tourist airport in the Mediterranean region, ahead of Palma de Mallorca. The airports in Burgas and Varna, with 2.5 million and about 1.4 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 2013 fiscal year to be able to serve the growth that is expected in these regions in the medium term.

The sites of Lima, Peru, and Xi'an, China, continue to benefit from the relatively high economic growth rates of the relevant countries and from increasing demand from tourists. The growth of the Lima site is also boosted by the good geographical location of the airport, which is attractive for the transfer traffic between South and North America in particular. Thanks to its minor weak nature so far, the transfer market offers the Xi'an site additional development potential. As the Lima site's capacity will reach its limit in the foreseeable future due to the passenger growth forecasted, capital expenditure on the airport's infrastructure (construction of a new terminal and a new takeoff and landing runway) is required in the medium term to maintain and strengthen the competitive position. The Xi'an site has a sufficient capacity in the short to medium term thanks to the inauguration of a new terminal and a new runway in the 2012 fiscal year. Due to the strong growth outlook of the site, however, additional capacity will also be unavoidable here, too, in the long term.

Additional information about business development in the past fiscal year can be found in the chapter titled "Economic Report" beginning on page 50.

Strategy

Strategy remains oriented toward long-term market development

Compared with the previous year, no fundamental changes were made to the Group strategy in the 2014 fiscal year. Fraport continues to guide its strategy by the long-term forecasted development of the global aviation market and its market trends. Here, renowned aviation associations and aircraft manufacturers continue to expect long-term stable growth of the aviation market. This is derived, in particular, from the global economic growth forecasted and the globally expanding middle class. Supporting effects result from the continued internationalization of labor and education. Increasing traffic is also forecasted from migration and tourism. Disproportionate growth is expected from and in the economic emerging markets in Asia/Pacific, Latin America, Africa, and the Middle East.

Short-term development continues to contain uncertainties

Despite the most recently better economic framework conditions and the long-term growth forecasts, the short-term performance of the aviation market continues to contain uncertainties. This results, above all, from political crises, such as in Ukraine and in the Middle East, the possible spread of epidemics, such as Ebola, but also from the continued economically uncertain situations of various economies and airlines. The latter continues to be negatively influenced by the strong international competition and rolling out of national taxes, such as the German aviation tax. As a result, these negative effects are resulting in a conservative and short-term volatile supply behavior of airlines.

Due to the competitive position, these uncertainties at Fraport relate, in particular, to Frankfurt Airport. Due to the high share of Russian-dominated traffic, the St. Petersburg, Antalya, Varna, and Burgas sites are also affected by uncertainties.

Forecasts for the long-term development of global air traffic

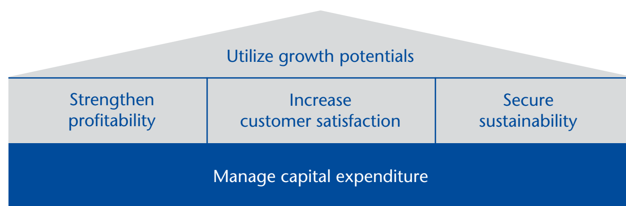
Source	Period	Reference	CAGR
Airports Council International (ACI)	until 2031	Number of passengers	4.1%
Airbus	until 2033	Revenue passenger kilometers	4.7%
Boeing	until 2033	Revenue passenger kilometers	5.0%
Embraer	until 2033	Revenue passenger kilometers	4.8%

Table 7

Agenda 2015

Due to the long-term growth forecasts with simultaneously difficult competitive circumstances, strategic challenges arise for Fraport. The Executive Board has summarized these challenges in the five areas of activity of the 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 6

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 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 2012 and the completion of the remodeling of Pier B (also in 2012), and of the CD-Pier in 2008, four key parts of the capital expenditure program have already been completed as they were needed.

Independent traffic forecasts for the Frankfurt site and examinations on the threshold capacity of the existing facilities have shown that the inauguration of new landside capacities will be required from 2021 onwards in order to maintain the same level of quality. On the basis of the zoning decision, a building application was submitted for the first construction phase of Terminal 3 in 2014. The construction of the terminal, which will cost between €2.5 billion and €3 billion including the land- and airside development, will according to the current planning already start in the 2015 fiscal year. The first construction phase shall be inaugurated at the end of 2021/start of 2022 in line with demand. The also initiated enhancement of CargoCity North and South will strengthen the site further in the long term in the cargo transport area.

In harmony with the traffic forecasts, Fraport is also expanding the airport infrastructure at the Group sites outside Frankfurt. After inauguration of the new terminals in Varna and Burgas, as well as in St. Petersburg in 2013, and the inauguration of a new runway as well as a new terminal at the Xi’an site in 2012, Fraport sees the need for investment predominantly at the Lima site in the medium term. Here, by constructing a new terminal and a new runway, the dynamic traffic growth of the past years and the forecasted development of the site are taken into account. Fraport also continuously analyzes the traffic levels at the Antalya and Xi’an sites and optimizes the capacity needs in accordance with demand.

The key risks and opportunities associated with the expansion of airport infrastructures in- and outside of Frankfurt can be found in the “Risk and Opportunities Report” beginning on page 74. Information on the amount of capital expenditure or additions to non-current assets in the previous financial year is included in the section “Asset and Financial Position” beginning on page 60. The forecasted performance for the 2015 financial year can be found in the “Business Outlook” beginning on page 91. The business outlook also includes the performance of the Fraport Group expected over the medium term.

Strengthen profitability

The competitive circumstances in aviation and the comprehensive capital expenditure measures result in financial burden for the Fraport Group, which consist predominantly of operating costs, depreciation and amortization, and interest. The Executive Board therefore faces the challenge of increasing the profitability of the company, the operating result, as well as the Group result. In this context, Fraport in past years has, e.g., driven the following areas forward:

- Long-term 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
- Focusing on retail revenue at the Frankfurt site in particular due to Pier A-Plus
- Securing the ground handling agreement at the Frankfurt site with Deutsche Lufthansa until 2018 and extending the agreements with various other airlines
- Extending and modernizing terminal and retail areas at sites outside of 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 37. A description of the development of performance indicators during the past fiscal year can be found in the chapters titled "Results of Operations", "Asset and Financial Situation", as well as "Value Management" beginning on page 54. The associated forecasted figures for the 2015 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 91. 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 74.

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 use 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 passenger surveys underscore that the quality improvements made at the Frankfurt site in past years have been positively received. 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 the general satisfaction of passenger customers at Frankfurt Airport (global satisfaction) above 80% in the long term. In the course of the service initiative, Fraport set itself the target in the previous financial year to offer its guests at Frankfurt a 5-star standard in the medium term. On the back of positive passenger experiences, Fraport expects stronger loyalty of passengers to the Frankfurt site. To achieve this, Fraport is looking at the passenger process comprehensively and is developing specific measures to further enhance the service. The implementation takes place in five subprojects: "Welcome & Wayfinding", "Art, Culture & Ambience", "Amenities & Comfort", "Relax & Enjoy", and "Work & Explor". The following projects are being driven forward in this process:

> Further enhancement of the terminal signage
> Establishing additional quiet zones
> Continuous upgrading of the sanitary facilities
> Expanding TV, video, and gaming offerings

Outside of Frankfurt, the Lima site in particular demonstrates its customer focus impressively with numerous awards (including "Skytrax Best Airport in South America" 2009 – 2014). At Antalya Airport, the quality of the ground service processes and customer satisfaction are also of key significance: In the previous financial year, retail areas were expanded and several passenger facilities upgraded, which further enhanced the comfort for passengers. At the Varna and Burgas sites, the "We Care" program improves passenger satisfaction in the check-in and security areas. Last year, the two terminal inaugurations also had a positive impact on customer satisfaction.

Key performance indicators relating to the "increase customer satisfaction" area of activity can be found in the chapter titled "Control" beginning on page 37. A description of the development during the previous fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 67; the associated forecasted figures for the 2015 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 91.

Secure sustainability

Sustainability is a central future subject for Fraport and has key significance for company development. In its role as the leading airport operator, Fraport is also aware of its responsibility in society and the environment. To systematize its sustainable objectives, the Executive Board developed an essentiality matrix and summarized the targets in a sustainability program. The target achievement levels and/or the effectiveness of the measures taken are regularly checked by Fraport and adjusted as required. The essentiality matrix adjusted in the 2013 fiscal year was verified in 2014 and confirmed in its validity. The sustainability program was updated by the company in the previous fiscal year according to the level of progress. The following areas continue to be the key areas of action: 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 "securing sustainability" area of activity can be found in the chapter titled "Control" beginning on page 37. A description of the development during the previous fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 67; the associated forecasted figures for the 2015 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 91. An additional description of measures taken as well as a status report of the sustainability program can be found on the Group's website www.fraport.com in the Sustainability section. The online reporting does not form part of the consolidated financial statement audit by the auditor.

Utilize growth potentials

Fraport's objective is to achieve Group-wide participation in the growth of the aviation market. By implementing investments, Fraport has significantly increased its capacities at the Frankfurt site and beyond in recent years. These growth potentials shall be developed with modern and low-noise aircraft. In this context, since the previous fiscal year, the Frankfurt site has an incentive program for airlines, which aims to generate passenger growth for new or existing airlines on new international routes with low-noise aircraft. A special focus is also on the freight business. In the long term, the conditions for participation in further growth in air traffic will be created through 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 some significantly higher growth rates at the Group airports in the previous 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 has created the foundation for further retail growth at the Frankfurt site. After the net retail revenue per passenger in Frankfurt fell last year from an average of €3.60 in 2013 to €3.43 due to negative effects (see also chapter "Results of Operations" beginning on page 54), the unchanged medium-term target continues to be to increase net retail revenue per passenger to €4. To achieve this objective, the implementation of innovative purchase concepts on existing areas and the upgrading of various market areas will also be the focus in coming years. The development will also be supported by culture-specific, sales-boosting measures and a stronger individualization in addressing customers. In order to offer the passengers a shopping and service range tailored to their needs along the entire travel chain, Fraport is also developing innovative offers. They include the use of the possibilities of digitalization as well as a stronger establishment of customer relations.

At the Group airports outside Frankfurt, retail revenue at the Lima as well as Varna and Burgas sites continued to perform positively at rates of 6% or, in the case of Varna and Burgas, more than doubling. Influenced by currency effects of individual flight guest groups, Antalya Airport posted nearly flat retail revenue in 2014. 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 more than one-third of the Group result. The aim is to further increase the result of the segment. In the previous financial year, this was achieved by acquiring AMU Holdings Inc., USA, which operates and develops commercial terminal areas at currently four US airports under concession agreements, as well as by acquiring Aerodrom Ljubljana, d.d., which operates the Slovenian capital's airport of Ljubljana. In addition, Fraport was nominated with a consortium partner as the preferred investor to operate the 40-year concession of 14 Greek regional airports. At the time of preparing the consolidated financial statements, the Executive Board assumes that the transaction will be closed by the end of 2015/start of 2016 and the airports will be taken over.

Growth driver 3: Airport city

The continued global trend is to develop hub airports to become 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. The current project focal points include high-quality office sites, such as Gateway Gardens, logistics operations, such as, in particular, the Mönchhof site, the commercial area of Taubengrund, and CargoCity South.

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 2015 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 91. 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 as an example in the chapter titled "Risk and Opportunities Report" beginning on page 74.

Control

Changes compared with the previous year

Compared with the previous year, no fundamental changes were made to Group control in the 2014 fiscal year. The Executive Board continues to control the Group in accordance with key financial and non-financial performance indicators, which are derived from the Group strategy.

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 – such as the implementation of larger capital expenditure projects or the expansion of external business can also lead to a short- to medium-term burden on the financial performance indicators, as long as it is assumed that the assets, financial, and earnings positions will develop in a positive manner over the long term, and the measures do not pose disproportionately high risks to the company.

The key financial performance indicators and their significance for Fraport are described in the following. The description of its development during the previous fiscal year can be found in the chapters titled “Results of Operations”, “Asset and Financial Position”, as well as “Value Management” beginning on page 54. The associated forecasted figures for the 2015 fiscal year and a medium-term outlook can be found in the chapter titled “Business Outlook” beginning on page 91.

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 forecasted 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 information resulting from this is essential for the Executive Board with regard to the company’s long-term, value-oriented management.

Key financial performance indicators are for Fraport the **revenue** – as the key component of the total revenue –, the **EBITDA**, the **EBIT**, the **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/plus the financial result, which is essentially comprised of the interest result, the EBIT results into the EBT.

The Group result is the outcome of the business activities and is calculated on the basis of the EBT less income tax. 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, besides the results of operations, is also reflected in the Group’s asset and financial position. For Fraport, in particular the performance of the **shareholders’ equity**, the **equity ratio**, the **liquidity** or the **net financial debt**, the **gearing ratio**, the **operating cash flow**, and the **free cash flow** are significant.

The level of shareholders’ equity or the equity ratio 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 stock market launch 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.

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 net financial debt, which is defined as the difference between the Group's liquidity and the non-current and current financial liabilities, into the ratio to the shareholders' equity. To achieve a more accurate result, the shareholders' equity is adjusted by the planned dividend distribution as well as non-controlling interests. The gearing ratio thereby indicates the Group's leverage and varies as a rule depending on the phase of Fraport's investment 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 a value of about 140%. Depending on the financing of the investments in the external business, the gearing ratio of the Fraport Group can also temporarily achieve a higher value.

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 represents the incoming or outgoing cash from the current business activities, the free cash flow is the result of the operating cash flow less the cash flow used in capital expenditure for property, plant and equipment, investment property, other intangible assets, and airport operating projects (without consideration of payments for the acquisition of Group companies and for the acquisition of concessions). To illustrate a more precise development of the free financial funds (the free cash flow), Fraport has also taken into account any incoming dividend payments from at equity-valued companies in the determination of the free cash flow since the 2014 consolidated financial statements. 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 capital expenditure activities. These free funds can, in turn, be retained in order to increase the company's liquidity and to be available as a financial reserve for future capital expenditure or to reduce the leverage (the gearing ratio) or can be distributed among shareholders as dividends. After Fraport opened Pier A-Plus at the Frankfurt site in 2012 – the last large capital expenditure project before Terminal 3 – it achieved positive free cash flow in 2013 for the first time since the start of the airport expansion and the FRA North modernization program.

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

In order to sustainably increase the Group's value, the Executive Board, in addition to the key figures of 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 were comprised as follows in the 2014 fiscal year:

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 regular 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 Group companies accounted for using the equity method assigned to this segment as well as the corresponding assets. In this way, Fraport also takes account of the Group companies accounted for using the equity method 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 2014 fiscal year, this was, as in the previous year, at 9.5% before taxes and 6.6% after taxes.

As at January 1, 2015, Fraport has adjusted the parameters of the value management as follows:

Due to the continued low market interest rates, the WACC before taxes was reduced from 9.5% to 8.6%. This corresponds to an after-tax WACC of around 6%. In addition, Fraport decided for a more precise determination of the value added, to expand the Fraport assets by construction in progress at cost/2 and to include across the Group the results before taxes as well as the corresponding book values of the Group companies accounted for using the equity method.

To allow comparisons between segments of varying size, Fraport has expanded its value added by the measurement and steering figure **"return on Fraport assets"** (ROFRA). ROFRA is calculated from the ratio of EBIT to Fraport assets and shows whether the business areas 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 the 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 previous fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 67; the associated forecasted figures for the 2015 fiscal year and a medium-term target can be found in the chapter titled "Business Outlook" beginning on page 91. An additional description of non-financial performance indicators, which are not essential for the understanding of the business development within the meaning of GAS 20, as well as a status report of the sustainability program can be found on the Group website www.fraport.com in the Sustainability section. The online reporting 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 to raise its own quality and a high level of customer satisfaction. Fraport uses a number of performance indicators to measure and control 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 at the Group airports is also primarily on passenger satisfaction. Due to the control of the relevant Group companies, within the framework of the annual reporting, only the satisfaction figures of the airports are stated where Fraport holds a minimum stake of 50% in the shareholders' capital.

Global satisfaction describes the overall passenger satisfaction with the service at the Frankfurt site. Fraport continues to aim for 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. In Frankfurt and at the other Group sites, passenger satisfaction is measured predominantly in 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 departing baggage. A high level of connectivity proves a good quality of baggage processes here. 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. In order 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 has been recorded annually since the 2014 fiscal year (previously: every two years as 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. Despite continued uncertain economic framework conditions, Fraport aims to achieve employee satisfaction of more than 3.0 (index value in line with school grading system).

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 that Fraport uses, is the number of work accidents. The objective is to continuously reduce the total number of work accidents per year 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 shareholders' equity base, it is secured through both internal financing via operating cash flow and external financing in form of debt. The Fraport finance management can additionally be distinguished in the finance management of Fraport AG, the fully consolidated Group companies in Germany and abroad, as well as the Group companies accounted for using the equity method in Germany, and abroad.

With regard to debt, Fraport AG's finance management aims to achieve a balanced financing mix composed of bilateral loans, bonds (capital market), loan financing from public loan institutions, and promissory note loans. To reduce interest rate risks from borrowing with floating interest rates, interest hedging transactions can be concluded as a rule. The majority of the fully consolidated Group companies in Germany are integrated into the Fraport AG cash pool, so that acquiring separate external funds is not necessary. For the fully consolidated foreign Group companies, the fund-raising takes place depending on the relevant framework conditions, either by concluding project financing, bilateral loans, or by internal provision of funding via Fraport AG. The Group companies accounted for using the equity method abroad, and in Germany are largely financed by external capital. Fraport AG acts as an adviser here.

In the light of risk spreading and outflows at different times, Fraport AG's liquidity is invested in a broadly diversified manner. The medium- and long-term investment horizon corresponds to the greatest possible extent to the expected long-term cash outflows. To cover payments expected in the short term, Fraport AG holds term deposits and securities with a short remaining maturity. The established asset management strategy of the broad diversification of investments in corporate bonds with, and partly without an external rating, was continued in 2014. The internal requirements for risk limitation were observed at all times, meaning that no losses were to be posted in the past fiscal year.

Within the framework of its asset management strategy, Fraport AG also assigns total limits in various business fields, which are consistently also monitored with regard to the performance of the banks' credit rating. If the credit rating is downgraded during the asset's holding period to a grade worse than "BBB+", 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.

Those fully consolidated Group companies in Germany 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. The liquidity in the fully consolidated foreign Group companies is – under arrangements included in project financing agreements – partly subject to a restriction on disposal, and is just as is the liquidity of the Group companies accounted for using the equity method, therefore not part of the asset management of Fraport AG.

Due to the effects on the consolidated balance sheet as at December 31, 2014, the financing and liquidity analysis in the section "Asset and Financial Position" beginning page 60 relates only to Fraport AG, as well as the fully consolidated Group companies in Germany and abroad. Additional key financial risks and opportunities, i.e. also referring to the Group companies accounted for using the equity method are stated in the "Risk and Opportunities Report" beginning on page 74.

Legal Disclosures

As a listed corporation 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 €923,427,480 (as at December 31, 2014). It is divided into 92,342,748 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 stated in the commercial balance sheet as at December 31, 2014 and reduced by treasury shares is €922,653,830 (92,265,383 no-par-value bearer shares). There are no differing classes of shares.

On the basis of the consortium agreement concluded between the State of Hessen and Stadtwerke Frankfurt am Main Holding GmbH dated April 18/23, 2001 with a supplement as at December 2, 2014, 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 51.37% as at December 31, 2014. At that time, they were attributed as follows: State of Hessen 31.35% and Stadtwerke Frankfurt am Main Holding GmbH 20.02%. 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, 2014): Deutsche Lufthansa AG 8.45% and RARE Infrastructure Limited 5.27%. 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 in general 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.

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 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. In 2014, a total of €493,400 of authorized capital was used for issuing shares within the scope of the employee investment plan.

A contingent capital increase of €13.9 million was approved according to 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 served 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 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 that were issued to members of the Executive Board as part of performance-related remuneration until 2010 were subject to a vesting period of twelve or 24 months. The exercise period of the final tranche of the 2005 Fraport Management Stock Options Plan ended on April 10, 2014. A new plan was not issued.

As at December 31, 2014, the contingent capital totaled €3.4 million. In 2014, subscription rights in the amount of €37,500 (3,750 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 2014 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 31.35% (previous year: 31.37%) held by the State of Hessen and 20.02% held by Stadtwerke Frankfurt am Main Holding GmbH (previous year: 20.03%), as well as the consortium agreement concluded between these shareholders on April 18/23, 2001 with a supplement as at December 2, 2014, Fraport AG is a publicly 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 Hessen 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 (GCGC) 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 HGB can be found in the chapter titled “Risk and Opportunities Report” beginning on page 74 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 GCGC as amended on June 24, 2014. It summarizes which principles apply in determining the total compensation of the members of the Executive Board, and explains the structure and amount of the compensation of the Executive Board and Supervisory Board members.

Remuneration of the Executive Board members in fiscal year 2014

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.

Remuneration is comprised as follows:

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

In order to comply with the remuneration-related amendments of the GCGC in the version dated June 24, 2014, 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 every other member of the Executive Board. This maximum limit also applies in relation to the remuneration components that were granted during the previous fiscal years 2010 to 2013, those components which have not yet been fully paid out.

In addition to the remuneration components specified before, the members of the Executive Board received contributions for pension benefit commitments. In principle, 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. Further information on pension benefit commitments for Executive Board members can be found in note 38.

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").

In addition, the compensation for Executive Board members includes compensation in kind and other payments (ancillary benefits). In particular, compensation in kind is the pecuniary benefit subject to income tax from the private use of 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.

For contributions to voluntary statutory or private medical and health care insurance, each member of the Executive Board receives a tax-free employer contribution in line with legal provisions.

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, a prospective sum of €120 thousand has been promised to the Chairman of the Executive Board for the performance period of 2014 to 2016, with a payout in 2017, 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 to which extent the target has been met. Its decision is based on the results of the employee satisfaction barometer (an annual survey among Fraport AG employees) and the responsible development of headcount in view of the Group's economic situation.

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 accordingly.

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 already commenced, the performance targets for such an Executive Board member are not calculated until after this three-year 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 of the 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 a contractually stipulated amount of virtual shares within their employment agreements, so-called performance shares, for each fiscal year on the condition that and depending on whether they meet predefined performance targets (the so-called target tranche). After four fiscal years, the so-called 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 2014, as in the previous year, 9,000 performance shares were allocated to Dr Stefan Schulte as a target tranche, while Dr Matthias Zieschang received 6,850 performance shares. For the fiscal year 2014, 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% across 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 45th place, no performance shares will be issued for the rank total shareholder return MDAX performance target; if Fraport AG ranks better than 5th place, there will not be a further increase in the number of performance shares issued over 5th place.

The relevant share price used for calculating the LTIP payment shall correspond to the weighted average of the company’s closing share 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 €304.2 thousand (previous year: €648.8 thousand), Anke Giesen €183.8 thousand (previous year: €233.3 thousand), Michael Müller €96.5 thousand (previous year: €128.7 thousand), Peter Schmitz €113.2 thousand (previous year: €532.6 thousand), Dr Matthias Zieschang €217.6 thousand (previous year: €532.6 thousand).

Further information regarding share-based remuneration via LTIP are listed in the Group notes under note 48.

Remuneration of the Executive Board 2014

In the tables below, the contributions, inflows, and pension-related expenses to each member of the Executive Board are displayed individually based on the recommendations of Section 4.2.5 (3) of the GCGC:

Remuneration of the Executive Board (contributions granted)

in €'000	Dr Stefan Schulte (Chairman of the Executive Board; Executive Director since April 15, 2003)			
	2013	2014	2014 (Min)	2014 (Max)
Fixed salary	415.0	415.0	415.0	415.0
Ancillary benefits [1]	22.5	30.8	30.8	30.8
Total [1]	**437.5**	**445.8**	**445.8**	**445.8**
One-year variable remuneration (bonus) [2]	674.8	711.7	–	870.1
Multiyear variable remuneration				
Long-Term Strategy Award (3 years)				
Tranche 2013 (1/1/2013 to 12/31/2015)	120.0	–	–	–
Tranche 2014 (1/1/2014 to 12/31/2016)	–	120.0	0.0	150.0
Long-Term Incentive Program (4 years)				
Tranche 2013 (1/1/2013 to 12/31/2016) [3]	346.7	–	–	–
Tranche 2014 (1/1/2014 to 12/31/2017) [3]	–	440.0	0.0	810.0
Total [4]	**1,579.0**	**1,717.5**	**445.8**	**2,275.9**
Pension-related expenses [5]	417.3	390.9	390.9	390.9
Total remuneration	**1,996.3**	**2,108.4**	**836.7**	**2,666.8**

[1] Ancillary benefits vary depending on personal circumstances; there is no set minimum or maximum.
[2] The bonus includes the payments on account for the fiscal year 2014 and the addition to the bonus provision in 2014.
[3] LTIP was carried at fair value as at the time of offer.
[4] For the Chairman of the Executive Board, the total cap amounts to €2.3 million and €1.65 million for all other members of the Executive Board. As Mr. Schmitz departed on August 31, 2014, his total cap for the fiscal year 2014 is €1.1 million on a pro rata basis. If the total cap is exceeded, the last payment component will be reduced accordingly.
[5] Pension-related expenses were reported according to IAS 19.

Remuneration of the Executive Board (inflows)

in €'000	Dr Stefan Schulte (Chairman of the Executive Board; Executive Director since April 15, 2003)	
	2013	2014
Fixed salary	415.0	415.0
Ancillary benefits	22.5	30.8
Total	**437.5**	**445.8**
One-year variable remuneration (bonus) [2]	663.4	666.1
Multiyear variable remuneration		
Fraport Management Stock Options Plan 2005 (MSOP 2005)	–	–
Long-Term Strategy Award (3 years)		
Tranche 2010 (1/1/2010 to 12/31/2012)	100.0	–
Tranche 2011 (1/1/2011 to 12/31/2013)	–	60.0
Long-Term Incentive Program (4 years)		
Tranche 2010 (1/1/2010 to 12/31/2013)	–	664.2
Total [3]	**1,200.9**	**1,836.1**
Pension-related expenses	417.3	390.9
Total remuneration	**1,618.2**	**2,227.0**

[1] An offsetting of the remuneration in 2013 for the Supervisory Board activities at Hannover-Langenhangen airport was made against the bonus payment of Dr Zieschang of €4,760.00.
[2] The bonus includes the payments on account for the fiscal year 2014 and the ex-post adjustment to the bonus for the fiscal year 2013.
[3] For the Chairman of the Executive Board, the total cap amounts to €2.3 million and €1.65 million for all other members of the Executive Board.
As Mr. Schmitz departed on August 31, 2014, his total cap for the fiscal year 2014 is €1.1 million on a pro rata basis.
If the total cap is exceeded, the last payment component will be reduced accordingly.

Contributions granted

Anke Giesen (Executive Director Ground Handling; Executive Director since January 1, 2013)				Michael Müller (Executive Director Labor Relations; Executive Director since October 1, 2012)				Peter Schmitz (Executive Director Operations; Executive Director from September 1, 2009 to August 31, 2014)				Dr Matthias Zieschang (Executive Director Controlling and Finance; Executive Director since April 1, 2007)			
2013	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)	2013	2014	2014 (Min)	2014 (Max)
300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	200.0	200.0	200.0	320.0	320.0	320.0	320.0
43.9	29.3	29.3	29.3	47.0	51.8	51.8	51.8	33.1	48.6	48.6	48.6	43.9	44.4	44.4	44.4
343.9	**329.3**	**329.3**	**329.3**	**347.0**	**351.8**	**351.8**	**351.8**	**333.1**	**248.6**	**248.6**	**248.6**	**363.9**	**364.4**	**364.4**	**364.4**
476.3	502.4	–	674.8	296.4	312.6	–	419.9	476.3	328.1	–	328.1	523.9	541.4	–	541.4
90.0	–	–	–	90.0	–	–	–	50.0	–	–	–	90.0	–	–	–
–	90.0	0.0	112.5		90.0	0.0	112.5	–	20.0	0.0	25.0	–	90.0	0.0	112.5
263.9	–	–	–	136.7	–	–	–	263.9	–	–	–	263.9	–	–	–
–	334.9	0.0	616.5	–	173.6	0.0	616.5	–	0.0	–	–	–	334.9	0.0	616.5
1,174.1	**1,256.6**	**329.3**	**1,733.1**	**870.1**	**928.0**	**351.8**	**1,500.7**	**1,123.3**	**596.7**	**248.6**	**601.7**	**1,241.7**	**1,330.7**	**364.4**	**1,634.8**
120.0	133.7	133.7	133.7	129.8	124.1	124.1	124.1	144.7	136.8	136.8	136.8	289.2	268.9	268.9	268.9
1,294.1	**1,390.3**	**463.0**	**1,866.8**	**999.9**	**1,052.1**	**475.9**	**1,624.8**	**1,268.0**	**733.5**	**385.4**	**738.5**	**1,530.9**	**1,599.6**	**633.3**	**1,903.7**

Table 8

Inflows

Anke Giesen (Executive Director Ground Handling; Executive Director since January 1, 2013)		Michael Müller (Executive Director Labor Relations; Executive Director since October 1, 2012)		Peter Schmitz (Executive Director Operations; Executive Director from September 1, 2009 to August 31, 2014)		Dr Matthias Zieschang (Executive Director Controlling and Finance; Executive Director since April 1, 2007)	
2013	2014	2013	2014	2013	2014	2013 [1]	2014
300.0	300.0	300.0	300.0	300.0	200.0	320.0	320.0
43.9	29.3	47.0	51.8	33.1	48.6	43.9	44.4
343.9	**329.3**	**347.0**	**351.8**	**333.1**	**248.6**	**363.9**	**364.4**
240.6	470.2	185.1	292.6	468.2	392.0	515.0	517.2
–	–	57.8	–	–	–	–	–
–	–	–	–	70.0	–	70.0	–
–	15.0	–	18.8	–	45.0	–	45.0
–	–	–	–	–	505.6	–	505.6
584.5	**814.5**	**589.9**	**663.2**	**871.3**	**1,191.2**	**948.9**	**1,432.2**
120.0	133.7	129.8	124.1	144.7	136.8	289.2	268.9
704.5	**948.2**	**719.7**	**787.3**	**1,016.0**	**1,328.0**	**1,238.1**	**1,701.1**

Table 9

Pension obligations

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

Pension obligations

in €'000	Obligation December 31, 2013	Change 2014	Obligation December 31, 2014
Dr Stefan Schulte	4,137	1,762	5,899
Anke Giesen	136	174	310
Michael Müller	161	149	310
Peter Schmitz until August 31, 2014	1,838	845	2,683
Dr Matthias Zieschang	1,797	888	2,685
Total	**8,069**	**3,818**	**11,887**

Table 10

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.

Each member of the Executive Board has agreed to a two-year noncompetition clause. During this term, reasonable compensation in the form of an annual fixed gross 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 pensions owed by Fraport AG, inasmuch as the compensation together with the retirement pensions and other generated income exceeds 100% of the last fixed salary received.

The employment contract of Herbert Mai provides for a two-year post-employment noncompetition clause 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 €112.5 thousand for 2014. 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 salary received. Furthermore, in fiscal year 2014, Mr. Mai received payments of €347.5 thousand for the LTIP 2010 tranche, and a payment of €26.3 thousand for the LSA 2011 tranche.

The employment contract of Peter Schmitz provides for a two-year noncompetition clause following the end of his employment on August 31, 2014. According to a resolution of the Supervisory Board, the noncompetition clause was waived. Based on the written declaration made to Mr. Schmitz at the end of March 2014, a one-time compensation payment in the amount of €12.5 thousand was made for the month of September 2014 in accordance with Section 90a HGB.

Other benefits

As other benefits, Executive Board members have the option of private use of a company vehicle with a driver, private use of a company mobile device, a D&O liability insurance with a deductible pursuant to Section 93 (2) sentence 3 of the AktG, an accident insurance and a lifetime 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.

Remuneration of the Supervisory Board in fiscal year 2014

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 a 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 (see also note 56).

The following remuneration was paid to the members of the Supervisory Board for fiscal year 2014:

Remuneration of the Supervisory Board 2014

in € Supervisory Board Member		Fixed salary	Committee remuneration	Attendance fees	Total
Amier	Claudia	33,750.00	10,000.00	13,600.00	**57,350.00**
Arslan	Devrim	22,500.00	10,000.00	8,000.00	**40,500.00**
Becker	Uwe	22,500.00	10,000.00	8,800.00	**41,300.00**
Cicek	Hakan	22,500.00	5,000.00	8,000.00	**35,500.00**
Dahnke	Kathrin	22,500.00	5,000.00	7,200.00	**34,700.00**
Feldmann	Peter	22,500.00	10,000.00	6,400.00	**38,900.00**
Garnadt	Karl Ulrich	6,750.00	0.00	1,600.00	**8,350.00**
Gerber	Peter	13,125.00	0.00	3,200.00	**16,325.00**
Haase	Dr Margarete	45,000.00	10,000.00	12,800.00	**67,800.00**
Hahn	Jörg-Uwe	14,062.50	4,166.67	4,800.00	**23,029.17**
Kaufmann	Frank-Peter	13,125.00	5,833.33	7,200.00	**26,158.33**
Klemm	Lothar	28,593.75	10,000.00	14,400.00	**52,993.75**
Krieg	Dr Roland	22,500.00	5,000.00	10,400.00	**37,900.00**
Odenwald	Michael	22,500.00	5,000.00	6,400.00	**33,900.00**
Özdemir	Mehmet	22,500.00	5,000.00	8,000.00	**35,500.00**
Prangenberg	Arno	22,500.00	5,000.00	10,400.00	**37,900.00**
Schaub	Gerold	33,750.00	10,000.00	10,400.00	**54,150.00**
Schmidt	Hans-Jürgen	22,500.00	5,000.00	10,400.00	**37,900.00**
Schmidt	Werner	22,500.00	10,000.00	10,400.00	**42,900.00**
Stejskal	Edgar	22,500.00	10,000.00	16,000.00	**48,500.00**
Weimar	Karlheinz	45,000.00	10,000.00	7,200.00	**62,200.00**
Windt	Prof Dr Katja	22,500.00	10,000.00	10,400.00	**42,900.00**
		525,656.25	**155,000.00**	**196,000.00**	**876,656.25**

Table 11

Compensation of the Economic Advisory Board in fiscal year 2014

For membership on the Economic Advisory Board, a compensation of €2,500.00 is paid for every year of membership and €2,000.00 per meeting attended, with the Chairman receiving twice that amount. Travel expenses are reimbursed independently.

Economic Report

General Statement of the Executive Board

In the 2014 fiscal year, passenger and cargo figures at the Frankfurt site developed positively. Despite a large number of strike-related flight cancellations, passenger traffic grew 2.6 % to almost 60 million travelers. Cargo tonnage increased by 1.8 % to over 2.1 million metric tons. Passenger numbers and cargo tonnage handled also grew in the Group's other airports.

In addition to the operating development, the increase in airport and infrastructure charges, in particular at the Frankfurt site, had the effect of increasing revenue. Adjusted for the recognition of earnings-neutral capacitive capital expenditure in the Group companies Twin Star and Lima, Group revenue grew by 3.2 % to €2,383.8 million. Group EBITDA improved markedly by 7.8 % to €790.1 million, and the Group result was 6.8 % above the previous year at €251.8 million.

Compared with the forecast, the Group result was slightly better than expected due to a better than planned improvement in the financial result. Also, due to the ongoing good liquidity supply and the positive performance of the operating and free cash flow, the Executive Board describes performance in the past fiscal year overall as positive.

Economic and industry-specific conditions

Development of the economic conditions

The global economy grew again in 2014, but developed somewhat more sluggishly than expected. Growth was driven primarily by the USA and UK, as well as some recovering emerging markets in Asia. Among other things, geopolitical conflicts and the weaker momentum of large emerging markets in Latin America depressed the global economy.

The Euro zone economy did not recover as expected and performance by its member states continued to vary. The domestic economy remained the determining factor in the German economy's growth. While consumption continued to develop positively, capital expenditure fell slightly due to the uncertainties resulting from international conflicts.

In spite of the overall moderate economic development, price levels on the raw materials markets, particularly for crude oil, initially remained at the previous years high level in the first half of 2014. In July the trend changed. Oil prices fell from US$113 in July to US$60 per barrel by the year-end. The growth rate of global trade was 3.8 %.

Gross domestic product (GDP)/world trade [1)]

Real changes compared to the previous year in %	2014	2013
Germany	1.6	0.1
Eurozone	0.8	–0.5
Bulgaria	1.4	0.9
Turkey	3.0	4.0
Peru	3.6	5.8
Slovenia	1.4	–1.0
USA	2.4	2.2
Japan	0.1	1.6
Great Britain	2.6	1.7
Russia	0.6	1.3
China	7.4	7.8
India	5.8	5.0
Brazil	0.1	2.5
World	**3.3**	**3.3**
World trade	**3.8**	**3.0**

[1)] 2014 figures: Estimates based on International Monetary Fund (IMF, January 2015 and October 2014), Organisation for Economic Cooperation and Development (OECD, October 2014), Deutsche Bank (January 2015), DekaBank (December 2014), German Federal Statistical Office (February 2015), www.tecson.de (oil prices, January 2015); 2013 figures: IMF (October 2014), German Federal Statistical Office for GDP of Germany (September 2014).

Table 12

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

According to the preliminary figures from Airports Council International (ACI), global passenger traffic grew by 5.1 % in fiscal year 2014. Air freight volume rose by 4.7 %. The European airports managed to achieve a slightly disproportionate growth in passenger numbers of 5.3 %. In air freight, the performance of the European airports at 3.6 % was lower than the overall performance. Passenger numbers at the German airports grew by 3.0 % according to the ADV German Airports Association. Cargo tonnage (air freight and air mail) also developed positively with an increase of 2.8 % but, like passenger traffic, was below the global level.

Passenger and cargo development by region

Changes compared to the previous year in %	Passengers	Air freight
Germany	3.0	2.8
Europe	5.3	3.6
North America	3.3	3.5
Latin America	6.4	–0.4
Middle East	9.4	11.8
Asia/Pacific	5.9	5.7
Africa	3.2	3.8
World	**5.1**	**4.7**

Source: Press release ACI Pax Flash and Freight Flash (ACI, January 11, 2015), ADV for Germany; cargo instead of air freight (ADV, February 5, 2015).

Table 13

Significant Events

Zoning decision for the expansion of the airport in Frankfurt supplemented

The Hessian Ministry of Economics, Energy, Transport, and Regional Development (HMWEVL) significantly extended the zoning decision of December 18, 2007 further with the zoning supplement decision of May 26, 2014 regarding existing protection requirements in respect of wake turbulences in relation to the protected zone compared to the first zoning supplement decision concerning wake turbulences of May 10, 2013. Information on the effect on the consolidated financial statements can be found in the chapter "Asset and Financial Position" starting on page 60 of this report.

Fraport acquires AMU Holdings Inc.

In August 2014, Fraport AG acquired 100 % of the shares in AMU Holdings Inc., USA. The investments held by AMU Holdings Inc. operate and develop commercial terminal areas at the four US airports in Pittsburgh, Boston, Baltimore, and Cleveland via concession agreements. The acquisition expands Fraport's international portfolio to include the North American airport market and strengthens the Group's position in the profitable retail business. Information on the effect on the consolidated financial statements can be found in the notes (note 2).

Building permit for Terminal 3 granted

The competent construction regulatory authority of the city of Frankfurt approved Fraport AG's building application for Terminal 3 on August 12, 2014. The construction of the new terminal on the southern part of the Frankfurt Airport site is part of the expansion approved by the zoning decision of December 18, 2007. Modular construction is planned for Terminal 3. In the first, now approved phase of construction, a central terminal building with two piers and an annual capacity of 14 million passengers is planned. On the basis of the current traffic forecasts for Frankfurt Airport, Fraport expects to bring the first construction phase of Terminal 3 into operation at the end of 2021/start of 2022.

Acquisition of the shares in Ljubljana Airport

In October 2014, Fraport acquired 75.5 % of the shares in the stock-listed company Aerodrom Ljubljana, d.d. The company operates the airport of Slovenia's capital city of Ljubljana. The purchase price for the shares was €177.1 million. An offer at a price of €61.75 per share was made to the company's remaining shareholders in the fourth quarter of 2014. As a result, Fraport had acquired 97.99 % of the company's shares by the balance sheet date for a total price of €229.7 million. In the past fiscal year, Ljubljana Airport carried around 1.3 million passengers. Information on the effect on the consolidated financial statements can be found in the notes (note 2).

Fraport consortium awarded for Greek regional airports

In November 2014, Fraport and its Greek partner, the Copelouzos Group, were named by the Greek state privatization company Hellenic Republic Asset Development Fund (HRADF) as the preferred investor to operate 14 regional airports in Greece via two concession agreements. The 40-year agreements comprise the mainland airports of Thessaloniki, Aktio, and Kavala, and the island airports of Chania on Crete, Kefalonia, Kerkyra on Corfu, Kos, Mykonos, Lesbos, Rhodes, Samos, Santorini, Skiathos, and Zakynthos. In 2014, the airports recorded combined passenger figures of 22.1 million. In comparison with the previous year, this was a rise of 15.9 %. The purchase price for the acquisition of the concessions is made up of an up-front payment in the amount of €1,234 million as well as an annual minimum concession payment of €22.9 million plus an inflation-dependent adjustment. The consortium in which Fraport will hold the majority interest is also obliged to invest in the airports.

Due to the new election of the Greek Parliament on January 25, 2015 and the change of government, there is the possibility that the closing of the transaction may be delayed or even that the Greek privatization plans may be revoked. At the time of preparing the consolidated financial statements, the Executive Board assumes that the transaction will be closed at the end of 2015/start of 2016 and Fraport will begin operating the airports. Depending on the point of time the transaction is closed, the up-front payment of €1,234 million must also be paid.

Business Development

Development at Frankfurt site

Despite a number of flight cancellations as a result of strikes, **passenger traffic** developed positively in fiscal year 2014 and reached an annual high at almost 59.6 million passengers (+2.6%). This increase was particularly strong in the months from May through September, which recorded significant growth – also due to a high touristic demand. Without the strikes by security staff, the public sector and pilots as well as weather-related flight cancellations, growth in passenger traffic of around 3.9% to approximately 60.3 million passengers would have been possible.

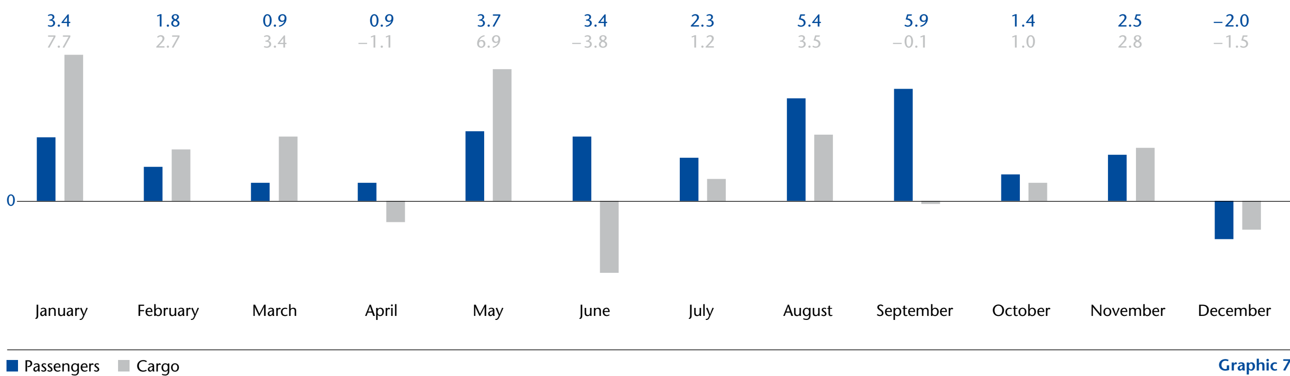
In accordance with expansions of the flight schedule, **European traffic** saw the most significant increase at 5.2%. In addition to a rise in demand for tourist destinations, the inclusion of new destinations, additional frequencies, the moderate summer weather in August 2014 as well as the booming cruise market all played a role here. Although strike and weather-related cancellations affected **domestic traffic** in particular, destinations within Germany still grew significantly by 2.1%. In **intercontinental traffic** (–0.5%), increases in the flight schedule and the rise in seat capacity were comparatively low. However, a recovery in traffic in Asia, North Africa, and North America was observed from August onwards, but the strike-related cancellations at the end of the year prevented the result from being better.

With a growth rate of 1.8%, **cargo volume** increased moderately in 2014 to about 2.1 million metric tons. Following notable rates of growth in the first quarter, momentum slowed in the following quarters. This also reflected the sluggish development in the global economy. Chinese traffic proved to be a significant driver of growth for cargo development in Frankfurt with a significant increase in cargo tonnage. The remaining higher volume countries in the Far East reported declines, however. Moderate tonnage increases by 1.7% were achieved on connections to and from Europe. Business stagnated in high-volume North American traffic.

Due to strike and weather-related cancellations, and the airlines' continuing conservative supply behavior, the number of **aircraft movements** fell by 0.8% in the reporting period to approximately 469 thousand. Without the cancellations, growth of around 0.5% could have been achieved. Due to sustained consolidation measures (use of larger planes and increase in seat capacity) of various airlines, the **maximum takeoff weights** increased by a further 1.9%. Had the cancellations not occurred, a higher growth rate of around 3.0% would have been possible here. The proportion of **transfer passengers** remained unchanged at around 55%.

2014 passenger and cargo development at Frankfurt Airport

percentage change compared to 2013



■ Passengers ■ Cargo

Graphic 7

Development outside the Frankfurt site

In the last fiscal year, passenger figures rose by just under 40,000 to just over 1.3 million (+3.1 %) at the airport in the Slovenian capital **Ljubljana**. Important reasons for the increase were more passengers on routes to and from Belgrade, as well as Tirana.

At **Lima** Airport, passenger volumes increased by 5.0% in 2014 to around 15.7 million. Both domestic (+7.1 %) and international traffic (+2.7%) grew in the reporting period. Cargo throughput increased 2.0% to approximately 302 thousand metric tons.

The Bulgarian airports at **Varna** and **Burgas** carried almost 3.9 million passengers in the reporting period, and thus around 119 thousand more than in the previous year (+3.1 %). The Burgas site reported an increase of 2.0% to almost 2.5 million passengers. Varna Airport showed growth of 5.2% and achieved just under 1.4 million passengers.

In 2014, around 28.0 million passengers meant growth of 4.7% at **Antalya** Airport. The number of international passengers increased by 3.4%. The number of domestic passengers rose sharply by 10.5%.

With nearly 14.3 million passengers, **St. Petersburg** Airport reported growth of 11.0% in 2014 compared to the previous year. Significant growth of 22.8% was recorded in Russian domestic traffic. International traffic grew by 1.2%.

At approximately 5.3 million passengers, passenger figures at the **Hanover** site grew slightly compared to the previous year (+1.1 %). While low-traffic domestic travel declined by 2.3%, higher international traffic transported 2.0% more passengers.

Xi'an Airport continued to show a dynamic performance as passenger traffic increased by 12.0% to almost 29.2 million. High-volume domestic traffic rose by 11.2% to over 27.8 million passengers. International traffic grew by 33.3% to around 1.4 million passengers.

Delhi Airport achieved significant growth of 8.4% in 2014 in comparison to the previous year, with almost 39.8 million passengers. Significant growth continued to be reported in domestic traffic, with an increase of 10.2% to 26.4 million passengers. International passenger volume increased by 5.1 % to 13.4 million. Cargo throughput increased significantly by 15.8% to approximately 690,000 metric tons.

Traffic development at the Group sites

Airport [1]	Fraport share in %	Passengers [2]		Cargo (air freight and air mail in metric tons)		Movements	
		2014	Change in %	2014	Change in %	2014	Change in %
Frankfurt	100.00	59,566,132	2.6	2,132,132	1.8	469,026	−0.8
Ljubljana	97.99	1,307,379	3.1	9,831	6.2	31,405	−5.2
Lima	70.01	15,659,066	5.0	302,406	2.0	155,093	1.3
Burgas	60.00	2,530,368	2.0	5,354	> 100.0	19,088	3.5
Varna	60.00	1,387,494	5.2	74	> 100.0	12,063	4.7
Antalya	51.00/50.00 [3]	27,979,307	4.7	n. a.	n. a.	176,191	4.0
St. Petersburg	35.50	14,264,732	11.0	n. a.	n. a.	147,415	7.2
Hanover	30.00	5,291,981	1.1	15,184	3.5	76,031	0.0
Xi'an	24.50	29,177,459	12.0	185,889	3.9	244,336	8.5
Delhi	10.00	39,752,819	8.4	689,716	15.8	323,701	4.7

[1] In addition, Fraport holds 100% of the shares in the operating company of the new Dakar Airport which is currently under construction. The management contracts to operate the airports in Riyadh and Jeddah ended as planned in June 2014. The management contract to operate Cairo Airport expired in January 2014.
[2] Commercial traffic only, in + out + transit.
[3] Voting rights: 51 %, Dividend share: 50%.

Table 14

Comparison to the forecasted development

The Executive Board's forecast for business development at Group airports in which an interest of at least 50% is held was met in fiscal year 2014. Despite strike-related cancellations, passenger growth at the Frankfurt site developed in line with the forecast of between 2% and 3%. With a growth rate of 1.8%, the cargo tonnage handled was in line with expectations. Overall, the Group companies Antalya, Lima, Varna, and Burgas reflected the average forecast growth rate of approximately 5%, with the Burgas site recording a slightly below average growth of 2.0%.

Results of Operations

Group

In the fiscal year 2014, the Fraport Group **generated revenue** of €2,394.6 million. Compared with the previous year, this corresponds to an increase of €18.9 million, or 0.8%. Adjusted for the recognition of earnings-neutral capacitive capital expenditure in the Group companies Twin Star and Lima in connection with the application of IFRIC 12, revenue of €2,383.8 million was €73.8 million (+3.2%) higher than the corresponding figure for the previous year.

At the Frankfurt site, the higher passenger numbers and the increase in airport and infrastructure charges in particular contributed to the rise in revenue. Outside of Frankfurt, the Group company Lima reported continuing revenue growth. The Twin Star Group company also achieved an increase in adjusted revenue. The decreasing revenue in the Retail & Real Estate segment as well as the loss of the contract for aviation security services for Terminal 1B in Frankfurt after entering the competition in particular had a negative effect. The latter was successfully compensated for through new orders and the passing on of price increases from the high collective wage agreement. The new Group companies AMU Holdings Inc. and Ljubljana contributed €27.8 million to revenue growth.

As a consequence of reduced construction activity at the Frankfurt site, **internal work capitalized** fell from €32.3 million to €28.3 million in 2014 (–12.4%).

Other operating income rose from €32.5 million to €42.5 million (+30.8%) mainly due to releases of provisions.

At €2,466.0 million, the **total revenue** was €24.9 million above the comparable value for 2013 (+1.0%). When adjusted for the application of IFRIC 12, at €2,455.2 million, this was €79.8 million above the corresponding figure for the previous year (+3.4%).

A decrease in the **cost of materials** at the Frankfurt site resulted, for weather-related reasons, in particular from lower expenses for winter services and energy supply services and utilities. In external business, lower capacitive capital expenditure in the Twin Star and Lima Group companies were the primary cause of a decrease in the cost of materials. By contrast, costs of materials increased through the first-time consolidation of AMU Holdings Inc. as well as higher traffic-related concession fees in Lima. In total, the cost of materials fell €61.9 million to €533.3 million (–10.4%) in the reporting period. Adjusted for the recognition of capacitive capital expenditure in the Twin Star and Lima Group companies, the cost of materials was €522.5 million and was thus €7.0 million below the adjusted figure for the previous year (–1.3%).

At €970.4 million, **personnel expenses** were €41.5 million higher than the previous year's level of €928.9 million (+4.5%). The reason for this was primarily increases in pay under collective agreements.

Summary of the income statement

€ million	2014	2013	Change	Change in %
Revenue	2,394.6	2,375.7	18.9	0.8
Revenue adjusted by IFRIC 12	2,383.8	2,310.0	73.8	3.2
EBITDA	790.1	732.9	57.2	7.8
Depreciation and amortization	307.3	294.3	13.0	4.4
EBIT	482.8	438.6	44.2	10.1
Financial result	–108.1	–107.1	–1.0	–
EBT	374.7	331.5	43.2	13.0
Group result	251.8	235.7	16.1	6.8
Earnings per share in € (basic)	2.54	2.40	0.14	5.8

Table 15

Other operating expenses fell in total from €184.1 million to €172.2 million (– 6.5 %), primarily as a result of lower allowances.

The positive growth in revenue and the decrease in cost of materials and other operating expenses meant that **Group EBITDA** rose noticeably by €57.2 million to €790.1 million (+7.8 %) in fiscal year 2014. The **EBITDA margin** accordingly improved by 2.2 percentage points to 33.0 %. Adjusted for the revenue and expenses from the recognition of capacitive capital expenditure in connection with the application of IFRIC 12, the EBITDA margin rose from 31.7 % to 33.1 %.

At €307.3 million, **depreciation and amortization** stood at €13.0 million higher than in the previous year, primarily as a result of external business. The **Group EBIT** reached a value of €482.8 million and improved significantly by 10.1 %.

At –€108.1 million, the **financial result** remained almost consistent with the previous year's value of –€107.1 million (–€1.0 million). A negative development of net interest income and the other financial result was countered by a positive change in the result at companies accounted for using the equity method. The poorer net interest income was primarily due to the compounding of provisions. The decrease in the other financial result largely resulted from the market valuation of derivatives. The result from companies accounted for using the equity method improved due, among other things, to the positive performance by the Antalya Group company and the absence of the Pulkovo Group company's negative contribution to earnings due to the accounting using the equity method. The capitalization of interest expenses relating to construction work of €15.2 million in fiscal year 2014 (previous year: €17.8 million) reduced the reported interest expenses.

The positive EBIT development and stable development of the financial result led to a **Group EBT** of €374.7 million. Compared with the previous year, this corresponded to a significant improvement in the amount of €43.2 million (+13.0 %). Once taxes on income of €122.9 million (previous year: €95.8 million) had been deducted, the **Group result** succeeded in increasing by €16.1 million to €251.8 million. At €2.54, **basic earnings per share** were €0.14 higher than the figure for the previous year (+5.8 %). The **tax rate** increased among others as a result of higher tax provisions to 32.7 % (previous year: 28.9 %).

Comparison to the forecasted development

Compared with the forecasted development (see also Group management report 2013, beginning on page 84), the following deviations arose:

Contrary to the forecast, revenue did increase, primarily as a result of lower revenue from the earnings-neutral recognition of capacitive capital expenditures (IFRIC 12), but did not meet expectations. The revenue in the Retail & Real Estate segment was also lower than anticipated at the Frankfurt site. Inter alia, the new Group companies that were not included in the forecast had a revenue-increasing result, which also led to slightly higher depreciation and amortization than forecasted. The Group EBT and Group result were slightly better than expected due to an improvement in the financial result.

Further key figures for the financial situation developed as forecasted.

Segments

Aviation

€ million	2014	2013	Change	Change in %
Revenue	884.2	845.6	38.6	4.6
Personnel expenses	296.1	278.0	18.1	6.5
EBITDA	236.9	207.9	29.0	13.9
EBITDA margin	26.8%	24.6%	2.2 PP	–
EBIT	115.5	90.6	24.9	27.5
Average number of employees	6,082	6,199	–117	–1.9

Table 16

In fiscal year 2014, revenue in the Aviation segment increased from €845.6 million to €884.2 million (+4.6%). The key reasons for the higher revenue were the increased passenger numbers in Frankfurt and the increase in airport charges by an average of 2.9% as of January 1, 2014. The decline in revenue from aviation security services, which resulted from the loss of the contract for Terminal 1B in Frankfurt, was successfully compensated for through new orders and the passing on of price increases from the high collective wage agreement. The high collective wage agreement was also the reason behind the increasing personnel expenses, despite a slight decline in employee figures. A decrease in costs resulted, for weather-related reasons, in particular from lower expenses for winter services.

As a consequence of the positive revenue development, the segment EBITDA in the past fiscal year grew appreciably by €29.0 million to €236.9 million (+13.9%). Slightly higher depreciation and amortization led to a segment EBIT of €115.5 million. Compared with the previous year, this corresponded to a significant increase of €24.9 million, or +27.5%.

Retail & Real Estate

€ million	2014	2013	Change	Change in %
Revenue	455.7	464.2	–8.5	–1.8
Personnel expenses	46.2	43.7	2.5	5.7
EBITDA	356.5	349.7	6.8	1.9
EBITDA margin	78.2%	75.3%	2.9 PP	–
EBIT	275.0	267.0	8.0	3.0
Average number of employees	613	598	15	2.5

Table 17

At €455.7 million, revenue of the Retail & Real Estate segment in 2014 was below the previous year's value by €8.5 million (–1.8%). The decrease in revenue was primarily due to lower retail revenue, as well as revenue from land sales and energy supply services. Retail revenue fell largely due to a changed passenger structure and reductions in purchasing power in connection with the strong euro exchange rate. The key performance indicator "net retail revenue per passenger" fell accordingly from €3.60 to €3.43 (–4.7%).

Despite the decline in revenue development, the segment EBITDA improved by 1.9% to €356.5 million over the previous fiscal year. The cause of the rise was a drop in expenses, resulting primarily from lower sales of real estate inventories and energy supply services. Lower costs from non-capitalizable capital expenditure also had a positive effect. Slightly lower depreciation and amortization led to a segment EBIT of €275.0 million, which was €8.0 million higher than the previous year (+3.0%).

Ground Handling

€ million	2014	2013	Change	Change in %
Revenue	656.2	649.0	7.2	1.1
Personnel expenses	412.0	399.6	12.4	3.1
EBITDA	44.3	34.2	10.1	29.5
EBITDA margin	6.8 %	5.3 %	1.5 PP	–
EBIT	7.5	–4.4	11.9	–
Average number of employees	9,038	8,993	45	0.5

Table 18

External Activities & Services

€ million	2014	2013	Change	Change in %
Revenue	398.5	416.9	–18.4	–4.4
Personnel expenses	216.1	207.6	8.5	4.1
EBITDA	152.4	141.1	11.3	8.0
EBITDA margin	38.2 %	33.8 %	4.4 PP	–
EBIT	84.8	85.4	–0.6	–0.7
Average number of employees	4,662	4,691	–29	–0.6

Table 19

The higher passenger numbers and the increase in infrastructure charges led to a slight growth in revenue of 1.1 % to €656.2 million to (+€7.2 million) in the Ground Handling segment in fiscal year 2014. Price and structural effects led to a decline in revenue from ground handling services. Whereas personnel expenses rose because of increases in pay under collective agreements, cost of material, and other operating expenses fell because of cost management and one-time effects in the previous year.

With a slight increase in revenue and decline in non-staff costs, the segment EBITDA increased by €10.1 million to €44.3 million in 2014 (+29.5 %). A slight decrease in depreciation and amortization led to a segment EBIT of €7.5 million. Compared with the previous year, this meant a significant improvement of €11.9 million.

The External Activities & Services segment reported a decrease in revenue of €18.4 million to €398.5 million (–4.4 %) in fiscal year 2014. An amount of €54.9 million of the fall in revenue was solely due to the lower recognition of earnings-neutral capacitive capital expenditure in the Twin Star and Lima Group companies in connection with the application of IFRIC 12. Adjusted for the application of IFRIC 12, segment revenue improved from €351.2 million in the previous year to €387.7 million (+10.4 %). The reasons for the increase in revenue were largely the positive development in the Twin Star Group company and passenger growth in Lima. The new Group companies AMU Holdings Inc. and Ljubljana contributed €27.8 million to the revenue growth. Segment's operating expenses decreased due to lower capacitive capital expenditure in the Twin Star and Lima Group companies.

The segment EBITDA grew by €11.3 million to €152.4 million (+8.0 %) as a result of the positive revenue development – adjusted for IFRIC 12. Increased depreciation and amortization, which arose, among other things, as a result of the terminal inaugurations in Varna and Burgas at the end of the 2013 fiscal year as well as the new Group companies, led to a segment EBIT of €84.8 million. The segment EBIT thereby remained almost unchanged over the previous year (–0.7 %).

Development of the key Group companies

The business figures of the key Group companies outside of Frankfurt at 100% are shown in the following:

Development of the key Group companies outside of Frankfurt

Fully consolidated Group companies	Share in %	Revenue in € million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		2014	2013	Δ %	2014	2013	Δ %	2014	2013	Δ %	2014	2013	Δ %
AMU Holdings Inc. [2]	100	20.6	–	–	3.8	–	–	0.9	–	–	1.1	–	–
Ljubljana [2]	97.99	7.2	–	–	1.7	–	–	–0.8	–	–	–0.6	–	–
Lima	70.01	214.3	208.0	3.0	76.7	71.3	7.6	61.8	57.7	7.1	32.1	26.4	21.6
Twin Star	60	60.7	101.1	–40.0	35.7	28.2	26.6	24.4	20.2	20.8	15.8	13.7	15.3

Group companies accounted for using the equity method	Share in %	Revenue in € million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		2014	2013	Δ %	2014	2013	Δ %	2014	2013	Δ %	2014	2013	Δ %
Antalya [3]	51/50	326.8	320.7	1.9	282.6	276.2	2.3	184.0	177.9	3.4	85.2	66.3	28.5
Pulkovo	35.5	369.9	586.8	–37.0	108.7	37.7	>100	67.0	19.4	>100	–291.7	–47.9	–
Hanover	30	142.0	141.5	0.4	27.1	24.5	10.6	7.2	3.0	>100	1.1	–2.1	–
Xi'an [4]	24.5	142.6	133.5	6.8	59.2	53.8	10.0	23.3	16.6	40.4	11.1	10.3	7.8

[1] Revenue adjusted by IFRIC 12: Lima 2014: €204.7 million (2013: €193.8 million);
Twin Star 2014: €59.5 million (2013: €49.6 million), Pulkovo 2014: €241.3 million (2013: €209.3 million).
[2] Figures since incorporation into the Fraport Group.
[3] Voting rights: 51%, Dividend share: 50%.
[4] Figures according to the separate financial statement.

Table 20

Since August 2014, **AMU Holdings Inc.** achieved revenue in the amount of €20.6 million, EBITDA of €3.8 million, EBIT of €0.9 million, and a result of €1.1 million.

The Group company **Ljubljana** has generated revenue in the amount of €7.2 million, EBITDA of €1.7 million, EBIT of –€0.8 million, and a result of –€0.6 million since October 2014. The negative EBIT and result contribution of the Group company was primarily a consequence of the company's seasonal business.

The **Lima** Group company reported revenue, EBITDA, EBIT, and result growth in the single-digit million € range in 2014. The reason for the increase in earnings was the traffic growth at the site.

The **Twin Star** Group company's significant fall in revenue to €60.7 million (–40.0%) was entirely due to lower recognition of earnings-neutral capacitive capital expenditure in connection with the application of IFRIC 12 in the previous fiscal year. Adjusted for the capacitive expenditure, the Group company clearly developed positive in revenue. The EBITDA and result also noticeably improved.

The **Antalya** Group company, which is accounted for using the equity method, reported a clear increase in its result in 2014 that was due to the strong passenger development at the site as well as lower interest expenses.

Adjusted for the recognition of earnings-neutral capacitive capital expenditure in connection with the application of IFRIC 12, the Group company **Pulkovo**, which is accounted for using the equity method, showed a noticeable growth in revenue in 2014 that also reflected the continuing good traffic growth. Higher depreciation and amortization mainly resulted from the opening of the terminal in December 2013. Negative effects from the terminal inauguration at the site, in connection with no longer having the opportunity to capitalize interest expenses related to construction work during the construction phase, were also reflected in the Group company's financial result. In addition, the currency translation of financial liabilities led to a considerable deterioration in the financial result. Collectively, these two effects led to a noticeable decrease in the Group company's result from –€47.9 million to –€291.7 million. Due to accounting using the equity method, the proportional loss of the Pulkovo Group company not recognized in the consolidated income statement was €104.1 million at the end of fiscal year 2014.

The slight increase in traffic experienced by the **Hanover** Group company, which is accounted for using the equity method, was also reflected in the company's revenue and EBITDA. The lower depreciation and amortization in connection with the adjustment of useful lives had positive effects, as well.

The revenue and result of the **Xi'an** Group company, which is accounted for using the equity method, reflected the positive traffic development in 2014. However, the traffic effect was depressed by a tax that was additionally introduced in August 2013 and an increase in the cost of materials and personnel expenses.

Comparison to the forecasted development

Compared with the forecast for the fiscal year 2014 (see also Group management report 2013, beginning on page 84), the following deviations arose over the past fiscal year:

As already described in the interim management report as at September 30, 2014, the EBITDA and EBIT in the Aviation segment increased slightly more than expected. The positive development was primarily the result of the mild winter in Frankfurt, which led to lower expenses for winter services, as well as energy and supply services.

As described in the interim management report as at September 30, 2014, revenue in the Retail & Real Estate segment was lower than expected. This was in particular due to lower than planned retail revenue, as well as the mild winter and therefore lower revenue from energy and supply services. Due to corresponding declining expenses for energy and supply services as well as lower expenses from non-capitalizable capital expenditure, the EBITDA and EBIT displayed a slight increase. This corresponded to the forecast in the 2013 management report and therefore slightly exceeded the expectations of the interim management report as at September 30, 2014.

The Ground Handling Segment developed better than expected in terms of EBITDA and EBIT, as described in the interim management report as at September 30, 2014. The main reason for this was lower non-staff costs.

Without taking the new Group companies AMU Holdings Inc. and Ljubljana Airport into account, the revenue in the External Activities & Services segment reduced more than expected on organic level as a result of lower revenue from the recognition of capacitive capital expenditure (IFRIC 12). Due to the corresponding lower costs, however, this effect did not have any impact on segment EBITDA, which was in line with forecasts on organic level (increase in a single-digit million € range). The segment EBIT failed to reach expectations, however, and displayed a decline compared to the previous year. The reason for the poor development mainly laid in the decision made by the International Centre for Settlement of Investment Disputes (ICSID) in Fraport's arbitration proceedings against the Republic of the Philippines of December 10, 2014, in which it was declared that the ICSID lacked jurisdiction and Fraport was forced to pay compensation for costs of US$5 million (see also "Risks and Opportunities Report" chapter, starting on page 74). The costs increased other operating expenses for the fiscal year and resulted in a reduction in the segment EBITDA and EBIT. By consolidating the new Group companies AMU Holdings Inc. and Ljubljana, the segment revenue reduced in line with expectations by up to 5 %, while the segment EBITDA achieved an increase in a double-digit million € range.

Further key figures for the results of operations of the segments developed as forecasted.

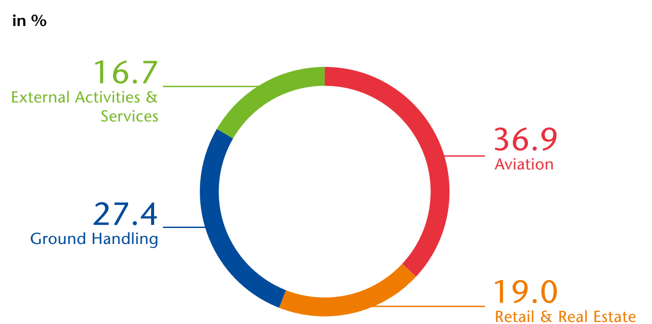
Segment contributions to Group revenue and EBITDA 2014

The quantity and price-related increase in revenue in the Aviation segment led to the segment making up a larger proportion of Group revenue in the past fiscal year (2014: 36.9 %, previous year: 35.6 %). While the Ground Handling segment's share in the Group revenue remained virtually unchanged (2014: 27.4 %, previous year: 27.3 %), the shares of the External Activities & Services (2014: 16.7 %, previous year: 17.5 %) and Retail & Real Estate (2014: 19.0 %, previous year: 19.5 %) segments in the Group revenue fell.

At 45.1 %, the Retail & Real Estate segment again contributed the largest proportion to the Group EBITDA (previous year: 47.7 %). While the Aviation and Ground Handling segments increased their shares in the Group EBITDA (Aviation 2014: 30.0 %, previous year: 28.4 %; Ground Handling 2014: 5.6 %, previous year: 4.7 %), the share of the External Activities & Services segment remained almost constant at 19.3 %, despite an absolute rise in EBITDA in comparison to 2013.

Segment contribution to Group revenue 2014

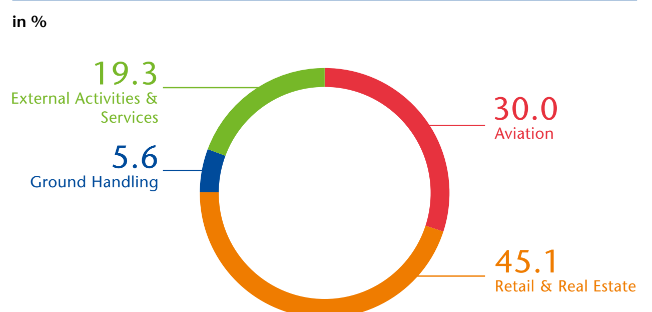
in %



Graphic 8

Segment contribution to Group EBITDA 2014

in %



Graphic 9

Asset and Financial Position

Asset and capital structure

In comparison to the previous year, the **total assets** of the Fraport Group increased by €196.4 million in comparison to the 2014 balance sheet date to €9,013.2 million (+2.2%). The reason for this increase was the rise in non-current assets. On the liabilities and equity side, the greatest increase was seen in shareholders' equity.

Non-current assets increased by €395.5 million to €8,081.3 million (+5.1%). In addition to the investment activity, the expansion of the scope of consolidation by the new Group companies of Ljubljana and AMU Holdings Inc. was reflected in the rise in property, plant, and equipment. The acquisition of the Group companies was also the primary reason for the increase in "other intangible assets" and "goodwill". The increase in the "other financial assets" item was largely due to capital expenditure within the financial asset management. Non-current assets also included expenses for the extended protection requirements of €27.0 million which were capitalized as production costs in connection with the capacity expansion at the Frankfurt site. These expenses arose from the second zoning supplement decision on wake turbulences of May 26, 2014 (see also "Significant Events" chapter from page 51). **Current assets** decreased from €1,131.0 million to €931.9 million (–17.6%). The reasons for the decrease included among others the repayment of financial liabilities, the dividend payment, and the payment of the purchase prices for the acquisition of the Group companies AMU Holdings Inc. and Ljubljana. The "non-current assets held for sale" were associated with the fact that Air-Transport IT Services, Inc. and FSG Flughafen-Service GmbH are intended for sale.

Despite the dividend distribution, **shareholders' equity** increased by €187.2 million in comparison to the 2013 balance sheet date to €3,286.0 million (+6.0%). A key reason for the increase was particularly the positive Group result of €251.8 million. The **shareholders' equity ratio** increased by 1.1 percentage points to 34.4% (December 31, 2013: 33.3 %).

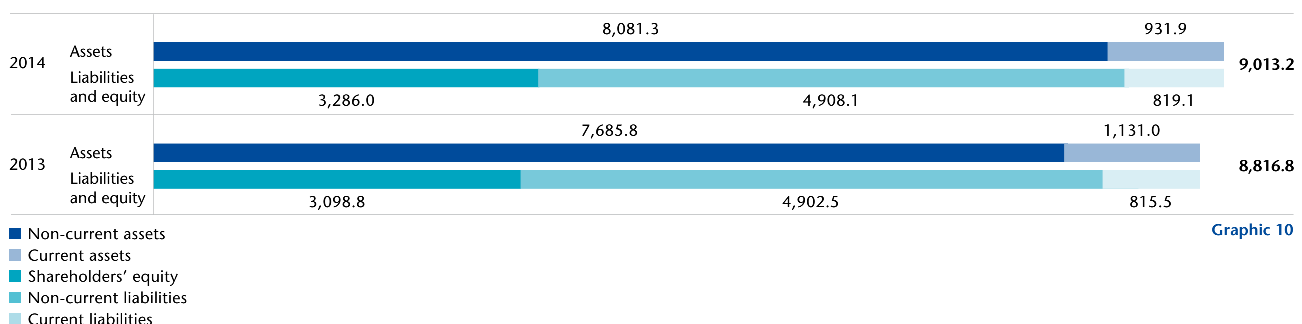
Non-current liabilities remained almost unchanged compared to the 2013 balance sheet date at €4,908.1 million (+0.1%). Despite new promissory note loans in the amount of €400 million, "financial liabilities" fell, primarily as a result of reclassifications to current financial liabilities on the grounds of maturity. This stood in contrast to a larger position for "deferred tax liabilities". In connection with the obligations resulting from the second zoning supplement decision on wake turbulences of May 26, 2014, provisions totaling €27.0 million were formed in the reporting period. **Current liabilities** in the amount of €819.1 million remained almost unchanged from last year's amount of €815.5 million (+0.4%). Slightly higher "financial liabilities" resulting from reclassifications were almost entirely offset by lower "trade accounts payable".

At €4,192.4 million as at December 31, 2014, **gross debt** was €46.3 million below its level as at December 31, 2013 (–1.1%). After deducting the **Group's liquidity** of €1,179.6 million (December 31, 2013: €1,368.1 million), the **net financial debt** of €3,012.8 million was 5.0% higher in comparison with the 2013 balance sheet date (December 31, 2013: €2,870.6 million). The **gearing ratio** reached a level of 97.3% (December 31, 2013: 97.7%). In addition to the liquidity, Fraport had unused credit lines to the amount of €486.8 million available as at the balance sheet date (previous year: €505.7 million).

In addition to the acquisition of AMU Holdings Inc. and the shares in Ljubljana Airport, neither further 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 previous fiscal year. Changes in inflation rates as well as the fair value of financial instruments also had no significant impact.

Structure of the consolidated financial position as at December 31

€ million



Graphic 10

Additions to non-current assets

In fiscal year 2014, in the Fraport Group, additions to non-current assets – without acquisitions of companies – amounted to €488.0 million (previous year: €680.3 million). Of this amount, €270.3 million was attributed to property, plant, and equipment (previous year: €386.8 million), €161.9 million to financial assets (previous year: €219.4 million), €16.4 million to “investment property” (previous year: €14.4 million), and €39.4 million to intangible assets and airport operating projects (previous year: €59.7 million). The capitalization of interest expenses related to construction work resulted in additions in the amount of €15.2 million (previous year: €17.8 million). From the acquisition of the Group companies AMU Holdings Inc. and Ljubljana, €19.0 million was attributed to goodwill, €101.1 million to intangible assets, and €184.3 million to property, plant, and equipment.

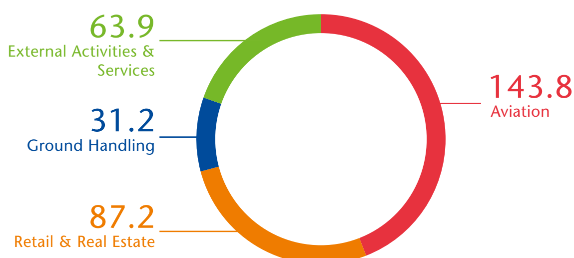
At €276.2 million, the greater part of additions to the non-current assets were attributed to Fraport AG (previous year: €372.3 million). Modernization work on the portfolio as well as preparations for Terminal 3 formed the focus here. The additions also included expenses for the extended protection requirements that were capitalized as production costs in connection with the capacity expansion at the Frankfurt site. These expenses arose from the second zoning supplement decision on wake turbulences of May 26, 2014 in the amount of €27.0 million.

Additions to the financial assets resulted primarily from securities and the positive contribution to earnings by the Antalya Group company, which is accounted for using the equity method.

The additions to capital expenditure in property, plant, and equipment, intangible assets and investment property were attributable to the following segments:

Additions by segment

€ million



Graphic 11

Statement of cash flows

In fiscal year 2014, the Fraport Group realized **cash flow from operating activities** of €506.2 million. Compared with the previous year, this corresponds to a significant increase of €52.0 million. The reason for the improvement was a higher inflow from operating activities, which resulted from the positive operating business and earnings development, as well as lower liabilities in comparison to the reporting date of the previous year.

Cash flow used in investing activities without investments in cash deposits and securities increased from €418.4 million to €523.8 million in the past fiscal year. The reason for the higher cash outflow was the acquisition of the new Group companies AMU Holdings Inc. and Ljubljana, which amounted at a total of €271.1 million. The cash outflows for property, plant, and equipment, and airport operating projects were significantly lower than the values of the previous year by €102.3 million and €40.9 million respectively as a result of lower capital expenditure.

The positive development of operating cash flow and lower capital expenditure in property, plant, and equipment, and airport operating projects led to a significant increase in **free cash flow** from €34.3 million to €246.8 million. In accordance with the new definition, the free cash flow also considers dividends received from Group companies accounted for using the equity method in the amount of €31.8 million, with the previous year's value being adjusted by dividends in the amount of €17.1 million.

Including financial investments in and proceeds from securities and promissory note loans as well as returns from time deposits with a duration of more than three months, total **cash flow used in investing activities** was €292.7 million (previous year: €199.7 million).

Cash flow used in financing activities of €184.5 million (previous year: €228.2 million) was mainly attributable to the repayment of financial liabilities and the dividend payment for fiscal year 2013.

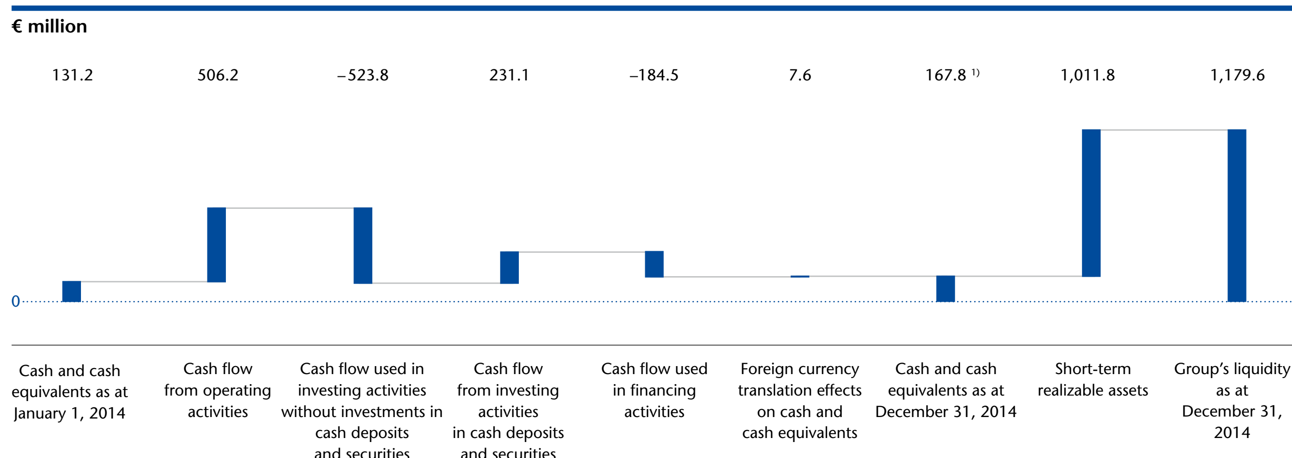
In connection with the financing for the Antalya concession, bank deposits of €23.3 million were subject to drawing restrictions as at December 31, 2014. **Cash and cash equivalents** in the statement of cash flows therefore amounted to €167.8 million as at December 31, 2014 (previous year: €131.2 million). The following table shows a reconciliation to cash and cash equivalents as shown in the statement of financial position.

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

€ million	December 31, 2014	December 31, 2013
Cash and cash equivalents as at the consolidated statement of cash flows	167.8	131.2
Time deposits with a remaining term of more than three months	210.0	332.4
Restricted cash	23.3	23.3
Cash and cash equivalents as at the consolidated statement of financial position	**401.1**	**486.9**

Table 21

Summary of the statement of cash flows and reconciliation to the Group's liquidity



[1] The difference in the cash and cash equivalents of the consolidated financial position is the result of the time deposits with a remaining term of more than three months, and restricted cash.

Graphic 12

Financing analysis

In 2014, Fraport AG's financial management continued to pursue balanced funding via the operating cash flow and a diversified debt financing base with a balanced maturity profile. As at the balance sheet date, there was a balanced mix of financing consisting of bilateral loans (23.2 %), bonds (23.5 %), loan financing from public loan institutions (19.1 %), and promissory note loans (34.2 %). To reduce interest rate risks from borrowing with floating interest rates, hedging transactions were concluded in some cases. The nominal value of these hedges was around €1,200 million at the end of the year.

Overall, the financial liabilities had an average remaining term of 5.2 years with an average maturity of 4.0 years after hedging. Taking into account hedging transactions, the floating rate portion of the gross debt of Fraport AG was approximately 30 %, and the fixed portion approximately 70 % (floating rate portion in previous year: approximately 40 %, fixed portion: approximately 60 %). The cost of debt after hedging measures was 3.5 % (previous year: 3.6 %).

Fully-consolidated Group companies in Germany are usually integrated into the Fraport AG cash pool, so that acquiring separate external funding is not necessary. In fully-consolidated foreign Group companies, funding is primarily carried out through common project financing schemes.

The key features of the Group financing instruments with regard to type, maturity, 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	263	2015	end of term	floating	6-month-EURIBOR + margin
		257	2017	end of term	floating	6-month-EURIBOR + margin
	2009	14	2017	end of term	mainly floating	6-month-EURIBOR + margin
	2010	35	2020	end of term	floating	6-month-EURIBOR + margin
	2012	300	2020	end of term	mainly fixed	6-month-EURIBOR + margin
			2022			
			2030			
	2012	60	2020	end of term	fixed	2.74 % p. a.
			2022			3.06 % p. a.
	2013	50	2028	end of term	fixed	4.0 % p. a.
	2014	350	2021	end of term	fixed	1.436 % p. a.
	2014	50	2021	end of term	fixed	1.436 % p. a.
Funding loan EIB/WIBank	2009	770	2016 – 2019	ongoing repayment during the term of the loans	floating	6-month-EURIBOR + margin
Bond issue	2009	800	2019	end of term	fixed	5.25 % p. a.
Private placement	2009	150	2029	end of term	fixed	5.875 % p. a.
Bilateral loans	1993 – 2012	962 (mainly denominated in €)	2015 – 2028	mainly end of term	mainly floating	1/3/6/12-month-EURIBOR/ CHF LIBOR + margin
Project financing (fully-consolidated foreign Group companies)	2007	110 (originally in US$)	2022	ongoing repayment during the term	fixed	6.88 % p. a.

Table 22

The contractual agreements for the financial liabilities of Fraport AG include two customary non-financial covenants consisting of a negative pledge and a pari passu clause. Only the public loans 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 have a proven negative effect on the credit rating 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 fully consolidated foreign Group companies contain a series of credit clauses typical for this type of financing. These clauses include inter alia regulations under which certain debt service coverage ratios and control indicators for debt ratio and credit terms 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 2014 balance sheet date, these were complied with.

Liquidity analysis

Fraport AG has continued to pursue its strategy of broad diversification of investments in corporate bonds in the 2014 fiscal year. The key characteristics of Fraport AG's investment instruments in terms of type, remaining term, and interest structure are presented in the following table:

Asset structure of Fraport AG

Investment type	Market value [1] in € million	Remaining term in years	Interest
Promissory note loans	22.5	2.7	floating
	28.1	1.5	fixed
Overnight deposits	0.0	–	fixed
Time deposits	210.0	0.7	fixed
Bonds	172.1	2.4	floating
	485.9	2.9	fixed
thereof government bonds	10.5	2.4	fixed
thereof financials	150.1	1.6	floating
	88.2	2.2	fixed
thereof insurances	6.7	3.2	fixed
thereof industrials	22.1	4.0	floating
	380.6	3.1	fixed
Commercial paper	69.9	1.8	fixed

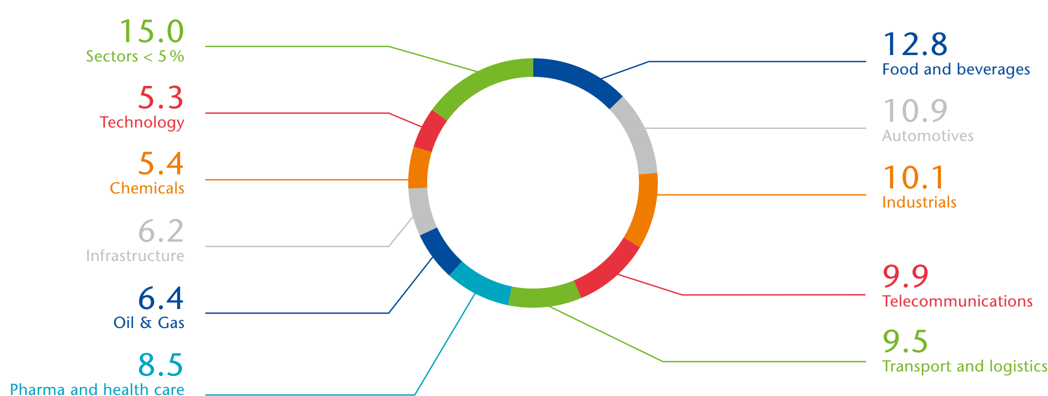
[1] As a result of roundings, there can be discrepancies when summing up.

Table 23

As at December 31, 2014, industrial promissory note loans, industrial bonds, and industrial commercial paper were distributed across the following industry sectors (market value: €487.7 million):

Allocation of industrial assets

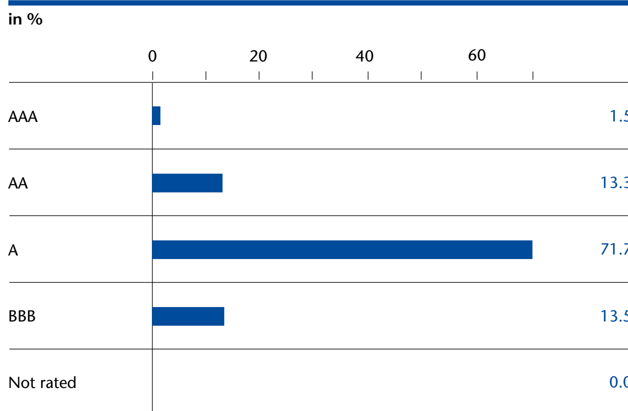
in %



Graphic 13

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

Rating structure of assets



Graphic 14

In 2014, unrated industrial bonds and commercial papers were acquired for the first time during the course of the year. As at the balance sheet date, however, there were only rated assets in the industrial portfolio.

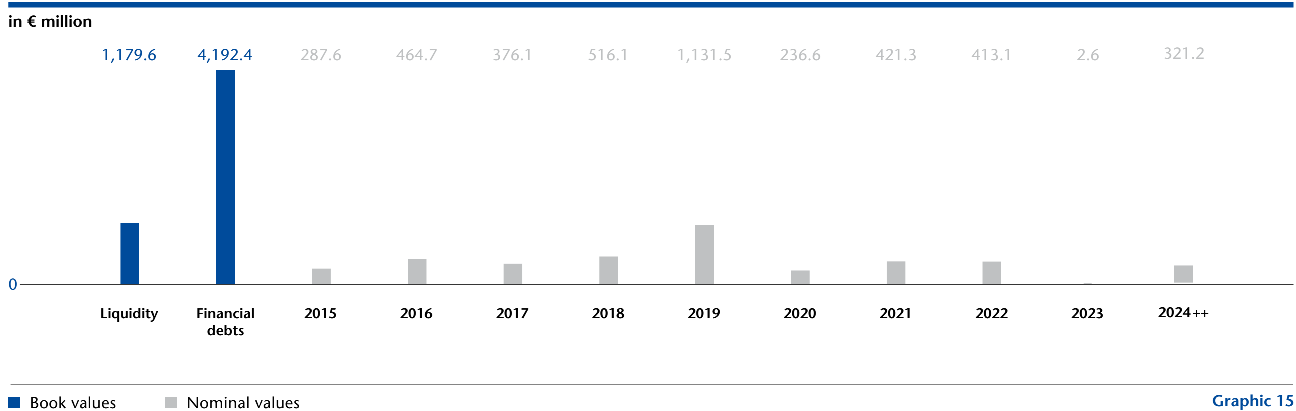
As part of asset management, a performance of nearly 2% was realized on the basis of internal calculations across the entire securities portfolio. The cost of carry, which is calculated using a (tiered statement) maturity-matching principle, was 0.84% (€8.2 million) as at December 31, 2014.

Liquidity in the fully consolidated foreign Group companies was €174.6 million (previous year: €132.4 million). As it is partly subject to drawing restrictions – arising from the conditions stipulated in the project financing agreements – it is not 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 repayment structure as at the balance sheet date (financial debt in foreign currencies translated as at the balance sheet date rate).

Maturity profile as at December 31, 2014



Graphic 15

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 financial instruments are of no material significance in Fraport's financing mix.

Rating

In light of Fraport's unrestricted access to the capital market at attractive prices, 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 forecasted development of the asset and financial position for the fiscal year 2014 (see also Group management report 2013, beginning on page 84), the following deviations arose:

Due to a sharper decline in capital expenditure in property, plant, and equipment, and airport operating projects than expected, free cash flow improved significantly compared to 2013 (forecast: slight improvement). In connection with the acquisition of AMU Holdings Inc. and the acquisition of the shares in Ljubljana Airport, the liquidity dropped somewhat more sharply than forecasted. Accordingly, net financial debt increased somewhat more sharply than expected, which led to an unchanged gearing ratio (forecast: slightly below 2013's level). Contrary to expectations, the total assets increased as a result of new promissory note loans being taken out and the expansion to the scope of consolidation (forecast: slight decline).

Value Management

Development of the value added 2014

€ million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		External Activities & Services [1]	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
EBIT	482.8	438.6	115.5	90.6	275.0	267.0	7.5	–4.4	127.8	100.2
Fraport assets	5,253.9	5,061.7	2,258.3	2,208.0	1,808.4	1,756.6	574.7	570.6	889.9	763.0
Costs of capital before taxes	499.1	480.9	214.5	209.8	171.8	166.9	54.6	54.2	84.5	72.5
Value added before taxes	–16.3	–42.3	–99.0	–119.2	103.2	100.1	–47.1	–58.6	43.3	27.7
ROFRA	9.2%	8.7%	5.1%	4.1%	15.2%	15.2%	1.3%	–0.8%	14.4%	13.1%

[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 24

In fiscal year 2014, the value added of the Fraport Group was €26.0 million higher than the value of the previous year at –€16.3 million (previous year: –€42.3 million). The value added of the Aviation segment improved thanks to the positive EBIT development of the segment from –€119.2 million to –€99 million, but remained negative. The value added of the Retail & Real Estate segment increased from €100.1 million to €103.2 million. The reason for this was the disproportionately large EBIT development of the segment in relation to the cost of capital before taxes. As a result of the positive EBIT development in the Ground Handling segment, the value added increased from –€58.6 million to –€47.1 million. The value added of the External Activities & Services segment increased from €27.7 million to €43.3 million. The positive development of the EBIT in the External Activities & Services segment resulted, among other things, from incorporation of the positive performance of the Antalya Group company, which is accounted for using the equity method, and the absence of the negative contribution of the Group company Pulkovo, which is accounted for using the equity method. The consolidation of the Group companies Ljubljana and AMU Holdings Inc. during the year led to a significant increase in Fraport assets in the External Activities & Services segment.

The ROFRA of the Fraport Group increased from 8.7% to 9.2%.

Comparison with the forecasted development

Compared with the forecasted development of Group and segment value added for the 2014 fiscal year (see also Group management report 2013, beginning on page 84), the value added of the Aviation and Ground Handling segments slightly exceeded expectations as a result of the slightly better than forecasted EBIT development. In the External Activities & Services segment, the positive development of the Group company Antalya, which is accounted for using the equity method, and the absence of the negative contribution of the Group company Pulkovo, which is accounted for using the equity method, led to a value added that slightly exceeded the forecast. The value added of the Retail & Real Estate segment was consistent with the forecast.

Non-financial Performance Indicators

Non-financial performance indicators

Indicators	2014	2013	Change	Change in %
Global satisfaction (Frankfurt)	80%	80%	0 PP	–
Punctuality rate (Frankfurt)	81.1%	82.3%	–1.2 PP	–
Baggage connectivity (Frankfurt)	98.6%	98.4%	0.2 PP	–
Equipment availability rate (Frankfurt)	97.8%	94.8%	3.0 PP	–
Employee satisfaction	2.89	3.02	0.13	–
Total number of work accidents [1]	1,473	1,342	131	9.8

[1] Figures as at the reporting date December 31, 2014 and December 31, 2013 respectively. Due to late registrations, these figures may change.

Table 25

Customer satisfaction and product quality

Global satisfaction of passengers

As a result of the measures of the “Great to have you here!” service initiative taken in the past fiscal year, the high level of global passenger satisfaction at the Frankfurt site was successfully kept at the previous year’s level of approximately 80% in 2014, despite increased passenger numbers. Measures such as the introduction of unlimited Wi-Fi at the terminal from July 1, 2014 had a positive effect.

At the Antalya site, customer satisfaction was 0.7 percentage points higher than the previous year’s figure at 79.8% (previous year: 79.1%). The airport in Lima achieved the same high level of satisfied passengers of 95.0% (previous year: 95.0%). The level of satisfaction at the airports in Varna and Burgas improved from 86.5% to 97.0% as a result of the terminal inaugurations at both sites. Because of the inclusion on a pro rata basis, there was no level of satisfaction to ascertain for the Ljubljana site that related to Fraport.

Punctuality rate

In 2014, the additional capacity from Runway Northwest and terminal extension A-plus continued to support the punctuality rate at the Frankfurt site. With a punctuality rate of 81.1%, the already high value of the previous year was not quite reached (2013: 82.3%). Compared with the 2013 fiscal year, the first part of 2014 performed significantly better. The high passenger numbers in the summer months, the effects of the strikes (especially in the fourth quarter) and influences of the weather led to a lower punctuality rate in the second half of the year.

Baggage connectivity

In the past fiscal year, baggage connectivity at the Frankfurt site amounted to 98.6% and was therefore 0.2 percentage points above the previous year’s figure. In February and March 2014 in particular, connectivity performed better than in the previous year.

Equipment availability rate

The equipment availability rate reached an average of 97.8% in fiscal year 2014 and was thus 3.0 percentage points above the level of the previous year. Compared with the same period of the previous year, the availability of elevators (an average of 97.7% compared to 95.0%) and escalators (an average of 96.8% compared to 92.2%) showed particular improvement. With an average availability of 99.8%, the gate bridges were available at almost all times during the reporting period (previous year: 99.7%).

Attractiveness as an employer

Employee satisfaction

The index value that expresses overall employee satisfaction in the Group was 2.89, and therefore better than in the previous year (3.02). A number of individual measures to improve the direct working environment were introduced in 2014. This allowed certain aspects of employee satisfaction to be improved despite continuing tricky conditions. The response rate of the survey totaled around 48% (previous year: approximately 50%). Employee satisfaction will be surveyed online from fiscal year 2015 on.

Employee safety and health management

The total number of work accidents in the 2014 fiscal year increased from 1,342 to 1,473. When compared to the previous year, more work accidents were recorded in Fraport AG in particular in the “Ground Services” strategic business unit – as well as in the Group company FraSec Fraport Security Services.

Comparison with the forecasted development

Compared with the forecast for the fiscal year 2014 (see also Group management report 2013, beginning on page 84), the following deviations arose with regard to non-financial performance indicators:

Contrary to the forecast, the total number of work accidents could not be reduced since the previous year despite ongoing occupational safety training.

The other forecasts were met.

Employees

Development of employees in the Group

Average number of employees	2014	2013	Change	Change in %
Fraport Group	20,395	20,481	–86	–0.4
thereof Fraport AG	10,725	10,992	–267	–2.4
thereof Group companies	9,670	9,489	181	1.9
thereof in Germany	18,657	18,783	–126	–0.7
thereof abroad	1,738	1,698	40	2.4

Table 26

Compared with the previous year, the average number of employees (employees excluding apprentices and employees on leave) of the Fraport Group in fiscal year 2014 remained largely constant at 20,395 (previous year: 20,481). In Germany, there was an increase in demand for manpower, particularly in the Group company APS Airport Personal Services (+243 employees), as a result of increased traffic volume at the Frankfurt site. The reduction in manpower at Fraport AG, which was primarily due to the use of fluctuation combined with higher employment in Group companies, as well as falling employment within the Group company FraSec Fraport Security Services and GCS Gesellschaft for Cleaning Service, had a counter-rotating effect on the number of employees across the Group. Outside of Germany, headcount increased, largely as a result of the new Group companies Ljubljana (+102 employees) and AMU Holdings Inc. (+11 employees).

With regard to permanent staff, the staff turnover rate of 10.5 % was slightly higher than the rate of 10.0 % in the previous fiscal year.

Development of employees in the segments

Average number of employees per segment	2014	2013	Change	Change in %
Aviation	6,082	6,199	–117	–1.9
Retail & Real Estate	613	598	15	2.5
Ground Handling	9,038	8,993	45	0.5
External Activities & Services	4,662	4,691	–29	–0.6

Table 27

Whereas the reduced number of employees in the Aviation segment was due primarily to falling employment within the Group company FraSec Fraport Security Services, 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 company APS Airport Personal Service. In the External Activities & Services segment, the number of employees fell despite the acquisition of the new Group companies Ljubljana and AMU Holdings Inc. This was primarily due to the low number of employees in the GCS Gesellschaft für Cleaning Service and Lima Group companies.

Development of total employees in the Group

Total employees as at the balance sheet date	December 31, 2014	December 31, 2013	Change	Change in %
Fraport Group	23,116	22,458	658	2.9
thereof Fraport AG	11,694	11,985	–291	–2.4
thereof Group companies	11,422	10,473	949	9.1
thereof in Germany	20,956	20,744	212	1.0
thereof abroad	2,160	1,714	446	26.0

Table 28

Compared with the previous year, the average total number of employees (employees including joint ventures, temporary staff, apprentices, and employees on leave) of the Fraport Group as at December 31, 2014 increased from 22,458 to 23,116 (+658 employees). Despite employee numbers falling by 291 employees in Fraport AG due to the use of fluctuation, overall there was an increase in the Group-wide headcount due to a higher employment of personnel in the consolidated companies. Growth outside of Germany was due to the new Group companies Ljubljana and AMU Holdings Inc. in particular.

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 human resources strategy. It is based on a Group agreement that includes 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 key diversity indicators, increased by 0.8 percentage points to 23.7 % in fiscal year 2014 (previous year: 22.9 %). At a level of 30.0 % (previous year: 27.7 %), the percentage of women in management positions exceeded the aforementioned Group-wide percentage of women again in 2014.

Further diversity indicators developed as follows in fiscal year 2014:

The average age of Group employees increased slightly from 41.9 to 42.4 years, despite a high number of apprentices, which remained almost constant at 342 (previous year: 352). 20.2 % of employees had foreign citizenship (excluding German citizens with an immigration background) (previous year: 20.1 %). The percentage of persons with major disabilities reached 7.7 % on a Group-wide basis (previous year: 7.6 %). The number of training days decreased from 3.8 days on average in the previous year to 3.0 days in fiscal year 2014.

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 DRS 20 do not apply. For Fraport, however, improvement proposals and innovations from employees serve as factors for improving the quality of the Group's own products, and thus for increasing customer satisfaction and retaining competitiveness (see also chapter "Risk and Opportunities Report" beginning on page 74).

Fraport therefore consistently uses its own employees' potential within the framework of its Group-wide ideas management. An "ideas day" was also hosted by Group ideas management in the last fiscal year and an innovation prize was again offered, which will be awarded in the first half of 2015. Overall, 899 ideas were submitted in 2014 and 49 ideas implemented (previous year: 1,125 ideas, 74 implementations).

Fraport specifically carries out networking among other things within innovation management – in the sense of an "open innovation" – with companies in its own value chain as well as "best practice" companies in other sectors. This year, collaboration with HOLM – House of Logistics and Mobility was further intensified. The added value here lies in coordinated collaboration with other organizations, in particular regional academic establishments, in order to support forward-looking logistics projects and new technological developments, and thus further increase the attractiveness of the Frankfurt site.

Share and Investor Relations

Development of the share 2014

The German equity market presented a mixed picture in 2014. While the continuing low-interest-rate policies of national banks and the overall favorable economic climate had a positive effect, geopolitical crises, capping of profit forecasts, and deteriorating economic prospects had a negative impact. Overall, the DAX benchmark index closed the reporting period at 9,806 points, which was slightly above the previous year's closing value (+2.7%). The MDAX improved by 2.2% in the same period and closed at 16,935 points.

At €48.04, the Fraport share ended the 2014 fiscal year down 11.7% on the previous year's closing price of €54.39. After remaining almost unchanged in the first quarter of 2014 (–0.3% compared to the closing price of 2013), the value of the Fraport share dropped by 4.8% in the second quarter, primarily due to the profit warning by Deutsche Lufthansa AG on June 11, 2014. In connection with the Group's positive operating performance, the Fraport share recovered slightly to €52.06 in the third quarter and gained 0.9%. Disappointing nine-month financial figures and the factoring-in of temporarily negative effects from the planned acquisition of the concessions to operate the 14 Greek regional airports put pressure on the share in the fourth quarter and led to a price reduction of 7.7% to €48.04. Taking into account the €1.25 per share dividend payment on June 2, 2014, the Fraport share fell €5.10 or 9.4% in the last fiscal year.

Fraport therefore had a market capitalization of €4.4 billion at the year-end (previous year: €5.0 billion) and was ranked 22nd of the 50 shares in the MDAX (previous year: 15th place). Measured by traded stock market turnover (XETRA), the Fraport share was in 40th place (previous year: 42nd place). With an average of 100,101 shares traded daily, the share's trading volume fell by 15.6% in 2014 compared to the previous year (previous year: 118,554).

Fraport share

	2014	2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Opening price in €	54.39	43.94	54.39	54.22	51.60	52.06
Closing price in €	48.04	54.39	54.22	51.60	52.06	48.04
Change [1]	–6.35	10.45	–0.17	–2.62	0.46	–4.02
Change in % [2]	–11.7%	23.8%	–0.3%	–4.8%	0.9%	–7.7%
Highest price in € (daily closing price)	57.77	57.41	57.77	56.28	53.22	51.87
Lowest price in € (daily closing price)	47.19	42.33	52.55	51.02	47.19	47.47
Average price in € (daily closing prices)	52.13	48.38	55.20	53.62	50.75	48.92
Average trading volume per day (number)	100,101	118,554	90,313	84,197	101,328	123,657
Market capitalization in € million (balance sheet date)	4,436	5,020	5,004	4,765	4,807	4,436

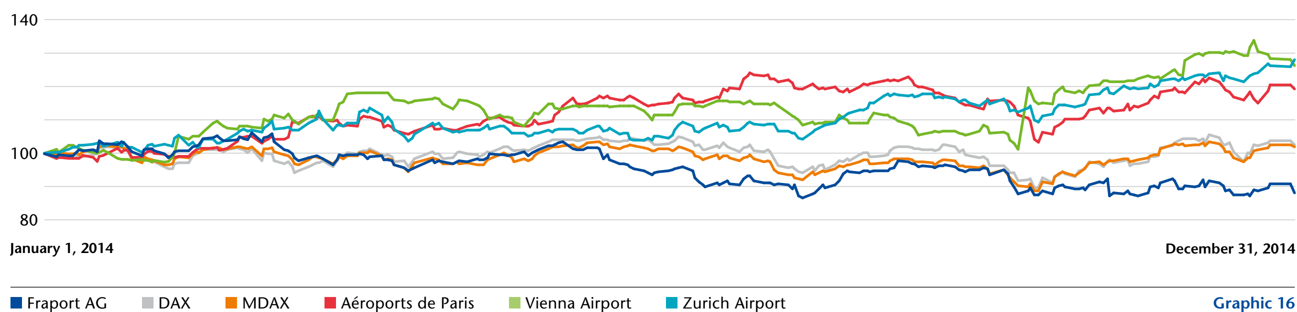
[1] Change including dividends: 2014: –€5.10, 2013: +€11.70, Q2 2014: –€1.37.
[2] Change including dividends: 2014: –9.4%, 2013: +26.6%, Q2 2014: –2.5%.

Table 29

The shares of the other stock-listed European airports performed as follows in 2014: Aéroports de Paris +19.0%, Vienna Airport +25.9%, and Zurich Airport +27.8%.

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

Graphic 16

Source: Bloomberg

Fraport share key figures and data

		2014	2013
Fraport AG capital stock [1]	€ million	923.4	922.9
Total number of shares as at December 31	number	92,342,748	92,289,654
Number of floating shares [2] as at December 31	number	92,265,383	92,212,289
Number of floating shares (weighted average of reporting period)	number	92,240,662	92,173,637
Absolute share of capital stock	per share, in €	10.00	10.00
Annual performance (including dividend)	in %	–9.4	26.6
Beta relative to the MDAX		0.80	0.80
Earnings per share (basic)	in €	2.54	2.40
Earnings per share (diluted)	in €	2.54	2.39
Price-earnings ratio		18.9	22.7
Dividend per share [3]	in €	1.35	1.25
Profit earmarked for distribution	€ million	124.7	115.4
Dividend yield as at December 31 [3]	in %	2.8	2.3

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

[1] Including treasury shares.
[2] Total numbers of shares as at the balance sheet date less treasury shares.
[3] Proposed dividend (2015).

Table 30

Development in shareholder structure

Notification of voting rights pursuant to Section 21 WphG

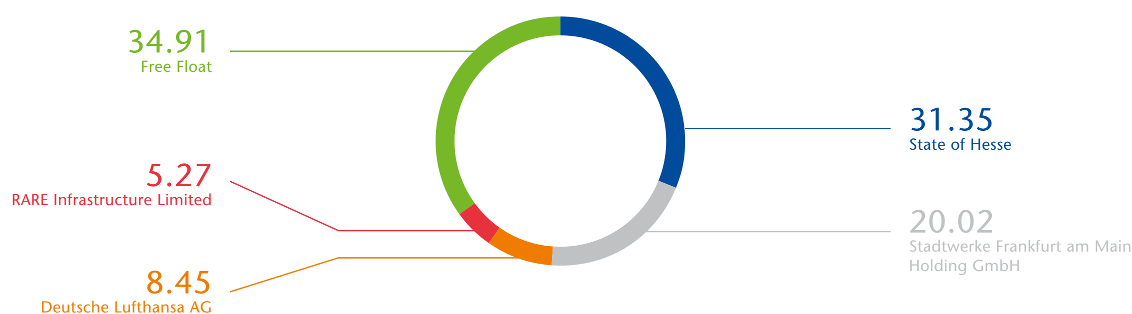
Holders of voting rights	Date of change	Type of change	New share of voting rights
RARE Infrastructure Limited [1]	January 31, 2014	Exceeded the 5 % threshold	5.27 %
Lazard Asset Management [2]	May 9, 2014	Fell below the 3 %-threshold	2.88 %

[1] 5.27 % of the voting rights were attributable to RARE Infrastructure Limited pursuant to Section 22 (1) sentence 1 no. 6 WpHG in conjunction with Section 22 (1) sentence 2.
[2] 2.88 % of the voting rights were attributable to Lazard Asset Management pursuant to Section 22 (1) sentence 1 no. 6 WpHG.

Table 31

Shareholder structure as at December 31, 2014 [1]

in %



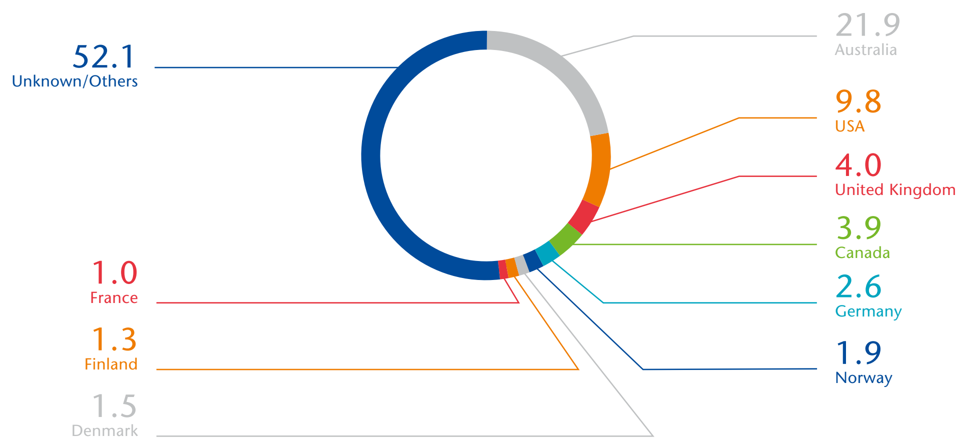
[1] The relative ownership interests were adjusted to the current total number of shares as at December 31, 2014 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Shares below 3 % are classified under "Free float".

Graphic 17

To the extent it is known, the proportion of Fraport shares in free float was split across the following countries:

Allocation of free float [1)]

in %



[1)] Free float excluding shares in the State of Hesse, Stadtwerke Frankfurt am Main Holding GmbH, and Deutsche Lufthansa AG, Source: Fraport AG in-house information.

Graphic 18

Dividend for the 2014 fiscal year (recommendation for the appropriation of profit)

The Executive Board intends to recommend a dividend of €1.35 per share to the 2015 AGM. Compared with the previous year, this corresponds to an increase of €0.10 or 8.0% (forecasted development of the 2013 management report: dividend at least stable compared to the previous year). Compared to the share closing price in 2014 of €48.04, this would correspond to a dividend yield of 2.8% (previous year: 2.3%). The profit earmarked for distribution of €124.7 million (previous year: €115.4 million) would therefore – in relation to Fraport AG's result for the year 2014 of €178.5 million – correspond to a pay-out ratio of 69.9% (previous year: 66.4%) or – in relation to the Group result attributable to shareholders of Fraport AG of € 234.7 million – of 53.1% (previous year: 52.2%).

Investor Relations (IR)

Fraport continued its communication with investors and analysts in the 2014 fiscal year. Interested parties were given detailed explanations of the Group's strategy, and of the current and forecasted business development at numerous conferences and roadshows. In 2014, the discussions focused on traffic developments at the Group's sites, the plans to build Terminal 3 and the development of the free cash flow, the cost situation and the strategy of Deutsche Lufthansa, as key customer at the Frankfurt site, and the development of the portfolio and strategy in the External Activities & Services segment.

The range of IR services further comprised direct contact by phone and email, or in on-site meetings, the company's AGM, an analyst conference on publication of the preliminary figures, three conference calls on the quarterly publications, and the provision of current information on the IR website www.meet-ir.com.

Significant Events After the Balance Sheet Date

As part of a diversified financing structure, in 2006 Fraport took on a loan in Swiss Francs with a volume of CHF 72.9 million and a maturity date in May 2016. There are no hedges against currency fluctuations because, in principle, Fraport only hedges transaction risks that affect liquidity, and not translation risks. With the discontinuation of the € exchange-rate peg by the Swiss National Bank, the CHF loan has been subject to increased currency fluctuations since January 15, 2015. Starting from a parity price ratio between the € and the CHF, against this background the equivalent value to be repaid in € on the due date in 2016 must be recognized at around an additional €12 million. This amount could have a negative effect on the financial result of the Fraport Group as of the next quarter's reporting date, assuming that the situation does not change in the meantime.

At the AGM of Aerodrom Ljubljana, d.d., on January 19, 2015, 99.954% of shareholders agreed on the squeeze-out of the remaining minority shareholders. Following the registration of the resolution, the remaining shares in the company will be transferred to Fraport, and Fraport will hold 100% of the shares of Aerodrom Ljubljana, d.d. The squeeze-out will not have a significant impact on the asset, financial, and earnings position of the Fraport Group.

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

Outlook Report

General Statement of the Executive Board

At the time of preparing the consolidated financial statements, the Executive Board assumes that it will close the transaction to operate the 14 Greek regional airports, for which Fraport was awarded in November 2014 through the Greek state privatization company HRADF, at the end of 2015/start of 2016 and will begin operating the airports. Due to the new election of the Greek Parliament on January 25, 2015 and the change of government, however, there is a possibility that the closing of the transaction may be delayed or even that the Greek privatization plans may be revoked. Therefore, the Executive Board forecasts the medium-term development of the company depending on the closing of these contracts. First, the organic development of the Group (not counting the contracts) will be forecasted to be followed by a forecast of the effects of the transaction. The order selected does not reflect the likelihood of occurrence expected by the Executive Board, but rather is aimed at giving the reader the best possible transparency and comprehensibility of the future development, as the comparable company development of the previous fiscal year is presented first.

The Executive Board anticipates that the expected growth of the global economy will have a positive impact on Group-wide passenger development in the medium-term forecasted period. At the Frankfurt site, the increase in airport and infrastructure charges in particular will have a revenue-increasing effect over and above the traffic development. In fiscal year 2015, outside of Frankfurt, primarily the consolidation of the Group companies AMU Holdings Inc. and Ljubljana for the first time over a full year will have the effect of increasing revenue and results. The Executive Board expects negative effects to come in particular from higher personnel expenses in connection with pay increases under collective bargaining agreements and from higher cost of materials due to traffic volumes. Although it remains difficult to forecast the financial result, due firstly to future changes in interest rates, and secondly to changes in currency exchange rates, the Executive Board anticipates a sustainable improvement in the Group result. Depending on the further devaluation of the Russian ruble, negative effects may arise from the company's involvement at St. Petersburg Airport in particular (see also Risks and Opportunities Report, beginning on page 74).

In the short term, the Executive Board expects positive free cash flows, – despite capital expenditure in maintenance measures and the planned start of construction of Terminal 3 in 2015 – so that net financial debt and the gearing ratio will be reduced proportionally. In connection with the need for medium- and long-term capital expenditure at the Frankfurt site and the Lima site, the Executive Board is anticipating that net debt and the gearing ratio will again be temporarily strained. The Executive Board continues to assess the financial situation as stable. No significant risks that might jeopardize the company as a going concern are apparent. Aside from the acquisition of the concession agreements for the operation of the 14 Greek regional airports, no other material acquisitions or disposals of businesses are included in the forecasted period.

The planned closing of the transaction for the operation of the 14 Greek regional airports will likely have the following effects on the anticipated medium-term development of the results of operations: For the first year of the full-year consolidation of the Greek Group companies, the Executive Board anticipates additional revenue of around €180 million and additional EBITDA of around €90 million. Depending on the financing of the Greek Group companies, the Executive Board expects only minor effects on the Group result that arise due to interest expenses and regular depreciation and amortization of the up-front payment of €1,234 million and the annual minimum concession payment of €22.9 million plus an inflation-dependent adjustment. Depending on the point of time of the business takeover, the figures mentioned above will impact the Group's results of operations for the year of the takeover on a proportionate basis.

With reference to the asset and financial position – depending on the financing of the up-front payment of €1,234 million and the point of time the transaction is closed – there will be a marked rise in the Group's net financial debt of up to around €1 billion. The gearing ratio and total assets will also increase significantly.

Risk and Opportunities Report

The Fraport Group has a comprehensive, Group-wide risk and opportunities management 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 to take advantage of opportunities. This results in the early identification of potential 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 planning deviation or strategic target deviation.

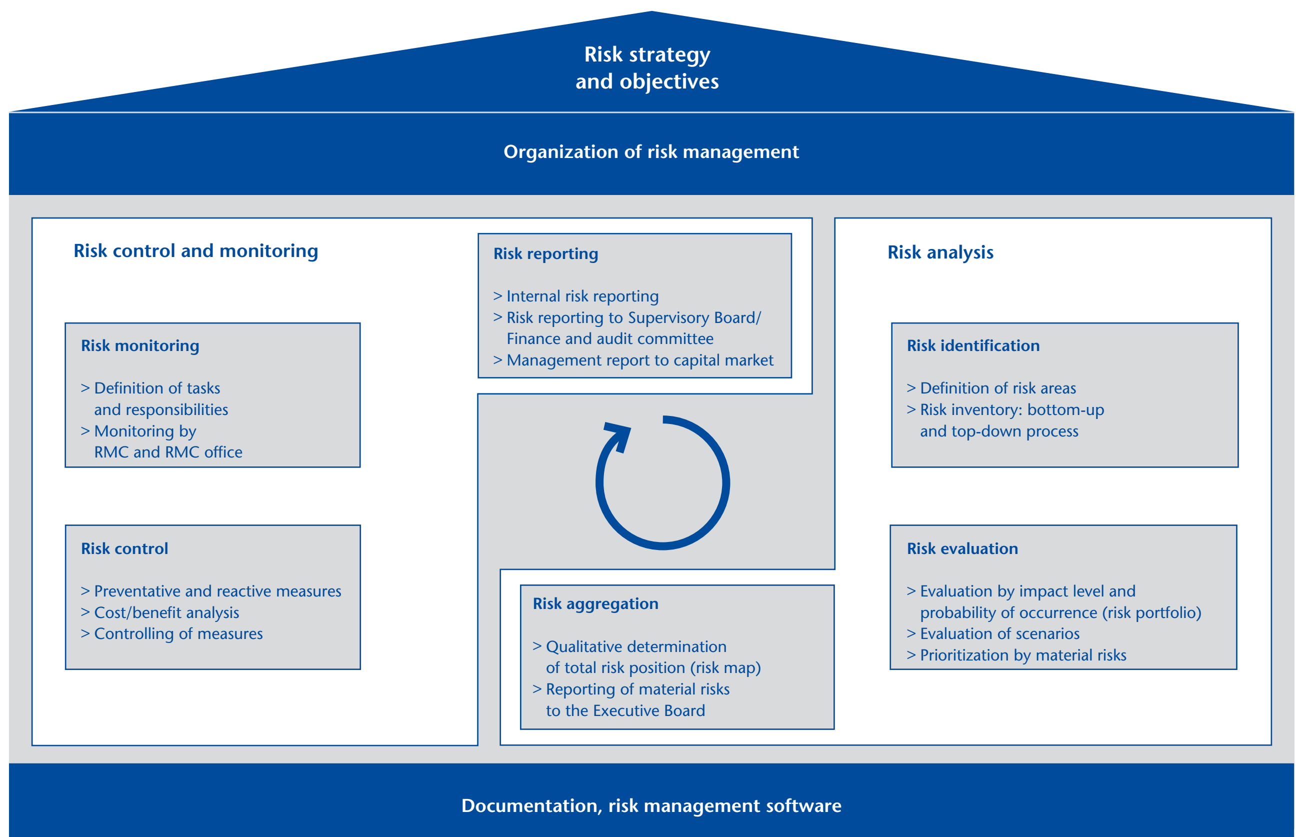
Risk strategy and objectives

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 a comprehensive risk 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 a systematic reporting.

The following principles are derived from this objective:

1. Already as part of the strategic planning processes and when preparing the long-term business plan, a comparison is made with the opportunities and risk 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. Risk 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 risk and opportunities management in their area of activity.

Risk management system



Graphic 19

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, by preparing the development plan, it has also 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 is performed by the 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, as well as the regular updating and implementation of the risk management and the internal control system (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 is closely linked to the ICS and the compliance management system, and is interlinked with them in an integrated system. 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.

The central ICS organization provides support with the implementation of the Group-wide standardized internal control system 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 process controls and the subsequent annual reporting to the Executive Board and Supervisory Board. Through linking the risk management system to the internal control system, a more comprehensive transparency is created regarding the material risks existing in the Group and a closed "risk workflow" is established.

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 fulfills 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.

The Fraport risk management system only covers risks, not opportunities. However, an opportunities consultation takes place quarterly within the context of the RMC meeting.

Risk management at 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 comprises the following steps. In order to support the entire process, Fraport uses an integrated risk management software solution.

1) Identification and reporting of risks

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 that 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 and risk of occurrence of the identified risks, and makes it possible to estimate the extent to which the individual risks can jeopardize the objectives and strategy of the Fraport Group, or which risks will most likely, due to their nature, be able to jeopardize the company as a going concern. 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 carriers). The reference basis is always the rolling 24-month period. However, this does not mean that the persons responsible for assessing risks only analyze and evaluate 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 also 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 a 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. The risk assessment in this report only reflects the net risk.

Risks that could jeopardize the company as a going 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 are reported to the finance and audit committee, the Executive Board, as well as the RMC (see also the reporting matrix).

3) Risk control
Risk carriers are tasked with developing and implementing suitable measures to minimize and control risk. In addition, general strategies must be developed to deal with the identified risks. These strategies include risk avoidance, risk reduction with a view to minimizing the (financial) impact or the probability of occurrence, transfer of risk to a third party (for example, through the purchase of insurance policies), or risk acceptance. 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 carriers in order to monitor the progress of risk-minimizing measures and to evaluate their effectiveness from a Group perspective.

4) Risk aggregation and reporting
Integrated risk management aims 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	Low ≥ €0.5 million	Medium ≥ €2.5 million	High ≥ €10.0 million
Likely ≥ 50%	Strategic business, service and central units/ Group companies	Finance and audit committee/ Executive Board, RMC	Finance and audit committee/ Executive Board, RMC
Possible ≥ 10% – 50%	Strategic business, service and central units/ Group companies	RMC	Finance and audit committee/ Executive Board, RMC
Low up to 10%	Strategic business, service and central units/ Group companies	RMC	Finance and audit committee/ Executive Board, RMC

Level of financial impact

Graphic 20

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 also 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 2014

In 2014, Fraport AG's risk management policy was revised and a Group policy was prepared for the Group companies involved. These policies were adopted by the Executive Board and came into force in January 2015. As part of the revision/preparation of the policies, the Group-wide risk matrix with its dimensions of the levels of financial impact, probability, and risk was redefined and extended by an additional level, resulting in a 4x4 risk matrix, which is being used in the Fraport Group alongside the policies that came into force on January 1, 2015.

In 2014, Fraport also introduced a structured procedure for monitoring measures to minimize and control risk. In this, the relevant measures are checked according to their content and progress, in particular to monitor their implementation and effectiveness, as well as to ensure the quality of the documentation.

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 business transactions; records for the documentation of assets and liabilities; and processes for the consolidation of the separate financial statements of parent/subsidiary companies, for the inclusion of joint ventures, and associated companies, and for recording 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 seperate financial statements of the parent company and subsidiaries, joint ventures and associated companies (commercial balance sheet I) to the seperate financial statements prepared in accordance with Group-wide accounting and valuation methods (commercial balance sheet II) is decentralized 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 of the accounting of the parent company Fraport AG is ensured. To ensure consistent Group-wide accounting and evaluation, 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 financial statements 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 companies included in the consolidated financial statements 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 completely recorded.

Capital, 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 companies accounted for using the equity method, the elimination of intercompany profits and losses, and the preparation of the statement of cash flows, and of the statement of changes in equity are mainly carried out manually with the help of the system. 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.

Valuations in connection with 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).

The Group notes are prepared by Group Accounting as part of the consolidated financial statement 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 Management, and Values Management, are generally responsible for preparing the Group management report. They consolidate the information provided by the relevant departments. Consolidated information is then verified by the relevant departments in turn.

The Group parent company Fraport AG prepares its own seperate financial statements in accordance with German commercial and stock market regulations. Fraport AG has developed a HGB accounting policy to ensure that its accounting 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, accounting of local departments). During the preparation of financial statements, the general ledger/accounting creates any closing entries in the general ledger, which cannot be entered by local departments. The general ledger 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 general ledger.

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 general ledger, 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 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 in accounting, if applicable. The contract management and risk management processes are both regulated in a separate policy.

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

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

After the closing of the sub-ledgers, the general ledger/accounting of Fraport AG carries out the necessary closing entries, which also includes carrying out subsequent manual monitoring controls. This mainly relates to the items other provisions and personnel provisions, financial assets and instruments, shareholders' 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 that 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 when used for internal control; however, the risks are classified according to the same risk categories that are 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 comprises all of the described segments. 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. This applies particularly to the majority of EU states and to Japan. Economic momentum in emerging countries is indeed 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. The larger economies of Latin America, as well as Russia, are flatlining or are currently only showing moderate growth.

Despite rather more positive forecasts overall for the global economy for fiscal year 2015 (see also the “Business Outlook” chapter beginning on page 91), 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 or political conditions within the EU, an escalation of political protests against reform measures and the Euro currency, the abandonment of deficit targets and reform measures introduced, turbulences in emerging countries, an aggravation of the political and military conflicts in Ukraine and the Middle East, 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 shifting of majorities with the congress elections in the USA (political stalemate) represents a risk albeit a comparably lower one. The risks in China (constrained growth), Japan (recession), and Russia (continuing sanctions and a fall in earnings due to the drop in the price of oil) as well as various emerging countries discussed in the public 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 crude oil and kerosene price rises could also have an impact on the supply and demand development of air traffic. In addition, restricted opportunities to fly over trouble spots, such as Ukraine, Syria, or Iraq, may lead to further limitations on services supplied.

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 insofar they influence passengers' shopping habits can also impact the earnings of the Fraport Group, furthermore 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 and the increasing competitive pressure in all transport sectors 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.

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 a partial impact on the market, and therefore competition in the form of taxes, fees, and regulations, such as the aviation tax, the EU emissions trading, the 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. More medium- to long-term risks in the form of a weaker competitive advantage among European airlines and consequently among European airports cannot be ruled out.

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 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 2015 Business Plan, with a growth assumption of 2 %, for example, for 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. In December 2014, within the context of publishing its work program, the new EU Commission put a stop to the further liberalization of ground handling services as there were no indications of political agreement on this subject. Therefore, the legislative process planned by the last EU Commission to revise the Ground Handling Directive is not being pursued by the new EU Commission. However, regardless of this, market developments in the Ground Handling segment still require the implementation of measures to achieve a significantly better relationship between expenses and revenue.

Capital expenditure of up to €300 million for a state-of-the-art drainage system could be necessary in connection with the operation of Runway West and the existing parallel takeoff and landing runway system depending on the results of investigations due to the expected official order. On August 18, 2014, a water order was imposed for the Runway West area. A state-of-the-art drainage system must be implemented for the part of Runway West south of the tunnel. For the northern part of Runway West, a state-of-the-art drainage system is still dependent on the measurement results of the newly built groundwater testpoint (proven contamination of groundwater with de-icing agents).

The order does not contain any conditions for the realization of a state-of-the-art drainage for the parallel runway system. The potential impact continues to be assessed as "high" and the probability of occurrence of the risk as "possible".

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 HMWEVL, 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 takeoffs 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 AG/Lufthansa Cargo AG, 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 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 €2,464 million as at December 31, 2014 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), May 10, 2013, and May 26, 2014 (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 was 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 financial position accounts and planned transactions, Fraport is, in particular, subject to credit risks, interest rate and currency exchange risks, and other price risks. Fraport covers interest and foreign exchange rate risks primarily 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 that 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 that 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 for capital expenditure and from existing variable-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 a 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 capital expenditure in foreign currencies and from planned revenue that is not covered by expenses in matching currencies. Such risks are hedged, to the extent necessary, either through ongoing sale of these currencies or 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 "possible" and their possible financial impact (impact level) as "high".

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 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 a rating of at least "BBB+". If the credit rating is downgraded below "BBB+" during the asset's holding period or the term of the derivative, a decision will be made on a case-by-case basis on the further progress of the asset or derivative, taking into account the remaining term.

Since the beginning of 2013, investments in bonds without ratings have also been possible in individual cases, within narrowly defined limits.

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 immediately affect cash flow. Financial assets with a fixed maturity are assumed to be subject to temporary market fluctuations that 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 note 49.

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 continues to pursue a "prefinancing" strategy, thereby securing funding for items such as upcoming capital expenditure and repayments. The capital from this strategic liquidity reserve 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 policies, 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 and further development of a Group-wide compliance organization, adopted in the Group compliance management system policy, 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.

In the arbitration proceedings initiated on March 30, 2011 by Fraport against the Republic of the Philippines before the International Centre for Settlement of Investment Disputes (ICSID), the court of arbitration in its decision of December 10, 2014 declared that it was not competent, rejected the jurisdiction of the ICSID, and required Fraport to pay costs of US$5 million to the Republic of the Philippines. The costs of the court of arbitration were divided between the parties. The counterclaims asserted by the Republic of the Philippines were also rejected due to a lack of competence by the court.

Fraport will continue to pursue claims for compensation via the local project company Philippine International Air Terminals Co., Inc. (PIATCO), in which Fraport has a share. As concerns the relationship between Fraport and the Federal Republic of Germany in relation to the GKA cover, the regulations in the indemnification notices and the closed implementation agreement continue to apply.

In the proceedings initiated by the Philippine government against PIATCO in 2004 for the expropriation of the terminal, the Court of Appeal had confirmed on October 29, 2013 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. A mediation proceeding was carried out between the parties of the expropriation proceeding and has now ended without a result. Fraport is not a party in the expropriation proceeding, as this is directed against the project company. However, a conclusive decision in the expropriation proceeding 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 back in 2011 due to a suspected violation of the "Anti-Dummy Law". After a corresponding arraignment took place in September 2013, the proceedings were suspended in February 2014 for an indefinite period. 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 were realized, the impact of each risk would be "material".

As reported, one Philippine law firm as well as one former Philippine minster 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). 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 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. The 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. In one of these three proceedings the charge was rejected by the court, most recently by the Supreme Court following a corresponding appeal. In the two other proceedings the charges were also rejected, but these decisions are not yet legally binding. The relevant proceedings are currently before the Supreme Court. A fourth suit is still in preliminary proceedings. Fraport denies these allegations. The probability 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

Tax risks affecting the tax items in Fraport's balance sheet and income statement can arise from changes to tax law and case law, and from different interpretations of existing tax law. Thus, there is the risk of back tax payments in connection with tax audits that are still to be carried out, which might be accounted for as tax provisions on the basis of probability considerations.

To minimize tax risks, internal controls have been established in the Tax department in order to recognize tax risks in good time as well as to check and value known risks. Risk-minimizing measures are agreed between the Tax department and the responsible departments or Group companies.

Operating risks

Risks from capital expenditure projects

Fraport'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, for example, 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 ensuring that cost-reducing countermeasures can be introduced early on.

Fraport estimates the potential damage at around €300 million (impact level "high") 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 investments, 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). At that, Fraport is also active in countries, such as China and Russia, which can 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 investments and depending on the project conditions, Fraport frequently employs project financing that allows no recourse or only limited recourse to Fraport AG as the capital provider. These types 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 insurances, 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 continued 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 the 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 tariff, 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 presumably "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, 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-value ratio. As a result, Turkey has long been 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.

Fraport holds 35.5 % in Northern Capital Gateway, the operating company of St. Petersburg Airport, through Thalita Trading Limited, Cyprus. Considerable uncertainties regarding the Group's interests there have arisen due to the political developments around the Ukraine crisis and the uncertainty about whether further sanctions will be imposed against Russia, and how strongly the Russian government could react to these, or what sanctions the Russian government will actively adopt itself. In addition to direct measures that could be taken against foreign investors, the political developments mean that negative economic effects, such as a weaker ruble exchange rate or negative traffic development, cannot be ruled out. Due to the good overall economic relations between the Federal Republic of Germany and Russia, and current assessments by experts, Fraport currently classifies the probability of occurrence of direct and significant sanctions being made against German investors and financial effects on Fraport's interests arising from this as "low". If direct and significant sanctions were enforced, this could, however, potentially result in a "high" impact level for Fraport. In order to protect its interests, the capital expenditure by Fraport is currently largely protected by the German government's federal guarantees for direct investments abroad. In addition, Fraport acts in partnership with a renowned Russian partner, VTB Bank, one of the largest Russian banks, keeps in close contact with local management and is a member of the German-Russian Chamber of Foreign Trade.

Due to the strong devaluation of the Russian ruble, particularly in 2014, the equity situation of Northern Capital Gateway significantly worsened under local Russian accounting (in rubles). The company has negative equity. This is due to the financing of the new terminal buildings in € and US dollars, resulting in translation losses in the accounts from converting foreign currency liabilities into rubles. The risk exists that there will not be a complete and timely recovery from the negative equity. The overall risk is not clearly assessable due to the lack of precedent cases in Russia. However, it might be material right up to a total loss of the investment. The banks providing the project financing could also recall the loans, with the consequence mentioned above. The situation must be recovered by around mid-2015. The shareholders of Thalita Trading Limited, Cyprus, are planning to restructure the loan granted by them to Northern Capital Gateway. This will involve the existing liabilities of Northern Capital Gateway being assumed by Thalita Trading Limited, Cyprus, and then converted into equity in Northern Capital Gateway. These measures would ensure that the equity would become sufficiently positive, according to current estimates. Depending on further devaluation of the ruble, it may be necessary to make further capital available. This restructuring of the loan will probably lead to the loss of the existing federal guarantee for direct investments abroad, which would then have to be covered by another commercial insurance policy. In addition, there might be a risk, if the above-mentioned structure was not implemented, that it would be necessary to show the losses in the income statement of the Fraport Group that are currently recognized in an auxiliary account. The probability of occurrence of the risk is assessed as "low" and the impact level as "high".

As well as the uncertainties regarding the interest in St. Petersburg, there could also be negative effects on passenger traffic, particularly at Fraport's tourist-centered airports in Bulgaria and Turkey, due to the political development in Russia, the current devaluation of the ruble, and the resulting changes in travel behavior, particularly among Russian and Ukrainian tourists.

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 performed on a regular basis. A claim under such collateral by the contractor by the end of the relevant contract term is classified as "possible", depending on the circumstances of the respective project. If such a risk occurs, a "medium" impact level must currently be expected.

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 employees and managers, trainee programs, and short- and medium-term assignments are offered at foreign sites. 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. In addition, comprehensive employee surveys are conducted every year in all Group companies with a substantial workforce. They provide Fraport with important insights and opportunities to improve the working environment on all operational 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 at December 1, 2011 and the case law that has been cited in the meantime, the risk now exists, within the context of assigning employees through temporary employment, that the number of employees to be used in future must be reduced. Furthermore, the coalition agreement at 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 of an estimated double-digit € million figure. 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".

For the purpose of granting a company pension under the statutory insurance scheme based on a collective bargaining agreement, Fraport AG is a member of the Zusatzversorgungskasse in Wiesbaden (ZVK). This is currently structured – as with the statutory insurance scheme – 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 being collected in addition to the levies. Furthermore, the ZVK's solidarity model envisages that personnel who leave are 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 will grow 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 growing 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 financing impact (impact level) is not currently possible; the probability of occurrence is assessed as "possible". However, if the risk were realized, its impact would be "material".

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 third-party liability of Fraport AG from all business capacities, legal situations, and activities in relation to the operation of 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.

If one of the described risks were to occur, this could have a "high" financial impact (impact level) – in spite of possible insurance protection – 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 that 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, in as far as economically feasible, additionally covered by the general property, terror, and business interruption insurance, and by specific IT insurance policies.

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 as “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 is undertaken by the operating units/segments and the supporting Group units throughout the year, within the context of the company's operational control 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, the medium-term planning process focuses on opportunities, which are of strategic importance for the Group.

Within the context of the planning process, Fraport assesses market and competitive analyses, 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 traffic 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 strategic 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 developed by employees. In addition to the traditional Group ideas management program, these include the “FRAnk” innovation prize, which is awarded to particularly innovative ideas at Frankfurt Airport and targeted creative workshops with employees, in which new business ideas are sought.

Fraport 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.

If it is likely that the opportunities will occur, they have been included in the 2015 forecast and respectively, in the medium-term outlook. Therefore, the following section concentrates on future developments or events that may 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 comprises 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 resulted in a decline in the growth momentum of the global economy and particularly also worldwide air freight traffic and resulted in a recession in the Euro zone economy in the years 2012 and 2013. With growth of around +0.8 %, the Euro zone has shown slight growth for the first time in 2014. In this regard, the German economy remained comparatively robust and was able to achieve moderate, but above-average growth in the last three years.

The debt crisis led to a considerable slowdown in demand for transport. 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 service supplies 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 global 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.

A further rise in global economic momentum is generally forecasted (2015: +3.5 % after +3.3 % in 2014), which was also recorded in the Euro zone (around 1.2 % after 0.8 % in 2014) and the USA (around 3.6 % in 2015 after 2.4 % in 2014). The 2015 forecasts for global trade are also above the 2014 value (see also the "Business Outlook" chapter beginning on page 91). Continuing favorable crude oil prices, as in fall 2014, would relieve pressure on the international and national economy, including the air traffic industry and consumer households, and facilitate travel behavior in 2015. A continuing weaker € would make European goods cheaper internationally and thus create a positive stimulus for exports from which Frankfurt Airport as a handling location could particularly benefit. The economic conditions 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 expected traffic forecasts that still tend to be conservative. The ACI statistics showed for 2014 passenger growth of 5.1 % worldwide and 5.3 % for all European airports. IATA assumes global passenger growth of 7.0 % for 2015, based on revenue passenger kilometers (RPK), and a growth rate of 5.5 % for Europe. Such growth rates would mean a dynamic development of the air traffic industry. Fraport has deliberately estimated the 2015 Business Plan conservatively with passenger growth of 2 % for the Frankfurt site, but is currently assuming a volume increase 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 traffic, not least because groundside 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 potential through investments and management agreements. Also in future, Fraport will continue to expand selectively and on a success-orientated basis in international business. This can compensate certain signs of saturation in the demand for air traffic in western countries, which also affect the Frankfurt site.

Opportunities in corporate strategy

Through the completion of Runway Northwest, Fraport has managed to create sufficient airside capacities at the Frankfurt site in the last few years as the basis for dynamic passenger growth.

With its approved plans for Terminal 3, Fraport has the potential to cope with the expected growth in traffic. Independent traffic forecasts have once again confirmed that the limits on landside capacities will be reached or exceeded from 2021 onwards. It will therefore be necessary to put new landside capacities into operation from the end of 2021/start of 2022 in order to maintain the level of quality. The construction of the third terminal is essential to maintain the site's competitiveness, takes account of the requirements for a long-term, efficient infrastructure, and its modular design enables it to adapt to traffic growth. Terminal 3 fulfills the requirements of a modern air traffic industry. Construction work is expected to start in 2015. Fraport, thus, also has the opportunity to participate in the worldwide growth in air traffic in the medium and long term.

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 drivers 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. In the medium term the focus is on implementing innovative shopping concepts in existing spaces. The development is supported by culture-specific, sales-promoting measures and a more strongly individualized approach to customers, particularly passengers with especially high purchasing power. In view of this, Fraport is intensively analyzing the buying behavior of passengers. Fraport is also monitoring general trends in the retail sector in order to derive future new business opportunities for the company. The aim is to offer a tailored shopping and service offer to the customer along their entire travel chain, thus increasing customer satisfaction and also using the opportunities available in an increasingly digitalized world.

External business

Fraport's expertise is now represented on four continents. In addition to Frankfurt, five further airports are operated or managed by Group companies in which Fraport AG holds an interest of at least 50 %. The Group rounds out its portfolio with minority interests in four airports. Fraport has managed the airport in the Slovenian capital Ljubljana since October 2014. Fraport won a bidding process and acquired 75.5 % of the shares at a purchase price of €177.1 million. An offer at a price of €61.75 per share was made to the company's remaining shareholders in the fourth quarter of 2014. As a result, Fraport had acquired 97.99 % of the company's shares by the balance sheet date at a total price of €229.7 million. In 2014, the company achieved a revenue of €32.0 million at a volume of 1.3 million passengers. In addition, on August 1, 2014, Fraport acquired all the shares in the US company AMU Holdings Inc., which is, for its part, the sole owner of Airmall USA Holdings Inc. (Airmall Group). The Airmall Group markets areas at the North American air traffic hubs of Baltimore, Pittsburgh, Cleveland, and Boston with an annual total volume of just under 70 million passengers. In addition, Fraport was nominated with a consortium partner as the preferred investor to operate the 40-year concessions of 14 Greek regional airports. At the time of preparing the consolidated financial statements, the Executive Board assumes that it will close the transaction at the end of 2015/start of 2016 and begin operating the airports.

A clear aim is to increase the result from the external business in the next years.

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 and marketing. 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). Other projects are the Taubengrund commercial area and the 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 it will participate in the real estate development.

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 returns. 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 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 (such as the lean management initiative). Through this continuous process, it should be possible to achieve additional earnings potential over and above the forecasts.

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. Here, 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 need also to be taken into account.

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 Finance department monitors 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 that 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 and they have not materially changed overall in comparison to the previous year. 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.

Business Outlook

Information about reporting

The business outlook is based on the assumption that the domestic and international economy and air traffic will not be impaired by external shocks such as terrorist attacks, wars, epidemics, natural catastrophes, or renewed 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 2015 fiscal year. There are no significant deviations from the standards used in the 2014 fiscal year.

As already described in the general statement of the Outlook Report, at the time of preparating the consolidated financial statements the Executive Board assumes that it will close the transaction to operate the 14 Greek regional airports at the end of 2015/start of 2016 and takeover the operation of the airports. However, due to the change of government in the meantime, there is the possibility that the closing of the transaction may be delayed or even that the Greek privatization plans may be revoked. The medium-term forecast for the asset, financial, and earnings position therefore consists of two scenarios. First the organic development of the Group is forecasted (not counting the contracts), followed by the forecast of the effects of the transaction. The selected order does not represent any expectations of the Executive Board as regards to the likelihood of occurrence, but aims to present the reader the best possible degree of transparency and comprehensibility of future development.

Risks and opportunities that do not form part of the business outlook and may lead to significant negative or positive changes to the forecasted developments can be found in the chapter entitled "Risk and Opportunities Report" starting on page 74.

Forecasted situation of the Group for 2015

Development of Group structure

Apart from any Group companies that may already need to be established in the 2015 fiscal year to operate the 14 Greek regional airports, no fundamental changes to the Group structure are expected in 2015, compared to the 2014 fiscal year.

Development of Group control

Compared with the 2014 fiscal year, the Executive Board does not expect any fundamental changes in 2015 in the financial and non-financial performance indicators that are used to control the Group and derived from the strategy. On the basis of the regular audit, the Executive Board has lowered the WACC before taxes used for value management from 9.5 % to 8.6 % for the 2015 fiscal year, which will correspond to a WACC after tax of around 6 %. In order to determine the value added more precisely, the Executive Board has also decided to expand the Fraport assets by construction in progress at cost/2 and to include Group-wide the results before taxes and the corresponding carrying values of the Group companies accounted for using the equity method. The Executive Board does not expect any fundamental changes to the strategy and the strategic focus of finance management in 2015.

Forecasted economic and industry-specific conditions for 2015

Development of the economic conditions

Financial and economic institutions expect the global economy to expand further in the 2015 fiscal year. After economic growth of around 3.3 % in 2014, growth of around 3.5 % is expected in the current fiscal year. Global trade will rise by up to 5.0 %, according to current forecasts. Overall, inflation is expected to be moderate. With regard to the € to US$ exchange rate, it is assumed that the depreciation trend will continue in 2015. For 2015 – at least for the first six months – continued moderate reductions in the price of oil are expected.

The USA will continue to show positive growth in 2015 (GDP forecast around 3.6%). While only moderate growth 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. Furthermore, only a recovery and not an upturn is anticipated in the Euro zone – which will continue to be burdened with uncertainty regarding financial policy. After achieving growth of 0.8% in 2014, economic growth of around 1.2% is forecasted for the 2015 fiscal year. A growth rate of around 1.3% is expected for Germany (2014: +1.6%). Positive stimulus continues to be expected from private consumption, as well as from exports.

The following growth rates are expected for the countries with significant investments: Slovenia +1.4%, Peru +5.1%, Bulgaria +2.0%, Turkey +3.0%, Russia –3.0%, and China +6.8%.

Sources: Consensus of the leading German economic research institutions (October 2014), IMF (January 2015 and October 2014), OECD (October 2014), Deutsche Bank Research (January 2015), DekaBank (December 2014).

Development of the legal environment

At the time the annual financial statements were prepared, the Executive Board saw no changes in the legal environment in the 2015 fiscal year that will have significant effects on the Fraport Group.

Development of the global aviation market

Based on the expected development of economic conditions, and taking into account the financial situation of the airlines, IATA anticipates global passenger growth of 7.0% in 2015, based on revenue passenger kilometers (RPK). Regionally IATA anticipates the following growth rates (also based on RPK): Europe: 5.5%, North America: 3.1%, Asia-Pacific: 7.7%, Latin America: 6.0%, Middle East: 13.9% and Africa: 5.1%. Cargo is expected to grow by 4.3%. Positive stimulus is also expected from the low price forecasted for crude oil. On the basis of the German airports, ADV forecasts passenger growth of 2.8%. ADV expects cargo growth of 2.7%

Source: ACI Press Release (February 2015), IATA "Airline Industry Economic Performance" (December 2014), ADV Forecast, press release (December 2014).

Forecasted business development for 2015

Taking the economic and industry-specific conditions into account, the Executive Board expects a growth rate of between 2% and 3% for passenger traffic at the **Frankfurt site** for the 2015 fiscal year. While the slightly more favorable economic environment overall will have a positive impact on passenger business, there will continue to be some uncertainty arising from the airlines' short-term yield and capacity management. While the Executive Board anticipates positive base effects in 2015 from the strikes in fiscal year 2014, negative base effects may result from the above-average good weather in the 2014 fiscal year. With regard to cargo tonnage handled, the Executive Board expects a growth rate of up to 3% for the Frankfurt site for 2015 within the context of market growth. Due to economic and political crises, the outlook for cargo continues to be subject to greater uncertainty. As collective bargaining agreement negotiations at Deutsche Lufthansa were unresolved up to the time the consolidated financial statements were prepared, there could be negative effects from strikes in the 2015 fiscal year. Depending on the intensity of the strike actions, this could lead to a deviation from the aforementioned forecast.

As a result of the positive economic assumptions and tourism forecasts, the Executive Board expects further growth at the Group sites outside of Germany in 2015. Growth rates at the sites influenced by tourism, **Antalya**, **Varna**, and **Burgas**, are expected to be up to around 4%. The sites at **Lima** and **Xi'an** should experience further disproportionate growth of 5% or more. The growth rate in **Ljubljana** is expected to be up to around 5%. The forecast for the **St. Petersburg** site is subject to much greater uncertainty due to the tense economic and political situation in Russia. Should the situation in Russia ease in 2015, further significant growth rates are possible. If the situation remains tense or intensifies, distinctly negative passenger development at the site also cannot be ruled out. The sites in Antalya, Varna, and Burgas would then also be affected by these negative effects, so that the development of these airports in 2015 may vary significantly from the aforementioned forecast.

Forecasted results of operations for 2015

The expected positive business development will be reflected in an increase in **Group revenue** in 2015. At the Frankfurt site, the increase in airport and infrastructure charges in particular will have a revenue-increasing effect over and above the traffic development. The Executive Board also expects additional revenue from the Retail & Real Estate segment. At sites outside of Frankfurt, the Group companies Lima and Twin Star will continue to develop positively. In addition to the good operating development, the Executive Board expects positive exchange rate effects at the Lima site from the conversion of the US$. Furthermore, the first-time full-year consolidation of the Group companies AMU Holdings Inc. and Ljubljana will lead to an increase in Group revenue of some €50 million. Depending on the extent of growth in passenger numbers at the consolidated airports, the Executive Board is expecting revenue – adjusted by IFRIC 12 – of between around €2.55 billion and some €2.6 billion. For fiscal year 2015, the Executive Board is expecting slightly higher capacitive capital expenditure in connection with the application of IFRIC 12 in the Group company Lima – also as a result of exchange rate effects from the US$ conversion.

Adjusted for the recognition of capacitive capital expenditure, the Executive Board is anticipating a rise in **expenses** in 2015. This will at the Frankfurt site primarily be the result of increases in salaries and wages as well as the result of higher traffic-related cost of materials. In the Lima Group company, higher traffic-related concession payments are expected among others. However, the Executive Board expects the increase in revenue to be above the expense development, meaning that the **Group EBITDA** is forecasted to lie between approximately €820 million and some €840 million. Higher **depreciation and amortization**, primarily arising in connection with the first-time full-year consolidation of the Group companies AMU Holdings Inc. and Ljubljana, will result in **Group EBIT** of between around €500 million and some €520 million.

Due to the continuing difficulty in predicting interest and exchange rates effects, the development of the **financial result** is still fraught with uncertainty. The expected positive developments of the Group companies Antalya and Xi'an, which are accounted for using the equity method, as well as the anticipated absence of negative market valuations of derivatives will lead to an improvement of the financial result in comparison with 2014. As already explained in the chapter "Significant Events After the Balance Sheet Date", negative effects may result from the market valuation of the CHF loan. Depending on the further devaluation of the Russian ruble, negative effects may arise from the company's involvement at St. Petersburg Airport in particular (see also "Risks and Opportunities Report", beginning on page 74). Without taking this risk into account, the Executive Board is expecting **Group EBT** to be approximately between €405 million and €425 million, and a **Group result** of between some €265 million and around €285 million.

In view of the long-term positive outlook for earnings, the Executive Board intends to hold the **dividend** per share stable for fiscal year 2015 at €1.35. The Executive Board expects the 2015 **Group value added** to show a noticeable increase compared to the previous year's figure adjusted to the new definition, mainly due to the positive EBIT development.

Forecasted segment development for 2015

The positive passenger development at the Frankfurt site will lead to an increase of up to 5% in revenue in the **Aviation** segment in 2015. This also includes, in particular, the increase in airport charges by an average of 2.9% as of January 1, 2015. The higher revenue will also impact the EBITDA and EBIT of the segment, for each is growth of between roughly €5 million and €15 million forecasted. In 2015, the value added of the segment is expected to be slightly above the adjusted previous year's level, but remain negative.

The **Retail & Real Estate** segment will also benefit in 2015 from the higher passenger numbers at the Frankfurt site, which will primarily impact the development of revenue in the Retail and Parking divisions. Additional revenue from the realization of land sales can increase segment revenue further. Overall, the Executive Board forecasts a rise in revenue of up to around 5%. Beyond the planned development of revenue, currency rate effects can have both positive and negative effects on the purchasing power of passengers. On the expense side, the Executive Board is expecting an increase in cost of materials and personnel expenses for fiscal year 2015. Also as a result of lower other revenue, the Executive Board is expecting values at about the previous year's level for the EBITDA and EBIT. The segment value added in 2015 is expected to be around the adjusted level of the previous year.

There will be an increase in revenue of up to €30 million in 2015 in the **Ground Handling** segment as a result of the expected traffic development as well as price increases for infrastructure charges. The Executive Board is also expecting higher personnel expenses, primarily resulting from increases in salaries and wages under collective bargaining agreements. The Executive Board therefore forecasts values for segment EBITDA and EBIT that are at approximately the previous year's level. The segment value added in 2015 is also forecasted to be around the level of the adjusted previous year's value.

In connection with the positive expected business developments at the Lima and Twin Star Group companies and the first-time full-year consolidation of the Group companies AMU Holdings Inc. and Ljubljana, the Executive Board expects a significant increase in revenue, EBITDA, and EBIT for the **External Activities & Services** segment in fiscal year 2015 – also as a result of exchange rate effects from the conversion of the US$. For fiscal year 2015, the Executive Board is also expecting slightly higher capacitive capital expenditure in connection with the application of IFRIC 12 in the Group company Lima. The 2015 value added is expected to be noticeably higher than the adjusted figure for 2014.

Forecasted asset and financial position for 2015

The Executive Board expects the **capital expenditure volume** in property, plant, and equipment at the Frankfurt site in 2015 to be slightly above the level of 2014. The reasons for the slight increase will be maintenance capital expenditure and the planned start of construction of Terminal 3. The investments in airport operating projects are forecasted by the Executive Board to be slightly higher in 2015, with capital expenditure in other intangible assets and investment property remaining at roughly 2014's level. Depending on the increase in Group result, the Executive Board expects the **operating cash flow** to be significantly above the previous year's level. Despite the slightly higher capital expenditure volume in property, plant, and equipment, the Executive Board is therefore assuming that the significantly positive **free cash flow** will continue, which will clearly exceed the dividend payment for fiscal year 2014.

Among other things, the remaining free cash flow will be used to cover due financial liabilities, meaning that **net financial debt** for 2015 is forecasted to be slightly below the value as at the 2014 balance sheet date. Without taking potential refinancing measures into consideration, the Executive Board expects a stronger decline in **liquidity** in fiscal year 2015 as a result of the debt repayments. **Shareholders' equity** and the **equity ratio** are forecasted to be slightly higher than the values at the 2014 balance sheet date due to additions to revenue reserves. The **gearing ratio** is accordingly expected to be lower than its value as at December 31, 2014 by up to around 5 percentage points. Due to the slightly higher capital expenditure volume and the rise in shareholders' equity, the Executive Board is also expecting a slight increase in the **total assets** for 2015.

Forecasted non-financial performance indicators for 2015

In connection with the focus on the development of non-financial performance indicators, the Executive Board is expecting the following developments in fiscal year 2015:

In the area of **customer satisfaction and product quality**, the Executive Board expects continued global passenger satisfaction of at least 80% at the Frankfurt site as well as continued high customer satisfaction figures at the Group sites with a Fraport share of at least 50%. The Executive Board anticipates the punctuality rate to remain roughly at the same high level, and for baggage connectivity to once again have a value of better than 98.5%. The Executive Board continues to expect a value significantly above 90% for the equipment availability rate.

Despite continuing uncertain economic conditions, the Executive Board expects, in the area of **attractiveness as an employer**, that employee satisfaction remains above an average grade of better than 3.0 in 2015. The Executive Board also expects a reduction in work accidents.

Medium-term outlook

Fraport expects further growth in the global economy in the medium term as well as an improvement in the economic situation in the Euro zone. Positive development is also anticipated for 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. Here, in particular, the situation in the Ground Handling segment remains challenging and difficult with regard to the intensive competitive environment (also see chapter "Risk and Opportunities Report" beginning on page 74).

In connection with the planned improvement in operating result and higher proceeds from companies accounted for using the equity method, the Executive Board is anticipating a positive development in the Group result – despite the continued difficulty to forecast the financial result, which results primarily from the future changes in interest and exchange rates.

In connection with the need for medium- and long-term capital expenditure at the Frankfurt site and the Lima site, the Executive Board is anticipating that net financial debt and the gearing ratio will again be temporarily strained. The Executive Board continues to assess the financial situation as stable.

The closing of the transaction to operate the 14 Greek regional airports will likely have the following effects on the expected medium-term development of the results of operations:
For the first year of the full-year consolidation of the Greek Group companies, the Executive Board expects additional revenue of around €180 million and additional EBITDA of around €90 million. Due to interest expenses and the regular depreciation, and amortization of the up-front payment of €1,234 million and the annual minimum concession payment of €22.9 million plus an inflation-dependent adjustment, the Executive Board expects – depending on the financing of the Greek Group companies – only minor effects on the Group's result. Depending on the point of time the business is taken over, the afore-mentioned figures will have a proporionate effect on the Group's results of operations and the development of the External Activities & Services segment in the takeover year.

With reference to the asset and financial position – depending on the financing of the up-front payment of €1,234 million and the point of time the transaction is closed – this will lead to a significant increase in the Group's net financial debt of up to around €1 billion. The gearing ratio and total assets will also increase significantly.

The Executive Board aims for a dividend distribution at a payout ratio of around 40% to 60% of the profit attributable to shareholders of Fraport AG.

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

In the event of larger acquisitions or divestments, the actual development of the asset, financial, and earnings position could deviate significantly from the aforementioned forecast.

Frankfurt am Main, March 2, 2015

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr Schulte Giesen

Müller Dr Zieschang

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

Consolidated Financial Statements for the 2014 Fiscal Year

Consolidated Income Statement

€ million	Notes	2014	2013 adjusted
Revenue	(5)	**2,394.6**	**2,375.7**
Change in work-in-process	(6)	0.6	0.6
Other internal work capitalized	(7)	28.3	32.3
Other operating income	(8)	42.5	32.5
Total revenue		**2,466.0**	**2,441.1**
Cost of materials	(9)	–533.3	–595.2
Personnel expenses	(10)	–970.4	–928.9
Depreciation and amortization	(11)	–307.3	–294.3
Other operating expenses	(12)	–172.2	–184.1
Operating result		**482.8**	**438.6**
Interest income	(13)	35.6	35.5
Interest expenses	(13)	–176.7	–171.5
Result from companies accounted for using the equity method	(14)	43.5	18.5
Other financial result	(15)	–10.5	10.4
Financial result		**–108.1**	**–107.1**
Result from ordinary operations		**374.7**	**331.5**
Taxes on income	(16)	–122.9	–95.8
Group result		**251.8**	**235.7**
thereof profit attributable to non-controlling interests		17.1	14.7
thereof profit attributable to shareholders of Fraport AG		234.7	221.0
Earnings per €10 share in €	(17)		
basic		2.54	2.40
diluted		2.54	2.39
EBIT (= Operating result)		**482.8**	**438.6**
EBITDA (= EBIT + Depreciation and amortization)		**790.1**	**732.9**

Table 32

Consolidated Statement of Comprehensive Income

€ million	2014	2013 adjusted
Group result	**251.8**	**235.7**
Remeasurements of defined benefit pension plans	–7.4	1.9
(Deferred taxes related to those items	1.7	–1.2)
Expenses from companies accounted for using the equity method	–0.3	–0.5
(Deferred taxes related to those items	0.1	0.1)
Items that will not be reclassified subsequently to profit or loss	**–5.9**	**0.3**
Fair value changes of derivatives		
Changes directly recognized in equity	–32.3	4.4
thereof realized gains (+)/losses (–)	–40.3	–42.1
	8.0	**46.5**
(Deferred taxes related to those items	–2.5	–14.4)
Fair value changes of financial instruments held for sale		
Changes directly recognized in equity	25.4	–6.8
thereof realized gains (+)/losses (–)	0.0	0.0
	25.4	**–6.8**
(Deferred taxes related to those items	–2.3	1.0)
Foreign currency translation of subsidiaries	**13.6**	**–4.1**
Income and expenses from companies accounted for using the equity method directly recognized in equity	**12.6**	**10.8**
(Deferred taxes related to those items	0.0	–2.5)
Items that will be reclassified subsequently to profit or loss	**54.8**	**30.5**
Other result after deferred taxes	**48.9**	**30.8**
Comprehensive income	**300.7**	**266.5**
thereof attributable to non-controlling interests	20.1	14.1
thereof attributable to shareholders of Fraport AG	280.6	252.4

Table 33

Consolidated Statement of Financial Position as at December 31, 2014

Assets

€ million	Notes	December 31, 2014	December 31, 2013 adjusted	January 1, 2013 adjusted
Non-current assets				
Goodwill	(18)	41.7	22.7	22.7
Investments in airport operating projects	(19)	479.2	458.1	433.3
Other intangible assets	(20)	157.1	51.1	39.6
Property, plant, and equipment	(21)	6,127.7	5,962.3	5,902.4
Investment property	(22)	63.0	47.7	34.4
Investments in companies accounted for using the equity method	(23)	216.9	194.9	185.7
Other financial assets	(24)	773.3	728.6	749.4
Other receivables and financial assets	(25)	181.1	172.2	112.4
Income tax receivables	(26)	10.2	20.3	19.5
Deferred tax assets	(27)	31.1	27.9	28.7
		8,081.3	**7,685.8**	**7,528.1**
Current assets				
Inventories	(28)	43.7	42.3	43.4
Trade accounts receivable	(29)	174.7	174.4	173.0
Other receivables and financial assets	(25)	297.6	426.4	383.1
Income tax receivables	(26)	7.7	1.0	34.8
Cash and cash equivalents	(30)	401.1	486.9	715.2
		924.8	**1,131.0**	**1,349.5**
Non-current assets held for sale	(31)	7.1		
		931.9	**1,131.0**	**1,349.5**
Total		**9,013.2**	**8,816.8**	**8,877.6**

Liabilities and equity

€ million	Notes	December 31, 2014	December 31, 2013 adjusted	January 1, 2013 adjusted
Shareholders' equity				
Issued capital	(32)	922.7	922.1	921.3
Capital reserve	(32)	592.3	590.2	588.0
Revenue reserves	(32)	1,706.1	1,540.8	1,403.2
Equity attributable to shareholders of Fraport AG	(32)	3,221.1	3,053.1	2,912.5
Non-controlling interests	(33)	64.9	45.7	35.7
		3,286.0	**3,098.8**	**2,948.2**
Non-current liabilities				
Financial liabilities	(34)	3,874.3	3,948.1	4,179.1
Trade accounts payable	(35)	47.1	50.8	64.4
Other liabilities	(36)	497.5	491.7	578.0
Deferred tax liabilities	(37)	158.7	107.2	88.0
Provisions for pensions and similar obligations	(38)	33.7	26.7	27.4
Provisions for income taxes	(39)	68.8	54.1	80.2
Other provisions	(40)	228.0	223.9	200.5
		4,908.1	**4,902.5**	**5,217.6**
Current liabilities				
Financial liabilities	(34)	318.1	290.6	172.5
Trade accounts payable	(35)	134.5	159.6	210.3
Other liabilities	(38)	123.7	123.0	106.5
Provisions for income taxes	(39)	14.7	7.7	5.0
Other provisions	(40)	223.8	234.6	217.5
		814.8	**815.5**	**711.8**
Liabilities in the context of non-current assets held for sale	(41)	4.3		
		819.1	**815.5**	**711.8**
Total		**9,013.2**	**8,816.8**	**8,877.6**

Table 34

Consolidated Statement of Cash Flows

€ million	Notes	2014	2013 adjusted
Profit attributable to shareholders of Fraport AG		**234.7**	**221.0**
Profit attributable to non-controlling interests		17.1	14.7
Adjustments for			
Taxes on income	(16)	122.9	95.8
Depreciation and amortization	(11)	307.3	294.3
Interest result	(13)	141.1	136.0
Gains/losses from disposal of non-current assets		0.7	5.9
Others		0.7	–0.5
Fair value changes of companies accounted for using the equity method	(14)	–43.5	–18.5
Changes in inventories	(28)	–1.1	1.1
Changes in receivables and financial assets	(25)	4.6	24.5
Changes in liabilities	(35–36)	–52.0	–85.8
Changes in provisions	(38–40)	–10.0	–23.6
Operating activities		**722.5**	**664.9**
Financial activities			
Interest paid		–148.7	–149.8
Interest received		18.4	17.7
Taxes on income paid		–86.0	–78.6
Cash flow from operating activities	(44)	**506.2**	**454.2**
Investments in airport operating projects	(19)	–12.7	–53.6
Capital expenditure for other intangible assets	(20)	–7.7	–6.1
Capital expenditure for property, plant, and equipment	(21)	–251.7	–354.0
Investment property	(22)	–19.1	–23.3
Acquisition of fully consolidated subsidiaries		–271.1	0.0
Dividends from companies accounted for using the equity method	(23)	31.8	17.1
Proceeds from disposal of non-current assets		6.7	1.5
Cash flow used in investing activities without investments in cash deposits and securities		**–523.8**	**–418.4**
Financial investments in securities and promissory note loans	(24)	–555.5	–483.3
Proceeds from disposal of securities and promissory note loans		664.2	450.4
Decrease of time deposits with a duration of more than three months	(30)	122.4	251.6
Cash flow used in investing activities	(44)	**–292.7**	**–199.7**
Dividends paid to shareholders of Fraport AG	(32)	–115.3	–115.2
Dividends paid to non-controlling interests		–5.3	–4.1
Capital increase	(32)	2.5	2.5
Cash inflow from long-term financial liabilities	(34)	400.0	47.2
Repayment of long-term financial liabilities		–460.0	–153.6
Changes in short-term financial liabilities		–6.4	–5.0
Cash flow used in financing activities	(44)	**–184.5**	**–228.2**
Change in restricted cash	(30)	0.0	0.0
Change in cash and cash equivalents		**29.0**	**26.3**
Cash and cash equivalents as at January 1		131.2	107.9
Foreign currency translation effects on cash and cash equivalents		7.6	–3.0
Cash and cash equivalents as at December 31	(44)(30)	**167.8**	**131.2**

Table 35

Consolidated Statement of Changes in Equity

€ million	Notes	Issued capital	Capital reserve
Balance as at January 1, 2014		**922.1**	**590.2**
Foreign currency translation effects		–	–
Income and expenses from companies accounted for using the equity method 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	2.0
Management Stock Options Plan			
Capital increase for exercise of subscription rights		0.1	0.1
Distributions		–	–
Group result		–	–
Changes from company acquisitions		–	–
Transactions with non-controlling interests		–	–
Consolidation activities/other changes		–	–
Balance as at December 31, 2014	(32), (33)	**922.7**	**592.3**
Balance as at January 1, 2013 adjusted		**921.3**	**588.0**
Foreign currency translation effects		–	–
Income and expenses from companies accounted for using the equity method directly recognized in equity [1]		–	–
Remeasurements of defined benefit plans		–	–
Fair value changes of financial assets held for sale		–	–
Fair value changes of derivatives [1]		–	–
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 adjusted	(32), (33)	**922.1**	**590.2**

[1] Values adjusted in connection with the initial application of IFRS 11.

Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Equity (total)
1,618.4	**3.7**	**–81.3**	**1,540.8**	**3,053.1**	**45.7**	**3,098.8**
–	10.7	–	10.7	10.7	2.9	**13.6**
–0.2	12.2	0.4	12.4	12.4	–	**12.4**
–5.8	–	–	–5.8	–5.8	0.1	**–5.7**
–	–	23.1	23.1	23.1	–	**23.1**
–		5.5	5.5	5.5	–	**5.5**
–6.0	**22.9**	**29.0**	**45.9**	**45.9**	**3.0**	**48.9**
–	–	–	–	2.5	–	**2.5**
–	–	–	–	0.2	–	**0.2**
–115.3	–	–	–115.3	–115.3	–5.3	**–120.6**
234.7	–	–	234.7	234.7	17.1	**251.8**
–	–	–	–	–	4.7	**4.7**
–	–	–	–	–	–0.3	**–0.3**
0.0	–	–	0.0	0.0	0.0	**0.0**
1,731.8	**26.6**	**–52.3**	**1,706.1**	**3,221.1**	**64.9**	**3,286.0**
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	9.4	7.9	7.9	–	**7.9**
0.8	–	–	0.8	0.8	–0.1	**0.7**
–	–	–5.8	–5.8	–5.8	–	**–5.8**
–	–	32.1	32.1	32.1	–	**32.1**
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**

Table 36

Consolidated Statement of Changes in Non-Current Assets
(Note 18 to 24)

€ million	Goodwill	Investments in airport operating projects	Other intangible assets	Land, land rights and buildings, including buildings on leased lands	Technical equipment and machinery	Other equipment, operating, and office equipment
Acquisition/production costs						
Balance as at January 1, 2014	**119.3**	**591.1**	**132.4**	**5,854.7**	**2,997.5**	**388.5**
Foreign currency translation effects		47.4	4.3			3.3
Additions	**19.0**	12.7	7.7	57.6	92.9	21.3
Disposals			–4.7	–28.1	–47.6	–31.0
Reclassifications			6.6	55.8	52.4	1.6
IFRS 5 reclassifications			–4.2			–0.6
Additions from company acquisitions			101.1	74.1	80.4	25.4
Balance as at December 31, 2014	**138.3**	**651.2**	**243.2**	**6,014.1**	**3,175.6**	**408.5**
Accumulated depreciation and amortization						
Balance as at January 1, 2014	**96.6**	**133.0**	**81.3**	**2,228.1**	**1,387.4**	**248.3**
Foreign currency translation effects		15.7	0.4			1.2
Additions		23.3	12.3	145.6	95.6	30.2
Disposals			–4.6	–25.9	–43.3	–30.1
Reclassifications						
IFRS 5 reclassifications			–3.3			–0.5
Write-ups						
Balance as at December 31, 2014	**96.6**	**172.0**	**86.1**	**2,347.8**	**1,439.7**	**249.1**
Residual carrying amounts						
Balance as at December 31, 2014	**41.7**	**479.2**	**157.1**	**3,666.3**	**1,735.9**	**159.4**
Acquisition/production costs						
Balance as January 1, 2013 (adjusted)	**119.3**	**552.5**	**131.3**	**5,698.7**	**2,928.3**	**409.7**
Foreign currency translation effects		–15.0	–0.3			–0.6
Additions		53.6	6.1	112.2	102.8	22.0
Disposals			–20.3	–62.0	–131.8	–45.6
Reclassifications			15.6	105.8	98.2	3.0
Balance as at December 31, 2013 (adjusted)	**119.3**	**591.1**	**132.4**	**5,854.7**	**2,997.5**	**388.5**
Accumulated depreciation and amortization						
Balance as at January 1, 2013 (adjusted)	**96.6**	**119.2**	**91.7**	**2,132.5**	**1,410.5**	**264.1**
Foreign currency translation effects		–5.5	–0.3			–0.5
Impairment losses pursuant to IAS 36						
Additions		19.3	10.0	148.5	86.0	29.7
Disposals			–20.1	–52.9	–109.1	–45.0
Reclassifications						
Write-ups						
Balance as at December 31, 2013 (adjusted)	**96.6**	**133.0**	**81.3**	**2,228.1**	**1,387.4**	**248.3**
Residual carrying amounts						
Balance as at December 31, 2013 (adjusted)	**22.7**	**458.1**	**51.1**	**3,626.6**	**1,610.1**	**140.2**

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

Construction in progress	Property, plant, and equipment (total)	Investment property	Other investments	Available for sale securities	Loans to affiliated companies [1]	Other loans	Other financial assets (total)
586.5	9,827.2	54.6	52.3	505.3	186.1	44.0	787.7
	3.3						0.0
98.5	270.3	16.4		118.0			118.0
–4.6	–111.3	–2.5				–0.6	–0.6
–117.6	–7.8	1.2		–108.7		4.8	–103.9
	–0.6						0.0
4.4	184.3			3.4	1.7		5.1
567.2	10,165.4	69.7	52.3	518.0	187.8	48.2	806.3
1.1	3,864.9	6.9	–7.2	–12.0	61.5	16.8	59.1
	1.2						0.0
	271.4	0.3					0.0
	–99.3	–0.5					0.0
	0.0			1.9			1.9
	–0.5						0.0
	0.0		–16.5	–11.4		–0.1	–28.0
1.1	4,037.7	6.7	–23.7	–21.5	61.5	16.7	33.0
566.1	6,127.7	63.0	76.0	539.5	126.3	31.5	773.3
673.9	9,710.6	40.5	52.4	486.1	196.9	71.3	806.7
	–0.6						0.0
149.8	386.8	14.4		168.2		15.0	183.2
–14.9	–254.3		–0.1		–10.8	–2.1	–13.0
–222.3	–15.3	–0.3		–149.0		–40.2	–189.2
586.5	9,827.2	54.6	52.3	505.3	186.1	44.0	787.7
1.1	3,808.2	6.1	–10.6	–10.9	61.5	18.4	58.4
	–0.5						0.0
	0.0	0.5					0.0
	264.2	0.3					0.0
	–207.0						0.0
	0.0			0.8			0.8
	0.0		3.4	–1.9		–1.6	–0.1
1.1	3,864.9	6.9	–7.2	–12.0	61.5	16.8	59.1
585.4	5,962.3	47.7	59.5	517.3	124.6	27.2	728.6

Table 37

Segment Reporting

(Note 43)

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Adjustments	Group
	2014	884.2	455.7	656.2	398.5		**2,394.6**
Revenue	2013 (adjusted)	845.6	464.2	649.0	416.9		**2,375.7**
	2014	29.2	15.8	15.2	11.2		**71.4**
Other income	2013 (adjusted)	28.1	12.8	11.7	12.8		**65.4**
	2014	**913.4**	**471.5**	**671.4**	**409.7**	**–**	**2,466.0**
Third-party revenue	**2013 (adjusted)**	**873.7**	**477.0**	**660.7**	**429.7**	**–**	**2,441.1**
	2014	77.2	233.5	36.9	357.0	–704.6	–
Intersegment revenue	2013 (adjusted)	75.4	230.6	34.6	352.4	–693.0	–
	2014	**990.6**	**705.0**	**708.3**	**766.7**	**–704.6**	**2,466.0**
Total revenue	**2013 (adjusted)**	**949.1**	**707.6**	**695.3**	**782.1**	**–693.0**	**2,441.1**
	2014	**115.5**	**275.0**	**7.5**	**84.8**	**0.0**	**482.8**
Segment result EBIT	**2013 (adjusted)**	**90.6**	**267.0**	**–4.4**	**85.4**	**0.0**	**438.6**
	2014	121.4	81.5	36.8	67.6	–	**307.3**
Depreciation and amortization of segment assets	2013 (adjusted)	117.3	82.7	38.6	55.7	–	**294.3**
	2014	**236.9**	**356.5**	**44.3**	**152.4**	**–**	**790.1**
EBITDA	**2013 (adjusted)**	**207.9**	**349.7**	**34.2**	**141.1**	**–**	**732.9**
Share of result from companies accounted for using the equity method	2014	0.0	–0.3	0.8	43.0	–	**43.5**
	2013 (adjusted)	0.0	0.6	3.1	14.8	–	**18.5**
	December 31, 2014	4,049.8	2,538.0	668.4	1,708.0	49.0	**9,013.2**
Book value of segment assets	December 31, 2013 (adjusted)	4,083.5	2,651.3	737.6	1,295.2	49.2	**8,816.8**
	December 31, 2014	2,819.9	1,604.3	433.2	627.6	242.2	**5,727.2**
Segment liabilities	December 31, 2013 (adjusted)	2,598.6	1,744.3	548.6	657.5	169.0	**5,718.0**
Acquisition cost of additions to property, plant, and equipment, investments in airport operating projects, goodwill, intangible assets, and investment property	2014	143.8	87.2	31.2	63.9	–	**326.1**
	2013 (adjusted)	207.3	127.2	39.9	86.5	–	**460.9**
	2014	73.4	27.5	11.3	5.8	–	**118.0**
Other significant non-cash effective expenses	2013 (adjusted)	131.4	30.9	11.2	5.6	–	**179.1**
	December 31, 2014	0.0	4.0	11.9	201.0	–	**216.9**
Investments in companies accounted for using the equity method	December 31, 2013 (adjusted)	0.0	4.6	13.0	177.3	–	**194.9**

Table 38

Geographical information

€ million		Germany	Rest of Europe	Asia	Rest of World	Adjustments	Group
Revenue	2014	2,042.7	75.5	37.6	238.8		**2,394.6**
	2013 adjusted	2,012.5	110.0	28.6	224.6		**2,375.7**
Other income	2014	68.6	0.7	1.1	1.0		**71.4**
	2013 adjusted	63.6	0.6	1.0	0.2		**65.4**
Third-party revenue	**2014**	**2,111.3**	**76.2**	**38.7**	**239.8**	**–**	**2,466.0**
	2013 adjusted	**2,076.1**	**110.6**	**29.6**	**224.8**	**–**	**2,441.1**
Book value of segment assets	December 31, 2014	7,499.7	718.6	292.2	453.7	49.0	**9,013.2**
	December 31, 2013 adjusted	7,774.0	415.9	253.3	324.4	49.2	**8,816.8**
Acquisition cost of additions to property, plant, and equipment, investments in airport operating projects, goodwill, intangible assets, and investment property	2014	287.0	28.6	0.0	10.5	–	**326.1**
	2013 adjusted	403.3	44.4	0.1	13.1	–	**460.9**

Table 39

Group Notes for the 2014 Fiscal Year

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, 2014 in accordance with the standards issued by the International Accounting Standards Board (IASB).

We have applied the International Financial Reporting Standards (IFRS) for the consolidated financial statements and the interpretations about them issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted in the European Union (EU), in force on the balance sheet date, completely and without any restrictions in recognition, valuation, and disclosure in the 2014 consolidated financial statements. Pursuant to Section 315a (1) of the German Commercial Code (HGB), these notes to the financial statements contain the supplementary disclosures according to Sections 313, 314 HGB.

As a capital market-oriented parent company of the Fraport Group, Fraport AG must prepare its consolidated financial statements pursuant to Directive (EC) No 1606/2002 of the European Parliament and the Council dated July 19, 2002 (new version dated April 9, 2008), in accordance with 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 2014 fiscal year were approved for publication by the Executive Board on March 2, 2015. The Supervisory Board approved the consolidated financial statements in its meeting on March 16, 2015.

2 Companies included in consolidation and balance sheet date

Fraport AG and all affiliated companies are included in the consolidated financial statements in full. Joint ventures and associated companies are accounted in the consolidated financial statements for using the equity method. For more information on the effects of the first-time application of IFRS 11 on the accounting of joint ventures, see note 4 under “New standards, interpretations, and changes”.

Companies controlled by Fraport AG are considered to be affiliated companies. A company is controlled by Fraport AG if Fraport AG holds decision-making power on the basis of voting or other rights allowing it to determine the significant activities of the affiliated company, participates in positive or negative variable returns from the affiliated company, and is able to affect these returns through its decision-making power.

Inclusion in the consolidated financial statements commences on the date when control is obtained.

A joint arrangement applies if the Fraport Group makes joint decisions on operations on the basis of a contractual agreement with third parties. Joint management is exercised if decisions on significant activities require the unanimous agreement of all parties. A joint arrangement is either a joint operation or a joint venture. For all joint arrangements in the Fraport Group, the partners have a share in the net assets of a jointly managed, legally independent company; these are therefore joint ventures.

Associated companies are Fraport investments in which Fraport AG is able to exercise major influence on financial and business policies.

The annual financial statements of the companies included in the consolidated financial statements are prepared on the basis of shared accounting and valuation principles.

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 2014 fiscal year:

Companies included in consolidation

	Germany	Other countries	Total
Fraport AG	**1**	**0**	**1**
Fully consolidated subsidiaries			
December 31, 2013	24	15	**39**
Additions	0	9	**9**
Disposals	0	–2	**–2**
December 31, 2014	**24**	**22**	**46**
Companies accounted for using the equity method			
Joint ventures			
December 31, 2013	7	5	**12**
Additions	0	0	**0**
Disposals	0	0	**0**
December 31, 2014	**7**	**5**	**12**
Associated companies			
December 31, 2013	3	3	**6**
Additions	0	2	**2**
Disposals	0	0	**0**
December 31, 2014	**3**	**5**	**8**
Companies consolidated including companies accounted for using the equity method on December 31, 2013	35	23	**58**
Companies consolidated including companies accounted for using the equity method on December 31, 2014	**35**	**32**	**67**

Table 40

Additions of subsidiaries relate to the acquisitions of the AMU Holdings Inc. Group, consisting of eight companies in total, as well as Aerodrom Ljubljana, d.d., Zgornji Brnik (Aerodrom Ljubljana). Disposals of subsidiaries relate to the inactive companies International Aviation Security, Lda., Lisbon, and International Aviation Security (UK) Ltd., London. The deconsolidation of the companies has had no material effect on Fraport's consolidated financial statements.

Additions of associated companies relate to the capital shares in Aerodrom Portoroz, d.o.o., Secovlje (30.46 %), and Adria Airways Tehnika, d.d., Zgornji Brnik (47.67 %) acquired with Aerodrom Ljubljana.

On April 8, 2014, Fraport AG acquired the remaining 49 % of the capital shares in Fraport Passenger Services GmbH, Frankfurt am Main (formerly FPS Frankfurt Passenger Services GmbH). As this was a purchase of shares in a subsidiary with no change in status, the acquisition was recorded as a shareholders' equity transaction with non-controlling interests. Overall, the acquisition has had no material effect 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 % of shares respectively, have been included in the consolidated financial statements as subsidiaries. Due to contractual stipulations, Fraport AG has actual control over these companies.

Fraport AG holds a 52 % capital share in the company N*ICE Aircraft Services & Support GmbH, Frankfurt am Main. The company is included in the consolidated financial statements as a joint venture with 52 % according to the equity method due to contractually agreed joint management and control.

operational services GmbH & Co. KG, Frankfurt am Main, in which Fraport AG holds 50 % of the shares, cannot be recognized as an associated company due to the extensive rights of the other shareholder, and is therefore reported under other investments along with the other financial assets.

A complete list of shareholdings pursuant to Section 313 (2) of the HGB is given under note 58 of the Group notes.

Acquisition of shares in subsidiaries

AMU Holdings Inc.

Fraport AG acquired 100 % of the shares in the US company AMU Holdings Inc., Pittsburgh with effect from August 1, 2014. The investments held by AMU Holdings Inc. operate and develop commercial terminal areas at the four US airports in Pittsburgh, Boston, Baltimore, and Cleveland via concession agreements. The acquisition expands Fraport's international portfolio to include the North American airport market and strengthens the Group's position in the profitable retail business.

The following overview shows the fair values of the assets and liabilities acquired as at August 1, 2014, and the consideration transferred in return.

Purchase price allocation of the shares acquired in AMU Holdings Inc.

€ million	Fair values at the time of acquisition
Cash and cash equivalents	3.2
Intangible assets	36.2
Property, plant, and equipment	18.8
Trade accounts receivable	2.2
Other receivables and financial assets	0.9
Income tax receivables	0.7
Total assets	**62.0**
Trade accounts payable	–3.7
Other liabilities	–2.2
Provisions for deferred taxes	–12.3
Total liabilities	**–18.2**
Net assets	**43.8**
Goodwill	1.0
Consideration transferred in cash and cash equivalents	44.8
Less acquired cash and cash equivalents	–3.2
Net cash outflow from company acquisition	**41.6**

Table 41

The purchase price was allocated on the basis of a valuation report. It was attributable for the most part to the concession rights accounted for under intangible assets and to property, plant, and equipment, and was paid for in liquid funds. The incidental acquisition costs, amounting to around €0.5 million, were recorded under other operating expenses. The goodwill remaining after purchase price allocation is allocated to existing processes, and to the deferred tax liabilities recognized during purchase price allocation.

The company has been fully consolidated in Fraport's consolidated financial statements since the date of the acquisition, and is allocated to the External Activities & Services segment. Revenue of €20.6 million, EBITDA of €3.8 million and a profit of €1.1 million are included in the consolidated statement of comprehensive income as at December 31, 2014 from the date of acquisition of AMU Holdings Inc. For the entirety of 2014, AMU Holdings Inc. generated revenue of €38.9 million, and a loss of €1.2 million (company result for the year, including the continuation of the hidden reserves uncovered at the time of acquisition).

Aerodrom Ljubljana, d.d.

On October 10, 2014, Fraport AG acquired 75.55% of the shares in the listed company Aerodrom Ljubljana, d.d., Slovenia. The company operates the airport of Slovenia's capital city of Ljubljana.

Owing to the share purchase, an offer at a price of €61.75 per share was made to the remaining shareholders. Since the completion of the public takeover proceeding on November 25, 2014, Fraport has been in possession of a total of 97.99 % of the shares in Aerodrom Ljubljana, d.d. The total purchase price for the shares, paid in liquid funds, was €229.7 million. The incidental costs associated with the acquisition of the company, amounting to around €0.4 million, are recorded under other operating expenses.

Fraport expects the airport to have a positive operating and financial performance in the coming years. In addition to passenger traffic, Fraport primarily anticipates positive effects from the development of the commercial areas at the airport.

The company has been fully consolidated in Fraport's consolidated financial statements since the date of the acquisition and is allocated to the External Activities & Services segment.

The following overview shows the fair values of the assets and liabilities acquired at the time of acquisition and the consideration transferred in return.

Purchase price allocation of the shares acquired in Ljubljana Aerodrom, d.d.

€ million	Fair values at the time of acquisition
Cash and cash equivalents	0.2
Intangible assets	65.0
Property, plant, and equipment	165.4
Trade accounts receivable	5.4
Other receivables and financial assets	10.3
Inventories	0.3
Total assets	**246.6**
Trade accounts payable	–4.0
Other liabilities	–0.5
Other provisions	–1.0
Provisions for deferred taxes	–24.7
Total liabilities	**–30.2**
Net assets	**216.4**
Goodwill	18.0
Non-controlling interests	–4.7
Consideration transferred in cash and cash equivalents	229.7
Less acquired cash and cash equivalents	–0.2
Net cash outflow from company acquisition	**229.5**

Table 42

The purchase price was allocated on the basis of a valuation report. It was essentially attributable to the airport infrastructure recorded under property, plant, and equipment and to a right to operate the airport derived from an existing long-term land use contract with a term of 40 years, which was recorded as an intangible asset. The goodwill remaining after purchase price allocation is allocated to the existing processes and the deferred tax liabilities recognized during purchase price allocation.

Revenue of €7.2 million, EBITDA of €1.7 million, and a loss of €0.6 million are included in the consolidated statement of comprehensive income as at December 31, 2014 from the date of acquisition of Ljubljana Aerodrom, d.d. In the entire 2014 fiscal year, Ljubljana Aerodrom, d.d. generated revenue of €32.0 million and a profit of €1.5 million (company result for the year, including the continuation of the hidden reserves uncovered at the time of acquisition).

The non-controlling interests were accounted at their fair value of €4.7 million as derived from the valuation report for purchase price allocation at the time of acquisition.

Disclosure of interests in subsidiaries

The following table shows summarized financial information for the companies Lima and Twin Star, from which the Fraport Group has substantial non-controlling interests. Lima Airport Partners S.R.L., Lima operates Lima International Airport in Peru. Fraport Twin Star Airport Management AD, Varna operates Varna and Burgas Airports in Bulgaria. Further information on both companies can be found in note 51 (Service concession agreements).

Disclosure of interests in subsidiaries

€ million	Lima		Twin Star	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Participation quota, non-controlling interests	**29.99%**	**29.99%**	**40.00%**	**40.00%**
Non-current assets	312.2	275.7	204.3	209.0
Current assets	94.1	65.6	26.6	24.3
Non-current liabilities	258.6	239.9	97.6	103.5
Current liabilities	68.6	55.3	53.1	61.5
Shareholders' equity/net assets	**79.1**	**46.1**	**80.2**	**68.3**
Carrying amount, non-controlling interests	23.7	13.8	32.1	27.3
	2014	**2013**	**2014**	**2013**
Revenue	214.3	208.0	60.7	101.1
Result after taxes	32.1	26.4	15.8	13.7
Other result	9.1	–2.6	0.1	0.0
Comprehensive income	**41.2**	**23.8**	**15.9**	**13.7**
Proportion of non-controlling interests in comprehensive income	12.4	7.1	6.4	5.5
Cash flow from operating activities	45.7	41.8	23.9	23.7
Cash flow used in investing activities	–10.1	–14.5	–6.5	–44.4
Cash flow used in financing activities	–14.4	–19.6	–16.2	29.1
Change in cash and cash equivalents	**21.2**	**7.7**	**1.2**	**8.4**
Cash and cash equivalents as at January 1	53.6	48.1	18.6	10.2
Foreign currency translation effects on cash and cash equivalents	7.1	–2.2	0.0	0.0
Cash and cash equivalents as at December 31	81.9	53.6	19.8	18.6
Dividends to non-controlling interests	2.5	3.1	1.6	0.0

Table 43

All subsidiaries are fully consolidated in the Fraport consolidated financial statements. The capital shares in the subsidiaries directly held by Fraport AG as a parent company do not differ from the proportion of voting rights held. There are no preferred shares in the subsidiaries.

There are no significant restrictions pursuant to IFRS 12.

3 Consolidation principles

Capital consolidation of all business combinations follows 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 company 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.

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

Intercompany profits and losses on trade accounts payable between companies included in the consolidated financial statements were minimal. Elimination was waived 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 December 31, 2014	Average exchange rate 2014	Exchange rate December 31, 2013	Average exchange rate 2013
1 US Dollar (US$)	0.8227	0.7527	0.7264	0.7530
1 Turkish New Lira (TRY)	0.3535	0.3441	0.3395	0.3947
1 Renminbi Yuan (CNY)	0.1327	0.1222	0.1198	0.1225
1 Hong Kong Dollar (HKD)	0.1061	0.0971	0.0937	0.0971
1 Peruvian Nuevo Sol (PEN)	0.2750	0.2653	0.2597	0.2785
100 Russian Ruble (RUB)	1.3874	1.9626	2.2093	2.3620

Table 44

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 as at the balance sheet date takes place at the exchange rate as at the balance sheet date. Translation differences are 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. Particular exceptions include financial assets available for sale 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 charges subject to regulation (according to Section 19b (1) of the German Air Traffic Act (LuftVG)), which include, among others, landing and takeoff 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 51), 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.

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 cumulative 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 since the acquisition date. The Group companies within the Fraport Group generally 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 operation of airports in Varna and Burgas (Bulgaria) and Lima (Peru) acquired within the scope of service concession agreements (see also note 51). The concession agreements for the operation of the airports fall under IFRIC 12.17 and are recognized according to the intangible asset model, since Fraport receives the right in each case to impose a charge on airport users 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 contractually fixed in amount 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. Borrowing costs are capitalized as part of the costs of acquisition if the requirements (see “Borrowing costs”) are fulfilled.

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.

Impairment losses are recognized in accordance with IAS 36, where necessary.

Other 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 losses had been recognized in the past.

Property, plant, and equipment

Property, plant, and equipment (IAS 16) are recognized at the cost of acquisition or production less straight-line depreciation and 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 loss 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 capitalized (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 at Fraport AG 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. Interest, financing charges in respect of finance leases, and currency differences are included in borrowing costs to the extent that they are regarded as an adjustment to interest costs. Each Group company defines its own individual criteria for what constitutes the presence of qualifying assets.

Regular depreciation and amortization

Regular depreciation and amortization is carried out on the basis of estimated useful technical and economic life. It takes place fundamentally on a Group-wide basis according to the straight-line method. The data on expected useful life also includes the useful lifespans of individual components.

The following useful lifespans are taken as a basis:

Regular depreciation and amortization

in years	
Investments in airport operating projects	30–35
Other intangible assets	3–40
Buildings (structural sections)	3–80
Technical buildings	20–40
Building equipment	12–38
Ground equipment	3–52
Flight operating areas	
Takeoff/landing runways	7–99
Aprons	33–99
Taxiway bridges	80
Taxiways	20–99
Other technical equipment and machinery	2–33
Vehicles (including special vehicles)	4–20
Other equipment, operating, and office equipment	2–25

Table 45

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 test is carried out annually for existing goodwill. Impairment losses are recorded if 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.

Since it is not generally possible in the Fraport Group to allocate cash flows to individual assets, so-called cash-generating units are formed and the existing goodwill is allocated to them. A cash-generating unit is defined as the smallest identifiable group of assets that generates separate cash inflows and outflows.

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

In the year under review and the previous year, only the value in use was determined as the recoverable amount. The value in use is determined by the entity through application of the discounted cash flow method.

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 2015 to 2020 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 up to 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. As in the previous year, 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 5.80% and 13.58% (previous year: 6.43% and 11.33%).

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 regularly depreciated and amortized on a straight-line basis. Lease revenue is generally recognized on a linear basis over the lease term.

Investments in companies accounted for using the equity method

Investments in joint ventures and associated companies are recognized at the pro rata share of equity, including goodwill. Impairment losses are recorded if the recoverable amount is lower than the carrying amount. The shares are tested for impairment annually.

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 exclusively constitute debt instruments.

The subsequent valuation of financial assets depends on the respective category according to IAS 39 (see note 42).

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

Other investments are allocated to the “available for sale” category. They will be assigned at fair values as long as they can be reliably calculated, whereas the gains or losses are included directly in equity without affecting profit or loss. Shares in partnerships are recognized at acquisition costs since the fair value cannot be determined reliably.

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

Other receivables and financial assets

Other receivables and financial assets mainly consist of trade accounts receivable, receivables from banks, other receivables, derivatives, and marketable short-term securities. These assets are recognized on the settlement date, i.e. at the time the asset is created or economic ownership is transferred, at fair value plus transaction costs. Non-current low-interest or non-interest-bearing receivables are recognized at their present value at the time at which they arise.

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, or a permanent decline of the fair value below amortized cost) that the asset may be impaired.

In general, impairment losses are recognized through profit or loss by directly reducing the carrying amount of 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 an already impaired receivable is designated as non-recoverable, the asset is derecognized.

Inventories

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

Work-in-process, raw materials, consumables, and supplies are measured at the lower of acquisition or production cost or net realizable value. Acquisition or production 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.

External reports on the fair value of the land being sold, as well as information about previous land sales, form the basis for the calculation of the estimated selling price.

Where the inventories constitute qualifying assets, the borrowing costs are capitalized.

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

Cash and cash equivalents

Cash and cash equivalents basically include cash, cash accounts, and short-term cash deposits with banks maturing in three months or less. Cash deposits with banks 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.

Non-current assets held for sale

Non-current assets held for sale are recognized at either the carrying amount or at fair value less costs, whichever is the lower amount.

Recognition of taxes on income

Taxes on income are recognized using the liability method according to IAS 12. All tax expenses and refunds directly related to income are recorded as taxes on income. These also include withholding taxes, penalties, and interest of retroactive assessed taxes 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 taxes on income 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, utilizable 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 from financial position differences and for carr-yforwards of unused tax losses, to the extent that it is probable that taxable profit will be available, against which the unused tax losses and unused tax credits can be utilized.

Deferred taxes are calculated at future tax rates insofar as these have already been legally established and/or the legislative process is largely completed. Changes in deferred taxes on the 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.

No deferred tax liabilities are recognized for temporary differences in connection with shares in subsidiaries and joint ventures, if Fraport can control the timing of the reversal and it is not expected that these differences will reverse in the foreseeable future.

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 2.10% (previous year: 3.60%). 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.

Remeasurements resulting from the change in the interest rate 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 pension provisions.

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 with 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 expenses.

With regard to the description of the various plans, reference is made to note 38.

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

Provisions represent liabilities that are uncertain with regard to amount and/or maturity. Other provisions are recognized in the amount required to settle the obligations. The amount recognized represents the most probable value.

Provisions 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 toward 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 19. 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 on a pro rata basis. The utilization begins with the passive phase.

Contingent liabilities

Contingent liabilities are possible liabilities that are based on past events, and the existence of which is only confirmed by the occurrence of one or more indeterminate future events that are nonetheless beyond Fraport’s control. Furthermore, current obligations may constitute contingent liabilities if the probability of the outflow of resources is not sufficient for a liability to be recognized, or if the extent of the liability cannot be reliably estimated. Contingent liabilities are not recorded in the balance sheet, but rather shown in the notes.

Liabilities

Financial liabilities, trade accounts payable, and other liabilities are recorded at their fair value upon initial recognition. For current liabilities, this corresponds generally to the same as the nominal value. Non-current low-interest or non-interest-bearing liabilities are carried at their present value at the time of addition. Liabilities in foreign currencies are translated at the exchange rate on the balance sheet date. Finance lease liabilities are reported at the lower of the present value of the minimum lease payments and the fair value of the leased asset.

Subsequent measurement of financial liabilities is based on the effective interest method at amortized cost. Each difference between the refund amount and the repayment amount is recorded in the income statement over the term of the contract in question using the effective interest method.

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 shareholders’ equity 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 recorded 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 trading date.

Treasury shares

Repurchased treasury shares are deducted from the issued capital and the capital reserve.

Stock options

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

Virtual stock options

Virtual stock options have been 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 expenses on a pro rata basis.

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. The assumptions and estimates made by the management in drawing up the consolidated financial statements are based on the circumstances and assessments on the balance sheet date. Although the management assumes that the assumptions and estimates applied are reasonable, there may be unforeseen changes in these assumptions that could affect the Group's asset, financial, and earnings position.

Balance sheet items for which assumptions and estimates have a significant effect on the reported carrying amount are shown below.

Property, plant, and equipment

Experience, planning, and estimates play a crucial role in determining the useful life of property, plant, and equipment. Carrying amounts and useful lifespans are checked on each reporting date and adjusted as required.

Other financial assets

The valuation of loans included in the other financial assets is based in part on cash flow forecasts.

Accounts receivable

For receivables, the assessment of impairment depends on the probability assessment of future payment defaults.

Taxes on income

Fraport is subject to taxation in various countries. In assessing global income tax receivables and liabilities, estimates sometimes need to be made. The possibility cannot be ruled out that the tax authorities will come to a different tax assessment. The associated uncertainty is accounted for by recognizing uncertain tax receivables and liabilities when they are considered by Fraport to have a probability of occurring of more than 50%. A change to the assessment, for example, as a result of final tax assessments, will have an effect on current and deferred tax items. For uncertain income tax items that have been recognized, the expected tax payment is used as a basis for the best estimate.

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.

Provisions for pensions and similar obligations

Material valuation parameters for the valuation of provisions for pensions and similar obligations are the discount factor as well as trend factors (see also note 38).

Other provisions

The valuation of the other provisions is subject to uncertainty with regard to estimations of amount and the time of occurrence of future cash outflows. As a result, changes in the assumptions on which the valuation is based could have a material impact on the asset, financial, and earnings position of the Fraport Group. In connection with legal disputes, Fraport draws on information and estimates provided by the Legal Affairs department and any mandated external lawyers when assessing a possible obligation to recognize provisions and when valuing potential outflows of resources. The existing provisions for passive noise abatement as at December 31, 2014 (€143.5 million; previous year: €143.1 million) and wake turbulences (€42.6 million; previous year: €23.0 million) are substantially dependent with regard to their amounts on the utilization of the underlying programs by the eligible beneficiaries. The existing provisions for compensation in accordance with nature protection laws as at December 31, 2014 (€31.7 million; previous year: €33.2 million) are dependent with regard to their amount on the extent and time of implementation of the environmental compensation measures.

Contingent liabilities

The contingent liabilities are subject to uncertainty with respect to estimations of their amounts and, in particular, the timing of cash outflows. The time of the expected cash outflow is specified if it can be determined sufficiently reliably.

Company acquisitions

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 actual cash flows may differ significantly from the cash flows used as a basis for determining the fair values.

Impairment losses

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 2009 (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.

Specific estimates or assumptions for individual accounting and valuation methods are explained in the relevant section. These are based on the circumstances and estimates on the balance sheet date, and in this respect also affect the amount of the reported income and expense amounts of the fiscal years shown.

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, 2014.

Since the start of the year, Fraport has been using four new and revised standards that amend the regulation of consolidation and accounting of investments in associates and joint ventures 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," and IAS 28 "Investments in Associates and Joint Ventures" (revised 2011). IFRS 10 replaces the consolidation guidelines in IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation – Special Purpose Entities". 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 decision-making power over the subsidiary based on voting or other rights, participates in positive or negative variable returns from the subsidiary, and can influence these returns with its decision-making powers.

There have been no changes to the scope of consolidation in the Fraport Group as a result of the first-time application of IFRS 10.

In the course of adopting IFRS 11 "Joint Arrangements", adjustments were also made to IAS 28. IAS 28 regulates (as before) the use of the equity method. However, the adoption of IFRS 11 has significantly increased its scope, as all joint ventures, and not just investments in associated companies, have to be accounted for using the equity method.

When IFRS 11 was first applied, existing joint arrangements in the Fraport Group were assessed to determine whether they were joint operations or joint ventures. When analyzing the corporate structures, all joint arrangements that must be valued according to the equity method in the consolidated financial statements were classified as joint ventures.

The twelve joint ventures hitherto included in the consolidated financial statements on a pro rata basis, in particular, Antalya, N*ICE Aircraft Services & Support GmbH, Grundstücksgesellschaft Gateway Gardens GmbH, Medical Airport Service GmbH, and AirIT Systems GmbH, are recognized from January 1, 2014 by means of the equity method in accordance with IFRS 11.

The effects from the transition from proportionate consolidation (reported) to the equity method (adjusted) on the presentation of the asset, financial, and earnings position of the Fraport Group are presented in the following comparison of the financial statements.

Adjustment of the consolidated income statement

€ million	2013 reported	2013 adjusted	Adjustment
Revenue	**2,561.4**	**2,375.7**	**–185.7**
Change in work-in-process	0.6	0.6	0.0
Other internal work capitalized	35.1	32.3	–2.8
Other operating income	34.3	32.5	–1.8
Total revenue	**2,631.4**	**2,441.1**	**–190.3**
Cost of materials	–613.0	–595.2	17.8
Personnel expenses	–946.8	–928.9	17.9
Other operating expenses	–191.4	–184.1	7.3
EBITDA	**880.2**	**732.9**	**–147.3**
Depreciation and amortization	–352.1	–294.3	57.8
EBIT/Operating result	**528.1**	**438.6**	**–89.5**
Interest income	38.8	35.5	–3.3
Interest expenses	–215.8	–171.5	44.3
Result from companies accounted for using the equity method	–13.6	18.5	32.1
Other financial result	3.2	10.4	7.2
Financial result	**–187.4**	**–107.1**	**80.3**
EBT/Result from ordinary operations	**340.7**	**331.5**	**–9.2**
Taxes on income	–105.0	–95.8	9.2
Group result	**235.7**	**235.7**	**0.0**
thereof profit attributable to non-controlling interests	14.7	14.7	0.0
thereof profit attributable to shareholders of Fraport AG	221.0	221.0	0.0
Earnings per €10 share in €			
basic	2.40	2.40	0.0
diluted	2.39	2.39	0.0

Table 46

Adjustment of the consolidated statement of comprehensive income

€ million	2013 reported	2013 adjusted	Adjustment
Group result	**235.7**	**235.7**	**0.0**
Remeasurements of defined benefit pension plans	1.9	1.9	0.0
(Deferred taxes related to those items	–1.2	–1.2	0.0)
Expenses from companies accounted for using the equity method	0.0	–0.5	–0.5
(Deferred taxes related to those items	0.0	0.1	0.1)
Items that will not be reclassified subsequently to profit or loss	**0.7**	**0.3**	**–0.4**
Fair value changes of derivatives			
Changes directly recognized in equity	17.0	4.4	–12.6
thereof realized gains (+)/losses (–)	–38.1	–42.1	–4.0
	55.1	**46.5**	**–8.6**
(Deferred taxes related to those items	–16.2	–14.4	1.8)
Fair value changes of financial instruments held for sale			
Changes directly recognized in equity	–6.8	–6.8	0.0
thereof realized gains (+)/losses (–)	0.0	0.0	0.0
	–6.8	**–6.8**	**0.0**
(Deferred taxes related to those items	1.0	1.0	0.0)
Foreign currency translation of subsidiaries	**–4.1**	**–4.1**	**0.0**
Income and expenses from companies accounted for using the equity method directly recognized in equity	**1.7**	**10.8**	**9.1**
(Deferred taxes related to those items	–0.6	–2.5	–1.9)
Items that will be reclassified subsequently to profit or loss	**30.1**	**30.5**	**0.4**
Other result after deferred taxes	30.8	30.8	0.0
Comprehensive income	**266.5**	**266.5**	**0.0**
thereof attributable to non-controlling interests	14.1	14.1	0.0
thereof attributable to shareholders of Fraport AG	252.4	252.4	0.0

Table 47

Adjustment of the consolidated statement of financial position

Assets

€ million	December 31, 2013			January 1, 2013		
	reported	adjusted	Adjustment	reported	adjusted	Adjustment
Non-current assets						
Goodwill	38.6	22.7	–15.9	38.6	22.7	–15.9
Investments in airport operating projects	1,006.1	458.1	–548.0	1,031.2	433.3	–597.9
Other intangible assets	57.8	51.1	–6.7	44.2	39.6	–4.6
Property, plant, and equipment	5,988.1	5,962.3	–25.8	5,927.3	5,902.4	–24.9
Investment property	47.7	47.7	0.0	34.4	34.4	0.0
Investments in companies accounted for using the equity method	121.2	194.9	73.7	136.6	185.7	49.1 [1]
Other financial assets	727.6	728.6	1.0	742.7	749.4	6.7
Other receivables and financial assets	169.8	172.2	2.4	117.1	112.4	–4.7
Income tax receivables	20.3	20.3	0.0	19.5	19.5	0.0
Deferred tax assets	43.7	27.9	–15.8	49.2	28.7	–20.5
	8,220.9	**7,685.8**	**–535.1**	**8,140.8**	**7,528.1**	**–612.7**
Current assets						
Inventories	75.3	42.3	–33.0	77.7	43.4	–34.3
Trade accounts receivable	181.6	174.4	–7.2	180.0	173.0	–7.0
Other receivables and financial assets	438.4	426.4	–12.0	385.2	383.1	–2.1
Income tax receivables	2.1	1.0	–1.1	35.0	34.8	–0.2
Cash and cash equivalents	605.1	486.9	–118.2	821.9	715.2	–106.7
	1,302.5	**1,131.0**	**–171.5**	**1,499.8**	**1,349.5**	**–150.3**
Total	**9,523.4**	**8,816.8**	**–706.6**	**9,640.6**	**8,877.6**	**–763.0**

Liabilities and equity

€ million	December 31, 2013			January 1, 2013		
	reported	adjusted	Adjustment	reported	adjusted	Adjustment
Shareholders' equity						
Issued capital	922.1	922.1	0.0	921.3	921.3	0.0
Capital reserve	590.2	590.2	0.0	588.0	588.0	0.0
Revenue reserves	1,540.8	1,540.8	0.0	1,403.2	1,403.2	0.0
Equity attributable to shareholders of Fraport AG	3,053.1	3,053.1	0.0	2,912.5	2,912.5	0.0
Non-controlling interests	45.7	45.7	0.0	35.7	35.7	0.0
	3,098.8	**3,098.8**	**0.0**	**2,948.2**	**2,948.2**	**0.0**
Non-current liabilities						
Financial liabilities	4,146.8	3,948.1	–198.7	4,401.0	4,179.1	–221.9
Trade accounts payable	50.8	50.8	0.0	64.4	64.4	0.0
Other liabilities	889.4	491.7	–397.7	1,006.4	578.0	–428.4
Deferred tax liabilities	120.4	107.2	–13.2	102.5	88.0	–14.5
Provisions for pensions and similar obligations	26.7	26.7	0.0	27.4	27.4	0.0
Provisions for income taxes	54.1	54.1	0.0	80.2	80.2	0.0
Other provisions	235.1	223.9	–11.2	211.2	200.5	–10.7
	5,523.3	**4,902.5**	**–620.8**	**5,893.1**	**5,217.6**	**–675.5**
Current liabilities						
Financial liabilities	314.9	290.6	–24.3	196.6	172.5	–24.1
Trade accounts payable	162.4	159.6	–2.8	214.4	210.3	–4.1
Other liabilities	178.4	123.0	–55.4	163.2	106.5	–56.7
Provisions for income taxes	8.1	7.7	–0.4	5.3	5.0	–0.3
Other provisions	237.5	234.6	–2.9	219.8	217.5	–2.3
	901.3	**815.5**	**–85.8**	**799.3**	**711.8**	**–87.5**
Total	**9,523.4**	**8,816.8**	**–706.6**	**9,640.6**	**8,877.6**	**–763.0**

[1] Before the application of IFRS 11, instead of the opening balance sheet value of €49.1 million, non-current assets of €661.8 million, current assets of €150.3 million, non-current liabilities of €675.5 million, and current liabilities of €87.5 million were included in the financial position.

Table 48

Adjustment of the consolidated statement of cash flows

€ million	2013 reported	2013 adjusted	Adjustment
Cash flow from operating activities	574.8	454.2	–120.6
Cash flow used in investing activities	–280.0	–199.7	80.3
Cash flow used in financing activities	–255.1	–228.2	26.9

Table 49

IFRS 12 “Disclosure of Interests in Other Entities” summarizes all disclosure requirements for subsidiaries, joint ventures, and associated companies as well as unconsolidated structured entities. The objective of IFRS 12 is to provide the users of financial statements with 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.

The required information on shares in subsidiaries provide an insight into the Group’s structure and the effect of the non-controlling interests.

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 is 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 amendments to IFRS 7, on the other hand, were mandatory for fiscal years that started on or after January 1, 2013. The amendments to IAS 32 and IFRS 7 did not have a material 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 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. IFRIC 21 was adopted under EU law on June 14, 2014, and enters into force in the EU for fiscal years starting on or after June 17, 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 "Employee Benefits" under "Defined Benefit Plans: Employee Contributions". This clarifies how contributions that are paid by 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 from the service cost in the period in which the respective period of service was rendered. This accounting practice can be maintained if the amount of the contributions is independent of the number of years of service. For example, these include amounts that are defined as a fixed percentage rate of annual salary. The amendments to IAS 19 were adopted into European law on January 9, 2015, and, unlike the initial application under IASB (years under review beginning on or after January 1, 2014), are only to be applied in years under review beginning on or after February 1, 2015. 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 changes to "Improvements to IFRS 2010–2012" specifically affect: IFRS 1 regarding the definition of "vesting conditions and service 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 changes to "Improvements to IFRS 2011–2013" specifically affect: 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 IAS 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 "Improvements to IFRS 2010–2012" were adopted into European law on January 9, 2015 and the "Improvements to IFRS 2011–2013" on December 19, 2014, and, unlike the initial application under IASB (years under review beginning on or after January 1, 2014), are only to be applied in years under review beginning on or after February 1, 2015 or January 1, 2015, respectively. The impact of the new regulations on the consolidated financial statements of Fraport AG is currently being assessed.

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

On May 6, 2014, the IASB approved amendments to IFRS 11 “Joint Arrangements”. For acquisitions of shares in joint operations that constitute business operations for the purposes of IFRS 3 “Business Combinations”, the regulations and disclosure requirements of IFRS 3 apply. The amendments are to be applied prospectively to shareholdings acquired during reporting periods starting on or after January 1, 2016. The amendments will not have a material impact on the reporting of the asset, financial, and earnings position of the Fraport Group in future.

On May 12, 2014, the IASB published amendments to IAS 16 “Property, Plant, and Equipment” and IAS 38 “Intangible Assets”. The changes include guidelines for determining proper depreciation methods for property, plant, and equipment and intangible assets. Accordingly, depreciations and amortizations must reflect the use of the future economic benefit generated by the assets as expected by the company. The amendments are to be applied prospectively to fiscal years starting on or after January 1, 2016. Earlier application is permitted. The impact of the new regulations on the consolidated financial statements of Fraport AG is currently being assessed.

On May 28, 2014, the IASB published the new standard IFRS 15 “Revenue from Contracts with Customers”. The objective of the new standard for recognition of revenue is to bring together existing regulations and to set standardized basic principles that are applicable to all sectors and categories of revenue. According to IFRS 15, revenues must be recognized when the customer receives the authority to dispose of the agreed goods and services and is able to draw benefits from them. The recognition of revenue is determined using a five-stage schematic and a range of further detailed regulations, such as the illustration of contract costs. IFRS 15 will replace IAS 11 “Construction Contracts” and IAS 18 “Revenue” as well as the associated interpretations. Subject to their adoption into EU law, the amendments are to be first applied to fiscal years starting on or after January 1, 2017. The early application of IFRS 15 is permitted. The effects of the new IFRS 15 regulation on the consolidated financial statements of Fraport AG are currently still being assessed.

On July 24, 2014, the IASB published the fourth and final version of the new IFRS 9 “Financial Instruments”. The accounting and measurement of financial instruments according to IFRS 9 will supersede IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 introduces a standardized approach to categorizing and measuring financial assets on the basis of their cash flow characteristics and of the business models according to which they are managed. In principle, IFRS 9 provides for the models: “Hold to obtain contractual cash flows”, “hold and sell” and “intention to trade”. The impairment losses of financial assets are not only recognized for incurred losses; expected losses must also be recorded. In principle, financial liabilities are categorized and measured as before. For liabilities designated at fair value, changes to the fair value, provided that they are due to changes in own credit risk, are no longer recorded in the income statement but rather under other comprehensive income. For the recognition of hedge accounting, IFRS 9 contains new regulations geared towards a company’s risk management activities, particularly in relation to the management of non-financial risks. The new IFRS 9 is applicable to fiscal years starting on or after January 1, 2018; voluntary early application is permitted. The effects of the new IFRS 9 regulation on the consolidated financial statements of Fraport AG are still being assessed.

On September 11, 2014, the IASB published amendments to IAS 28 "Investments in Associates and Joint Ventures" and IFRS 10 "Consolidated Financial Statements". The changes relate to the sale or contribution of assets to/in an associated company or joint venture. In future, the profit or loss from such transactions should only be recorded if the assets sold or contributed constitute a business operation for the purposes of IFRS 3. If the assets do not constitute a business operation, only a pro rata recording of results is permitted. The changes enter into force for fiscal years beginning on or after January 1, 2016. Voluntary early 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 September 25, 2014, the IASB published the "Improvements to IFRS 2012–2014". The changes particularly affect clarifications regarding the interpretation of the following standards: IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", IFRS 7 "Financial Instruments: Disclosures", IAS 19 "Employee Benefits", and IAS 34 "Interim Financial Reporting". The changes enter into force for fiscal years beginning on or after January 1, 2016; voluntary early application is permitted. The impact of the new regulations on the consolidated financial statements of Fraport AG is currently being assessed.

On December 18, 2014, the IASB published changes to IAS 1 "Presentation of Financial Statements". The aim of the changes is to remove non-essential information from IFRS financial statements and to promote the provision of relevant data. Accordingly, non-essential information does not also need to be shown separately if it is explicitly required to be shown by a standard. Furthermore, the changes particularly affect explanations on the aggregation of end-of-year items, the presentation of the result accounted for using the equity method in the statement of comprehensive income, and options for structuring the notes. The changes enter into force for fiscal years beginning on or after January 1, 2016; voluntary early application is permitted. The impact of the new regulations on the consolidated financial statements of Fraport AG is currently being assessed.

Notes to the Consolidated Income Statement

5 Revenue

Revenue

€ million	2014	2013
Aviation		
Airport charges	731.8	697.2
Security services	109.4	97.9
Other revenue	43.0	50.5
	884.2	**845.6**
Retail & Real Estate		
Real Estate	179.4	179.2
Retail	193.1	198.6
Parking	77.7	75.1
Other revenue	5.5	11.3
	455.7	**464.2**
Ground Handling		
Ground Services	380.6	384.4
Infrastructure charges	275.6	264.6
	656.2	**649.0**
External Activities & Services	**398.5**	**416.9**
Total	**2,394.6**	**2,375.7**

Previous year's figures adjusted **Table 50**

Information on revenue can be found in the management report under the chapter "Results of Operations" as well as the segment reporting (see note 43).

The segment Retail & Real Estate includes revenue from operating leases. The revenue-related surface rentals recognized in the fiscal year amount to €164.7 million (previous year: €167.6 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. The remaining term of hereditary building rights contracts is 43 years on average (previous year: 46 years). No purchase options exist for these, either.

The acquisition and production costs of the leased buildings and land amount to €425.7 million (previous year: €418.7 million). Cumulative depreciation and amortization came to €293.2 million (previous year: €285.1 million), whereat depreciation and amortization amounted to €8.2 million for the fiscal year (previous year: €9.4 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 €10.8 million (previous year: €65.7 million).

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

Minimum lease payments

€ million	Remaining term			Total
	< 1 year	1–5 years	> 5 years	2014
Minimum lease payments	88.8	198.9	833.5	1,121.2

€ million	Remaining term			Total
	< 1 year	1–5 years	> 5 years	2013
Minimum lease payments	85.6	186.4	856.4	1,128.4

Previous year's figures adjusted

Table 51

The total amount of future income from minimum lease payments arising from subleases amounted to €2.1 million as at the reporting date.

6 Change in work-in-process

Change in work-in-process

€ million	2014	2013
Change in work-in-process	0.6	0.6

Table 52

The change in work-in-process relates to work-in-process as well as to land and buildings for sale.

7 Other internal work capitalized

Other internal work capitalized

€ million	2014	2013
Other internal work capitalized	28.3	32.3

Previous year's figures adjusted

Table 53

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 internal work capitalized primarily arose as part of the expansion program and for the expansion of the airport infrastructure at Frankfurt Airport.

8 Other operating income

Other operating income

€ million	2014	2013
Releases of provisions	17.2	8.3
Releases of allowances	3.6	2.3
Gains from disposal of non-current assets	2.3	2.8
Releases of special items for investment grants	1.3	1.3
Income from compensation payments	1.1	2.5
Others	17.0	15.3
Total	**42.5**	**32.5**

Previous year's figures adjusted Table 54

The releases of provisions mainly relates to personnel-related provisions.

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

9 Cost of materials

Cost of materials

€ million	2014	2013
Cost of raw materials, consumables, supplies, and real estate inventories	–77.1	–90.7
Cost of purchased services	–456.2	–504.5
Total	**–533.3**	**–595.2**

Previous year's figures adjusted Table 55

Among other things, the cost of raw materials, consumables, and supplies, and real estate inventories includes production costs for finished property. The proceeds already realized are included under revenue in the Retail & Real Estate segment.

In the context of the airport operating projects abroad (see also note 51), the expenses for purchased services includes revenue-related concession fees incurred of €102.8 million (previous year: €96.1 million), as well as order costs for construction and expansion services in the amount of €10.8 million (previous year: €65.7 million).

10 Personnel expenses and number of employees

Personnel expenses and average number of employees

€ million	2014	2013
Remuneration for staff	–783.4	–751.0
Social security and welfare expenses	–143.6	–135.5
Pension expenses	–43.4	–42.4
Total	**–970.4**	**–928.9**

Previous year's figures adjusted

Average number of employees	2014	2013
Permanent staff	19,307	19,335
Temporary staff (interns, students, and scholars)	1,088	1,146
Total	**20,395**	**20,481**

Previous year's figures adjusted

Table 56

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	2014	2013
Composition of depreciation and amortization		
Investments in airport operating projects	–23.3	–19.3
Other intangible assets	–12.3	–10.0
Property, plant, and equipment	–271.4	–264.2
Investment property		
regular	–0.3	–0.3
non-regular	0.0	–0.5
Total	**–307.3**	**–294.3**

Previous year's figures adjusted

Table 57

Regular depreciation and amortization

The useful lives of some assets were remeasured in the year under review, resulting in increased depreciation and amortization of €5.6 million (previous year: €5.3 million) and reduced depreciation and amortization of €5.5 million (previous year: €5.7 million).

Impairment losses according to IAS 36

Impairment tests according to IAS 36 conducted during the year under review resulted in no impairment losses (previous year: €0.5 million).

12 Other operating expenses

Other operating expenses

€ million	2014	2013
Insurances	–24.7	–24.4
Consulting, legal, and auditing expenses	–19.7	–23.4
Rental and lease expenses	–19.2	–19.9
Costs for advertising and representation	–15.7	–15.7
Other taxes	–9.6	–9.4
Losses from disposal of non-current assets	–3.2	–6.9
Expenses from obligations to environmental and local areas	–3.2	–3.8
Write-downs of trade accounts receivable	–1.2	–12.2
Others	–75.7	–68.4
Total	**–172.2**	**–184.1**

Previous year's figures adjusted

Table 58

Rental and lease expenses include minimum lease payments in the amount of €14.4 million (previous year: €14.4 million) and expenses arising from subleases of €0.1 million (previous year: none). As in the previous year, there were no conditional lease payments.

Among other things, other operating expenses include: travel costs, office supplies, course and seminar fees, entertainment expenses, administration fees, postage, and costs from compensation payments.

The consulting, legal, and audit expenses include Group auditor fees (disclosed in accordance with Section 314 (1) no. 9 HGB) amounting to €1.9 million (previous year: €2.3 million). They are comprised as follows:

Group auditor fees

€ million	2014		2013	
	Fraport AG	Consolidated companies	Fraport AG	Consolidated companies
Audit services	1.2	0.3	1.1	0.4
Other certification services	0.2	0.0	0.4	0.0
Tax audit services	0.0	0.0	0.0	0.0
Other benefits	0.2	0.0	0.4	0.0
Total	**1.6**	**0.3**	**1.9**	**0.4**

Previous year's figures adjusted

Table 59

13 Interest income and interest expenses

Interest income and interest expenses

€ million	2014	2013
Other interest and similar income	35.6	35.5
Other interest and similar expenses	–176.7	–171.5

Previous year's figures adjusted Table 60

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, provisions, and non-current assets. The net interest payments of derivative financial instruments as well as interest income from securities are recorded as interest result.

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

€ million	2014	2013
Interest income from financial instruments	27.9	32.5
Interest expenses from financial instruments	–165.3	–163.2

Previous year's figures adjusted Table 61

14 Result from companies accounted for using the equity method

The result from companies accounted for using the equity method breaks down as follows:

Result from companies accounted for using the equity method

€ million	2014	2013
Joint ventures	39.2	32.1
Associated companies	4.3	–13.6
Total	**43.5**	**18.5**

Previous year's figures adjusted Table 62

15 Other financial result

The other financial result breaks down as follows:

Other financial result

€ million	2014	2013
Income		
Foreign currency translation rate gains, unrealized	2.2	2.5
Foreign currency translation rate gains, realized	1.2	0.8
Valuation of derivatives	0.1	11.7
Others	0.2	0.8
Total	**3.7**	**15.8**
Expenses		
Foreign currency translation rate losses, unrealized	–2.9	–1.4
Foreign currency translation rate losses, realized	–1.4	–2.4
Valuation of derivatives	–8.2	0.0
Others	–1.7	–1.6
Total	**–14.2**	**–5.4**
Total other financial result	**–10.5**	**10.4**

Previous year's figures adjusted Table 63

16 Taxes on income

Income tax expense breaks down as follows:

Taxes on income

€ million	2014	2013
Current taxes on income	–113.2	–91.5
Deferred taxes on income	–9.7	–4.3
Total	**–122.9**	**–95.8**

Previous year's figures adjusted Table 64

Current income tax expense consists of current taxes on income for the year under review and taxes on income for previous years.

Current income tax expense for Fraport AG for the 2014 fiscal year amounts to €88.8 million (previous year: €70.6 million). This includes the item “taxes relating to previous years” in the amount of €0.0 million (previous year: gain of €0.1 million).

The tax expenses include corporation and trade income taxes, the solidarity surcharge of the companies in Germany, and comparable taxes on income of the foreign companies. The effective 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 valued 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, just as in the previous year.

Deferred taxes are recognized for all temporary differences between the tax and IFRS financial statements and for the utilizable carry-forwards of unused tax losses. As at December 31, 2014, deferred tax assets of €2.0 million (previous year: €2.2 million) are attributable to a Group company that incurred tax losses in the year under review as well as in the previous year. As the company's plan provides for future tax profits, these deferred tax assets are considered to be recoverable.

The probability of the future use of the losses carried forward is decisive for the evaluation of the recoverability of deferred tax assets. 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. As at December 31, 2014, based on current information the Fraport Group had non-utilizable tax losses carried forward in the amount of €20.6 million (of which €10.3 million related to trade taxes and €10.3 million to corporation taxes; previous year: €7.9 million, of which €5.0 million related to trade taxes and €2.9 million to corporation taxes). Loss carry-forwards that are not expected to be utilizable are due to Fraport Immobilienservice und -entwicklungs GmbH & Co. KG and Fraport Cargo Services GmbH and can be carried forward indefinitely.

For temporary differences in connection with shares in subsidiaries and joint ventures amounting to €152.4 million (previous year: €145.2 million), no deferred tax liabilities were recognized, as Fraport can control the timing of the reversal and it is not expected that these differences will reverse in the foreseeable future. These potential 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 in the context of initial consolidation with respect to goodwill capitalized or any impairment losses of goodwill.

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

Allocation of deferred taxes

€ million	2014		2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant, and equipment, intangible assets including investments in airport operating projects	2.7	–243.2	2.0	–185.7
Financial assets	1.9	0.0	0.2	0.0
Receivables and other assets	1.3	–6.5	9.1	–4.6
Accruals	1.5	0.0	1.6	0.0
Provisions for pensions and similar obligations	7.0	0.0	4.6	0.0
Other provisions	26.3	–1.7	24.8	–5.5
Liabilities	59.9	–3.0	49.1	–6.1
Financial derivatives	28.9	–0.1	36.7	–2.9
Losses carried forward	0.8	0.0	1.1	0.0
Total seperate financial statements	**130.3**	**–254.5**	**129.2**	**–204.8**
Offsetting	–99.2	99.2	–101.5	101.5
Consolidation measures	0.0	–3.4	0.2	–3.9
Consolidated statement of financial position	**31.1**	**–158.7**	**27.9**	**–107.2**

Previous year's figures adjusted

Table 65

The vast majority of the deferred tax assets and liabilities result from non-current assets (property, plant, and equipment, intangible assets including investments in airport operating projects) and non-current liabilities (concession liabilities and non-current provisions, such as provisions for noise abatement measures).

Over the fiscal year, equity-decreasing deferred taxes in the amount of €4.8 million (previous year: €13.4 million) from the change in the fair values of financial derivatives and securities were recognized directly in equity without affecting profit or loss. Further equity-increasing deferred taxes resulted primarily from the revaluation of defined benefit plans in the amount of €1.7 million (previous year: equity-decreasing deferred taxes of €1.2 million).

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

Tax reconciliation

€ million	2014	2013
Earnings before taxes on income	374.7	331.5
Expected tax income/expense [1]	–116.2	–102.8
Tax effects from differences in foreign tax rates	7.8	8.1
Taxes on non-deductible operating expenses	–1.2	–1.5
Taxes relating to previous years	0.0	0.1
Permanent differences including non-deductible tax provisions	–19.5	–6.0
Results of companies accounted for using the equity method	13.5	9.3
Non-utilizable tax losses carried forward	–1.8	0.0
Trade taxed and other effects from local taxes	–5.1	–5.3
Others	–0.4	2.3
Taxes on income according to the income statement	**–122.9**	**–95.8**

Previous year's figures adjusted

[1] Expected tax rate around 31 %, for corporation tax 15.0 % plus solidarity surcharge 5.5 % and trade tax of around 15.5 % (unchanged from the previous year).

Table 66

The consolidated tax rate for the 2014 fiscal year is 32.8 % (previous year: 28.9 %).

17 Earnings per share

Earnings per share

	2014		2013	
	basic	diluted	basic	diluted
Group result attributable to shareholders of Fraport AG (€ million)	234.7	234.7	221.0	221.0
Weighted average number of shares	92,240,662	92,541,318	92,173,637	92,532,887
Earnings per €10 share in €	2.54	2.54	2.40	2.39

Table 67

The basic earnings per share for the 2014 fiscal year were calculated using the weighted average number of floating shares, each corresponding to a €10 share of the capital stock. Due to the capital increase, the number of floating shares during the period rose from 92,212,289 to 92,265,383 as at December 31, 2014. With a weighted average number of 92,240,662 shares, the basic earnings per €10 share amounted to €2.54.

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 92,541,318 (weighted average) and the diluted earnings per €10 share are therefore €2.54.

Notes to the Consolidated Financial Position

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

18 Goodwill

Goodwill arising from consolidation relates to:

Goodwill

€ million	Carrying amount December 31, 2014	Carrying amount December 31, 2013
FraSec	22.4	22.4
Aerodrom Ljubljana	18.0	0.0
AMU Holdings Inc.	1.0	0.0
Media	0.3	0.3
Total	**41.7**	**22.7**

Previous year's figures adjusted **Table 68**

19 Investments in airport operating projects

Investments in airport operating projects

€ million	December 31, 2014	December 31, 2013
Investments in airport operating projects	479.2	458.1

Previous year's figures adjusted **Table 69**

Investments in airport operating projects comprise minimum concession payments capitalized due to the application of IFRIC 12 (see also note 4 and note 51) of €298.0 million (previous year: €295.6 million) and incurred capital expenditure of €181.2 million (previous year: €162.5 million). They relate to the terminal operation at the concession airports in Lima at €288.4 million (previous year: €262.8 million) and in Varna and Burgas at €190.8 million (previous year: €195.3 million).

20 Other intangible assets

Other intangible assets

€ million	December 31, 2014	December 31, 2013
Other intangible assets	157.1	51.1

Previous year's figures adjusted **Table 70**

Other intangible assets include the right to operate Ljubljana Airport at €64.6 million, derived from an existing long-term land use contract with a remaining term of 40 years, and the concession rights in the retail sector recognized in the AMU Group at €36.0 million. In addition, other intangible assets particularly include software.

21 Property, plant, and equipment

Property, plant, and equipment

€ million	December 31, 2014	December 31, 2013
Land, land rights, and buildings, including buildings on leased lands	3,666.3	3,626.6
Technical equipment and machinery	1,735.9	1,610.1
Other equipment, operating, and office equipment	159.4	140.2
Construction in progress	566.1	585.4
Total	**6,127.7**	**5,962.3**

Previous year's figures adjusted

Table 71

Additions in the 2014 fiscal year amounted to €270.3 million. Of this, €115.9 million was attributable to projects relating to the capacitive expansion of Frankfurt Airport.

Borrowing costs were capitalized in the amount of €15.0 million (previous year: €17.5 million). These borrowing costs were used for capital expenditure whose financing could not be clearly classified for the purpose of creating a specific qualifying asset. The cost of debt for general project financing was approximately 4.3 % on average (previous year: approximately 4.3 %). Borrowing costs were mainly incurred for projects relating to the capacitive expansion of Frankfurt Airport.

There were no borrowing costs arising from concrete project financing (previous year: €1.9 million).

As at the balance sheet date, property, plant, and equipment with a carrying amount totaling €13.0 million carry mortgages (previous year: €18.7 million).

Assets from finance lease contracts amounting to €44.0 million were recognized in property, plant, and equipment at the balance sheet date (previous year: €53.3 million):

Finance lease contracts (2014)

€ million	Carrying amount January 1, 2014	Additions	Disposals	Depreciation and amortization	Carrying amount December 31, 2014
Land, land rights, and buildings, including buildings on leased lands	22.6	0.0	0.0	2.5	20.1
Technical equipment and machinery	30.6	0.0	0.0	6.8	23.8
Other equipment, operating, and office equipment	0.1	0.0	0.0	0.0	0.1
Total	**53.3**	**0.0**	**0.0**	**9.3**	**44.0**

Table 72

Finance lease contracts (2013)

€ million	Carrying amount January 1, 2013	Additions	Disposals	Depreciation and amortization	Carrying amount December 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	44.1	0.0	6.4	7.1	30.6
Other equipment, operating, and office equipment	0.1	0.0	0.0	0.0	0.1
Total	**69.2**	**0.3**	**6.4**	**9.8**	**53.3**

Previous year's figures adjusted

Table 73

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

This item also includes a cargo handling and office building leased by Fraport Cargo Services GmbH until 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 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 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.

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 December 31, 2014	Carrying amount December 31, 2013	Fair value December 31, 2014	Fair value December 31, 2013
Undeveloped land – level 2	3.0	3.0	3.0	3.0
Undeveloped land – level 3	8.1	8.1	10.2	9.3
Developed land – level 3	51.9	36.6	138.0	43.0
Total	**63.0**	**47.7**	**151.2**	**55.3**

Table 74

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, commercially leased real estate with low flight altitude in Kelsterbach, and commercially leased properties situated in the south of the airport site. In addition, this class includes commercially used real estate with third-party hereditary building rights.

The fair values in the developed land – level 3 category are calculated partly using the capitalization of earnings method pursuant to ImmoWertV and partly using the discounted cash flow method by independent assessors. Key input parameters in the capitalization of earnings method include the multiplier, depending on the useful life and property yields, and the underlying annual rent. A perpetual annuity is assumed in the discounted cash flow method. 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 from the voluntary purchase program for real estate in Flörsheim at €5.5 million, and from additions to construction in progress in the south of the airport site at €10.9 million. As at the reporting date, the investment property contains construction in progress totaling €13.4 million. The reclassifications from property, plant, and equipment amounting to €1.2 million were also attributable to properties under construction in the south of the airport site. These are commercial properties that are intended for long-term lease to air freight companies after completion. The increase in the amount of the fair values of the developed land – level 3 is attributable to a significant extent to the land in the south of the airport site that was reclassified from property, plant, and equipment in the year under review.

Due to the sale of two commercially leased properties in Kelsterbach, disposals amounting to €2.0 million were recorded in 2014.

For major parts of the investment property, foreseeable restrictions on salability arise from the fact that these areas are located in the immediate vicinity of Runway Northwest.

Lease revenue from investment property during the 2014 fiscal year amounted to €2.9 million (previous year: €2.1 million). The total costs incurred for the maintenance of investment property were €1.7 million (previous year: €0.9 million), of which €0.5 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 €0.3 million at the balance sheet date (previous year: €1.4 million).

23 Investments in companies accounted for using the equity method

Companies that are Group airports outside of Frankfurt are considered to be substantial joint ventures and associated companies in the Fraport Group. This applies to the airports in Antalya, Pulkovo, Hanover, and Xi'an.

Shares in joint ventures

Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi, Antalya/Turkey (franchisee) is a joint venture of Fraport AG and IC Yatirim Holding A.S., that operates the terminals at Antalya Airport as part of the concession agreement of May 22, 2007 with the Turkish airport authority (DHMI – franchisor). The concession for the operation of the terminals and the right to use all assets listed in the concession agreement runs for a total of 17 years to the end of 2024.

With regard to the authorized use of infrastructure, the company is obligated to perform maintenance and capacity expansions (as required). Distributed over the term of the concession agreement, concession fees of €2.01 billion net must be paid to DHMI. 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.

Fraport holds a 51% interest in the company's share capital, of which 13.36% is held indirectly through Antalya Havalimani Uluslararasi Terminal Isletmeciligi A.S., though neither party may make a decision unilaterally due to the voting system laid down in the partnership agreement. The division of the variable returns from the company is governed separately in the partnership agreement, according to which both partners are entitled to equal amounts in returns. The company accounts for 50% according to the equity method on the basis of the division of the dividend rights and the joint management and control. The dividends are for the most part distributed through the non-operating joint venture Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey. Since the companies are not listed on a stock exchange, there is no available active market value for the shares.

The following overviews contain summarized balance sheet and results data from the Antalya companies accounted for using the equity method (Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi, Antalya/Turkey, and Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey).

Financial position data for Antalya

€ million	December 31, 2014	December 31, 2013
Non-current assets	**957.5**	**1,035.2**
Non-current liabilities	**1,061.0**	**1,159.3**
thereof financial liabilities	331.1	372.8
thereof other liabilities (including trade accounts payable)	729.9	786.5
Current assets	**265.4**	**262.3**
thereof cash and cash equivalents	235.9	240.6
thereof other assets	29.5	21.7
Current liabilities	**154.1**	**159.2**
thereof financial liabilities	41.8	48.6
thereof other current liabilities (including trade accounts payable)	112.3	110.6
Net assets	**7.8**	**–21.0**
Share of net assets	3.9	–10.5
Continued proportional Group figures from the acquisitions of the shares	43.2	47.5
Goodwill [1]	16.9	15.9
Investment carrying amount	**64.0**	**52.9**

[1] Change resulting from subsequent purchase price adjustment in 2014 of €1.0 million.

Table 75

Results data for Antalya

€ million	2014	2013
Revenue	326.8	320.7
Regular depreciation and amortization	– 104.0	–103.8
Interest income	4.6	6.1
Interest expenses	– 82.3	–88.3
Income tax expense	**– 30.6**	**–10.3**
Result after taxes	**76.6**	**56.2**
Other result	2.2	13.6

Table 76

The reconciliation for the carrying amount in joint ventures recognized in the Group is shown in the following overview:

Reconciliation for carrying amount in joint ventures

€ million	Antalya		Other joint ventures		Total	
	2014	2013	2014	2013	2014	2013
Investment carrying amount on January 1 (Fraport share)	52.9	30.4	20.8	18.7	73.7	49.1
Share of annual net profit	38.3	28.1	0.9	4.0	39.2	32.1
Share of other result	1.1	6.8	0.0	0.0	1.1	6.8
Comprehensive income	**39.4**	**34.9**	**0.9**	**4.0**	**40.3**	**38.9**
Dividends	–27.5	–12.4	–1.3	–1.7	–28.8	–14.1
Other adjustments	–0.8	0.0	–0.3	–0.2	– 1.1	–0.2
Investment carrying amount on December 31 (Fraport share)	**64.0**	**52.9**	**20.1**	**20.8**	**84.1**	**73.7**

Table 77

In connection with financing the concession in Antalya, €235.9 million of bank balances are subject to a drawing restriction (previous year: €209.9 million).

There are no further significant restrictions pursuant to IFRS 12.

Investments in associated companies

Thalita Trading Ltd. and its wholly owned subsidiary Northern Capital Gateway LLC (NCG) were founded as companies by Fraport AG, the Russian bank VTB, and the Greek Copelouzos Group. NCG develops and operates Pulkovo Airport (St. Petersburg, Russia) as part of a 30-year concession agreement with the city of St. Petersburg. The company is responsible for the entire airport infrastructure. Fraport holds 35.5 % of the shares in Thalita Trading Ltd.

Xi'an Xianyang International Airport Co., Ltd. (Xi'an) was founded by Fraport AG and three additional Chinese companies. The company operates Xi'an International Airport, China. The company's scope of responsibility includes the operation of the terminal including the commercial areas, as well as certain parts of the landside infrastructure. Fraport holds 24.5 % of the shares in Xi'an through its subsidiary, Fraport Asia Ltd.

Flughafen Hannover-Langenhagen GmbH operates the airport of Lower Saxony's capital city of Hanover. Fraport holds 30 % of the shares, while the city of Hanover and state of Lower Saxony each hold a 35 % participation in the company.

NCG, Xi'an, and Hannover-Langenhagen GmbH are no listed companies. There are no available active market values for the shares.

The following information shows the IFRS financial statements of the associated companies. Accounting and valuation differences were adjusted to the requirements of the Group.

Summarized financial position

€ million	Thalita/NCG		Xi'an		Hanover	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Share of shareholders' equity	**35.50 %**	**35.50 %**	**24.50 %**	**24.50 %**	**30.00 %**	**30.00 %**
Non-current assets	**815.5**	**1,036.0**	**789.1**	**614.8**	**338.8**	**344.4**
Non-current liabilities	**607.3**	**1,056.2**	**256.7**	**250.6**	**166.6**	**170.0**
thereof financial liabilities	524.3	957.0	239.7	246.7	137.6	141.4
thereof other liabilities (including trade accounts payable)	83.0	99.2	17.0	3.9	29.1	28.6
Current assets	**150.5**	**144.1**	**95.9**	**210.5**	**12.0**	**12.0**
thereof cash and cash equivalents	123.0	105.0	68.3	182.2	0.7	0.6
thereof other assets	27.5	39.1	27.6	28.3	11.3	11.4
Current liabilities	**610.4**	**126.8**	**151.2**	**149.4**	**52.8**	**53.1**
thereof financial liabilities	535.3	5.6	0.0	0.0	23.2	22.0
thereof other liabilities (including trade accounts payable)	75.1	121.2	151.2	149.4	29.6	31.1
Net assets	**–251.7**	**–2.9**	**477.1**	**425.3**	**131.3**	**133.3**

Table 78

The reconciliation for the carrying amount in associated companies recognized in the Group is shown in the following overview:

Reconciliation for carrying amount in associated companies

€ million	Thalita/NCG		Xi'an		Hanover		Other associated companies	
	2014	2013	2014	2013	2014	2013	2014	2013
Investment carrying amount on January 1 (Fraport share)	**0.0**	**14.0**	**104.2**	**104.8**	**14.4**	**15.2**	**2.6**	**2.6**
Share of annual net profit/losses	0.0	–16.4	3.1	2.5	0.3	–0.6	0.9	0.9
Share of other result	0.0	2.4	0.0	0.0	–0.9	–0.2	0.0	0.0
Currency translation differences	0.0	0.0	11.3	–1.1	0.0	0.0	0.0	0.0
Comprehensive income	**0.0**	**– 14.0**	**14.4**	**1.4**	**–0.6**	**–0.8**	**0.9**	**0.9**
Dividends	0.0	0.0	–1.8	–2.0	0.0	0.0	–1.3	–0.9
Other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment carrying amount on December 31 (Fraport share)	**0.0**	**0.0**	**116.8**	**104.2**	**13.8**	**14.4**	**2.2**	**2.6**
Unrecorded pro rata results/losses								
in the reporting period	–103.5	–0.6					0.7	0.5
Cumulative	–104.1	–0.6					–1.3	–1.8

Table 79

Revenue and other results figures from Thalita/NCG, Xi'an, and Hanover are included in the chapter "Results of Operations" of the Group management report. NCG's other result totals –€30.5 million (previous year: +€6.9 million). Hanover's share of net assets is not equivalent to the carrying amount of the investment, as non-regular depreciations and amortizations were carried out on the carrying amount in previous years.

There are no significant restrictions pursuant to IFRS 12.

24 Other financial assets

Other financial assets

€ million	December 31, 2014	December 31, 2013
Available for sale financial assets		
Securities of non-current assets	539.5	517.3
Other investments	76.0	59.5
Loans		
Loans to affiliated companies	126.3	124.6
Other loans	31.5	27.2
Total	**773.3**	**728.6**

Previous year's figures adjusted

Table 80

Financial investments of €118.0 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 €106.8 million maturing in 2015 and changes arising from valuation of €11.4 million.

Securities of non-current assets 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 the 2014 fiscal year, fund units were decreased by €11.7 million (previous year: €7.1 million). As at the reporting date, acquisition costs amount to €46.5 million (previous year: €57.6 million). These securities are measured at fair value and credited against the corresponding obligations in the amount of €43.5 million (previous year: €54.2 million) (see also note 40). At year-end, there was an overfunding from fund units of €6.4 million (previous year: €4.6 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 result exclusively from reclassifications on the grounds of maturity.

As in the previous year, loans to affiliated companies of €120.3 million relate to a 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 loan.

25 Non-current and current other receivables and financial assets

Non-current and current other receivables and financial assets

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2014	up to 1 year	over 1 year	December 31, 2013
Receivables from joint ventures	1.1	7.9	**9.0**	0.5	9.9	**10.4**
Receivables from associated companies	0.2	41.8	**42.0**	0.2	29.6	**29.8**
Receivables from other investments	0.9	–	**0.9**	0.6	–	**0.6**
Financial assets available for sale	199.3	–	**199.3**	304.0	–	**304.0**
Refunds from “Passive noise abatement”	13.3	103.6	**116.9**	12.7	109.5	**122.2**
Other assets	75.1	4.2	**79.3**	97.1	1.6	**98.7**
Accruals	7.7	23.6	**31.3**	11.3	21.6	**32.9**
Total	**297.6**	**181.1**	**478.7**	**426.4**	**172.2**	**598.6**
thereof financial assets	256.3	52.8	**309.1**	370.7	36.0	**406.7**

Previous year’s figures adjusted

Table 81

The financial assets in the available for sale category include securities with a remaining maturity of up to one year. The change to the total amount against the previous year as at December 31, 2014 is the result of reclassifications based on maturity from the balance sheet item “Other financial assets,” additions in the year under review amounting to around €530.6 million, and disposals of the securities which matured in the year under review amounting to around €634.3 million.

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 asset in compliance with IAS 37.53 in connection with the provision 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. More information about the corresponding other provisions can be found in note 40.

Other assets include, among others, promissory note loans with a remaining maturity of up to one year amounting to around €20.6 million (previous year: €40.1 million).

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

Receivables from associated companies primarily include interest receivables from the interest cost added back according to the effective interest method to the loan to NCG recorded under “Loans to affiliated companies” (see note 24).

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

Where applicable, the appropriate allowance was recognized for other receivables and financial assets as at the reporting date. In the year under review, allowances amounting to €0.1 million (previous year: €5.7 million) were made. There are no material past due non-impaired items.

26 Income tax receivables

Income tax receivables

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2014	up to 1 year	over 1 year	December 31, 2013
Income tax receivables	7.7	10.2	**17.9**	1.0	20.3	**21.3**

Previous year's figures adjusted Table 82

The income tax receivables primarily include 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 to be established for the last time 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 arose 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 €18.2 million as at December 31, 2014 (previous year: €24.4 million), and is 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 a total of €15.5 million as at the balance sheet date (previous year: €20.3 million). Economically, this refund claim is an overpayment within the meaning of IAS 12.12.

27 Deferred tax assets

Deferred tax assets

€ million	December 31, 2014	December 31, 2013
Deferred tax assets	31.1	27.9

Previous year's figures adjusted Table 83

Deferred tax assets are recognized in accordance with IAS 12. Further explanations are given in note 16 “Taxes on income”.

28 Inventories

Inventories

€ million	December 31, 2014	December 31, 2013
Land and buildings for sale	26.6	24.1
Raw materials, consumables, and supplies	16.6	15.6
Work-in-process/other	0.5	2.6
Total	**43.7**	**42.3**

Previous year's figures adjusted Table 84

The land and buildings for sale are entirely attributable to the Mönchhof site situated in the immediate vicinity of Frankfurt Airport, which is held for sale.

Based on the ongoing development of the property held for sale, €2.8 million was capitalized in the year under review (previous year: €1.0 million). Carrying amount reductions in the amount of €0.3 million (previous year: €4.1 million) were the result of property sale transactions. Borrowing costs were capitalized in the amount of €0.2 million (previous year: €0.3 million). The cost of debt was set at around 0.6% (previous year: approximately 1.3%).

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 of 4.5% after tax (previous year: 5.3%). 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 that will incur up to the date of sale mainly relate to expenses for the further development of the Mönchhof site property held for sale.

Sales of property with a carrying amount of around €6 million are planned for 2015 (previous year: around €4.3 million). The sale of other land and buildings for sale of €20.6 million shall be realized in 2016 and later.

Expenses for the maintenance of real estate inventories during the year under review were minor.

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

29 Trade accounts receivable

Trade accounts receivable

€ million	December 31, 2014	December 31, 2013
From third parties	174.7	174.4

Previous year's figures adjusted — Table 85

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
December 31, 2014	**174.7**	**82.3**	**45.2**	**18.1**	**29.1**
December 31, 2013	174.4	89.4	35.3	15.7	34.0

Previous year's figures adjusted — Table 86

For 2014, as at the reporting date, the maximum default risk without taking guarantees into account equaled the carrying amount of €174.7 million. The following table provides information on the extent of the default risk with regard to the non-impaired trade accounts receivable.

With regard to trade accounts receivable, which are neither impaired nor in default, there is no indication as at the reporting date for 2014 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 €6.6 million (previous year: €6.5 million) and non-cash guarantees (mainly loan guarantees) in the nominal amount of €26.5 million (previous year: €24.8 million) were accepted as guarantee for unsettled trade accounts receivable. The guarantees received until the reporting date were neither sold nor passed on as security and will be returned to the respective debtor after termination of the business relationship. The guarantees received will be used only in the event of the debtor's default.

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

Allowances

€ million	2014	2013
Balance as at January 1	**34.4**	**35.0**
Allowances included in other operating expenses	1.2	12.2
Revenue-decreasing allowances	17.9	0.0
Releases	–4.2	–2.3
Availments	–0.2	–10.5
Exchange rate differences	0.0	0.0
Balance as at December 31	**49.1**	**34.4**

Previous year's figures adjusted Table 87

30 Cash and cash equivalents

Cash and cash equivalents

€ million	December 31, 2014	December 31, 2013
Cash in hand, bank balances, and checks	401.1	486.9

Previous year's figures adjusted Table 88

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

Cash and cash equivalents include time deposits of €210.0 million (previous year: €332.4 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, €23.3 million of bank balances are subject to a drawing restriction, as in the previous year.

31 Non-current assets held for sale

Non-current assets held for sale

€ million	December 31, 2014	December 31, 2013
Non-current assets held for sale	7.1	0.0

Table 89

The non-current assets held for sale are assets of Air Transport IT Inc.: €6.3 million, and FSG Flughafen Services GmbH: €0.4 million, as well as the investment in Adria Airways Tehnika, d.d.: €0.4 million, which are each included in the External Activities & Services segment.

The sales are scheduled to take place in the first half of 2015.

The reasons for the sales are based on strategic considerations.

32 Equity attributable to shareholders of Fraport AG

Equity attributable to shareholders of Fraport AG

€ million	December 31, 2014	December 31, 2013
Issued capital	922.7	922.1
Capital reserve	592.3	590.2
Revenue reserves	1,706.1	1,540.8
Total	**3,221.1**	**3,053.1**

Table 90

Issued capital

Issued capital (less treasury shares) increased by €0.6 million in fiscal year 2014 and is fully paid up as at the balance sheet date.

At €0.5 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 €0.1 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 92,342,748 (previous year: 92,289,654) bearer shares with no-par value, each of which accounts for €10.00 of the capital stock.

Development of the floating and treasury shares in accordance with Section 160 of the AktG

			Treasury shares		
	Issued capital	Floating shares		Amount of capital stock	Share in capital stock
	Number	Number	Number	in €	in %
Balance as at January 1, 2014	**92,289,654**	**92,212,289**	**77,365**	**773,650**	**0.0838**
Management Stock Options Plan 2005					
Capital increases	3,750	3,750			
Employee investment plan					
Capital increase	49,344	49,344			
Balance as at December 31, 2014	**92,342,748**	**92,265,383**	**77,365**	**773,650**	**0.0838**

			Treasury shares		
	Issued capital	Floating shares		Amount of capital stock	Share in capital stock
	Number	Number	Number	in €	in %
Balance as at January 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 December 31, 2013	**92,289,654**	**92,212,289**	**77,365**	**773,650**	**0.0838**

Table 91

The new shares created under the employee investment plan were issued to the employees at a price of €51.42 each in June 2014.

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. 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. In 2014, a total of €493,440 of authorized capital was used for issuing shares within the scope of the employee investment plan.

Therefore, €3.0 million of authorized capital remained as at December 31, 2014, 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 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 served 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 as part of performance-related remuneration to members of the Executive Board were subject to a vesting period of 12 or 24 months. The exercise period of the final tranche of the MSOP 2005 ended on April 10, 2014. A new plan was not issued.

Contingent capital totals €3.4 million as at December 31, 2014. In 2014, €38 thousand (3,750 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 these subscription rights exercise them and the company does not serve the stock options using treasury shares, a transfer of shares by a third party, or a cash payment.

A total of 2,019,900 subscription rights had been issued under the MSOP 2001 and 2005 by the balance sheet date.

Capital reserve

The capital reserve contains the premium from the issuing of Fraport AG shares. Of the €2.1 million increase in the capital reserve, €2.0 million resulted from the excess in the issue amount (€41.42 per share) of new shares issued under the employee investment plan (49,344 shares in total) and €0.1 million resulted from the excess in the issue amount (€18.07) of new shares issued from contingent capital to serve stock options (3,750 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. Furthermore, the revenue reserves include reserves for currency translation differences and financial instruments.

Currency translation differences total €22.9 million (previous year: €3.7 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 is –€79.7 million as at the balance sheet date (previous year: –€103.2 million). The reserve for the fair value valuation of financial assets available for sale totals €27.4 million (previous year: €21.9 million).

Pursuant to Section 268 (8) of the HGB, a total of €39.6 million of the shareholders' equity attributable to Fraport AG's shareholders (previous year: €40.8 million) is subject to a distribution block. However, the distribution block did not take effect insofar as sufficient free reserves were available.

The proposed dividend is €1.35 per share (previous year: €1.25 per share).

In the 2014 fiscal year, the AGM of May 30, 2014 decided to pay a dividend of €1.25 per no-par value share entitled to dividend. The distributed amount thus came to €115.3 million (previous year: €115.2 million).

33 Non-controlling interests

Non-controlling interests

€ million	December 31, 2014	December 31, 2013
Non-controlling interests (excluding the attributable Group result)	47.8	31.0
Group result attributable to non-controlling interests	17.1	14.7
Total	**64.9**	**45.7**

Table 92

The non-controlling interests include allocated equity and earnings of Fraport Twin Star Airport Management AD, FraCareServices GmbH, FSG Flughafen-Service GmbH, FPS Frankfurt Passenger Services GmbH (in the previous year only), Media Frankfurt GmbH, Lima Airport Partners S.R.L., and Aerodrom Ljubljana, d.d.

34 Non-current and current financial liabilities

Non-current and current financial liabilities

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2014	up to 1 year	over 1 year	December 31, 2013
Financial liabilities	318.1	3,874.3	**4,192.4**	290.6	3,948.1	**4,238.7**

Previous year's figures adjusted

Table 93

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

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

35 Trade accounts payable

Trade accounts payable

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2014	up to 1 year	over 1 year	December 31, 2013
To third parties	134.5	47.1	**181.6**	159.6	50.8	**210.4**

Previous year's figures adjusted Table 94

Trade accounts payable include liabilities in connection with compensation measures according to nature protection law in the amount of €28.7 million (previous year: €30.6 million). The liabilities relate to the contractual obligations to carry out environmental compensation measures based on the finished work to clear the forest south of the airport and near the Runway Northwest, as was necessary for the airport expansion.

36 Non-current and current other liabilities

Non-current and current other liabilities

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2014	up to 1 year	over 1 year	December 31, 2013
Prepayment for orders	1.4	–	**1.4**	2.0	–	**2.0**
To joint ventures	7.2	–	**7.2**	8.0	–	**8.0**
To associated companies	0.8	–	**0.8**	0.9	–	**0.9**
To investments	1.7	–	**1.7**	2.1	–	**2.1**
Investment grants for non-current assets	1.3	11.5	**12.8**	1.3	12.7	**14.0**
Other accruals	6.9	38.0	**44.9**	5.2	40.0	**45.2**
Liabilities in connection with concession obligations	25.4	236.7	**262.1**	22.2	220.5	**242.7**
Negative fair values of derivative financial instruments	–	153.4	**153.4**	–	153.5	**153.5**
Other liabilities	79.0	57.9	**136.9**	81.3	65.0	**146.3**
Total	**123.7**	**497.5**	**621.2**	**123.0**	**491.7**	**614.7**
thereof primary financial liabilities	61.6	254.2	**315.8**	37.5	250.8	**288.3**

Previous year's figures adjusted Table 95

Investment grants for non-current assets include, in particular, investment grants for additional services provided by Fraport AG in the terminals, which are billed to the users. Investment grants include government grants of €7.1 million (previous year: €8.0 million) and grants from other grantors of €5.7 million (previous year: €6.0 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 Lima, Varna, and Burgas.

The remaining other liabilities consist essentially of finance 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	Remaining term			Total
	up to 1 year	1–5 years	over 5 years	December 31, 2014
Lease payments	11.9	35.0	13.5	**60.4**
Discount amounts	2.6	5.1	3.3	**11.0**
Present value	**9.3**	**29.9**	**10.2**	**49.4**

€ million	Remaining term			Total
	up to 1 year	1–5 years	over 5 years	December 31, 2013
Lease payments	11.8	43.3	17.1	**72.2**
Discount amounts	3.1	7.0	3.9	**14.0**
Present value	**8.7**	**36.3**	**13.2**	**58.2**

Previous year's figures adjusted — Table 96

Discount rates are between 4.90 % and 6.00 % (previous year: between 5.49 % and 8.60 %).

37 Deferred tax liabilities

Deferred tax liabilities

€ million	December 31, 2014	December 31, 2013
Deferred tax liabilities	158.7	107.2

Previous year's figures adjusted — Table 97

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".

38 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 agreements to the members of the Fraport AG Executive Board and their surviving dependents. A reinsurance was already obtained in 2005 to reduce actuarial risks and 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 correspond to the total achievable retirement, occupational 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 €20.4 million (previous year: €19.3 million), thereof €0.3 million (previous year: €0.0 million) attributable to the reserved trust assets. The reinsurance is not traded on an active market. Reinsurance installments of €1.0 million have been paid for 2014 (previous year: €1.2 million) and €1.0 million is expected for the next year. The average weighted duration of the members of the Executive Board's defined benefit plans is 16.8 years for pensions with reinsurance and 9.1 years for pensions without reinsurance.

The Executive Board members are entitled to pension benefits and benefits for surviving dependents. An Executive Board member is generally entitled to retirement benefits if he or she becomes permanently unable to work or retires from office during the duration of, or upon expiry of, his or her employment agreement. If an Executive Board member dies, benefits are paid to his or her surviving dependents. These amount to 60% of the retirement pension for the widower or widow; children entitled to receive benefits receive 12% each. If no widow's pension is paid, the children each receive 20% of the retirement pension.

Upon retirement, income from active employment as well as retirement pension payments from previous or, where applicable, later employment relationships shall be credited against accrued retirement pay up until reaching 60 years of age, insofar as without such credit the total of these emoluments and the retirement pension would exceed 75% of the fixed salary (100% of the fixed salary if Fraport AG wishes the employment to be terminated or not be extended). Effective January 1 of each year, the retirement 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% up to a limit of 75%, dependent on the duration of time an Executive Board member is appointed.

As at December 31, 2014, Dr Schulte is entitled to 60.0% of his fixed annual gross salary. Mr. Schmitz is entitled to 40.0% of his fixed annual gross salary as at August 31, 2014. 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. Dr Zieschang is entitled to 44.0% of his fixed annual gross salary as at December 31, 2014.

In the event of occupational disability, the pension rate for Dr Schulte 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 at 2012, the pension benefits and provision for surviving dependents as well as provision for long-term occupational disability are governed additionally by a separate benefit agreement. This calls for the payment of a one-time pension capital or lifelong retirement payments after the insured event. The pension capital is generated when Fraport AG annually credits 40% of the fixed annual gross salary paid to a pension account. The pension capital accumulated at the end of the previous year pays interest annually at the interest rate used for the valuation of the pension obligations in the German balance sheet of Fraport AG at the end of the previous year pursuant to Section 253 (2) of the HGB, which is at least 3% and at most 6%. This is increased by 1% on January 1 of each year for lifelong retirement payments. No further adjustment is made. If the pension capital reached is less than €600,000 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 retirement pension payment of to a maximum of five years from the start of the employment contract. Until the postponed start of the retirement pension payments, they will receive a monthly benefit of €2,500. The risk of pension payments in the increase phase and of payments for the increase has been reinsured 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 following survivors benefits for Executive Board members appointed from 2012 are regulated as follows: If there is no prior event giving rise to retirement benefits, the widow or widower receives the pension capital generated so far. If there is no widow or widower entitled to benefits, each half-orphan receives 10 % and each full orphan receives 25 % of the pension capital generated so far as a one-time payment. If the pension capital reached is less than €600,000 upon death, Fraport will increase it to this amount. The payment risk of this increase has been reinsured by a term life insurance policy. If an Executive Board member dies while collecting retirement pensions, the widow or widower is entitled to 60 % of the last retirement pensions paid. Half-orphans receive 10 % and full orphans receive 25 % of the last retirement pensions paid. If there are no surviving dependents as set forth above, the heirs receive a one-time death grant in the amount of €8,000.

Moreover, each member of the Executive Board has agreed to a two-year noncompetition clause. 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 pensions owed by Fraport AG, inasmuch as the compensation together with the retirement pensions and other generated income exceeds 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 payments entitlement of former Executive Board members is determined by a percentage of a contractually agreed fixed basis of assessment.

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 benefits 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 said limited pension benefits and benefits for surviving dependents, there exists a supplementary company benefit for these persons. Accordingly, 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 not covered by a collective bargaining agreement before January 1, 2000. Furthermore, this applies to employees who changed from an employment covered by a collective bargaining agreement to one not covered by a collective bargaining agreement after December 31, 1997 or who entered into an employment not covered by a collective bargaining agreement after December 31, 1997, effective as at the time of the change in status. There were 386 benefits (of which 345 vested) as at the end of the year. The present value of the non-vested benefits amounts to €0.2 million (previous year: €0.7 million); the present value of the vested benefits amounted to €8.0 million in the 2014 annual financial statements (previous year: €5.6 million). Future obligations amount to €6.3 million for active employees and €1.9 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 10.5 years (previous year: 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 contribution 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 €4.9 million (previous year: €4.0 million). Obligations amount to €3.2 million for active employees (previous year: €3.5 million); obligations amount to €1.7 million for former and retired employees (previous year: €0.5 million). The average weighted duration of the employee-financed company pension scheme was 6.4 years in fiscal year 2014 (previous year: 6.6 years).

The valuation of pension obligations is based on the regulations according to IAS 19. The pension obligations as at December 31, 2014 were calculated on the basis of actuarial opinions. Changes to the obligations outlined above were as follows:

Pension obligations (2014)

€ million	Present value of the obligation	Plan assets	Total
As at January 1, 2014	**45.3**	**–19.3**	**26.7**
Overfunding in previous year	0.0	–0.8	**–0.8**
Service cost			
Current service cost	1.8	0.0	**1.8**
Supplementary service cost	0.0	0.0	**0.0**
Gains and losses on compensation	0.0	0.0	**0.0**
Total service cost	**1.8**	**0.0**	**1.8**
Net interest income/expense			
Interest income and interest expenses	**1.6**	**–0.7**	**0.9**
Remeasurements			
Return on plan assets, excluding interest	0.0	0.0	**0.0**
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	0.9	0.0	**0.9**
Actuarial gains and losses from changes in financial assumptions	6.5	0.0	**6.5**
Total remeasurements	**7.4**	**0.0**	**7.4**
Impacts of exchange rate differences	0.0	0.0	**0.0**
Contributions of the employer to the plan	0.0	–1.0	**–1.1**
Contributions of the employee to the plan	0.0	0.0	**0.0**
Payments from the plan	–2.0	0.6	**–1.3**
Overfunding	0.0	0.0	**0.0**
As at December 31, 2014	**54.1**	**–20.4**	**33.7**

Table 98

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**
Supplementary service cost	0.0	0.0	**0.0**
Gains and losses on compensation	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 99

Pension obligations are offset against the plan assets reserved for insolvency insurance below:

Offsetting

€ million	2014	2013
Offsetting		
Reconciliation to assets and liabilities recognized in the financial position		
Present value of a obligation funded through a reinsurance/trust assets	23.6	18.5
Fair value of plan assets	–20.4	–19.3
Overfunding (not included in the net liability)/underfunding	3.2	–0.8
Present value of a obligation not funded through a reinsurance/trust assets	30.5	26.7
(Net) liabilities recognized in the financial position	**33.7**	**26.7**

Table 100

Significant actuarial assumptions

	2014	2013
Salary trend	0.0 %	0.0 %
Interest rate	2.1 %	3.6 %
Adjustment of pensions	2.0 %/2.5 %	2.5 %
Retirement age	Termination of contract period, earliest pensionable age in pension commitments	Termination of contract period, earliest pensionable age in pension commitments
Mortality	Reduction by one year	Reduction by one year

Table 101

The significant actuarial assumptions refer to the pension obligations of the Fraport Group. All pension obligations largely have the same assumptions where the adjustment to pensions is only calculated on pension obligations of the Executive Board members.

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 (December 31, 2014)

€ million	2014	
	Decrease of interest rate by 0.5 %	Increase of interest rate by 0.5 %
Interest rate	3.4	–3.1
	Decrease of inflation by 0.25 %	Increase of inflation by 0.25 %
Inflation	–1.1	1.7
	Reduction by one year	
Mortality	1.1	
	Increase by one year	
Retirement age	0.3	

Table 102

Sensitivity analysis (December 31, 2013)

€ million	2013	
	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 %
Adjustment of pensions	–0.8	0.8
	Reduction by one year	
Mortality	1.3	
	Increase by one year	
Retirement age	0.1	

Table 103

The retirement age has no influence on the pensions received by members of the Executive Board and was only calculated for other pensions. Due to the structure of the respective pension plans, the salary adjustment has no effect on pension obligations.

In connection with the defined benefit plans, the Group is exposed to the actuarial risks mentioned above as well as the interest rate risk. Due to the liquidity available in the Group, there is no risk with regard to fulfillment of non-reinsured obligations.

Multi-employer plans

Fraport AG has insured its employees for purposes of granting a company pension under the statutory insurance scheme based on a collective bargaining agreement (Altersvorsorge-TV-Kommunal – [ATV-K]) with the Zusatzversorgungskasse 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 fee of 2.3% of the remuneration 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 exempted from collective bargaining agreements and Senior Manager) for the consideration subject to ZVK that, according to Section 38 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. Reference is also made to the collective bargaining agreement risks arising from the ZVK insurance in the Risks and Opportunities Report in the management report.

The ZVK insurance is generally to be classified as a defined benefit plan (IAS 19.30). Because there is not sufficient information on the plan and the company also covers the risks of other insuring companies with its contributions (IAS 19.34), only the current contributions are accounted for as if it were 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, €28.8 million (previous year: €27.8 million) was recorded as contributions to defined contribution plans for ZVK. Contributions of €30.1 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 paid by the Fraport Group to the statutory insurance scheme totaled €67.2 million (previous year: €65.2 million).

39 Non-current and current income tax provisions

Non-current and current income tax provisions

€ million	Remaining term		Total	Remaining term		Total
	up to 1 year	over 1 year	December 31, 2014	up to 1 year	over 1 year	December 31, 2013
Provisions for taxes on income	14.7	68.8	**83.5**	7.7	54.1	**61.8**

Previous year's figures adjusted
Table 104

Tax provisions amounting to €83.5 million (previous year: €61.8 million) were accrued for unassessed corporation tax and trade tax, as well as for tax audit risks.

40 Non-current and current other provisions

The development in the non-current and current provisions is shown in the following tables:

Non-current and current personnel-related provisions

€ million	January 1, 2014	Use	Release	Additions	December 31, 2014
Personnel	**83.9**	**–60.9**	**–9.3**	**65.8**	**79.5**
thereof non-current	8.4				11.6
thereof current	75.5				67.9

Previous year's figures adjusted
€1.8 million from company acquisitions is included in the additions.
Table 105

A large part of the personnel-related provisions was generated for partial retirement and incentive schemes for the employees of Fraport AG. The partial retirement provisions are recognized according to IAS 19. The credit for partial retirement is offset against the fund units (see also note 24).

Other provisions

€ million	January 1, 2014	Use	Release	Additions	Interest effect	December 31, 2014
Environment	35.1	–4.5	0.0	1.2	2.0	**33.8**
Passive noise abatement	143.1	–6.5	–0.2	0.0	7.1	**143.5**
Nature protection law compensation	33.2	–0.1	–3.5	0.0	2.1	**31.7**
Wake turbulences	23.0	–8.5	0.0	27.0	1.1	**42.6**
Others	140.2	–39.3	–4.2	24.0	0.0	**120.7**
Total	**374.6**	**–58.9**	**–7.9**	**52.2**	**12.3**	**372.3**
thereof non-current	215.4					216.4
thereof current	159.2					155.9

Previous year's figures adjusted
€0.2 million from company acquisitions is included in the additions.
Table 106

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. As at December 31, 2014, the estimated cash outflows within a year are €7.8 million, between one to five years €15.9 million, and after five years €10.1 million.

The “passive noise abatement” provision includes obligations to refund the passive noise abatement expenses of owners of private and commercial land. The obligations arise from the zoning decision by HMWEVL on December 18, 2007, in connection with the Act for the Protection against Aircraft Noise (German Aircraft Noise Act) that came into force in 2012 and the zoning supplement decision of April 30, 2013. As at December 31, 2014, the estimated cash outflows within a year are €17.0 million, between one to five years €99.8 million, and after five years €26.7 million. There is a corresponding refund claim for part of the obligations under other receivables (see also note 25).

A provision for nature protection law compensation 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. As at December 31, 2014, the estimated cash outflows within a year are €0.6 million, between one to five years €4.2 million, and after five years €26.9 million.

Due to the zoning supplement decision by HMWEVL on May 26, 2014, the existing provision for wake turbulence protection was increased by €27.0 million in the year under review. The zoning supplement decision made in 2014 significantly further extended the existing protection requirements in relation to the protected zone compared to the first zoning supplement decision of May 10, 2013. The wake turbulence protection program concerns the protection of roofs in the defined entitlement areas to protect against damage to roof cladding due to gusts of wind caused by wake turbulences. As at December 31, 2014, the estimated cash outflows within a year are €14.0 million, between one to five years €25.7 million, and after five years €2.9 million.

The remaining provisions include provisions for risks arising from letting services for which no further information is provided due to disputed facts, and to €20.9 million (previous year: €23.5 million) provisions for development measures still to be implemented in connection with the sale of real estate inventories (see also note 28), provisions for the property purchase and settlement program for residential properties (Fraport Casa) of €8.3 million (previous year: €9.6 million), and provisions relating to legal disputes of €9.5 million (previous year: €14.4 million). The most significant legal risk for Fraport is in connection with the Manila project. Refer to the Risk and Opportunities Report in the Group management report for a description of the circumstances.

In addition, other provisions include provisions established mainly for rebates, refunds, and claim events.

41 Liabilities in the context of assets held for sale

Liabilities in the context of assets held for sale

€ million	December 31, 2014	December 31, 2013
Liabilities in the context of assets held for sale	4.3	0.0

Table 107

Liabilities in the context of non-current assets held for sale concern Air Transport IT Inc. and FSG Flughafen Services GmbH.

42 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, 2014, and December 31, 2013, respectively:

Financial instruments as at December 31, 2014

€ million		Measured at amortized cost		Measured at fair value			December 31, 2014
				Recognized in profit or loss			
Measurement category according to IAS 39		Loans and receivables		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]	
Assets							
Cash and cash equivalents	401.1						**401.1**
Trade accounts receivable		174.7	174.7				**174.7**
Other financial receivables and assets		109.8	109.3		199.3		**308.6**
Other financial assets							
Securities					539.5		**539.5**
Other investments					76.0		**76.0**
Loans to affiliated companies		126.3	124.6				**124.6**
Other loans		31.5	31.5				**31.5**
Derivative financial assets							
Hedging derivative							**0.0**
Other derivatives							**0.0**
Total assets	**401.1**	**442.3**	**440.1**	**0.0**	**814.8**	**0.0**	**1,656.0**

	Other financial liabilities		Held for trading	IAS 17 liability		Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount	Fair value	Carrying amount [1]	
Liabilities and equity							
Trade accounts payable	181.6	187.2					**187.2**
Other financial liabilities	315.8	438.5					**438.5**
Financial liabilities	4,192.4	4,429.1					**4,429.1**
Liabilities from finance leases				49.4	54.9		**54.9**
Derivative financial liabilities							
Hedging derivative						111.7	**111.7**
Other derivatives			41.7				**41.7**
Total liabilities and equity	**4,689.8**	**5,054.8**	**41.7**	**49.4**	**54.9**	**111.7**	**5,263.1**

[1] The carrying amount equals the fair value of the financial instruments.

Table 108

Financial instruments as at December 31, 2013

€ million	Measured at amortized cost			Measured at fair value			December 31, 2013
				Recognized in profit or loss			
Measurement category according to IAS 39	Loans and receivables			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]	
Assets							
Cash and cash equivalents	486.9						**486.9**
Trade accounts receivable		174.4	174.4				**174.4**
Other financial receivables and assets		102.7	104.3		304.0		**408.3**
Other financial assets							
Securities					517.3		**517.3**
Other investments					59.5		**59.5**
Loans to affiliated companies		124.6	131.2				**131.2**
Other loans		27.2	27.2				**27.2**
Derivative financial assets							
Hedging derivative							**0.0**
Other derivatives							**0.0**
Total assets	**486.9**	**428.9**	**437.1**	**0.0**	**880.8**	**0.0**	**1,804.8**

	Other financial liabilities		Held for trading	IAS 17 liability		Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount	Fair value	Carrying amount [1]	
Liabilities and equity							
Trade accounts payable	210.4	214.2					**214.2**
Other financial liabilities	288.3	362.0					**362.0**
Financial liabilities	4,238.7	4,332.0					**4,332.0**
Liabilities from finance leases				58.2	63.8		**63.8**
Derivative financial liabilities							
Hedging derivative						119.9	**119.9**
Other derivatives			33.6				**33.6**
Total liabilities and equity	**4,737.4**	**4,908.2**	**33.6**	**58.2**	**63.8**	**119.9**	**5,125.5**

Previous year's figures adjusted

Table 109

[1] The carrying amount equals the fair value of the financial instruments.

Given the short maturities, the carrying amounts of cash and cash equivalents, trade accounts receivable, and current other financial receivables and assets as at the reporting date correspond to the fair value.

The fair values of listed securities are identical to the stock market prices on the reporting date. 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 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-driven and maturity-linked risk premium and respective borrower on the reporting date is added to the cash flows.

There is no price quotation or market price for shares in partnerships as there is no active market for them. Shares in partnerships are recognized at acquisition costs since the fair value cannot be determined reliably. These assets are not intended for sale as at the 2014 balance sheet date.

Other investments mainly concern shares in Delhi International Airport Private Ltd. The fair value was determined based on a current bid and taking current foreign currency rates into account.

The fair values of loans to affiliated companies and other financial non-current assets are determined as the present value of future cash flows. Discounting was applied using the current maturity-linked interest rate as at the balance sheet date. The fair value of the loan including interest receivables to NCG is mainly affected by cash flow forecasts and interest rate developments.

The carrying amounts of other loans 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 as at the balance sheet date. Here, it is also assumed that the present value corresponds to the fair value. The remaining other 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 2014 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 as at 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 13:

Measurement categories according to IFRS 13 (2014)

€ million	December 31, 2014	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	**199.3**	199.3	0.0	0.0
Loans and receivables	**109.3**	0.0	68.0	41.3
Other financial assets				
Securities available for sale	**539.5**	469.6	69.9	0.0
Other investments	**76.0**	0.0	76.0	0.0
Loans to affiliated companies	**124.6**	0.0	5.8	118.8
Other loans	**31.5**	0.0	31.5	0.0
Total assets	**1,080.2**	**668.9**	**251.2**	**160.1**
Liabilities and equity				
Trade accounts payable	**187.2**	0.0	187.2	0.0
Other financial liabilities	**438.5**	0.0	438.5	0.0
Financial liabilities	**4,429.1**	0.0	4,429.1	0.0
Liabilities from finance leases	**54.9**	0.0	54.9	0.0
Derivative financial liabilities				
Derivatives without hedging relationships	**41,7**	0,0	41.7	0.0
Derivatives with hedging relationships	**111.7**	0.0	111.7	0.0
Total liabilities and equity	**5,263.1**	**0.0**	**5,263.1**	**0.0**

Table 110

The fair values of financial instruments belonged to the measurement categories of the hierarchy within the meaning of IFRS 13 as at December 31, 2013:

Measurement categories according to IFRS 13 (2013)

€ million	December 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	**104.3**	0.0	73.1	31.2
Other financial assets				
Securities available for sale	**517.3**	377.4	139.9	0.0
Other investments	**59.5**	0.0	59.5	0.0
Loans to affiliated companies	**131.2**	0.0	4.3	126.9
Other loans	**27.2**	0.0	27.2	0.0
Total assets	**1,143.5**	**681.4**	**304.0**	**158.1**
Liabilities and equity				
Trade accounts payable	**214.2**	0.0	214.2	0.0
Other financial liabilities	**362.0**	0.0	362.0	0.0
Financial liabilities	**4,332.0**	0.0	4,332.0	0.0
Liabilities from finance leases	**63.8**	0.0	63.8	0.0
Derivative financial liabilities				
Derivatives without hedging relationships	**33.6**	0.0	33.6	0.0
Derivatives with hedging relationships	**119.9**	0.0	119.9	0.0
Total liabilities and equity	**5,125.5**	**0.0**	**5,125.5**	**0.0**

Previous year's figures adjusted

Table 111

Net results of the measurement categories

€ million	2014	2013
Financial assets		
Loans and receivables	1.0	–7.2
Available for sale	11.7	12.4
Financial liabilities		
At amortized cost	–6.0	–3.8
Held for trading	–8.1	11.7

Previous year's figures adjusted

Table 112

The net result consists of changes in fair values recognized through profit or loss, impairment losses and write-ups recognized through profit or loss, exchange rate changes, and gains and losses of disposals.

Interest and dividend income of the category "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.

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 2014 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 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, exchange rate 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.

The Group holds 44 interest rate swaps as at the reporting date (previous year: 48). 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.

Derivative financial instruments

€ million	Nominal volume		Fair value		Credit risk	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Interest rate swaps	1,200.0	1,260.0	–153.4	–153.5	0.0	0.0
thereof hedge accounting	975.0	1,035.0	–111.7	–119.9	0.0	0.0
thereof trading	225.0	225.0	–41.7	–33.6	0.0	0.0

Previous year’s figures adjusted

Table 113

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	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Interest rate swaps – cash flow hedges	0.0	0.0	111.7	119.9
Interest rate swaps – trading	0.0	0.0	41.7	33.6

Previous year’s figures adjusted

Table 114

37 interest rate swaps (previous year: 41) are already assigned to existing floating interest-bearing liabilities.

A total of 37 interest rate swaps (previous year: 41) 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 changes in value resulting from this classification are recorded through profit or loss.

The payments under the cash flow hedges become due in the following time periods. This is also the time when the respective hedged item affects profit or loss.

Interest rate swaps (2014 hedge accounting)

€ million			December 31, 2014
Beginning of term	End of term	Nominal volume	Fair value
2006	2016	70.0	–4.1
2007	2017	60.0	–6.5
2008	2018	115.0	–17.0
2009	2015	45.0	–0.9
2009	2016	100.0	–6.0
2009	2017	25.0	–2.7
2009	2019	220.0	–40.5
2010	2015	85.0	–1.8
2010	2017	100.0	–10.9
2010	2020	85.0	–20.0
2011	2015	70.0	–1.3
Total		**975.0**	**–111.7**

Table 115

There were the following time periods as at December 31, 2013:

Interest rate swaps (2013 hedge accounting)

€ million			December 31, 2013
Beginning of term	End of term	Nominal volume	Fair value
2005	2014	60.0	–0.1
2006	2016	70.0	–6.1
2007	2017	60.0	–7.7
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		**1,035.0**	**–119.9**

Previous year's figures adjusted

Table 116

Unrealized losses of €32.3 million were recorded in equity from the change in fair value of derivatives in the 2014 fiscal year (previous year: gains of €4.4 million). During the year under review, losses of €40.3 million (previous year: €42.1 million) were transferred from equity to the financial result. In addition, ineffectivenesses of the interest rate swaps amounting to €0.1 million were recorded through profit and loss as in the previous year.

Notes to the Segment Reporting

43 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 principle decision-maker and is attached as an appendix to the notes.

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 this 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 "Real Estate and Facility Management" and "Corporate Infrastructure Management", as well as "Information and Telecommunication" 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.

Intersegment income is primarily generated by the intercompany 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.

Intersegment income also reflects income 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 this segment structure.

The reconciliation of segment assets/segment liabilities column includes the income tax assets/liabilities (including the deferred tax assets/liabilities) of the Group.

In the additional disclosures “Geographical Information”, allocation is according to the current main areas at 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.

The companies recently acquired during the fiscal year, AMU Holding Inc. and Aerodrom Ljubljana, d.d., were allocated to the External Activities & Services segment.

Depreciation and amortization for the segment assets do not include any impairment losses according to IAS 36 (previous year: €0.5 million). Impairment losses of the previous year are charged to the Aviation segment.

Segment assets of the Retail & Real Estate segment include real estate inventories of €26.6 million (previous year: €24.1 million).

During the fiscal year 2014, revenue of €895.2 million was generated in all four segments from one customer (previous year: €865.9 million). Further explanations about segment reporting can be found in the management report.

Due to the first-time application of IFRS 11 (see note 4), adjustments were made to the previous year’s figures. The effects of the adjustments to revenue, EBITDA, EBIT, and assets are presented in the following table.

Segment reporting adjustments

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Adjustment	Group
	2013 reported	845.2	469.0	656.2	591.0		2,561.4
	2013 adjusted	845.6	464.2	649.0	416.9		2,375.7
Revenue	Adjustment	0.4	–4.8	–7.2	–174.1		–185.7
	2013 reported	28.0	13.0	13.0	16.0		70.0
	2013 adjusted	28.1	12.8	11.7	12.8		65.4
Other income	Adjustment	0.1	–0.2	–1.3	–3.2		–4.6
	2013 reported	**873.2**	**482.0**	**669.2**	**607.0**		**2,631.4**
	2013 adjusted	**873.7**	**477.0**	**660.7**	**429.7**		**2,441.1**
Third-party revenue	**Adjustment**	**0.5**	**–5.0**	**–8.5**	**–177.3**		**–190.3**
	2013 reported	76.2	235.6	34.6	347.3	–693.7	
	2013 adjusted	75.4	230.6	34.6	352.4	–693.0	
Intersegment revenue	Adjustment	–0.8	–5.0	0.0	5.1	0.7	
	2013 reported	**949.4**	**717.6**	**703.8**	**954.3**	**–693.7**	**2,631.4**
	2013 adjusted	**949.1**	**707.6**	**695.3**	**782.1**	**–693.0**	**2,441.1**
Total revenue	**Adjustment**	**–0.3**	**–10.0**	**–8.5**	**–172.2**	**0.7**	**–190.3**
	2013 reported	**88.1**	**267.9**	**–2.3**	**174.4**		**528.1**
	2013 adjusted	**90,6**	**267,0**	**–4.4**	**85.4**		**438.6**
Segment result (EBIT)	**Adjustment**	**2.5**	**–0.9**	**–2.1**	**–89.0**		**–89.5**
	2013 reported	**205.4**	**350.7**	**38.2**	**285.9**		**880.2**
	2013 adjusted	**207.9**	**349.7**	**34.2**	**141.1**		**732.9**
EBITDA	**Adjustment**	**2.5**	**–1.0**	**–4.0**	**–144.8**		**–147.3**
	2013 reported	**4,083.5**	**2,678.5**	**744.0**	**1,951.3**	**66.1**	**9,523.4**
	2013 adjusted	**4,083.5**	**2,651.3**	**737.6**	**1,295.2**	**49.2**	**8,816.8**
Carrying amounts of segments assets	**Adjustment**	**0.0**	**–27.2**	**–6.4**	**–656.1**	**–16.9**	**–689.7**

Table 117

Notes to the Consolidated Statement of Cash Flows

44 Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities

Cash flow from operating activities of €506.2 million (previous year: €454.2 million) resulted in €722.5 million (previous year: €664.9 million) from operating activities, €130.3 million (previous year: €132.1 million) from financial activities, and €86.0 million (previous year: €78.6 million) from cash flow used for taxes on income.

Cash flow used in investing activities

Cash flow used in investing activities without investments in cash deposits and securities amounted to €523.8 million, an increase of €105.4 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 acquisition of consolidated subsidiaries concerns the acquisitions of AMU Holdings Inc. and Aerodrom Ljubljana, d.d. (see note 4).

Cash flow used in financing activities

Cash flow used in financing activities of €184.5 million (previous year: €228.2 million) resulted among others from the repayment of long-term financial liabilities.

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

€ million	December 31, 2014	December 31, 2013
Cash and cash equivalents as at the consolidated statement of cash flows	167.8	131.2
Time deposits with a remaining term of more than three months	210.0	332.4
Restricted cash	23.3	23.3
Cash and cash equivalents as at the consolidated statement of financial position	**401.1**	**486.9**

Previous year's figures adjusted

Table 118

Other Disclosures

45 Contingent Liabilities

Guarantees and other commitments

€ million	December 31, 2014	December 31, 2013
Guarantees	12.2	11.4
Warranties	178.2	181.0
thereof contract performance guarantees	125.7	119.3
Other contingent liabilities	31.3	33.3
Total	**221.7**	**225.7**

Table 119

The warranties concluded mainly result from the respective contract terms in connection with national and international investment projects.

In addition to contract performance guarantees, the warranties mainly include obligations assumed by Fraport AG in connection with the financing arrangements of the Antalya operating company amounting to €12 million (previous year: €29.5 million), an obligation arising from a long-term tenancy at Antalya Airport of €18.7 million (previous year: €20.6 million), and bid bonds of €20 million (previous year: none) in connection with tenders for airport operating concessions.

Contract performance guarantees totaling €125.7 million (previous year: €119.3 million) largely related to the following investment companies:

Fraport AG assumed a contract performance guarantee of €35.6 million for the Antalya operating company in connection with the terminal operation at Antalya Airport (Turkey).

Another contract performance guarantee, excluding recourse against Fraport AG, was signed between GMR Holdings Private Ltd., Fraport AG, and ICICI Bank Ltd. to the amount of €39.1 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.

The contractual performance of its Group company Fraport Twin Star Airport Management AD, established in 2006, is guaranteed to the amount of €15.0 million (previous year: €15.0 million) in the context of operating the airports in Varna and Burgas, Bulgaria.

The contract performance guarantee relating to the concession agreement for the operation of the airport in Lima, Peru, amounts to €9.2 million (US$11.2 million) on the balance sheet date.

As part of the existing management contracts with the General Authority of Civil Aviation, Saudi Arabia, for the airports in Riyadh and Jeddah, Fraport AG has assumed performance guarantees totaling €9.1 million (SAR 41.4 million). The management contracts expired on June 13, 2014. Complete release from liability is still pending as at the reporting date.

€5.5 million of the contract performance guarantees reported on the reporting date relate to Air-Transport IT Services, Inc., USA.

The other contingent obligations include that Fraport AG is held liable to the amount of €11.6 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, contingent obligations at Lima arising from tax risks to the amount of €12.0 million (previous year: €11.0 million) as well as at Twin Star from penalties for obligations for capital expenditure in arrears in the amount of €7.7 million (previous year: €10.1 million).

Contingent obligations of €52.4 million (previous year: €104.4 million) relate to joint ventures.

46 Other financial obligations

Order commitments for capital expenditure

€ million	December 31, 2014	December 31, 2013
Orders for capital expenditure in property, plant, and equipment, intangible assets, and investment property	175.0	199.6

Previous year's figures adjusted
Order commitments for intangible assets and investment property comprise an insignificant portion of the total amount.

Table 120

Operating leases

€ million	December 31, 2014	December 31, 2013
Rental and leasing contracts		
up to 1 year	7.9	9.1
more than 1 up to 5 years	9.7	8.2
more than 5 years	30.9	28.9
Total	**48.5**	**46.2**

Previous year's figures adjusted

Table 121

In addition to order commitments, other financial obligations include future expenses arising from rental and leasing contracts. The contracts entered into relate to building rental agreements and the lease of equipment. The equipment leases showed an average remaining term of two years on the 2014 reporting date. In view of their economical content, the relevant leases qualify as operating leases, i.e. the leased asset is attributable to the lessor.

Other obligations

In addition, the following other important obligations exist at the reporting date: Obligations arising from a long-term heat supply contract (€78.4 million, previous year: €84.8 million) and loan commitments to Northern Capital Gateway LCC to finance the development and modernization of Pulkovo Airport in St. Petersburg, remaining at €45.4 million. Other obligations of €45.4 million relate to associated companies.

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 relating to the operation of the airports in Varna and Burgas, Bulgaria (term until 2041), and Lima, Peru (minimum term until 2031) (see also note 51).

47 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 Fraport 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 could 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 for the first time be exercised after a vesting period of three years within a further period of two years (exercise period). The share options expire if they have not been exercised by the end of the exercise period or in the case of early departure from the Group. If the service or employment relationship with those entitled ends due to a death, the surviving dependents of the eligible beneficiary obtain the right to exercise the share options for up to one year after the date on which the service or employment relationship ended.

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 %.

The current 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 vesting period for the fifth tranche of the MSOP 2005 ended on April 10, 2012. The requirements for exercising this tranche were met. 228,000 options have been exercised so far, 3,750 of which in fiscal year 2014.

As the authorization to issue subscription rights expired in 2009, no further stock options were issued in the years 2010 to 2014.

For more information on contingent capital, see note 32.

Development of subscription rights issued

	Total number	Weighted average 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 January 1, 2014	**9,250**	**24.35**	**0**	**1,250**	**8,000**
Exercised in 2014	–3,750	28.07	0	–1,250	–2,500
Expired in 2014	–5,500	25.87	0	0	–5,500
Rights issued as at December 31, 2014	**0**		**0**	**0**	**0**

Table 122

Options can no longer be exercised from the fifth tranche (previous year: 9,250). The weighted average share price for fiscal year 2014 was €53.61 (previous year: €48.38). 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 123

48 Long-Term Incentive Program

The Long-Term Incentive Program (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 two 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 development. 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 45,444 virtual shares were issued in the 2014 fiscal year. A provision for the LTIP in the amount of €7.6 million (previous year: €12.0 million) is reported as at December 31, 2014.

Expense reported in fiscal year 2014 amount to €1.7 million (previous year: €6.1 million), thereof €0.9 million (previous year: €2.3 million) attributable to Executive Board members and €0.8 million (previous year: €3.8 million) attributable to Senior Managers of Fraport AG.

Development of the fair values of the virtual shares for the Executive Board and Senior Managers

Tranche All figures in €	Fair value December 31, 2014 Executive Board	Fair value December 31, 2014 Senior Managers	Fair value December 31, 2013 Executive Board/ Senior Managers
Fiscal year 2011	50.91	50.62	56.51
Fiscal year 2012	39.43	37.24	45.07
Fiscal year 2013	41.26	38.83	50.12
Fiscal year 2014	43.45	42.11	48.89

Table 124

On January 1 of the years 2011 to 2014, the Executive Board and Senior Managers in the Fraport Group were each promised a tranche. The tranches for the Executive Board and for Senior Managers differ in the calculation of the extent to which objectives have been reached for the targets in the weighting of the individual years of the performance period.

Virtual share conditions

The virtual shares of the 2014 tranche were issued on January 1, 2014. Their term is four years and thus ends on December 31, 2017.

The payout per virtual share corresponds to the weighted average closing prices 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 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 this 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 2011 to 2014 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.

49 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 monitor and limit these risks by means of current operating and finance-related activities. Depending on a risk assessment, selected hedging instruments are used for these purposes. In general, Fraport hedges only those risks that affect the Group's cash flows. Recently concluded 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, the Chief Financial Officer receives a current financial report each month with all important financial risk positions. These are also part of the monthly Treasury Committee Meetings (TCM) in which the Chief Financial Officer and representatives of the financial department participate. The processes of risk control and the use of financial instruments are regulated, among others, as part of the Group's financial guidelines. These regulations also include requirements for 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 and the limits derived from this. It is the company's risk policy that financial assets and derivative transactions are in principle only carried out with issuers and counterparties with a credit rating of at least "BBB+". If the credit rating is downgraded to a grade worse than "BBB+" 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 in non-current and current assets is equal to the amount of debt instruments. On the balance sheet date, the securities were broken down as follows:

Classification of securities

€ million	December 31, 2014	December 31, 2013
Equity instruments	0.0	0.0
Debt instruments	778.5	881.2

Previous year's figures adjusted

Table 125

Securities and promissory note loans have the following long-term issuer ratings:

Issuer ratings of securities and promissory note loans (2014)

€ million	December 31, 2014
AAA	15.5
AA+	21.8
AA	30.5
AA–	82.5
A+	105.9
A	249.8
A–	134.5
BBB+	50.6
BBB	54.6
BBB–	32.8
Total	**778.5**

Table 126

In 2013, the securities and promissory note loans had the following issuer ratings:

Issuer ratings of securities and promissory note loans (2013)

€ million	December 31, 2013
AAA	15.6
AA+	22.1
AA	29.8
AA–	69.9
A+	191.9
A	140.8
A–	190.9
BBB+	61.7
BBB	92.6
BBB–	65.9
Total	**881.2**

Previous year's figures adjusted

Table 127

The credit risk on liquid funds applies solely with regard to banks. Here, current cash deposits are maintained with banks. The banks where liquid funds are deposited have the following long-term issuer ratings:

Issuer ratings of liquid funds (2014)

€ million	December 31, 2014
AAA	0.0
AA+	0.0
AA	0.0
AA–	35.3
A+	0.0
A	222.7
A–	88.4
BBB+	0.5
BBB	20.5
BBB–	1.4
BB+	23.9
BB	0.0
BB–	0.1
Not rated	8.3
Total	**401.1**

Table 128

In 2013, the banks where liquid funds were deposited had the following issuer ratings (based on short-term issuer ratings):

Issuer ratings of liquid funds (2013)

€ million	December 31, 2013
AAA	0.0
AA+	0.0
AA	0.0
AA–	55.2
A+	4.2
A	140.3
A–	135.9
BBB+	100.5
BBB	18.7
BBB–	4.9
BB+	23.7
Not rated	3.5
Total	**486.9**

Previous year's figures adjusted

Table 129

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 flow, the available liquid funds (including cash and cash equivalents, 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, 2014 influence the Group's future liquidity.

Liquidity profile as at December 31, 2014

€ million	Total	2015	2016	2017–2021	2022–2026	2027 et seqq.
Primary financial instruments						
Financial liabilities	**4,832.2**	390.7	561.7	3,013.8	505.5	360.5
Finance leases	**60.4**	11.8	11.8	27.6	4.0	5.2
Concessions payable	**637.7**	25.4	20.0	104.5	112.4	375.4
Trade accounts payable	**181.6**	134.5	18.8	13.2	10.8	4.3
Derivative financial instruments						
Interest rate swaps	**157.0**	45.5	37.9	70.8	2.8	0.0
thereof trading	**39.6**	8.5	7.6	20.7	2.8	0.0
thereof hedge accounting	**117.4**	37.0	30.3	50.1	0.0	0.0

Table 130

The liquidity profile as at December 31, 2013 was as follows:

Liquidity profile as at December 31, 2013

€ million	Total	2014	2015	2016–2020	2021–2025	2026 et seqq.
Primary financial instruments						
Financial liabilities	**5,041.4**	368.4	591.9	3,161.6	541.5	378.0
Finance leases	**72.2**	11.8	11.9	38.7	3.9	5.9
Concessions payable	**699.9**	22.0	18.1	94.2	101.1	464.5
Trade accounts payable	**210.3**	159.6	18.6	16.5	9.9	5.7
Derivative financial instruments						
Interest rate swaps	**161.8**	48.6	41.3	70.8	1.1	0.0
thereof trading	**33.9**	8.4	7.6	16.8	1.1	0.0
thereof hedge accounting	**127.9**	40.2	33.7	54.0	0.0	0.0

Previous year's figures adjusted

Table 131

All financial instruments that are subject to agreements as at the reporting date were included to determine the undiscounted payments. If a contractual partner can release a payment at different points of time, the earliest deadline 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. The respective forward interest rates were used to determine the interest payments on primary financial liabilities in foreign currency.

Financial liabilities of certain Group companies abroad arising from independent project financing with a nominal value of €109.9 million include numerous credit clauses that are typical for this type of financing. These clauses include inter alia regulations under which certain debt service coverage ratios and control indicators for debt ratio and credit periods must be complied with. Failure to comply with the agreed credit clauses may lead to restrictions on the distribution of dividends and/or to the early redemption of loans or to the additional payment of equity. Additionally, there are contractually agreed credit clauses for specific earmarked and/or project-related public loans issued by public business development banks and taken out by Fraport AG in the amount of €1,020.0 million. These clauses relate, among other things, to changes in the shareholder structure and control of the company. If these changes have a proven negative effect on the credit rating of Fraport AG, the creditors have – above a certain threshold – the right to call the loans due ahead of time.

All agreed borrowing terms and conditions were observed in 2014. 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 US Dollar (US$) and Saudi Riyal (SAR) as well as the 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.

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

Risk in € million	December 31, 2014		December 31, 2013	
	Gain	Loss	Gain	Loss
US$/PEN	0.24	0.25	0.55	0.59
€/SAR	0.11	0.11	0.07	0.07

Previous year's figures adjusted

Table 132

Currency effects in connection with the shares in Delhi International Airport Private Ltd. classed as available for sale are recorded under equity. A 10 % revaluation or devaluation of the € against the Indian rupee (INR) at December 31, 2014 would decrease or increase equity by €0.7 million.

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.

Fraport has an isolated foreign currency obligation of CHF 72.9 million with a term until 2016. A 10 % revaluation or devaluation of the € against the CHF as at December 31, 2014 would result in a financial obligation that is lower by €5.5 million or higher by €6.7 million. This would result in a profit of €5.5 million or a loss of €6.7 million in the financial result.

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 analysis 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. Here, 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 analysis 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 analysis are based on the following assumptions: €: 3.25 percentage points; US Dollar (US$): 4.75 percentage points; Turkish Lira (TRY): 10.25 percentage points; Swiss Francs (CHF): 2.50 percentage points; Peruvian New Sol (PEN) 7.10 percentage points; Saudi Riyal (SAR): 4.50 percentage points; Canadian Dollar (CAD): 3.75 percentage points; Bulgarian Lew (BGN): 5.22 percentage points. The individual sensitivities are then aggregated to become one profit or loss related sensitivity in €.

Changes in market 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, 2014 and the assumptions made, the profit or loss related sensitivity is –€0.5 million in the event of an increase (decrease) in the market interest rate (previous year: –€3.3 million). This means that the financial result could hypothetically have increased (decreased) by €0.5 million. This hypothetical effect on profit or loss would have resulted from the potential effects of interest rate derivatives of €16.0 million (previous year: €20.2 million) and an increase (decrease) in the interest result from primary floating-rate net financial positions of –€16.5 million (previous year: –€23.5 million).

Interest sensitivity

	Interest sensitivity € million	Thereof from derivative financial instruments	Thereof from primary financial instruments
December 31, 2014	**–0.5**	**16.0**	**–16.5**
December 31, 2013	–3.3	20.2	–23.5

Previous year's figures adjusted

Table 133

The equity-related sensitivity is €19.6 million (previous year: €35.9 million). By applying the assumptions made, an increase (decrease) in interest rates would have resulted in an increase (decrease) in equity of €19.6 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 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 134

The financial ratios developed as follows in the period under review:

Financial debt ratios

Key figures	**Corridor**	**December 31, 2014**	**December 31, 2013**
Net debt/EBITDA	max. 4–6 x	4.5	4.3
EBITDA/interest expense	min. 3–4 x	3.8	3.9

Previous year's figures adjusted

Table 135

50 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 with 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		Joint ventures at equity	Associated companies at equity	Companies controlled and significantly influenced by majority shareholders
		State of Hesse	Stadtwerke Frankfurt am Main Holding GmbH			
Revenue	**2014**	**1.6**	**0.2**	**5.7**	**4.4**	**14.7**
	2013	1.6	0.2	10.2	5.9	7.1
Purchased goods and services	**2014**	**10.6**	**13.2**	**16.2**	**11.1**	**121.2**
	2013	14.6	9.3	17.5	13.2	102.8
Interest	**2014**	**–0.9**	–	**0.1**	**12.2**	–
	2013	–0.9	–	0.5	11.5	–
Accounts receivable	**2014**	–	–	**9.0**	**42.0**	–
	2013	0.4	–	10.4	30.3	0.1
Loans	**2014**	–	–	**4.2**	**122.0**	–
	2013	–	–	4.2	120.3	–
Liabilities	**2014**	–	–	**7.2**	**0.8**	**13.3**
	2013	24.9	–	8.0	9.1	40.1

Previous year's figures adjusted

Table 136

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	2014	2013
Salaries and other short-term employee benefits	5.0	5.1
Termination benefits	0.0	0.0
Post-employment benefits	1.1	1.1
Other long-term benefits	0.4	0.4
Share-based remuneration	1.3	1.3
Total	**7.8**	**7.9**

Previous year's figures adjusted to the exemplary table of the GCGC

Table 137

Information regarding salaries and other short-term employee benefits for employee representatives on the Supervisory Board exclusively includes remuneration for their Supervisory Board activities.

Post-employment benefits include service costs from pension provisions for the active members of the Executive Board.

The benefits granted for the Long-Term Strategy Award (LSA, see also note 55) is accounted for as other long-term employee benefits in fiscal year 2014.

The statement of share-based remuneration includes the granted amount for the Long-Term Incentive Program awarded in the fiscal year 2014 (LTIP, see also note 55).

At the end of the fiscal year, there were outstanding balances for the Executive Board members' bonus amounting to €1.2 million (previous year: €1.1 million).

51 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 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 for the expansion of the airport, in particular regarding Runway Northwest, 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 flight traffic that were initially imposed in 1971 and subsequently updated have been tightened by the aforementioned amendment and extension to the permit. Also 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 around Runway Northwest.

The company charges airlines that fly to Frankfurt Main Airport what are known as “traffic charges” for provision of the traffic 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 takeoff 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, 2014 was approved by the HMWEVL 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 36.87 % (previous year: 35.67 %) 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 HMWEVL 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 is transported via low-noise aircraft.

> The remaining charges not subject to approval are to differ from 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 2014, 16.11 % was generated by ground handling services (previous year: 16.52 %) and 14.03 % by infrastructure charges (previous year: 13.51 %).

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 32.99 % (previous year: 34.30 %) of Fraport AG's entire revenue in the year under review.

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 €243.7 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 revenues, in particular through airport charges (passenger, landing, and parking fees), 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 "on 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. The planned transfer of land to LAP for the construction of the second landing runway by the Peruvian Government should take place by the end of 2015. LAP is then obliged to build the landing runway within the following five years.

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 by US CPI) or 46.511% of total revenue after deduction, and transfer to Corpac (Aviation Regulatory Authority) of 50% of 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 fees), 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.

52 Significant events after the balance sheet date

As part of a diversified financing structure, in 2006 Fraport took on a loan in Swiss Francs with a volume of CHF 72.9 million and a maturity date in May 2016. There are no hedges against currency fluctuations because, in principle, Fraport only hedges transaction risks that affect liquidity, and not translation risks. With the discontinuation of the € exchange-rate peg by the Swiss National Bank, the CHF loan has been subject to increased currency fluctuations since January 15, 2015. Starting from a parity price ratio between the € and the CHF, against this background the equivalent value to be repaid in € on the due date in 2016 must be recognized at around an additional €12 million. This amount could have a negative effect on the financial result of the Fraport Group as of the next quarter's reporting date, assuming that the situation does not change in the meantime.

At the AGM of Aerodrom Ljubljana, d.d., on January 19, 2015, 99.954% of shareholders agreed on the squeeze-out of the remaining minority shareholders. Following the registration of the resolution, the remaining shares in the company will be transferred to Fraport, and Fraport will hold 100% of the shares of Aerodrom Ljubljana, d.d. The squeeze-out will not have a significant impact on the asset, financial, and earnings position of the Fraport Group.

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

53 Information on shareholdings pursuant to the German Securities Trading Act (WpHG)

Fraport AG received the following notifications pursuant to Section 21 (1) of the WpHG in fiscal year 2014.

RARE Infrastructure Limited, Sydney, Australia, informed us on February 6, 2014, in accordance with Section 21 (1) of the WpHG, that, on January 31, 2014, their voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main, Germany, exceeded the threshold of 5% and on that day amounted to 5.27% (4,868,046 voting rights). 5.27% of the voting rights (4,868,046 votes) are allocable to the company in accordance with Section 22 (1) sentence 1 no 6 of the WpHG in conjunction with Section 22 (1) sentence 2.

Lazard Asset Management LLC, New York, USA, informed us on May 16, 2014, in accordance with Section 21 (1) of the WpHG, that, on May 9, 2014, their voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main, Germany, fell below the threshold of 3% and on that day amounted to 2.88% (2,658,892 voting rights).

As at December 31, 2014, 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 51.37% as at December 31, 2014. They were attributed as follows: State of Hesse 31.35% and Stadtwerke Frankfurt am Main Holding GmbH 20.02%.

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 from individual shareholders, the remaining voting rights in Fraport AG were allocated as follows (as at December 31, 2014): Deutsche Lufthansa AG 8.45% and RARE Infrastructure Limited 5.27%. 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 34.91% (free float).

54 Statement issued by the Executive Board and the Supervisory Board of Fraport AG pursuant to Section 161 of the AktG

On April 8, 2014, and December 12, 2014, the Executive Board and the Supervisory Board of Fraport AG issued the Statement of Compliance with the Corporate Governance Code pursuant to Section 161 of the AktG and made it available to the public on a permanent basis on the company website www.fraport.com in The Fraport Group/ Corporate Compliance section.

55 Information concerning the Executive Board, Supervisory Board, and Economic Advisory Board

Remuneration of the Executive Board and Supervisory Board in fiscal year 2014

The essential features of the remuneration system, and the information on the individualized remuneration of the Executive Board and the Supervisory Board, are shown in the remuneration report. The remuneration report is part of the management report.

Total remuneration of the Executive Board amounted to €5,829 thousand (previous year: €5,988 thousand) plus service costs for pensions of €1,054 thousand (previous year: €1,101 thousand).

As part of the Long-Term Strategy Award (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 amount originally stated. Performance targets are customer satisfaction, sustained employee development, and share performance. All three targets are equally important under the LSA. Total obligations as part of the LSA amounted to €250 thousand as at December 31, 2014 (previous year: €525 thousand). The fair values of the LSA for Dr Schulte amounted to €26.8 thousand as at the balance sheet date December 31, 2014 for the tranche 2012 (previous year: €73.2 thousand), for tranche 2013 €64.6 thousand (previous year: €98.1 thousand), for tranche 2014 €89.3 thousand (previous year: €110.1 thousand). The fair values of the LSA for Ms. Giesen, Mr. Müller, and Dr Zieschang amounted to €1 thousand each as at December 31, 2014 for the tranche 2012 (previous year: €43.6 thousand), for tranche 2013 €34.8 thousand (previous year: €67.6 thousand), for tranche 2014 €59.2 thousand (previous year: €79.4 thousand).

The Executive Board received short-term remuneration components of €2,396.2 thousand for the fiscal year 2014 (previous year: €2,447.7 thousand). In addition, long-term remuneration components were allocated with an issue fair value of €1,283.4 thousand (LTIP tranche 2014) and €410 thousand (LSA tranche 2014) as part of the LTIP and LSA program (previous year: for LTIP tranche 2013: €1,275.1 thousand, LSA tranche 2013: €440 thousand).

All active members of the Supervisory Board received a total remuneration of €877 thousand in the fiscal year 2014 (previous year: €890 thousand).

No loans or advances were granted to members of the Executive Board or the Supervisory Board in the year under review.

Former Executive Board members and their dependents received €1,885 thousand (previous year: €1,890 thousand) as retirement benefit payments and payments arising from the noncompetition clause. The pension obligations towards active members of the Executive Board as at the balance sheet date were €11,887 thousand (previous year: €8,069 thousand) and towards former Executive Board members and their surviving dependents €25,843 thousand (previous year: €21,372 thousand).

For further information on the members of the Executive Board and Supervisory Board, see note 56 and 57.

Compensation of the Economic Advisory Board in fiscal year 2014

In fiscal year 2014, total remuneration of the Economic Advisory Board amounted to €90.5 thousand (previous year: €90.5 thousand).

Disclosures pursuant to Section 15a of the WpHG

Pursuant to Section 15a of the WpHG, members of the Executive Board and Supervisory Board of Fraport AG 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 AG in accordance with the deadlines under Section 15a of the WpHG.

56 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 Operations **Anke Giesen**	
Executive Director Labor Relations **Michael Müller**	**Chairman of the Supervisory Board:** > FraSec Fraport Security Services GmbH **Member of the Shareholders' Meeting:** > Airport Cater Service GmbH > Medical Airport Service GmbH > Terminal for Kids gGmbH
Executive Director Operations **Peter Schmitz** (until August 31, 2014)	
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

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57 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 (until June 30, 2014) (Remuneration 2014: €62,200; 2013: €64,600)	**Member of the Advisory Board:** > Höchster Porzellan-Manufaktur GmbH (until 2014) **Member of the University Council:** > University of Frankfurt am Main **Member of the Board of Trustees:** > Institute for Law and Finance (from January 1, 2014)
Vice-Chairman **Gerold Schaub** Regional Director Traffic ver.di Hessen (Remuneration 2014: €54,150; 2013: €56,550)	**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 (Remuneration 2014: €57,350; 2013: €36,720.83)	
Devrim Arslan Chairman of the Works Council of APS Airport Personal Service GmbH (Remuneration 2014: €40,500; 2013: €25,358.33)	**Member of the Supervisory Board:** > APS Airport Personal Service GmbH

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 (Remuneration 2014: €41,300; 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:** > Hafenbetriebe der Stadt Frankfurt am Main > Kommunale Kinder-, Jugend- und Familienhilfe Frankfurt/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 > 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 > Frankfurt Ticket RheinMain GmbH (from November 18, 2014) > RMA Rhein-Main Abfall GmbH (from October 6, 2014)
Hakan Cicek Exempted member of the Works Council (Remuneration 2014: €35,500; 2013: €22,441.67)	
Kathrin Dahnke Member of the Executive Board at Wilhelm Wehrhahn KG (from April 1, 2014) (Remuneration 2014: €34,700; 2013: €21,641.67)	**Member of the Supervisory Board:** > Younicos AG (until April 22, 2014) **Member of the Supervisory Board (for 100% subsidiaries of Wilhelm Wehrhahn KG):** > ZWILLING J.A. Henckels AG (from July 15, 2014) > Basalt-Actien-Gesellschaft (from July 15, 2014 to November 12, 2014) > Bank11 für Privatkunden und Handel GmbH (from August 1, 2014) > abcbank GmbH (from August 1, 2014) **Vice-Chairperson of the Supervisory Board:** > Basalt-Actien-Gesellschaft (from November 13, 2014) **Member of the Board of Directors (for 100% subsidiary of Wilhelm Wehrhahn KG):** > abcfinance GmbH (from August 1, 2014) **Member of the Executive Board (for 100% subsidiary of Wilhelm Wehrhahn KG):** > Wehrhahn Industrieholding AG (from July 25, 2014)
Peter Feldmann Lord Mayor of the City of Frankfurt am Main (Remuneration 2014: €38,900; 2013: €33,663.90)	**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 > Nassauische Heimstätte Wohnungsbau- und Entwicklungsgesellschaft mbH > Rhein-Main-Verkehrsverbund GmbH > Schirn Kunsthalle Frankfurt am Main GmbH > Tourismus- und Congress GmbH Frankfurt am Main > Wirtschaftsförderung Frankfurt – Frankfurt Economic Development – GmbH > Landesbank Hessen Thüringen (Helaba) **Member of the Executive Board:** > Sparkassenzweckverband Nassau **Member of the Advisory Board:** > Thüga AG

Table 139

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 of Lufthansa Cargo AG (until April 30, 2014) Member of the Executive Board of Deutsche Lufthansa AG (from May 1, 2014) (until May 30, 2014) (Remuneration 2014: €8,350)	**Vice-Chairman of the Supervisory Board:** > Österreichische Luftverkehrs-Holding GmbH **Member of the Supervisory Board:** > Austrian Airlines AG
Peter Gerber Chairman of the Executive Board of Lufthansa Cargo AG (from May 30, 2014) (Remuneration 2014: €16,325)	**Chairman of the Supervisory Board:** > Lufthansa Cityline GmbH **Member of the Supervisory Board:** > Albatros Versicherungsdienste GmbH
Dr Margarete Haase Member of the Executive Board of DEUTZ AG (Remuneration 2014: €67,800; 2013: €57,625)	**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) **Member of the Supervisory Board:** > ElringKlinger AG > ZF Friedrichshafen AG
Jörg-Uwe Hahn Former Hessian Minister of Justice, for Integration and Europe (until May 30, 2014) (Remuneration 2014: €23,029.17; 2013: €57,350)	**Chairman of the Supervisory Board:** > ALEA Hoch- und Industriebau AG (from January 1, 2014) **Member of the Supervisory Board:** > HA Hessen Agentur GmbH (until January 31, 2014) > hr-Senderservice GmbH > WV Energie AG **Member of the Advisory Board:** > ÖD-Beirat DBV-Winterthur > Technic Global Solutions GmbH (from August 1, 2014) > Sondervermögen "Versorgungsrücklage des Landes Hessen" (from August 1, 2014)
Frank-Peter Kaufmann Member of the Hessian State Parliament (from May 30, 2014) (Remuneration 2014: €26,158.33)	**Member of the Supervisory Board:** > Hessische Staatsweingüter Kloster Eberbach GmbH Eltville
Lothar Klemm Former Hessian State Minister (Remuneration 2014: €52,993.75; 2013: €49,300)	**Chairman of the Supervisory Board:** > Dietz AG **Chairman of the Executive Board:** > Förderverein für integrierte Verkehrssysteme (Darmstadt)
Dr Roland Krieg Head of the service unit Information and Telecommunications (Remuneration 2014: €37,900; 2013: €38,700)	**Chairman of the Supervisory Board:** > AirIT Services AG > operational services GmbH & Co. KG **Member of the Supervisory Board:** > FraSec Fraport Security Services GmbH **Member of the Shareholders' Meeting:** > AirITSystems GmbH > operational services GmbH & Co. KG
Michael Odenwald State Secretary of the German Federal Ministry for Transport and Digital Infrastructure (Remuneration 2014: €33,900; 2013: €33,100)	**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 (Remuneration 2014: €35,500; 2013: €22,441.67)	
Arno Prangenberg Auditor, Tax Consultant (Remuneration 2014: €37,900; 2013: €38,700)	
Hans-Jürgen Schmidt First State Vice-Chairman komba gewerkschaft Hessen Chairman komba gewerkschaft Kreisverband Flughafen Frankfurt/Main (Remuneration 2014: €37,900; 2013: €38,700)	
Werner Schmidt Vice-Chairman of the Group Works Council (Remuneration 2014: €42,900; 2013: €39,566.67)	**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 (Remuneration 2014: €48.500; 2013: €51.700)	**Member of the Supervisory Board:** > Airmail Center Frankfurt GmbH
Prof Dr Katja Windt President Jacobs University Bremen gGmbH (Remuneration 2014: €42,900; 2013: €45,300)	**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. **Member of the Bremen Advisory Board:** > Deutsche Bank AG (from April 1, 2014)

Table 139

58 Disclosures 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
Aerodrom Ljubljana, d.d. Zgornji Brnik/Slovenia	**2014**	**97.99**	**215,028**	**−601** [*]
Afriport S.A., Luxembourg/Luxembourg	**2014**	**100**	**1,492**	**−24**
	2013	100	1,436	−40
AirIT Services AG, Lautzenhausen	**2014**	**100**	**2,392**	**368**
	2013	100	2,233	355
AIRMALL Boston Inc., Boston/USA	**2014**	**100**	**18,165**	**697** [*]
AIRMALL Cleveland Inc., Cleveland/USA	**2014**	**100**	**3,594**	**−107** [*]
AIRMALL Maryland Inc., Maryland/USA	**2014**	**100**	**17,224**	**−111** [*]
AIRMALL Pittsburgh Inc., Pittsburgh/USA	**2014**	**100**	**8,811**	**335** [*]
AIRMALL USA Holdings Inc., Pittsburgh/USA	**2014**	**100**	**−769**	**67** [*]
AIRMALL USA Inc., Pittsburgh/USA	**2014**	**100**	**−372**	**−341** [*]
Airport Assekuranz Vermittlungs-GmbH, Frankfurt am Main	**2014**	**100**	**153,870**	**9,877**
	2013	100	144,015	8,301
Airport Cater Service GmbH, Frankfurt am Main	**2014**	**100**	**26**	**0**
	2013	100	26	0
Air-Transport IT Services, Inc., Orlando/USA	**2014**	**100**	**7,302**	**600**
	2013	100	5,873	438
AIRWAYMALL Inc., Wilmington/USA	**2014**	**100**	**0**	**0** [*] [1]
AMU Holdings Inc., Pittsburgh/USA	**2014**	**100**	**3,309**	**9** [*]
Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anonim Sirketi, Istanbul/Turkey	**2014**	**100**	**49,017**	**6,696** [10]
	2013	100	40,478	3,339 [10]
APS Airport Personal Service GmbH, Frankfurt am Main	**2014**	**100**	**817**	**267**
	2013	100	1,401	851
Daport S.A., Dakar/Senegal	**2014**	**100**	**551**	**−33** [1]
	2013	100	591	−103 [1]
Energy Air GmbH, Frankfurt am Main	**2014**	**100**	**2,109**	**2,011**
	2013	100	2,060	1,961
FraCareServices GmbH, Frankfurt am Main	**2014**	**100**	**1,283**	**140**
	2013	51	1,262	119
Fraport Asia Ltd., Hong Kong/China	**2014**	**100**	**99,164**	**1,455**
	2013	100	87,503	1,696
Fraport Beteiligungsgesellschaft mbH, Neu-Isenburg	**2014**	**100**	**75**	**−1** [13]
	2013	100	28	0
Fraport Cargo Services GmbH, Frankfurt am Main	**2014**	**100**	**10,904**	**−6,349**
	2013	100	17,265	−3,542
Fraport Casa GmbH, Neu-Isenburg	**2014**	**100**	**42,465**	**434**
	2013	100	40,531	300
Fraport Casa Commercial GmbH, Neu-Isenburg	**2014**	**100**	**3,218**	**−33**
	2013	100	1,251	−1
Fraport Frankfurt Airport Services Worldwide (Greece) Monoprosopi EPE, Athens/Greece	**2014**	**100**	**47**	**−8** [1]
	2013	100	54	−11 [1]
Fraport Immobilienservice und -entwicklungs GmbH & Co. KG, Frankfurt am Main	**2014**	**100**	**11,538**	**3,266** [2] [3]
	2013	100	11,535	4,030 [2] [3]
Fraport Malta Business Services Ltd., St. Julians/Malta	**2014**	**100**	**103,767**	**1,910**
	2013	100	100,757	1,875

Subsidiaries

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
Fraport Malta Ltd., St. Julians/Malta	**2014**	**100**	**103,907**	**337**
	2013	100	103,569	3,080
Fraport Objekte 162 163 GmbH, Frankfurt am Main	**2014**	**100**	**25**	**0**
	2013	100	25	1
Fraport (Philippines) Services, Inc., Manila/Philippines	**2014**	**99.99**	**–3,581**	**0** [1]
	2013	99.99	–3,180	0 [1]
Fraport Peru S.A.C., Lima/Peru	**2014**	**100**	**505**	**111**
	2013	100	368	212
Fraport Passenger Services GmbH, Frankfurt am Main	**2014**	**100**	**724**	**374**
	2013	51	657	307
Fraport Objekt Mönchhof GmbH, Frankfurt am Main	**2014**	**100**	**25**	**0**
	2013	100	25	1
Fraport Real Estate Mönchhof GmbH & Co. KG, Frankfurt am Main	**2014**	**100**	**4,210**	**1,273** [2) 3)]
	2013	100	4,389	2,116 [2) 3)]
Fraport Real Estate Verwaltungs GmbH, Frankfurt am Main	**2014**	**100**	**30**	**2**
	2013	100	29	2
Fraport Real Estate 162 163 GmbH & Co. KG, Frankfurt am Main	**2014**	**100**	**5,421**	**2,288** [2) 3)]
	2013	100	5,094	2,020 [2) 3)]
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd., Riyadh/Saudi Arabia	**2014**	**100**	**8,096**	**2,032**
	2013	100	9,059	4,775
FraSec Fraport Security Services GmbH, Frankfurt am Main	**2014**	**100**	**12,878**	**6,160**
	2013	100	6,718	133
FRA - Vorfeldaufsicht GmbH, Neu-Isenburg	**2014**	**100**	**89**	**0**
	2013	100	89	47
FRA - Vorfeldkontrolle GmbH, Kelsterbach	**2014**	**100**	**232**	**69**
	2013	100	350	97
Fraport Twin Star Airport Management AD, Varna/Bulgaria	**2014**	**60**	**80,172**	**15,837**
	2013	60	68,278	13,668
FSG Flughafen-Service GmbH, Frankfurt am Main	**2014**	**33.33**	**153**	**78**
	2013	33,33	148	73
GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG, Frankfurt am Main	**2014**	**40**	**3,356**	**2,175** [3)]
	2013	40	3,597	2,469 [3)]
Lima Airport Partners S.R.L., Lima/Peru	**2014**	**70.01**	**79,055**	**32,053**
	2013	70.01	46,131	26,378
Media Frankfurt GmbH, Frankfurt am Main	**2014**	**51**	**7,058**	**2,028**
	2013	51	7,249	2,195
VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main	**2014**	**100**	**40**	**1**
	2013	100	39	1

Table 140

Joint ventures

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
AirITSystems GmbH, Hanover	**2014**	**50**	**2,895**	**744**
	2013	50	2,995	794
Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey	**2014**	**51/50**	**40,582**	**48,611** [11]
	2013	51/50	78,998	55,627 [11]
Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi, Antalya/Turkey	**2014**	**51/50**	**–8,667**	**85,150** [11]
	2013	51/50	–51,699	66,338 [11]
Fraport IC Ictas Havalimani Yer Hizmetleri Anonim Sirketi, Antalya/Turkey	**2014**	**50**	**257**	**10** [1]
	2013	50	231	–40 [1]
Gateway Gardens Projektentwicklungs-GmbH, Frankfurt am Main	**2014**	**16.66**	**215**	**8**
	2013	16.66	262	51
Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main	**2014**	**33.33**	**3,417**	**–701**
	2013	33.33	4,119	801
Medical Airport Service GmbH, Kelsterbach	**2014**	**50**	**7,078**	**1,472**
	2013	50	6,090	1,169
Multi Park II Mönchhof GmbH, Walldorf (Baden)	**2014**	**50**	**75**	**–5**
	2013	50	80	599
N*ICE Aircraft Services & Support GmbH, Frankfurt am Main	**2014**	**52**	**18,630**	**–110**
	2013	52	19,937	4,311
Pantares Tradeport Asia Ltd., Hong Kong/China	**2014**	**50**	**8,791**	**1,373**
	2013	50	6,438	962
Shanghai Frankfurt Airport Consulting Services Co., Ltd., Shanghai/China	**2014**	**50**	**349**	**6**
	2013	50	310	15
Terminal for Kids gGmbH, Frankfurt am Main	**2014**	**50**	**2,269**	**318**
	2013	50	1,951	491

Table 141

Associated companies

Name and registered office		Shareholding in %	Equity (according to IFRS) in €'000	Result (according to IFRS) in €'000
Aerodrom Portoroz, d.o.o. Secovlje/Slovenia	**2014**	**30.46**	**3,183**	**0** [*]
Adria Airways Tehnika, d.d. Zgornji Brnik/Slovenia	**2014**	**47.67**	**5,017**	**18** [*]
Airmail Center Frankfurt GmbH, Frankfurt am Main	**2014**	**40**	**4,345**	**1,310**
	2013	40	4,535	1,402
ASG Airport Service Gesellschaft mbH, Frankfurt am Main	**2014**	**49**	**982**	**722**
	2013	49	1,573	700
Flughafen Hannover-Langenhagen GmbH, Hanover	**2014**	**30**	**131,319**	**1,089**
	2013	30	133,306	–2,084
Xi'an Xianyang International Airport Co., Ltd., Xianyang City/China	**2014**	**24.5**	**477,055**	**12,570**
	2013	24.5	425,437	10,273
Thalita Trading Ltd., Lakatamia/Cyprus; Northern Capital Gateway LLC, St. Petersburg/Russia	**2014**	**35.5**	**–251,663**	**–291,659**
	2013	35.5	–2,912	–47,893
Tradeport Hong Kong Ltd., Hong Kong/China	**2014**	**18.75**	**–6,979**	**3,711** [12]
	2013	18.75	–9,725	2,592 [12]

Table 142

Other investments

Name and registered office		Shareholding in %	Equity (according to local regulation) in €'000	Result (according to local regulation) in €'000
Delhi International Airport Private Ltd., New Delhi/India	**2014**	**10**	**180,117**	**50,820** [6]
	2013	10	153,498	10,369 [6]
Gateways for India Airports Private Ltd., Bangalore/India	**2014**	**13.51**	**2**	**0** [1]
	2013	13.51	2	0 [1]
Ineuropa Handling Alicante, U.T.E., Madrid/Spain	**2014**	**20**	**0**	**0** [1,5,7]
	2007	20	–575	–786 [1,4,5]
Ineuropa Handling Madrid, U.T.E., Madrid/Spain	**2014**	**20**	**0**	**0** [1,5,7]
	2007	20	–1,282	–2,604 [1,4,5]
Ineuropa Handling Mallorca, U.T.E., Madrid/Spain	**2014**	**20**	**0**	**0** [1,5,7]
	2007	20	871	270 [1,4,5]
Ineuropa Handling Teneriffa, U.T.E., Madrid/Spain	**2014**	**20**	**0**	**0** [1,5,7]
	2007	20	1,642	–762 [1,4,5]
operational services GmbH & Co. KG, Frankfurt am Main	**2014**	**50**	**18,277**	**5,336** [8]
	2013	50	12,941	3,577 [8]
Perishable-Center Frankfurt GbR, Frankfurt am Main	**2014**	**0**	**0**	**0** [4,9]
	2013	0	1,596	987
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt, Frankfurt am Main	**2014**	**10**	**0**	**0** [4]
	2013	10	1,535	349 [4]
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt GmbH & Co. Betriebs-KG, Frankfurt am Main	**2014**	**4**	**0**	**0** [4]
	2013	4	1,537	699 [4]
Philippine Airport and Ground Services Terminals Holdings, Inc., Pasay City/Philippines (PTH)	**2014**	**40**	**0**	**0** [1,4,5]
	2005	40	–1,590	833
Philippine Airport and Ground Services Terminals, Inc., Manila/Philippines (PTI)	**2014**	**40**	**0**	**0** [1,4,5]
	2005	40	–2,937	1,390
Philippine Airport and Ground Services, Inc., Manila/Philippines (PAGS)	**2014**	**40**	**0**	**0** [1,4,5]
	2005	40	4,533	9
Philippine International Air Terminals Co., Inc., Pasay City/Philippines (PIATCO)	**2014**	**30**	**0**	**0** [1,4,5]
	2005	30	98,747	4,761
THE SQUAIRE GmbH & Co. KG, Frankfurt am Main	**2014**	**2.2**	**0**	**0** [3,4]
	2013	2.4	–626,781	–61,651 [3]

Table 143

*) Company acquired in 2014.
1) Company inactive or in liquidation.
2) IFRS result before consolidation.
3) In the equity capital of shares in commercial partnerships, capital shares as well as shares in profit and loss of the limited partners are recognized (according to IAS 32, these are 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) 0.01 % of the shares are held by natural persons.
11) 51 % capital shares, 50 % dividend rights.
12) Pantares Tradeport Asia Ltd. holds in total 37.5 % of capital shares of Tradeport Hong Kong Ltd.
13) Formerly FRA - Verkehrszentrale GmbH, Neu-Isenburg.

Frankfurt am Main, March 2, 2015

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr Schulte

Giesen

Müller

Dr Zieschang

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 asset, financial, and earnings position and profit or loss of the Group. Furthermore, the Group management report 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 2, 2015

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr Schulte

Giesen

Müller

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 income statement, the statement of comprehensive income, the statement of financial position, the cash flow statement, the statement of changes in equity, and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2014. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Board of Management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

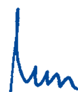
We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we 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 the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Management, as well as evaluating the overall presentation of the consolidated financial statements and the 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 the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a (1) 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 2, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Dietmar Prümm
German Public Auditor

Thomas Noll
German Public Auditor

Seven-Year Overview [1)]

Consolidated income statement

€ million	2014	2013	2012	2011	2010	2009	2008
Revenue	**2,394.6**	**2,375.7**	**2,442.0**	**2,371.2**	**2,194.6**	**2,010.3**	**2,101.6**
Change in work-in-process	0.6	0.6	0.5	0.4	0.4	0.9	0.4
Other internal work capitalized	28.3	32.3	44.0	40.3	36.9	39.1	33.8
Other operating income	42.5	32.5	55.8	40.9	52.1	45.3	66.1
Total revenue	**2,466.0**	**2,441.1**	**2,542.3**	**2,452.8**	**2,284.0**	**2,095.6**	**2,201.9**
Cost of materials	–533.3	–595.2	–558.1	–541.1	–491.1	–471.6	–471.1
Personnel expenses	–970.4	–928.9	–942.9	–906.3	–880.4	–866.9	–925.6
Other operating expenses	–172.2	–184.1	–192.6	–203.1	–201.9	–187.4	–204.5
EBITDA	**790.1**	**732.9**	**848.7**	**802.3**	**710.6**	**569.7**	**600.7**
Depreciation and amortization	–307.3	–294.3	–352.7	–305.7	–279.7	–268.8	–241.5
Operating result/EBIT	**482.8**	**438.6**	**496.0**	**496.6**	**430.9**	**300.9**	**359.2**
Interest result	–141.1	–136.0	–174.1	–144.4	–137.7	–99.7	–71.0
Result from companies accounted for using the equity method	43.5	18.5	11.7	11.5	7.0	4.3	–15.1
Income from investments	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Write-down on financial assets	0.0	0.0	0.0	0.0	0.0	–7.2	0.0
Other financial result	–10.5	10.4	30.5	–16.4	–21.5	–3.9	24.2
Financial result	**–108.1**	**–107.1**	**–131.9**	**–149.3**	**–152.2**	**–106.4**	**–61.8**
Result from ordinary operations/EBT	**374.7**	**331.5**	**364.1**	**347.3**	**278.7**	**194.5**	**297.4**
Taxes on income	–122.9	–95.8	–112.6	–96.5	–7.2	–42.5	–100.5
Group result	**251.8**	**235.7**	**251.5**	**250.8**	**271.5**	**152.0**	**196.9**
thereof profit attributable to non-controlling interests	17.1	14.7	13.3	10.4	8.6	5.6	7.2
thereof profit attributable to shareholders of Fraport AG	**234.7**	**221.0**	**238.2**	**240.4**	**262.9**	**146.4**	**189.7**
Earnings per €10 share in € (basic)	**2.54**	**2.40**	**2.59**	**2.62**	**2.86**	**1.60**	**2.07**
Earnings per €10 share in € (diluted)	**2.54**	**2.39**	**2.58**	**2.60**	**2.85**	**1.59**	**2.05**

Key figures	2014	2013	2012	2011	2010	2009	2008
EBITDA margin in %	33.0	30.8	34.8	33.8	32.4	28.3	28.6
EBIT margin in %	20.2	18.5	20.3	20.9	19.6	15.0	17.1
Return on revenue in %	15.6	14.0	14.9	14.6	12.7	9.7	14.2
Fraport assets in € million	5,253.9	5,061.7	5,152.3	4,447.3	4,019.7	3,820.2	3,419.1
ROFRA in %	9.2	8.7	9.6	11.2	10.7	7.9	10.5
Year-end closing price of the Fraport share in €	48.04	54.39	43.94	38.00	47.16	36.28	30.91
Dividend per share in €	1.35 [2)]	1.25	1.25	1.25	1.25	1.15	1.15

Financial position key figures	Balance at Dec. 31, 2014	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
Profit earmarked for distribution in € million	124.7	115.4	115.5	115.4	115.6	106.2	105.6
Net financial debt in € million	3,012.8	2,870.6	2,934.5	2,647.0	2,024.4	1,614.5	925.6
Capital employed in € million	6,109.2	5,808.3	5,731.5	5,362.1	4,626.9	4,043.5	3,328.0
Gearing ratio in %	97.3	97.7	104.9	97.5	77.8	66.5	38.5
Debt-to-equity ratio in %	33.4	32.6	30.4	28.7	22.1	18.2	14.1
Dynamic debt ratio in %	595.2	632.0	530.7	427.8	356.7	378.5	187.9
Working capital in € million	626.6	797.6	1,057.8	977.6	1,878.4	2,030.0	919.7

[1)] Due to new accounting policies, and shifts in Group definitions, figures reported in previous years may differ.
Retroactive adjustment of all previous-year figures wasn't carried out.
[2)] Proposed dividend.

Consolidated statement of financial position

€ million	Balance at Dec. 31, 2014	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
Goodwill	41.7	22.7	38.6	38.6	38.6	40.0	22.7
Investments in airport operating projects	479.2	458.1	1,031.2	1,067.1	1,073.4	1,098.4	597.6
Other intangible assets	157.1	51.1	44.2	43.6	32.4	34.0	33.3
Property, plant, and equipment	6,127.7	5,962.3	5,927.3	5,643.8	5,013.3	4,486.4	3,968.6
Investment property	63.0	47.7	34.4	74.6	34.0	34.7	9.0
Investments in companies accounted for using the equity method	216.9	194.9	136.6	138.0	97.1	72.9	72.4
Other financial assets	773.3	728.6	742.7	648.6	394.6	474.7	205.4
Other receivables and financial assets	181.1	172.2	117.1	33.5	20.9	20.0	42.4
Income tax receivables	10.2	20.3	19.5	29.6	29.6	23.6	26.6
Deferred tax assets	31.1	27.9	49.2	48.2	43.1	68.3	30.4
Non-current assets	**8,081.3**	**7,685.8**	**8,140.8**	**7,765.6**	**6,777.0**	**6,353.0**	**5,008.4**
Inventories	43.7	42.3	77.7	81.4	77.9	54.0	47.4
Trade accounts receivable	174.7	174.4	180.0	163.9	178.3	158.4	154.9
Other receivables and financial assets	297.6	426.4	385.2	280.2	319.2	492.2	205.1
Income tax receivables	7.7	1.0	35.0	6.2	5.5	5.3	7.8
Cash and cash equivalents	401.1	486.9	821.9	927.1	1,812.6	1,802.3	1,154.8
Non-current assets held for sale	7.1	–	–	–	–	–	–
Current assets	**931.9**	**1,131.0**	**1,499.8**	**1,458.8**	**2,393.5**	**2,512.2**	**1,570.0**
Issued capital	922.7	922.1	921.3	918.8	918.4	917.7	916.1
Capital reserve	592.3	590.2	588.0	584.7	582.0	578.3	573.1
Revenue reserves	1,706.1	1,540.8	1,403.2	1,327.0	1,217.7	1,039.2	1,018.8
Equity attributable to shareholders of Fraport AG	3,221.1	3,053.1	2,912.5	2,830.5	2,718.1	2,535.2	2,508.0
Non-controlling interests	64.9	45.7	35.7	29.4	21.2	22.6	60.2
Shareholders' equity	**3,286.0**	**3,098.8**	**2,948.2**	**2,859.9**	**2,739.3**	**2,557.8**	**2,568.2**
Financial liabilities	3,874.3	3,948.1	4,401.0	4,034.0	4,256.6	4,126.9	1,685.3
Trade accounts payable	47.1	50.8	64.4	64.9	60.0	114.7	192.9
Other liabilities	497.5	491.7	1,006.4	1,001.0	949.2	904.7	514.8
Deferred tax liabilities	158.7	107.2	102.5	110.8	105.5	143.9	123.5
Provisions for pensions and similar obligations	33.7	26.7	27.4	22.9	22.1	20.3	19.0
Provisions for income taxes	68.8	54.1	80.2	68.1	68.0	135.0	170.0
Other provisions	228.0	223.9	211.2	201.8	147.0	129.9	101.0
Non-current liabilities	**4,908.1**	**4,902.5**	**5,893.1**	**5,503.5**	**5,608.4**	**5,575.4**	**2,806.5**
Financial liabilities	318.1	290.6	196.6	219.9	151.8	118.9	555.5
Trade accounts payable	134.5	159.6	214.4	228.9	274.6	219.8	393.8
Other liabilities	123.7	123.0	163.2	187.4	180.5	147.7	63.6
Provisions for income taxes	14.7	7.7	5.3	2.4	12.9	6.7	1.9
Other provisions	223.8	234.6	219.8	222.4	203.0	238.9	188.9
Liabilities in the context of non-current assets held for sale	4.3	–	–	–	–	–	–
Current liabilities	**819.1**	**815.5**	**799.3**	**861.0**	**822.8**	**732.0**	**1,203.7**
Total assets	**9,013.2**	**8,816.8**	**9,640.6**	**9,224.4**	**9,170.5**	**8,865.2**	**6,578.4**

Change over the previous year in %	Balance at Dec. 31, 2014	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
Non-current assets	5.1	–5.6	4.8	14.6	6.7	26.8	7.4
Shareholders' equity (less non-controlling interests and profit earmarked for distribution)	5.4	5.0	3.0	4.3	7.1	1.1	0.2
Share of total assets in %							
Non-current assets	89.7	87.2	84.4	84.2	73.9	71.7	76.1
Shareholders' equity ratio	34.4	33.3	29.0	29.4	28.4	27.4	36.5

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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 + dividends from companies accounted for using the equity method – capital expenditure in property, plant, and equipment – investment property – capital expenditure for other intangible assets – investments in airport operating projects (excluding payments to acquire Group companies and concessions)

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

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

Total employees
Employees of Fraport AG, subsidiaries, and joint ventures as at the balance sheet date (including temporary staff, apprentices, and employees on leave)

Working capital
Current assets – trade accounts payable – other current liabilities

Annual 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 2015

Thursday, May 7, 2015
Group Interim Report January 1 to March 31, 2015
Online publication, conference call with analysts and investors

Friday, May 29, 2015
Annual General Meeting 2015
Frankfurt am Main, Jahrhunderthalle

Monday, June 1, 2015
Dividend payment

Thursday, August 6, 2015
Group Interim Report January 1 to June 30, 2015
Online publication, conference call with analysts and investors

Thursday, November 5, 2015
Group Interim Report January 1 to September 30, 2015
Online publication, press conference and conference call with analysts and investors

Traffic Calendar 2015

(Online publication)

Tuesday, April 14, 2015
March 2015/3M 2015

Wednesday, May 13, 2015
April 2015

Thursday, June 11, 2015
May 2015

Friday, July 10, 2015
June 2015/6M 2015

Wednesday, August 12, 2015
July 2015

Thursday, September 10, 2015
August 2015

Monday, October 12, 2015
September 2015/9M 2015

Wednesday, November 11, 2015
October 2015

Thursday, December 10, 2015
November 2015

Imprint

Publisher
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[1] 20 cents (€) per call from a German landline; maximum of 60 cents (€) per call from a German cell phone.

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Concept and Design
heureka GmbH, Essen

Photography
Michael Gernhuber, Essen

Publication Date
March 19, 2015

Editorial Deadline
March 2, 2015

Disclaimer
In case of any uncertainties which arise due to errors in translation, the German version of the Annual Report is the binding one.

Rounding
The use of rounded amounts and percentages means slight discrepancies may occur due to commercial rounding.