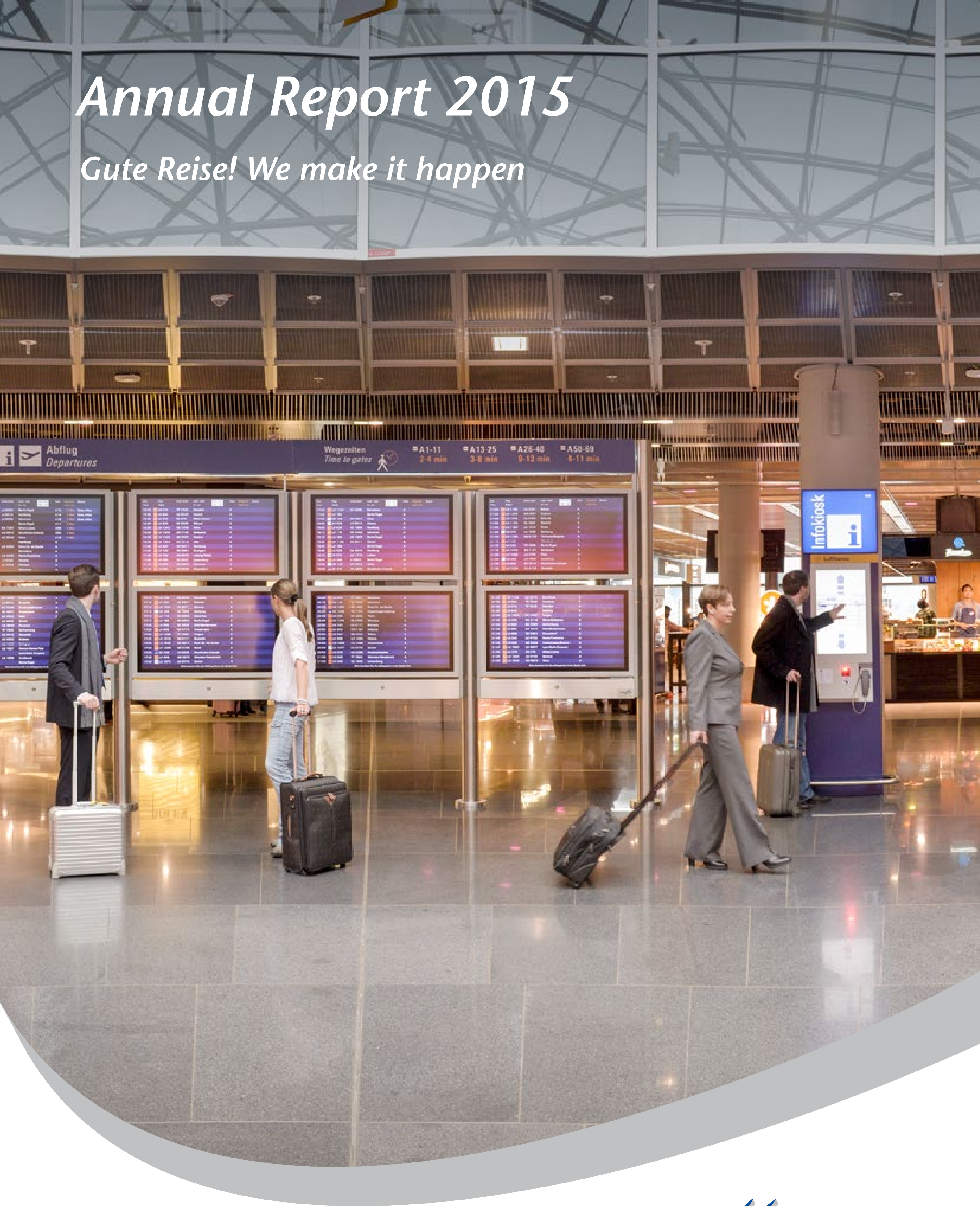
Annual Report 2015

Gute Reise! We make it happen



Fraport

Fraport – from Frankfurt to the world. We are Europe's best airport operator and set standards worldwide.

Since the end of the last fiscal year, Fraport has had a new mission statement. The new mission statement highlights a clear paradigm shift: Instead of taking the Airport Manager's perspective, Fraport turns to the customer. The new slogan puts this into words as "Gute Reise! We make it happen", words that also enrich the title of this year's Annual Report. The company processes and infrastructure shall ensure that the customer has a good trip. The company's mission has also been clearly defined: We operate airports for our customers with worldwide success, and offer associated services. We create the conditions needed for international interconnectedness, economic development and prosperity. In doing so, we want to serve the demand for mobility in the economy and in society, offer our partners a platform for their business model, and drive economic strength and job generation in the respective regions, as well as being an attractive employer and responsible partner.

With the new mission statement, the corporate strategy, the 2015 Agenda, is being transferred to a new strategy. The new strategy will be implemented in the 2016 fiscal year and broken down into individual segments and Group companies.

Financial performance indicators

€ million	2015	2014	Change in %
Revenue	2,598.9	2,394.6	8.5
Revenue adjusted by IFRIC 12	2,583.8	2,383.8	8.4
EBITDA	848.8	790.1	7.4
EBIT	520.5	482.8	7.8
EBT	433.8	374.7	15.8
Group result	297.0	251.8	18.0
Profit attributable to shareholders of Fraport AG	276.5	234.7	17.8
Earnings per share (basic) (€)	3.00	2.54	18.1
Year-end closing price of the Fraport share (€)	58.94	48.04	22.7
Dividend per share [1] (€)	1.35	1.35	0.0
Operating cash flow	652.2	506.2	28.8
Free cash flow	393.6	246.8	59.5
Total assets	8,847.3	9,013.2	−1.8
Shareholders' equity	3,511.7	3,286.0	6.9
Group liquidity	1,043.1	1,179.6	−11.6
Net financial debt	2,774.3	3,012.8	−7.9
Return on revenue (%)	16.7	15.6	–
Return on shareholders' equity (%)	8.3	7.6	–
EBITDA margin (%)	32.7	33.0	–
EBIT margin (%)	20.0	20.2	–
ROCE (%)	8.6	7.9	–
ROFRA (%)	9.4	9.2	–
Gearing ratio (%)	83.8	97.3	–

Table 1

Non-financial performance indicators

	2015	2014	Change in %
Global satisfaction (Frankfurt) (%)	80	80	–
Punctuality rate (Frankfurt) (%)	80.3	81.1	–
Baggage connectivity (Frankfurt) (%)	98.8	98.6	–
Equipment availability rate (Frankfurt) (%)	98.9	97.8	–
Employee satisfaction	2.85	2.89	–
Total number of work accidents	1,475	1,473	0.1
Rate per 1,000 employees	27.0	28.8	–

Table 2

Employees

	2015	2014	Change in %
Average number of employees	20,720	20,395	1.6
Total employees as at the balance sheet date	23,038	23,116	−0.3

[1] Proposed dividend (2015).

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Letter of the CEO

Dear Shareholders,

Your company has developed very successfully in recent years. The challenge facing us all now is carrying this success forward for the long-term future. This also means that we need to regularly question the way in which we have conducted our business so far, and what we have achieved, to this point, and consequently align with future market developments in aviation.

It is for this reason, that last year, we incorporated our strategic direction, "Agenda 2015", into a new mission statement. We looked at our targets and our business from the focused perspective of our customers. Our mission statement "Gute Reise! Wir sorgen dafür" replaces our previous slogan "The Airport Managers", creating the foundation for further success. Our processes and our infrastructure should help our customers "have a good trip". In doing so, we want to serve the demand for mobility in the economy and in society, offer our partners a platform for their business model, and drive economic strength and job generation in the respective regions, as well as being an attractive employer and responsible partners.

In the past fiscal year, we have taken an essential step on the route to a "good trip", and securing the future viability of your company in the long term, by commencing the construction of Terminal 3. The new construction secures the long-term capacity and quality we need to remain successful in the competitive worldwide aviation market. In line with our growth forecast, we plan to put the first construction phase of the new terminal, designed for up to 14 million passengers, into operation in the fiscal year 2022.

For us, ensuring long-term success equally means bearing responsibility, not only for our shareholders and employees, but also for those who live near the airport. The topics of active sound insulation and noise reduction continue to be a high priority, despite the decision to expand. In both aspects, we have been praised for our important global leadership position. To continue to fulfill this position in the future, we carried out a trial operation of the 'noise absence model' at Frankfurt Airport in the past fiscal year. Through the targeted use of runways, we are able to afford the residents more quiet during day and evening hours, depending on the weather and operating conditions. The reduced noise level at various measurement points around the airport prove the success of the 'noise absence model'. We are very aware of our role in society, and use it to shape future developments.

Looking back over 2015, we are proud that the Frankfurt site has, for the first time in its history, surpassed the 60 million passenger mark, with over 61 million passengers and 2.5 percent growth. On a total of 63 days, more than 200,000 passengers used the airport, and led in particular to a very high capacity

Dr. Stefan Schulte

Chairman of the Executive Board Fraport AG

utilisation during the summer months. Despite a slight drop in the cargo tonnage of 2.6 %, to just under 2.1 million metric tons, Frankfurt Airport continues to be one of the most important air freight handling facility in Europe. The site thus once again supported a systematically relevant role within the value chain in Germany, which, as an exporting nation, is dependent upon a competitive transit and freight hub.

Transport growth was inconsistent across the Group airports. Whilst the investments with a high proportion of Russian air traffic recorded static to diminishing passenger numbers, the airports in Ljubljana, Lima, Hanover and Xi'an showed very positive growth.

Dear Shareholders, we wish to continue to profitably utilise our expertise in the successful operation of airports. For this reason, we signed concession agreements for the operation of 14 predominantly tourism-oriented regional airports in Greece alongside our Greek partner Copelouzos Group in the past fiscal year. We are currently expecting to commence airport operations in late 2016, thus expanding our international portfolio.

The past fiscal year was challenging as regards further development of airport charges. We withdrew the proposal submitted for a very moderate increase in charges, particularly as we could not resolve differences with the responsible approving authorities with regard to the appropriate return on interest of the capital employed within the legally binding timeframe. This issue will also be taken into account in 2016, as we will examine the matter thoroughly before submitting a new application.

In terms of finances, the 2015 fiscal year was a good one for your company. We were able to increase all relevant key financial figures in comparison to the previous year, and continue the positive development of previous years. With EBITDA of almost 849 million Euros and EBIT amounting to around 521 million Euros, both performance indicators were again significantly up on the previous year's values. We also improved the Group result by 18 percent to 297 million Euros. The significant improvement in performance of the key financial figures is also reflected in your company's increased value added. At almost 47 million Euros, this figure was approximately 10 million Euros above the previous year's level. Dear Shareholders, we would like to let you benefit from our success. For this year's AGM, following the increase in dividends for the fiscal year 2014, the Supervisory Board and the Executive Board propose that another dividend be distributed, at the same level as the previous year, of 1.35 Euros per share.

Aerodrom Ljubljana and AMU Holdings Inc., Group companies that were newly acquired in 2014, also contributed to the positive performance, making their first full contribution to the Group result in the past fiscal year. The airport in the Slovenian capital, Ljubljana, achieved passenger growth of 10 percent, leading to EBITDA of around 13 million Euros and EBIT of approximately 3 million Euros. The key financial figures of AMU Holdings Inc. were at a similarly high level. The success of this acquisition was illustrated in EBITDA of almost 12 million Euros and EBIT of over 4 million Euros.

The positive development of your company is due to the over 20,700 employees on our sites across the globe. The consistently positive financial development is supported by their knowledge and performance. I would like to sincerely thank them, on behalf of my colleagues on the Executive Board, and the senior managers of the Fraport Group, for their commitment throughout the 2015 fiscal year. We would also like to thank our business partners and you, our esteemed Shareholders, for the trust and loyalty you have placed in us.

For the 2016 fiscal year, we expect another challenging environment – also due to geopolitical tensions, – with passenger growth of 1 to 3 percent at the Frankfurt site. We expect mixed development across our international airports. The investments in Lima and Xi'an in particular should show consistently high momentum, whereas Antalya and St. Petersburg airports are noticeably suffering from the political crisis between Turkey and Russia, Antalya in particular following the recent attacks in Turkey. With regard to the development of our key financial performance indicators, we expect Group EBITDA between around 850 million Euros and approximately 880 million Euros, and Group EBIT between approximately 520 million Euros and approximately 550 million Euros. We forecast that the Group result will be roughly the same level as or slightly higher than in the 2015 fiscal year. Further deterioration in the geopolitical situation, as well as further air traffic strikes, particularly at the Frankfurt site, could have a dampening effect on passenger demand, and the development of key financial figures.

As you can see, esteemed Shareholders, the future business development habors natural risks that we limit as far as possible, but also affords opportunities that we take up in a targeted manner. New trends require new business activity. One example, which we adopted last year, is digitization. Through new service offers and increased personalization, we make our passengers' flight experiences more customized than ever before. We deliberately react to changing customer needs in terms of information, directions, service, and shopping, – particularly with regard to using mobile devices. Amongst the most important innovations are the introduction of our online-shopping platform, and the launch of a reward program for passengers at Frankfurt Airport. The entire product range of participating shops can be looked at within our online services, and their products reserved – from the comfort of home and before the start of the trip. Initially, guests can collect orders and make their payments in the respective shop. We will soon have an online payment system, and we will be able to deliver purchases to either the departure gate or even to their home, making the shopping experience as pleasant as possible for our guests. Take a look by visiting shop.frankfurt-airport.com.

We now hope you will enjoy reading our 2015 Annual Report, and I look forward to welcoming many of you to this year's AGM on May 20, 2016 in the Jahrhunderthalle in Frankfurt am Main.

Sincerely yours,

Stefan Schulte

The Fraport Executive Board

(from left to right)

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

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

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 2015. The Supervisory Board obtained regular, timely, and comprehensive information from the Executive Board, in writing and orally, on the proposed business policies, fundamental questions concerning future management and corporate planning, the situation and development of the company and the Group as well as significant business transactions, and consulted with the Executive Board on these matters. Deviations in the development of business from the planning were explained in detail to the Supervisory Board. Based on the reports of the Executive Board, the Supervisory Board 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 two special meetings. All the members of the Supervisory Board took part in more than half of the meetings of the Board.

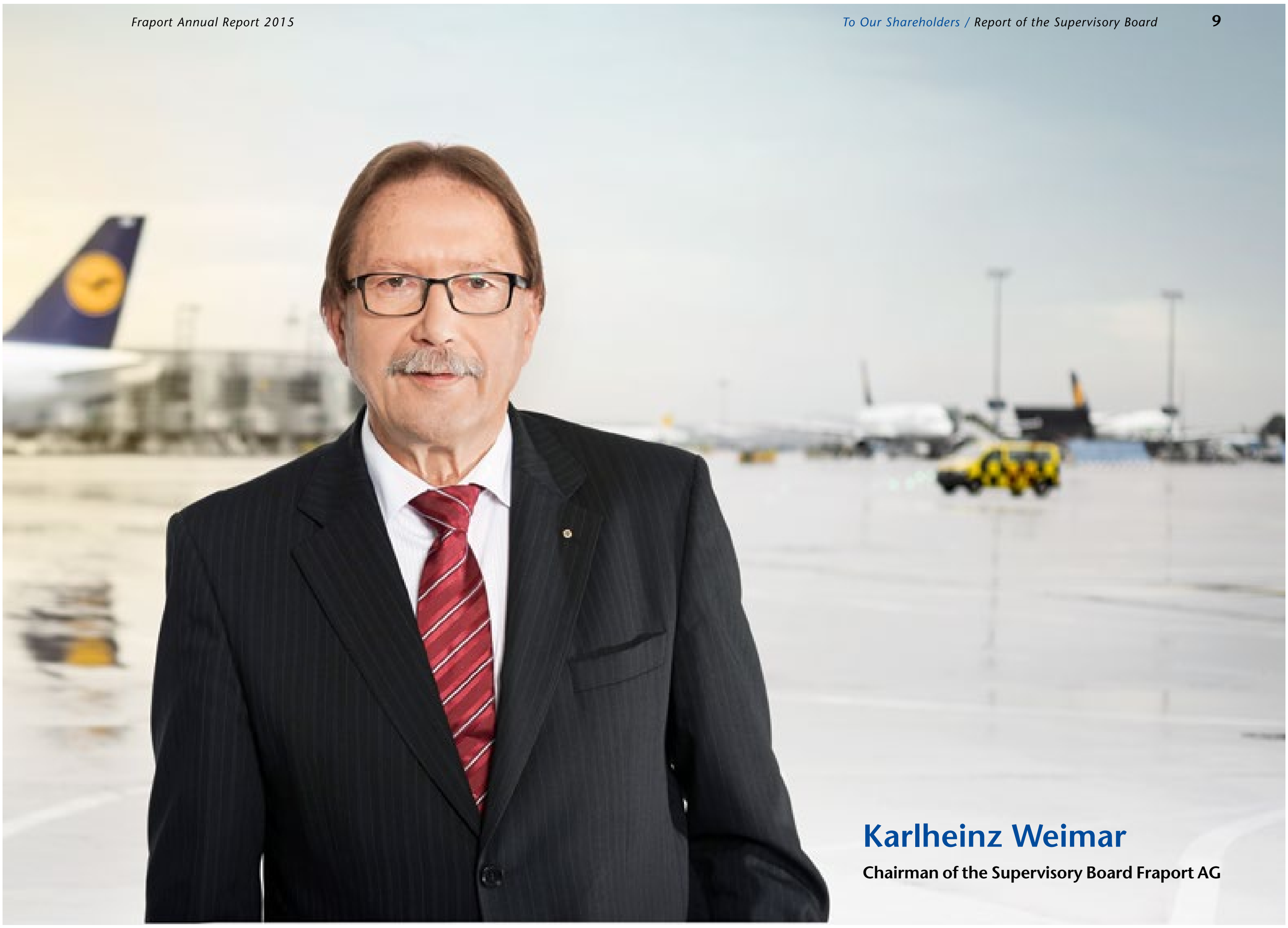
With regard to participation in meetings of Supervisory Board committees, Lord Mayor Feldmann only participated in two of five meetings of the investment and capital expenditure committee and one of three meetings of the executive committee. All the other members of the Supervisory Board took part in more than half of the meetings of the committees to which they belong.

Focal points of discussions of the Supervisory Board

The business development of the Fraport Group and its Group companies, with a particular emphasis on the traffic and earnings development at Frankfurt Airport, were the subject of regular discussions by the Supervisory Board. With respect to the Group airports Antalya, Varna, Burgas and St. Petersburg, the impact of the political crisis in relation to Russia also played a prominent role.

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

> In 2015, the Supervisory Board also regularly obtained information on the various measures and initiatives to improve active and passive noise abatement at Frankfurt Airport. A particular focal point was the testing that has been taking place since April of “noise breaks” that at times allow residents an extension to the night-time break of up to seven hours.
> In addition, in-depth information on further future-oriented projects for the purpose of increasing results at the Frankfurt site was provided. Here, the focal point was on projects to use new communications media for passenger loyalty and the promotion of retail activities. In December, these resulted in the introduction of an online shopping platform and the launch of a loyalty program for passengers and visitors to Frankfurt Airport. In this context, the Supervisory Board agreed on September 18, 2015 to the establishment of a joint venture in the retail section.
> Another topic in the reporting was the efforts to further increase the service quality in all areas. In this context, a new company mission statement was developed under the slogan “Gute Reise! We make it happen.”



- In continuation of the Group's internationalization strategy, the Supervisory Board first approved the restructuring of the existing loan agreement between Fraport AG and the project company in St. Petersburg on March 16, 2015. In addition, it intensively monitored the further progress of the tender for the airport concessions for Greek regional airports already won by a Fraport Consortium in 2014 and finally agreed to the signature of the final concession agreements in a special meeting on October 5, 2015. These were then signed on December 14, 2015. With respect to the offer made in December 2014 to acquire shares in Quito Airport, the Supervisory Board was informed that ultimately another bidder's offer was accepted.
- 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. In this context, the Supervisory Board initially discussed in depth the reasons for the decision in which the ICSID Court of Arbitration in Washington again declined jurisdiction in mid-December 2014 and was pleased to be informed that on September 8, 2015 the Supreme Court of the Philippines fundamentally confirmed that the local Fraport project company PIATCO was entitled to compensation.
- In addition, the Supervisory Board dealt with the financial statements and management reports of the company and the Group as at December 31, 2014, the agenda for the Annual General Meeting (AGM) on May 29, 2015 and the resolution proposals included in it, and the 2014 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 2015.

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

> On March 16, 2015, the Supervisory Board approved the conclusion of a hereditary building rights contract in the cargo section, although this has not yet been implemented.
> At a special meeting on April 14, 2015, the Supervisory Board – in continuation of its previous resolution and in recognition of the Hesse state government's quality assurance report – approved the continuation of the expansion of Frankfurt Airport South and the realization of Terminal 3. The ground-breaking ceremony took place on October 5, 2015 with 400 Fraport employees from all sections in attendance.
> On September 18, 2015, the Supervisory Board approved the appointment of the auditor Korthäuer & Partner GmbH to audit the economic development plan of the ramp/passage field of business and also authorized the Executive Board to purchase the Frankfurt Airport Center in Terminal 2 (FAC 2).
> On December 14, 2015 it also approved the 2016 Business Plan.

As part of its strategy session in mid-September 2015, under the motto "Frankfurt Airport", the Supervisory Board also focused on addressing the challenges in the individual areas at Frankfurt Airport.

Work of the committees

The Supervisory Board continued its successful work with the committees it had formed to increase the efficiency of its work and to prepare for the Supervisory Board meetings. In individual appropriate cases and in accordance with law, decision-making powers of the Supervisory Board are 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 Management 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 six 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 2015 fiscal year audit of accounts 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 2016 Business Plan of Fraport AG (prepared in accordance with the German Commercial Code, HGB) and the 2016 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 2015. 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 2015.

Further focal points of the discussions 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 2015 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, among other things, the preparation of Supervisory Board resolutions on the "St. Petersburg" and "Greek regional airports" projects, a joint venture in the retail section, and the purchase of FAC 2. With respect to the current development in Russia, members of the Supervisory Board and the committee also held in-depth discussions on location in St. Petersburg. Existing investments, both globally and at the Frankfurt site, were also regularly the focus of attention. On March 12, 2015, the committee also approved the sale of the American subsidiary Air-Transport IT Services, Inc. to the Amadeus Group. Finally, the committee assisted with the capital expenditure at the Frankfurt site and commented on the investment plan in the context of the 2016 Business Plan.

The **human resources committee** met three times in fiscal year 2015 and regularly discussed the human resources situation in the Group. Focal points of the discussion also included current wage issues, the strategic succession planning for management levels 1 and 2 and the development of postings and returns. In addition, Fraport College's training offerings, the development measures for top management and measures and initiatives to meet the need for skilled staff were the subject of discussion. Moreover, the impact on the Fraport Group of the law on the advancement of women into management positions was explained and both the development of the 2015 sickness figures along with activities in health management and the results of the first online barometer survey of employees were presented.

The **executive committee** met three times during the reporting period. It dealt with Executive Board matters and remuneration issues arising in the 2015 fiscal year. In this context, it also prepared a remuneration adjustment for Mr. Müller and discussed both the vertical comparison of Executive Board remuneration at Group level and the results of an expert opinion by the consultancy firm, Kienbaum, on the appropriateness of Executive Board remuneration.

In light of the fact that there was no change in the composition of the Supervisory Board, the **nomination committee** formed for preparing the new election of shareholder representatives did not meet in the 2015 fiscal year.

Nor was it not necessary to convene the **mediation committee** in accordance with the German Co-Determination Act in fiscal year 2015.

Corporate Governance and statements of compliance

The Executive Board and the Supervisory Board addressed the implementation of the German Corporate Governance Code (GCGC) also in the past fiscal year. The Government Commission further developed the GCGC on May 5, 2015 and essentially decided upon three changes to the code, which particularly emphasize the further increasing significance of the Supervisory Board's role. In addition, the new legislation that came into force on May 1, 2015 for the advancement of women into management positions was also copied in the GCGC.

Of the three changes to the code, two were adopted in the Fraport Code. This concerns firstly the recommendations that, in future, for its recommendations to the AGM for the election of new Supervisory Board members, the Supervisory Board should check with the respective candidate that he or she can contribute the time expected, and secondly the recommendation that it should in future be noted in the Report of the Supervisory Board if a member of the Supervisory Board has only participated in half or fewer of the meetings of the Supervisory Board and the committees he or she belongs to in a fiscal year. With regard to the third new recommendation on setting a company-specific regular limit of length of membership in the Supervisory Board, it was decided not to incorporate this in the Fraport Code because on September 18, 2015 the Supervisory Board decided to refrain from implementing this. As a consequence, this had to be explained and justified in the 2015 statement of compliance.

The Supervisory Board implemented the annual efficiency review in the form of a self-evaluation using a catalog of topics in 2015. As a result, the Supervisory Board requested some organizational changes in connection with the preparation for and follow-up of meetings.

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 14, 2015 can be found in the chapter "Statement on Corporate Management and Corporate Governance Report" starting on page 14. 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 potential conflicts of interest, Mr. Gerber did not participate in the resolution to conclude a hereditary building rights contract in the cargo section or a discussion in connection with the future adjustment of charges. In addition, the discussion in the regard of and the resolution to appoint the auditor Korthäuer & Partner took place in the absence of the partner of that company, Mr. Prangenberg.

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, 2015 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 14, 2015 in accordance with the resolution passed by the AGM on May 29, 2015.

The separate 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 14, 2016 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 composition of the Executive Board and Supervisory Board remained unchanged compared to the previous year in 2015.

The Supervisory Board would like to thank the Executive Board and the company’s employees for the successful work in 2015.

Frankfurt am Main, March 14, 2016

Karlheinz Weimar
(Chairman of the Supervisory Board)

Statement on Corporate Management and Corporate Governance Report

In the following statement on corporate management, 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 corporate 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 objectives of corporate governance at Fraport are sustainable value creation and creating as well as strengthening confidence among investors, customers, employees and the public. Good corporate governance therefore 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 reviews its own corporate code, the Fraport Corporate Governance Code, in connection with new legal regulations and revised national and international standards, and modifies it to meet these as required.

In accordance with Section 317 (2) sentence 4 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)

As a listed company headquartered in Germany, corporate governance at Fraport primarily orients itself on German stock corporation law, capital market law and the suggestions and recommendations of the GCGC. There is no obligation to implement the suggestions and recommendations of the GCGC. However, under Section 161 of the AktG the Executive Board and the Supervisory Board are obliged to issue a statement of compliance and to report and justify any deviations from the recommendations of the GCGC.

The Executive Board and the Supervisory Board last issued the following statement of compliance under Section 161 of the AktG on December 14, 2015:

“The last annual statement of compliance was issued on December 12, 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 (the “**GCGC**”) in the Code version dated June 24, 2014, and the amended version of May 5, 2015, in each case with the exception of the recommendations set forth in Section 5.4.1 (2) sentence 1 of the GCGC with regard to the specification of a regular limit of length of membership in the Supervisory Board.

Grounds:
Section 5.4.1 (2) sentence 1 of the GCGC contains, inter alia, a recommendation that a regular limit of length of membership in the Supervisory Board be specified. The Supervisory Board of Fraport AG views such a limit on the duration of membership as inappropriate. Rather, in determining the composition of a functional and effective Supervisory Board, care should be taken to ensure a mix of experienced members and those newly elected to serve in this body. A rigid maximum duration runs contrary to this, as it would be necessary to replace all or most members of the Supervisory Board at regular intervals. However, the long-standing Supervisory Board members who would be affected by such a provision in particular have profound knowledge of the company, which they can use to the company’s benefit in supervising and advising the Executive Board. In light of the time limit on their activities as such, long-standing Supervisory Board members also do not lose either their independence or their openness towards new ideas. It would therefore not be in the interests of Fraport AG if persons with particular supervisory and advisory skills and abilities were to be required to leave the Supervisory Board based on a fixed time limit on their membership therein. In addition, a fixed maximum length of membership may run counter to the diversity the GCGC requires in the composition of the Supervisory Board, which is reflected in part in the different lengths of time for which members have served and, associated with these lengths, the members’ experience levels.”

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

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 2015 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.

Gender ratio and setting targets for the proportion of women in the Executive Board and in management positions

Gender ratio

On May 1, 2015, the "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" came into force. According to this, with the new elections and postings in Fraport's Supervisory Board that become necessary from January 1, 2016, the statutory gender ratio with a minimum of at least 30 % women and at least 30 % men in the Supervisory Board must be complied with (Section 96 (2) of the AktG, Section 5.4.1 (2) of the GCGC). In this respect, the Supervisory Board decided at its meeting of September 18, 2015 that these ratios are to be met separately for shareholders and for employees. The Supervisory Board currently comprises three female and seven male shareholder representatives and one female and nine male employee representatives.

Targets for the Executive Board

The "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" additionally requires targets to be set for the proportion of women in the Executive Board (Section 111 (5) of the AktG, Section 5.1.2 (1) of the GCGC).

The Supervisory Board also set a target of 25% for the proportion of women in the Executive Board at its meeting of September 18, 2015. This target is to be reached by June 30, 2017. As the Executive Board currently consists of one female and three male members, this target has already been reached.

Targets for the first and second management levels below the Executive Board

The "Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector" furthermore requires targets to be set for the proportion of women in both management levels below the Executive Board (Section 76 (4) of the AktG, Section 4.1.5 of the GCGC).

At its meeting of September 16, 2015, the Executive Board set a target for the proportion of women in the first reporting level of 17.9 % and a target for the proportion of women in the second reporting level of 27.5 % as at December 31, 2016. At the end of 2015, the proportion of women in the first reporting level was 19.2 % and the proportion in the second reporting level was 27.6 %, meaning the targets have already been met here.

Disclosures on other significant corporate management practices

Beyond the statutory provisions, Fraport utilizes the following relevant corporate management practices:

Own corporate governance code

The Fraport Supervisory Board 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 December 14, 2015). The Fraport Corporate Governance Code can be downloaded from the company website www.fraport.com in the section "The Fraport Group".

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 compliance management system. A key element of the compliance management system is formed by the compliance guidelines, 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. Additionally, 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 compliance breaches, 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, Fraport has introduced key elements of the compliance management system into the national and international subsidiaries. In 2014, Fraport further advanced this development by a mandatory Group guideline.

In addition, an insider guideline supplements the legal requirements on the insider trading ban. Employees who have access to insider information as part of their work are included on a so-called insider list. The company differentiates here between regular and project-related or process-dependent insiders. In order to avoid insider-trading, the guideline particularly regulates handling insider information in accordance with the code of conduct. In accordance with the new requirements from the Market Abuse Regulation, the list and the insider guideline will be revised and brought into force in fiscal year 2016.

In fiscal year 2013, Fraport additionally anchored its commitment to comply with internationally accredited regulations, such as the principles of the UN Global Compact, OECD Guidelines, and ILO Core Labor Standards, across the company through a code of conduct. The Fraport Policy forms the core of this commitment and is published on www.fraport.com.

As an international airport operator, Fraport is also aware of its responsibility to the environment. Air safety, environmental protection, and corporate social responsibility are of fundamental importance to the company. Information on dealing with these matters and further corporate management practices, for example initiatives for promoting occupational health and safety, and diversity among employees, are available on the company website at www.fraport.com.

Structure and functioning of the management and control bodies

For Fraport, a responsible and transparent corporate management and control structure is the cornerstone for creating value and trust. In accordance with the provisions of law, Fraport 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 breakdown of the remuneration is provided in the Remuneration Report in the Group management report in the 2015 Annual Report.

The Executive Board usually meets weekly and constitutes a quorum if at least half of its members participate in the meeting. Resolutions are adopted by a simple majority of all the participating members of the Executive Board. In the case of a tie, 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 (2015: seven times) and monitors the efficiency of its activities on a regular basis with respect to both their effectiveness and their appropriateness in view of new challenges. The Supervisory Board reviews its activities in the past fiscal year on an annual basis in the Supervisory Board Report. A detailed breakdown of its remuneration is provided in the Remuneration Report in the Group management report in the 2015 Annual Report.

At the time of publishing this statement, 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. Eng. Katja Windt	Edgar Stejskal

Table 4

Objectives for the composition of the Supervisory Board

The Supervisory Board named specific objectives for its composition pursuant to Section 5.4.1 of the GCGC. With regard to the proportion of women in the Supervisory Board, the Supervisory Board updated the objective set for its composition in fiscal year 2015 as follows:

“The Supervisory Board shall be composed of at least 30% women and 30% men, and this ratio is to be met separately for shareholders and for employees.”

As already stated, the Supervisory Board comprises three female and seven male shareholder representatives and one female and nine male employee representatives.

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.

In addition, in accordance with the new recommendation in Section 5.4.1 (4) of the GCGC, they will in future check with the respective candidate that he or she can contribute the time expected.

Furthermore, based on the then new provision in Section 5.4.1 (2) 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. Eng. Katja Windt, this target has already been reached.

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. The following table provides an overview of the tasks, regulated number of meetings, the actual number of meetings in the past fiscal year, the planned number of members and the actual number of members as at the date of publication of this statement.

Committees of the Supervisory Board

Committee	Functions	Regulated number of meetings	Meetings 2015	Regulated 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	6	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 if 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 Werner Schmidt Edgar Stejskal Prof. Dr. Eng. 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, the payment system, the employee investment plan, matters concerning the company retirement plan	4	3	8	Claudia Amier (Chair) Frank-Peter Kaufmann (Vice-Chair) Devrim Arslan Uwe Becker Hakan Cicek Mehmet Özdemir Michael Odenwald Prof. Dr. Eng. 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 that require the approval of the Supervisory Board	As needed	3	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 of the 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	0	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 the company website. The AGM 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 either exercise their right to vote in person or can authorize third parties to exercise their right to vote. Each share entitles its holder to one vote in the voting.

Remuneration of the Executive Board and the Supervisory Board

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 315 (2) number 4 of the HGB, and Section 4.2.5 and Section 5.4.6 (2) of the GCGC.

Acquisition or disposal of company shares (directors' dealings)

Pursuant to Section 15a of the WpHG, management (directors) and persons closely related thereto are legally obliged to disclose the acquisition or disposal of shares of Fraport 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 without delay. Fraport also monitors the new requirements in the area of directors' dealings that will enter into force during fiscal year 2016 as a result of the Market Abuse Regulation and will update its internal guidelines accordingly.

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.

Risk and opportunities management

For Fraport, corporate governance also means handling corporate risks and opportunities responsibly. For this reason, Fraport has introduced a comprehensive Group-wide risk and opportunities management system. The structure of the risk and opportunities management system and a report on key risks and corporate opportunities are presented in detail by the Executive Board in the management report for the fiscal year. Depending on their importance for the company, changes to key risks or significant opportunities opening up during the year are published either in an ad hoc disclosure or as part of the financial reporting during the year or the quarterly releases.

The early risk recognition system is also part of the annual audit by the auditor. The effectiveness of the internal control and risk management system is monitored by the Supervisory Board in accordance with Section 107 (3) of the AktG. At Fraport, the finance and audit committee of the Supervisory Board performs this task.

Accounting and audit of accounts

Fraport prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union, and the additional applicable requirements of German commercial law pursuant to Section 315a (1) of the HGB. A Group management report is prepared in accordance with Section 315 of the HGB. The annual financial statements and management report of Fraport AG are prepared in accordance with the provisions of the HGB. Further information on the accounting principles is available in the notes to the respective financial statements. The annual and consolidated financial statements are published within 90 days of the end of the fiscal year.

The annual and consolidated financial statements and the management report and Group management report of Fraport are audited by an external auditor in accordance with Section 316 of the HGB. On the basis of the AGM's resolution, in fiscal year 2015 this was PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("PwC"), which is thus auditing Fraport for the third year in a row. The confirmation of independence required in accordance with Section 7.2.1 of the GCGC for the preparation of the vote was submitted by PwC. The audit of accounts is carried out in accordance with German auditing standards. It was agreed with the external auditor that it will immediately inform the Supervisory Board of possible grounds for disqualification or partiality immediately if these are not remedied at once. The external auditor shall also immediately report on all findings and incidents arising during the performance of the audit of accounts that are significant for the tasks of the Supervisory Board. In addition, the external auditor has to inform the Supervisory Board, respectively, record in the audit report if it finds facts that reveal an inaccuracy in the statement of compliance submitted by the Executive Board and Supervisory Board in accordance with Section 161 of the AktG while performing the audit of accounts.

During the year, the external auditor also participated in discussions with the finance and audit committee regarding the Group interim financial statements and meetings with the Supervisory Board regarding the annual and consolidated financial statements.

Disclosure of the statement on corporate management and corporate governance report

The Executive Board disclosed the statement on corporate management and corporate governance report on February 29, 2016 on www.fraport.com in the section "The Fraport Group".

Group Management Report for the 2015 Fiscal Year

Information about reporting

Group accounting takes account of the International Financial Reporting Standards (IFRS) in force on the reporting date (December 31, 2015) and the interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted in the European Union (EU). In addition, Fraport reports the information pursuant to Section 315a (1) of the German Commercial Code (HGB). Compared to the previous year, there were no significant changes to accounting and reporting standards for Fraport, meaning that the previous year's figures were not restated and no significant adjustments to the report structure were needed.

With regard to the development of the results of operations, changes compared to the previous year primarily arose as a result of the first-time full-year inclusion of the Group company AMU Holdings Inc., which was acquired in August 2014, and the Group company Ljubljana, which was acquired in October 2014. Both companies are allocated to the External Activities & Services segment. The Executive Board already took the effects of the full-year consolidation of the Group companies into account in the Outlook Report of the 2014 consolidated financial statements. Fraport also sold its shares in the Group company Air-Transport IT Services, Inc., USA with effect as at April 22, 2015. In the past fiscal year until its deconsolidation, the Group company, which was also allocated to the External Activities & Services segment, made revenue of €4.9 million (2014: €12.5 million), and a net result of €0.1 million (2014: €0.6 million). A gain on disposal of €8.0 million also resulted from the sale. In addition, Fraport sold its shares in FSG Flughafen-Service GmbH (FSG) on September 21, 2015. In the past fiscal year until its deconsolidation, the company, which was also allocated to the External Activities & Services segment, made revenue of €1.9 million (2014: €4.0 million), and a net result of €0.1 million (2014: €0.1 million). The deconsolidation of FSG has had no material effect on the consolidated financial statements.

Fraport also sold 51 % of the shares in the capital of Group company Fraport Cargo Services (FCS) to Worldwide Flight Services (WFS) on November 2, 2015. The Group company, which still is part of the Ground Handling segment, has since been included in the Group using the equity method under the new name of Frankfurt Cargo Services. Since the sale of the shares, the company had generated revenue of €54.0 million and a net result of –€3.2 million. Since the sale of the shares, the company's result contribution for Fraport has been €0.2 million. The effects of the sale of the shares are described in the notes in note 2.

There were no further significant changes in the companies included in consolidation nor any significant increases or reductions in shareholdings. The companies included in consolidation and the disclosures of shareholding pursuant to Section 313 (2) of the HGB are to be found in the Group notes of this report.

An overview of the calculation of financial key figures and a description of specialist terms are presented in the glossary to the Annual Report.

The Executive Board approved these consolidated financial statements and this Group management report for publication on February 29, 2016. The Supervisory Board gave its approval on March 14, 2016.

Overview of Business Development

Situation of the Group

> Group companies, AMU Holdings Inc. and Ljubljana, which were acquired in 2014, integrated
> Concession agreements to operate 14 Greek regional airports signed at the end of 2015 (Closing of the transaction and takeover of operations planned for the end of 2016)
> New mission statement as of the end of 2015

Economic Report

> Positive passenger forecasts in Frankfurt, Ljubljana, Lima, Hanover and Xi'an exceeded in some cases
> Contrary to the forecast: Decreases in passengers in Antalya, Varna, Burgas and St. Petersburg due to lower numbers of passengers from Russia
> Start of construction of Terminal 3 in Frankfurt
> Results of operations in 2015 were slightly above the forecast
> Significant improvement in earnings per share by 18.1 % to €3.00
> The free cash flow of €393.6 million significantly exceeded the €124.6 million distributed as dividends and decreased net financial debt to €2,774.3 million (gearing ratio of 83.8 % at the end of 2015)
> Shareholders' equity ratio increased from 34.4 % to 37.4 %
> €9.8 million improvement in value added in the Group to €46.9 million
> Forecasts of non-financial performance indicators largely met
> The annual average number of employees was 20,720 (2014: 20,395)
> Continuing focus on innovations and ideas and on the environment and society
> Fraport share up from the previous year's year-end closing price of €48.04 to €58.94
> €1.35 dividend per share distributed for the 2014 fiscal year (previous year: €1.25 per share)

Outlook Report

> Positive passenger forecasts in Frankfurt, Ljubljana, Lima, Hanover and Xi'an
> Passenger numbers expected to decrease in Antalya and St. Petersburg, and increase slightly in Varna and Burgas
> Slight revenue growth forecasted for 2016
> Group EBITDA of between €850 million and €880 million expected
> Depending on the development in Antalya, Group result in 2016 forecasted to be at the previous year's level or slightly above it, but may also decrease temporarily in case the Greece transaction will be closed at the end of 2016
> Free cash flow in 2016 forecasted to be approximately at 2015 level, depending on Antalya it may also be lower
> Significant increase in net financial debt and gearing ratio expected in case the Greece transaction will be closed, decreases expected in both without Greece
> No risks jeopardizing the Group as a going concern discernible
> Stable dividend recommendation of €1.35 per share for the 2015 fiscal year

Situation of the Group

Operating Activities

The following section provides an overview of the Fraport Group's fundamental business model and most important company sites.

A leading international airport group

Fraport Group (hereinafter also referred to as: Fraport) is among the leading global airport groups with its international portfolio. Thereby, Fraport provides all airport and terminal operation services and associated services. Fraport also provides planning and consultancy services and has operational and administrative activities. The further development of airports into integrated mobility, event, and real estate locations represents a broad revenue and earnings basis for the Group. Passenger traffic, which impacts on a majority of the services the Group provides, is key to the Group's revenue and earnings performance.

The Group's business activities can fundamentally be distinguished by Group site and by the services provided there. Here, the main site is Frankfurt Airport, one of the biggest passenger and cargo airports in the world. In contrast to time-limited airport operating 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 10,500 employees, Fraport AG, which has been stock exchange-listed since 2001, is also the biggest single company of the Group, which has more than 20,700 employees. It directly or indirectly holds the shares in the other Group companies (companies pursuant to Section 313 (2) of the German Commercial Code (HGB)) and its head office is in Frankfurt am Main. Fraport provides the entire range of airport and airport-related services at the Frankfurt site.

In addition to the Frankfurt site, Fraport was also active at 13 further airports through Group companies at the time of preparing the consolidated financial statements. The most significant Group companies in terms of their results include the Group companies Lima (concession agreement to operate Lima Airport until 2031 with extension options), Antalya (concession agreement to operate the terminals there until 2024), Twin Star (concession agreement to operate the airports in Varna and Burgas until 2041), AMU Holdings Inc. (agreements on the time-limited marketing of retail areas at the Baltimore, Boston, Cleveland and Pittsburgh airports), Ljubljana (right to use the airport in Ljubljana until 2054) and Xi'an (share in the capital in the operating company of the airport in Xi'an). Whereas the Group companies Lima, Twin Star, AMU Holdings Inc. and Ljubljana are fully consolidated in the Group accounting as majority shareholdings, the Group companies Antalya (joint venture) and Xi'an (associated company) are included using the equity method.

Structure

The corporate structure, the key features of the Group management and control structure, the Group's organization and the most financially significant company sites and their competitive position are presented in the following.

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 2015 fiscal year. As the Outlook Report in the 2014 Group management report already indicated was possible, in the previous fiscal year the Executive Board founded three Group companies for the planned operation of the concessions of 14 Greek regional airports together with a Greek partner, the Copelouzos Group. These Group companies are allocated to the External Activities & Services segment. Fraport signed the concession agreements for the operation of the airports on December 14, 2015. At the time of preparing the consolidated financial statements, the Executive Board expects the transaction to be closed and to takeover the concession probably at the end of 2016.

Fraport AG sold its shares in the Group company Air-Transport IT Services, Inc., USA with effect as at April 22, 2015. The Group company was allocated to the External Activities & Services segment. Fraport also sold its 33.33 % share in the capital of FSG Flughafen Service GmbH on September 21, 2015. The company was also allocated to the External Activities & Services segment. Fraport also sold 51 % of the shares in the capital of Group company FCS on November 2 of the past fiscal year. The Group company, which is part of the Ground Handling segment, has since been included in the Group using the equity method. There were no further significant changes in the companies included in consolidation nor any significant increases or reductions in shareholdings. As at December 31, 2015, there were 49 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 47 and 65 companies respectively). For a detailed overview of the shareholdings within the Group, please see the Group notes (see Group note 57).

Based on Fraport AG's organizational structure, the Executive Board established a new service unit as at June 1, 2015. The "Airport Expansion South" service unit, in particular, brings together the activities related to the construction of Terminal 3 and the associated infrastructure in Frankfurt. In addition, the Executive Board renamed the "Facility Management" service unit "Integrated Facility Management" as at August 1, 2015. The unit was renamed due to a change in responsibilities.

Key features of the management and control structure

As a stock corporation in accordance with German law, the parent company of the Fraport Group, Fraport AG, 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 **Executive Board** bears the strategic and operational responsibility for the Group. The Executive Board is responsible for the company's 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).

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, Fraport AG's 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 Management". The annually updated Statement on Corporate Management does not form part of the annual audit of the consolidated accounts by the auditor and can be found in the chapter "Statement on Corporate Management and Corporate Governance Report".

Organization

For the purpose of managing the Group, the Executive Board has divided the business activities into four segments: "Aviation", "Retail & Real Estate", "Ground Handling", and "External Activities & Services". The segments encompass the strategic business units and service units of Fraport AG and also include 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 at other airports – including outside the Fraport Group – through its Group company FraSec Fraport Security Services. This was the fact at Stuttgart Airport in the past fiscal year. The core of the segment remained the Frankfurt site in the past fiscal year.

The **Retail & Real Estate** segment consists primarily of the "Retail and Properties" strategic business unit active at the Frankfurt site. The strategic business unit mainly conducts the retail activities, parking lot management and the renting and marketing of areas around the Frankfurt site. The Retail & Real Estate segment generated income exclusively in and around the Frankfurt site in the past fiscal year.

The **Ground Handling** segment particularly comprises the "Ground Services" strategic business unit active at the Frankfurt site and the Group companies FCS and APS Airport Personal Service. In 2015, the segment predominantly generated its income from providing ground services and the central infrastructure at the Frankfurt site.

The **External Activities & Services** segment consists essentially of the central unit "Global Investments and Management". The central unit is responsible for Fraport AG's investments in Group companies whose business processes are not integrated at the Frankfurt site, e.g. Lima, Varna and Burgas, Antalya or Ljubljana and Xi'an. In addition to the business outside the Frankfurt site, which is referred to as "external activities" for reasons of company history, the segment includes the "Integrated Facility Management", "Information and Telecommunication", "Airport Expansion South" and "Corporate Infrastructure Management" service units, which are exclusively active at the Frankfurt site.

In addition to the aforementioned strategic business units and service units, Fraport AG's twelve central units provide, among 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
Directly allocated business units of Fraport AG	Airside and Terminal Management, Corporate Safety and Security Airport Security Management	Retail and Properties	Ground Services	Global Investments and Management Integrated Facility Management Information and Telecommunication Airport Expansion South Corporate Infrastructure Management

[1] Including assigned Group companies.

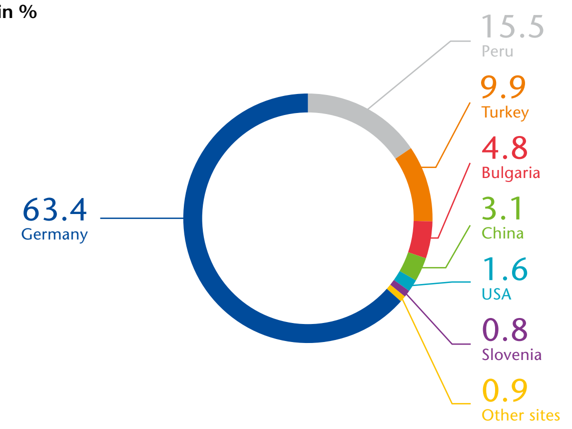
Graphic 1

Key sites and competitive positions

With a share of 63.4 % in the 2015 Group result, the German site – and here almost exclusively Frankfurt Airport – was also the most important site of the Fraport Group in the past fiscal year (2014: 62.8 %). Compared with the previous year, the share of the Peru site rose from 12.8 % to 15.5 % and the share of the China site rose from 1.5 % to 3.1 %. Due to the first time full-year recognition of the Group companies Ljubljana and AMU Holdings Inc., which were acquired in 2014, the USA and Slovenia sites also had a larger share in the Group result. The Turkey site reported lower shares, particularly due to a decrease in passenger numbers from Russia, and the Saudi Arabia site also – due to the planned expiration of the management contract.

Share in the Group result by site

in %



Graphic 2

Competitive position at Frankfurt site

With 61.0 million passengers, Frankfurt Airport was the fourth largest passenger airport in Europe in the past fiscal year after London Heathrow (75.0 million), Paris Charles de Gaulle (65.8 million) and Istanbul Atatürk (61.8 million), and ahead of Amsterdam Schiphol (58.3 million). In Germany, Frankfurt Airport was by far the largest passenger airport, ahead of Munich with 41.0 million passengers in the 2015 fiscal year. Based on its cargo throughput (air freight and airmail) of 2.1 million metric tons, Frankfurt has remained Europe's largest airport ahead of Paris Charles de Gaulle and Amsterdam Schiphol. In Germany, Leipzig/Halle Airport was the next largest competitor with 1.0 million metric tons of cargo. Compared across continents, Frankfurt Airport is among the largest passenger and cargo airports in the world.

In respect to its competitive position, Frankfurt Airport competes, on the one hand, with airports in its catchment area for boarding passengers and, on the other hand, for national and international transfer passengers on the basis of its function as an international transfer airport. Here, the Frankfurt site particularly serves the transfer passengers of Deutsche Lufthansa, which, as in previous years, was the site's main customer and had a share of more than 60% of the passengers in Frankfurt in 2015. The largest international competitors for transfer passengers are primarily the aforementioned hub airports, London Heathrow, Paris Charles de Gaulle, Istanbul Atatürk and Amsterdam Schiphol, which are also dominated to varying degrees by their resident main customers British Airways, Air France, Turkish Airlines and KLM. Due to the dynamic development of many airlines and airports from the Persian Gulf region, the Frankfurt site is increasingly also in intercontinental competition with these sites, currently particularly with Dubai.

The expansion and modernization programs at the Frankfurt site continue to contribute to maintaining and improving its international competitive position. The programs, which mainly include the now completed projects Runway Northwest, Pier A-Plus, the A380 modernization measures, the CD-Pier, and the planned Terminal 3, secure airport capacities and qualities in the long term in order to give the site a successful, lasting competitive edge. The increased customer focus also has a positive impact (see also the chapter titled "Strategy" beginning on page 29). The ongoing enhancement of CargoCity North and CargoCity South also supports the competitive position in the cargo segment.

Competitive position outside the Frankfurt site

The competitive situation at the very tourist-oriented sites of Antalya, Turkey, as well as in Varna and Burgas, both in Bulgaria, differs from that of the Frankfurt site. The key drivers of the sites' traffic and business development are tourist providers' charter traffic without a significant focus on individual companies. The performance of each site depends particularly on the appeal of the respective regions with regard to quality, safety, price level and entry requirements. With some 27.5 million passengers, the airport in Antalya was the third-largest passenger airport in Turkey in the past fiscal year behind the two airports in Istanbul, and the dominant tourist airport in the Mediterranean region, ahead of Palma de Mallorca. The largest passenger groups were travelers from Germany, accounting for a share of around 24%, and Russia, accounting for a share of over 20%. The Black Sea airports in Burgas and Varna, with just under 2.4 million and approximately 1.4 million passengers, respectively, were the second and third-largest passenger airports in Bulgaria after Sofia. The sites' key passenger groups were passengers from Russia (approximately 20%) and Germany (more than 17%). With the inauguration 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. The site's main customer is LAN Perú, which belongs to the LATAM Group and carries more than half the airport's passengers. Several airlines with growth rates in double digits are developing very dynamically at the Xi'an site. These include China Eastern Airlines, which, with a market share of almost 30%, is the largest passenger airline. The transfer market, which has to date only been relatively small, offers the airport further potential. Due to the passenger growth forecasted, the Lima site's capacity will reach its limit in the foreseeable future. Capital expenditure on the airport's infrastructure in the medium term (construction of a new terminal and a new runway) is therefore required to maintain and strengthen the competitive position. The Xi'an site has 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.

The Ljubljana site is the airport for Slovenia's capital city and at the same time the country's largest airport. Its further development is therefore essentially connected to the country's economic and tourist prosperity and the development of neighboring regions and their airports, for example Zagreb in Croatia or Trieste in Italy. The key customer in Ljubljana is the now privatized Adria Airways, which serves around 60% of the passenger traffic. The Executive Board considers the airport's currently available capacity to be sufficient to serve the growth in traffic expected in the short to medium term.

Additional information about business development in the past fiscal year can be found in the "Economic Report" beginning on page 46.

Strategy

The following sections describe the long and short-term market determinants and the strategic direction of the Group derived from these by the Executive Board. The strategy sets the framework for corporate decisions.

Short-term development of air traffic remains volatile

Despite the long-term growth forecasts, the short-term development of aviation markets continues to contain uncertainties. These result, above all, from political crises, such as in Ukraine and the Middle East, the possible spread of epidemics, such as Ebola, and possible terrorist attacks, such as in Tunisia, Paris or Istanbul, but also from the economically uncertain situations of various economies and airlines. The latter continue to be negatively influenced by intense competition, the rolling out of national taxes, such as the German aviation tax, and labor disputes. As a result, these negative effects are resulting in a conservative and short-term volatile supply behavior of airlines. Positive and negative effects also arise from the appreciation and depreciation of currencies and from price fluctuations on commodity markets.

Due to its competitive situation, at Fraport the aforementioned uncertainties particularly affect Frankfurt Airport. Due to the high share of Russian-dominated traffic, the St. Petersburg, Antalya, Varna, and Burgas sites are also heavily influenced by uncertainties.

Forecasts for the long-term development of global air traffic

Source	Period	Reference	CAGR
Airbus	until 2034	Revenue passenger kilometers	4.6%
Boeing	until 2034	Revenue passenger kilometers	4.9%
Embraer	until 2034	Revenue passenger kilometers	4.9%
DKMA	until 2034	Number of passengers	4.0%

Table 6

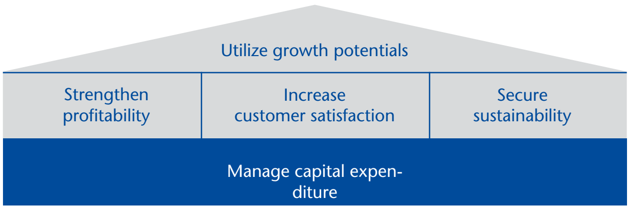
Group strategy remains oriented toward long-term market development

Compared with the previous year, no fundamental changes were made to the Group strategy in the 2015 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 projected global economic growth and the continuing global expansion of the middle class. Supporting effects continue to result from the continuing internationalization of labor and education. Increasing traffic is also forecasted from migration and tourism. The intense competition between airlines leading to relatively cheap ticket prices also has the effect of promoting growth. Disproportionate growth is still expected from and in the economic emerging markets in Asia-Pacific, Latin America, Africa, and the Middle East.

Agenda 2015

Due to the long-term growth forecasts with simultaneously difficult competitive circumstances, strategic challenges arise for Fraport. In fiscal year 2009, the Executive Board categorized these in the five elements “manage capital expenditure”, “strengthen profitability”, “increase customer satisfaction”, “secure sustainability”, and “utilize growth potentials” within the scope of so-called “Agenda 2015”. The elements continued to be important in the past fiscal year and are described below, together with the progress.

Agenda 2015



Graphic 3

Manage capital expenditure

To maintain its international competitive positions 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 remains a high priority for Fraport. The Executive Board took important 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.

Based on the traffic volume forecasted for the long term and investigations of the capacity limits of the existing facilities, the inauguration of new landside capacities in Frankfurt will be required from 2021 onwards in order to maintain the same level of quality and be able to serve the traffic volume. For this reason, Fraport began the construction of Terminal 3 in the southern part of the airport site in the previous fiscal year. The new terminal, which will cost between €2.5 billion and €3 billion including the landside and airside development, is accordingly to be inaugurated in approximately 2022. The development of CargoCity North and South, which has also been initiated, will also strengthen the site in the cargo transport area in the long term.

In line 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 few years and the forecasted development of the site are taken into account. Fraport also continuously analyzes the traffic levels at the other Group 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 75. Information on the amount of capital expenditure or additions to non-current assets in the past fiscal year is included in the “Asset and Financial Position” chapter beginning on page 58. The forecasted development for the 2016 fiscal year can be found in the “Business Outlook” beginning on page 94. The Business Outlook also includes the development of the Fraport Group expected over the medium term.

Strengthen profitability

The competitive circumstances in aviation and the comprehensive capital expenditure measures taken and those planned for the future result in financial burdens for Fraport, 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:

- Inauguration of new infrastructure to create long-term opportunities to serve traffic growth at the Group sites
- Gradually raising airport charges in the Aviation segment and international sites to refinance capital expenditure
- Focusing on retail revenue by creating new areas (including in Pier A-Plus in Frankfurt) and developing digital retail offerings
- Securing the ground handling agreement at the Frankfurt site with Deutsche Lufthansa until 2018 and extending the agreements with various other airlines
- Optimizing the Group portfolio through company acquisitions and sales of shares
- Optimizing internal processes and structures, including the restructuring of Corporate Infrastructure Management and merging comparable functions in Integrated Facility Management
- Implementing the Pact for the Future for employees of Fraport AG with collective bargaining agreement changes and operating changes to limit the increase in personnel expenses.

Key performance indicators relating to the “strengthen profitability” element can be found in the chapter titled “Control” beginning on page 33. 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 Position”, and “Value Management” beginning on page 51. The associated forecasted figures for the 2016 fiscal year and a medium-term outlook can be found in the chapter titled “Business Outlook” beginning on page 94. 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 75.

Increase customer satisfaction

Fraport sees the ongoing improvement of customer satisfaction as a Group-wide challenge. Fraport benefits from passengers, airlines and other business partners seeing the Group airports as their airports of choice. This applies to departing and arriving passengers as well as transfer passengers or customers who use the Group sites for business purposes. It is essential to have satisfied customers in order to fully realize the potential of the airport business.

Among other things, 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 program 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 and to strengthen passengers’ loyalty to the site. In the course of the program, Fraport also set itself the medium-term target of offering its guests a 5-star service. In order to achieve this, Fraport is working on implementing projects in the five areas of “Welcome & Wayfinding”, “Art, Culture & Ambience”, “Amenities & Comfort”, “Relax & Enjoy”, and “Work & Explore”. Employees are also involved in this program. Measures for this are developed and implemented in the subprogram “Friendly and Attentive”. In the past few years, for example, the following projects have been and continue to be advanced:

> Further enhancement of the terminal signage
> Possibilities for passengers to work in the gate areas
> 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” 2009–2015). At Antalya Airport, the quality of the ground service processes and customer satisfaction are also of key significance: In the past few fiscal years, 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. Moreover, the two terminal inaugurations also had a positive impact on customer satisfaction. The focus is also on passenger satisfaction with the airport at the Ljubljana site.

Key performance indicators relating to the “increase customer satisfaction” element can be found in the chapter titled “Control” beginning on page 33. A description of their development during the past fiscal year can be found in the chapter titled “Non-financial Performance Indicators” beginning on page 65; the associated forecasted figures for the 2016 fiscal year and a medium-term outlook can be found in the chapter titled “Business Outlook” beginning on page 94.

Secure sustainability

Sustainability and acting responsibly are a central future subject for Fraport and have key significance for company development. As well as the economic aspect, this understanding also covers the areas of the environment and society. The strategically important topics of responsible corporate management were identified for the first time in the 2010 fiscal year through a materiality analysis and turned into a program with specific targets and measures. The program is structured similarly to the materiality matrix’s areas of action and is reviewed and updated annually.

The survey of Fraport management and representatives of stakeholder groups conducted in the past fiscal year resulted in the materiality matrix being updated. Since then, the following topics have been included in the key areas of action for the sustainability of the company: “product quality and customer satisfaction”, “economic efficency”, “growth and development in the group”, “ideas and innovation”, “attractive and responsible employer”, “occupational health and safety”, “value added and engagement in the region”, “noise abatement", “climate protection” and “conservation of nature and resources”. The fundamental prerequisites for operating the business – also including the previous areas of action of compliance/governance and air safety – were defined as standard processes at Fraport and no longer represent key areas of action in the matrix. Updating the materiality matrix also required the program to be revised. In this context, the targets for each area of action were also streamlined to a maximum of two to three measurable targets.

Key performance indicators relating to the "secure sustainability" element can be found in the chapter titled "Control" beginning on page 33. A description of the development during the past fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 65; the associated forecasted figures for the 2016 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 94.

An additional description of measures taken in the area of society and the environment is included in the chapter of the management report with the same name. Detailed information is published on the Group website www.fraport.com. The reporting on the updated materiality matrix and the program's status report are expected to be made at the same time as the financial figures for the first quarter of 2016. The online reporting and the reporting on the materiality matrix and the status report do not form part of the audit of the consolidated accounts by the auditor.

Utilize growth potentials

Fraport's objective is to achieve Group-wide participation in the growth of the aviation market. By implementing capital expenditure, 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, 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 Frankfurt.

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

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

Growth driver 1: Retail business

The expansion and modernization of the shopping and food and beverage areas in the terminals are essential elements of growth plans for retail business. Through the inauguration of in total about 12,000 m² of retail space in Pier A-Plus, in the 2012 fiscal year Fraport created the foundation for further retail growth at the Frankfurt site. After the net retail revenue per passenger in Frankfurt increased in the past fiscal year from an average of €3.43 in 2014 to €3.62 (see also "Results of Operations" chapter beginning on page 51), 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 potential existing areas will 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 introduction of an online shopping platform and the launch of a loyalty program for passengers and visitors to Frankfurt Airport at the end of the past fiscal year. This further expands Fraport's presence in the retail business and lays the foundation for additional revenue.

Outside Frankfurt, retail revenue developed very positively again at the Lima site for reasons relating to currency and volume. Due to a decrease in the number of passengers from Russia, who have to date been very heavy consumers, the airports in Varna, Burgas and Antalya reported lower retail revenue. By continuously modernizing existing areas and implementing the expertise gained in Frankfurt, the Executive Board aims to further exploit retail potential at the Group airports.

Growth driver 2: External business

In the past 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 2014, 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 in Ljubljana. In addition, Fraport signed concession agreements with a consortium partner to operate the 40-year concessions of 14 Greek regional airports on December 14, 2015. At the time of preparing the consolidated financial statements, the Executive Board expects the transaction to be closed and Fraport to take over the operations under concession probably at the end of 2016.

Growth driver 3: Airport city

The international trend is still to develop hub airports to become airport cities. Fraport recognized this trend at an early stage and identified sites around the Frankfurt Airport site 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 the high-quality office site Gateway Gardens, the logistics area of 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 2016 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 94. 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 75.

New mission statement and development of Agenda 2015
With the involvement of employees from administrative and operating sections of Fraport AG and from Group companies, the Executive Board developed a new mission statement for the Fraport Group in the past fiscal year and published it at the end of 2015. Under the motto "Gute Reise! We make it happen", the new mission statement includes the corporate goals: "growth and development of the sites", "service-oriented provider", "competitive position thanks to optimal cooperation", "learning organization" and "fairness and acknowledgment". Considered abstractly, these goals are represented by the overarching aim of "growth through progress". The new mission statement, which has since also become the guiding principle for the business activities, also includes the following corporate values defined under the umbrella term of "trust": "competence", "reliability", "openness", "courage", and "commitment", and the corporate vision "Fraport: from Frankfurt to the World. We are Europe's best airport operator and set standards worldwide."

The new mission statement converts Agenda 2015 into a new strategy, which will be introduced in the Group starting from 2016 and rolled out in the individual segments and Group companies.

Control

The Control chapter explains the key figures primarily used by the Executive Board to make the corporate measures taken as part of the Group strategy measurable and to evaluate them. Here, the Executive Board differentiates between financial and non-financial performance indicators here.

Changes compared with the previous year
Compared with the previous year, no fundamental changes were made to Group control in the 2015 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. As already described in the 2014 Group management report (see 2014 Annual Report, in the chapters titled "Control" beginning on page 37 and "Business Outlook" beginning on page 91), in the area of value management, the Executive Board adjusted the parameters for calculating the value added. No material changes to the outcome of the value management arose from the adjustment in the past fiscal year. In addition, the Executive Board will use the rate per 1,000 employees in the area of occupational health and safety management instead of the total number of work accidents from January 1, 2016 onwards. More detailed information on this topic can be found in the relevant section of the next chapter.

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 action.

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 (value management). 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 developments. 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 asset, 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 their development during the past fiscal year can be found in the chapters titled "Group Results of Operations", "Asset and Financial Position", as well as "Value Management" beginning on page 51. The associated forecasted figures for the 2016 fiscal year and a medium-term outlook can be found in the chapter titled "Business Outlook" beginning on page 94.

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 earnings 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 management.

Key financial performance indicators for Fraport are **revenue** (as a key component of total revenue), **EBITDA**, **EBIT**, **EBT** and the **Group result**. Revenue reflects the Group's operating activities. EBITDA is calculated from the total revenue less operating expenses (personnel, material, and other operating expenses). EBITDA therefore shows the success of the operating activities and is a superior performance indicator both in terms of absolute development and 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 EBT arises from the EBIT.

The Group result is the outcome of the business activities and is calculated on the basis of the EBT less taxes on income. The Group result alters the Group shareholders' equity and is directly connected to the development of earnings per share, which is a component of Executive Board remuneration (see also the chapter titled "Remuneration Report" beginning on page 38).

Asset and financial position key figures

As well as in the results of operations, the result of the strategically adopted measures and operating activities of Fraport is also reflected in the Group's asset and financial position. For Fraport, in particular the development of the **shareholders' equity**, the **shareholders' equity ratio**, the **liquidity** or **net financial debt**, the **gearing ratio**, the **operating cash flow**, and the **free cash flow** are significant.

The level of shareholders' equity or the shareholders' 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 financing the expansion of the Frankfurt site as well as the external business.

Besides shareholders' equity, the liquidity or net financial debt and the gearing ratio in particular serve as key financial indicators to the Executive Board to assess the financial 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 may also temporarily reach a higher figure.

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 cash flow from or used in operating 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 taking account 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.

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 steer and measure this approach is the **"Fraport value added"** figure. As of the past fiscal year, this is calculated as the difference between EBIT plus the result before tax of Group companies accounted for using the equity method and the capital costs (= Fraport assets x cost of capital). The new definition also takes account of the financial development of the Group companies accounted for using the equity method and the capital expenditure on these by incorporating the corresponding carrying amounts.

The value added is consolidated and recorded at Group and at segment level. While EBIT and the pre-tax results of Group companies accounted for using the equity method are key figures of the results of operations, Fraport assets are derived from the consolidated statement of financial position, and are defined as the average of the Group's or segments' fixed interest-bearing capital required for operations including the carrying amounts of the Group companies accounted for using the equity method. Fraport assets consist of the following components as of the past fiscal year:

Goodwill + Other intangible assets at cost/2 + Investments in airport operating projects at cost/2 + Property, plant, and equipment at cost/2 + Carrying amounts of Group companies accounted for using the equity method + Inventories + Trade accounts receivable – Current trade accounts payable

To avoid value creation coming solely from depreciation and amortization, the Fraport Executive Board recognizes regularly depreciable or amortizable assets within Fraport assets at half of their historical acquisition/manufacturing costs (at cost/2), and not at residual carrying amounts. Goodwill and investments in Group companies accounted for using the equity method are recognized at carrying amount because they are not subject to regular depreciation and amortization.

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. This was reduced from 9.5 % (before tax) to 8.6 % for the 2015 fiscal year, which was equivalent to an after-tax rate of around 5.9 % (previous year: 6.6 %).

To allow comparisons between segments of varying size, in addition to its value added Fraport uses the measurement and steering figure **"return on Fraport assets"** (ROFRA). ROFRA is calculated from the ratio of EBIT plus the pre-tax results of the Group companies accounted for using the equity method 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" elements 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 "appeal as an employer" categories.

The key non-financial performance indicators pursuant to GAS 20 and their significance for Fraport are shown in the following. The description of their development during the past fiscal year can be found in the chapter titled "Non-financial Performance Indicators" beginning on page 65. The associated forecasted figures for the 2016 fiscal year and a medium-term objective can be found in the chapter titled "Business Outlook" beginning on page 94. An additional description of non-financial performance indicators, that are not essential for the understanding of the business development pursuant to GAS 20 can be found on the Group website www.fraport.com. The online reporting does not form part of the audit of the consolidated accounts 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 passengers, the **punctuality rate**, the **baggage connectivity**, and the **equipment availability rate**. Beyond the Frankfurt site, the focus at the Group airports is also on passenger satisfaction. Due to the control of the relevant Group companies, the satisfaction figures of the airports where Fraport holds minimum a stake of 50 % in the shareholders' capital are stated within the framework of the annual reporting.

Global satisfaction describes the overall passenger satisfaction with the travel process chain and the service at the Frankfurt site. Fraport continues to aim for a target of at least 80 % for global satisfaction. 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, global satisfaction and passenger satisfaction with the Group airports is primarily measured in surveys.

The punctuality rate indicates how many flights took off and landed on time in Frankfurt, whereby a flight is only regarded as being late after 15 minutes in accordance with the International Air Transport Association (IATA). A high level of punctuality is an evidence 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 more than 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 %.

Appeal as an employer

For Fraport, appeal as an employer is, like customer satisfaction and product quality, a key factor to ensure the long-term success of the business. Fraport understands appeal to mean the creation of good working conditions in order to gain and retain committed and qualified employees. So as to measure and manage its appeal as an employer, Fraport uses various performance indicators, such as **employee satisfaction**, as well as key figures relating to **employee safety**, and **health management**.

Employee satisfaction, which is surveyed annually by means of a questionnaire to employees of Fraport AG 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, the Executive Board seeks to stabilize and continuously improve the employee satisfaction over the long term. After achieving the target value of being better 3.0 (index value in line with the German school grading system) this development shall now be stabilized.

Furthermore, health and safety management is key to increasing appeal. 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. Because the number of work accidents should also always be seen in relation to the number of personnel, since January 1, 2016 the Executive Board has related the statistics for work accidents to the number of employees in the financial reporting. It now reports the number of reportable work accidents in relation to 1,000 employees (the rate per 1,000 employees). Compared to the total number of work accidents, only the reportable accidents are taken into account here. This means that, among others, the previously reported accidents while commuting and sports accidents are no longer taken into account. For better comparability of future developments, this report includes both the total number of accidents and the rate per 1,000 employees for the past fiscal year. The aim is a rate per 1,000 employees that is the same as or lower than the 2015 fiscal year's level of approximately 30.

Finance management

The key aspects of finance management are described in the Group finance policy. The policy applies to all Group companies that are controlled by Fraport AG and are fully consolidated in these consolidated financial statements. The core objectives of finance management are **securing liquidity**, **limiting financial risks**, **profitability**, and **flexibility**. The highest priority is to secure liquidity. Building on the Group's solid shareholders' equity base, it is secured through both internal financing – via operating cash flow – and external financing – in the form of debt. The securing of the strategic objectives is, to a certain extent, performed differently within the Group companies and is described in the following.

In order to spread risk and due to cash outflows at different times, the liquidity within Fraport AG is invested in a broadly diversified manner. In order to improve profitability, investments are also made in corporate bonds with and without ratings. 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 time deposits and liquid securities with a short remaining term. In connection with the objective of limiting financial risks, Fraport AG's asset management suffered neither defaults nor losses from negative interest rates in the past fiscal year. The majority of the investments concerned listed corporate bonds and commercial paper, time deposits at banks and promissory note loans. All the investments are fungible or can be liquidated.

The majority of the fully consolidated Group companies in Germany are integrated into the Fraport AG cash pool. This means that their liquidity is transferred to Fraport AG and is therefore part of Fraport AG asset management. These Group companies therefore do not require an independent asset management strategy. The liquidity of the controlled foreign Group companies is, in some cases, subject to a drawing restriction due to arrangements in project financing agreements. Their liquidity is therefore not part of the asset management of Fraport AG and is managed on a decentralized basis taking account of the Group finance policy. The liquidity of the Group companies accounted for using the equity method that are not included in the Fraport AG cash pool is also managed on a decentralized basis.

With regard to debt, the finance management of Fraport AG aims to achieve balanced financing composed of bilateral loans, bonds (capital market), loan financing from public loan institutions, and promissory note loans. In line with the Group finance policy, money can be borrowed both at a fixed and at a floating interest rate. To reduce interest rate risks from borrowing with floating interest rates, interest rate hedging transactions can be concluded as a rule. The majority of the fully consolidated Group companies in Germany, as described above, are integrated into the Fraport AG cash pool, so that acquiring separate external funds is not necessary. For the controlled 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 a Group loan or shareholders' equity. The Group companies accounted for using the equity method in Germany and abroad that are not included in the Fraport AG cash pool are largely financed by external debt in addition to shareholders' equity. This always takes place with the involvement of Fraport AG's Finance department.

Due to the effects on the consolidated statement of financial position as at December 31, 2015, the financing and liquidity analysis in the chapter titled "Asset and Financial Position" beginning on page 58 relates only to Fraport AG and 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 75.

Legal Disclosures

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

Takeover-related disclosures

The capital stock of Fraport AG is €923,850,760. It is divided into 92,385,076 no-par-value bearer shares. The company holds treasury shares (77,365 shares), which are offset from capital stock on the balance sheet. The issued capital stated in the commercial balance sheet as at December 31, 2015 and reduced by treasury shares is €923,077,110 (92,307,711 no-par-value bearer shares). There are no differing classes of shares.

On the basis of the consortium agreement concluded between the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH dated April 18/23, 2001 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 51.35 % as at December 31, 2015. At that time, they were attributed as follows: State of Hesse 31.34 % and Stadtwerke Frankfurt am Main Holding GmbH 20.01 %. 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 reports in accordance with the WpHG or disclosures by individual shareholders, other voting rights in Fraport AG were attributable as follows (as at December 31, 2015): Deutsche Lufthansa AG 8.45 %, BlackRock, Inc. 3.003 % and Legg Mason, Inc. 3.001 %. 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 32). 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 2015, a total of €493,440 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 pursuant 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 which were issued as part of performance-related remuneration to members of the Executive Board until 2010 were subject to a vesting period of 12 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. The Supervisory Board voided the contingent capital in its meeting of March 16, 2015 and passed a resolution for the deletion without replacement of the passage in this regard in Section 4 (4) of the company statutes.

Under a resolution of the 2010 AGM, the Executive Board is also 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 2015 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 shareholdings of 31.34 % (previous year: 31.35 %) held by the State of Hesse and 20.01 % held by Stadtwerke Frankfurt am Main Holding GmbH (previous year: 20.02 %) 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 year under review, measures were neither taken nor omitted at the request of or in the interests of the State of Hesse and the City of Frankfurt am Main and their affiliated companies."

Statement on Corporate Governance and Corporate Governance Report

Acting also for the Supervisory Board, the Executive Board prepares a Statement on Corporate Management 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 Management including the Corporate Governance Report is published in the chapter of the Annual Report "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 75 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 May 5, 2015. It summarizes which principles apply in determining the total remuneration of the members of the Executive Board, and explains the structure and amount of the remuneration of the Executive Board and Supervisory Board members.

Remuneration of the Executive Board members in the 2015 fiscal year

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 is intended be in proportion to the tasks of the position and the company's situation and in line with a transparent and sustainable corporate management 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 May 5, 2015, 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 for the previous fiscal years 2010 to 2013 and have not yet been fully paid out.

In addition to the remuneration components specified above, the members of the Executive Board received allocations to pension commitments. In principle, the pension commitments, including performance-related contributions, are in a fixed proportion to the respective fixed annual gross salary, and are therefore subject to implicit maximum limits. Further information on pension commitments for Executive Board members can be found in note 38.

Non-performance-related components

During the term of their employment contract (generally five years), Executive Board members, as a rule, receive an unchanging fixed annual salary across 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 remuneration 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 the 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 a multiplier contractually stipulated for each Executive Board member and adding together the aforementioned results. 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 for the relevant fiscal year.

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 repayment in full or in part, 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 appropriately and on an ongoing basis takes into consideration the 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 fiscal 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. 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 2015 to 2017, with a payout in 2018, while a prospective sum of €90 thousand each has been promised to the other members of the Executive Board.

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 extent to which the target has been met is also not calculated until after this three-year period has expired for this Executive Board member. 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 while his or her employment contract continues. 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 contracts, 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 the earnings per share (EPS) performance target being weighted at 70% and the rank total shareholder return MDAX performance target at 30%. For the fiscal year 2015, 9,000 performance shares were allocated to Dr. Stefan Schulte as a target tranche, while the other Executive Board members were allocated 6,850 performance shares.

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 assessing 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 among 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 in decreasing order. The actual tranche equals 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 corresponds to the weighted average of the company's closing share prices in XETRA, or a similar trading system replacing XETRA 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 the LTIP payment is established by 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 2014 fiscal year onwards, the LTIP payment is limited to 150% of the product of 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 similar trading system replacing XETRA 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 a maximum of €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 €579.4 thousand (previous year: €304.2 thousand), Anke Giesen €384.0 thousand (previous year: €183.8 thousand), Michael Müller €227.0 thousand (previous year: €96.5 thousand), Peter Schmitz €133.9 thousand (previous year: €113.2 thousand), Dr. Matthias Zieschang €380.4 thousand (previous year: €217.6 thousand).

Further information regarding share-based remuneration via LTIP is provided in the Group notes under note 47.

Remuneration of the Executive Board 2015

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)			
	2014	2015	2015 (Min)	2015 (Max)
Fixed salary	415.0	415.0	415.0	415.0
Ancillary benefits [1]	30.8	25.2	25.2	25.2
Total [1]	**445.8**	**440.2**	**440.2**	**440.2**
One-year variable remuneration (bonus) [2]	711.7	766.7	–	870.1
Multiyear variable remuneration				
Long-Term Strategy Award (3 years)				
Tranche 2014 (January 1, 2014 to December 31, 2016)	120.0	–	–	–
Tranche 2015 (January 1, 2015 to December 31, 2017)	–	120.0	0.0	150.0
Long-Term Incentive Program (4 years)				
Tranche 2014 (January 1, 2014 to December 31, 2017) [3]	440.0	–	–	–
Tranche 2015 (January 1, 2015 to December 31, 2018) [3]	–	370.2	0.0	810.0
Total [4]	**1,717.5**	**1,697.1**	**440.2**	**2,270.3**
Pension-related expenses [5]	390.9	502.5	502.5	502.5
Total remuneration	**2,108.4**	**2,199.6**	**942.7**	**2,772.8**

[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 2015 and the addition to the bonus provision in 2015.
[3] The LTIP was measured at fair value as at the time of awarding.
[4] For the Chairman of the Executive Board the total cap amounts to €2.3 million and €1.65 million for every other member of the Executive Board. If the total cap is exceeded, the last payment component will be reduced accordingly.
[5] Pension-related expenses were reported pursuant 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)	
	2014	2015
Fixed salary	415.0	415.0
Ancillary benefits	30.8	25.2
Total	**445.8**	**440.2**
One-year variable remuneration (bonus) [2]	666.1	724.1
Multiyear variable remuneration		
Long-Term Strategy Award (3 years)		
Tranche 2011 (January 1, 2011 to December 31, 2013)	60.0	–
Tranche 2012 (January 1, 2012 to December 31, 2014)	–	40.0
Long-Term Incentive Program (4 years)		
Tranche 2010 (January 1, 2010 to December 31, 2013)	664.2	–
Tranche 2011 (January 1, 2011 to December 31, 2014)	–	489.0
Total [3]	**1,836.1**	**1,693.3**
Pension-related expenses [4]	390.9	502.5
Total remuneration	**2,227.0**	**2,195.8**

[1] An offsetting of the remuneration in 2015 for the Supervisory Board activities at Hanover-Langenhangen Airport was made against the bonus payment of Dr. Zieschang of €4,760.00 for the 2014 fiscal year and €2,975.00 for the 2015 fiscal year.
[2] The bonus includes the payments on account for the 2015 fiscal year and the ex-post adjustment to the bonus for the 2014 fiscal year.
[3] For the Chairman of the Executive Board the total cap amounts to €2.3 million and €1.65 million for every other member of the Executive Board. If the total cap is exceeded, the last payment component will be reduced accordingly.
[4] Pension-related expenses were reported pursuant to IAS 19.

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)				Dr. Matthias Zieschang (Executive Director Controlling and Finance; Executive Director since April 1, 2007)				Peter Schmitz (Executive Director Operations; Executive Director from September 1, 2009 to August 31, 2014)			
	2014	**2015**	**2015 (Min)**	**2015 (Max)**	**2014**	**2015**	**2015 (Min)**	**2015 (Max)**	**2014**	**2015**	**2015 (Min)**	**2015 (Max)**	**2014**	**2015**	**2015 (Min)**	**2015 (Max)**
	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	320.0	320.0	320.0	320.0	200.0	–	–	–
	29.3	33.3	33.3	33.3	51.8	30.3	30.3	30.3	44.4	41.0	41.0	41.0	48.6	–	–	–
	329.3	**333.3**	**333.3**	**333.3**	**351.8**	**330.3**	**330.3**	**330.3**	**364.4**	**361.0**	**361.0**	**361.0**	**248.6**	**–**	**–**	**–**
	502.4	541.2	–	674.8	312.6	490.1	–	674.8	541.4	541.4	–	541.4	328.1	–	–	–
	90.0	–	–	–	90.0	–	–	–	90.0	–	–	–	20.0	–	–	–
	–	90.0	0.0	112.5		90.0	0.0	112.5	–	90.0	0.0	112.5	–	–	–	–
	334.9	–	–	–	173.6	–	–	–	334.9	–	–	–	0.0	–	–	–
	–	281.7	0.0	616.5	–	281.7	0.0	616.5	–	281.7	0.0	616.5	–	–	–	–
	1,256.6	**1,246.2**	**333.3**	**1,737.1**	**928.0**	**1,192.1**	**330.3**	**1,734.1**	**1,330.7**	**1,274.1**	**361.0**	**1,631.4**	**596.7**	**–**	**–**	**–**
	133.7	146.8	146.8	146.8	124.1	127.8	127.8	127.8	268.9	345.5	345.5	345.5	136.8	–	–	–
	1,390.3	**1,393.0**	**480.1**	**1,883.9**	**1,052.1**	**1,319.9**	**458.1**	**1,861.9**	**1,599.6**	**1,619.6**	**706.5**	**1,976.9**	**733.5**	**–**	**–**	**–**

Table 7

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)		Dr. Matthias Zieschang (Executive Director Controlling and Finance; Executive Director since April 1, 2007)		Peter Schmitz (Executive Director Operations; Executive Director from September 1, 2009 to August 31, 2014)	
	2014	**2015**	**2014**	**2015**	**2014 1)**	**2015 1)**	**2014**	**2015**
	300.0	300.0	300.0	300.0	320.0	320.0	200.0	–
	29.3	33.3	51.8	30.3	44.4	41.0	48.6	–
	329.3	**333.3**	**351.8**	**330.3**	**364.4**	**361.0**	**248.6**	**–**
	470.2	511.1	292.6	387.0	517.2	551.0	392.0	171.8
	15.0	–	18.8	–	45.0	–	45.0	–
	–	20.0	–	22.5	–	30.0	–	26.7
	–	–	–	–	505.6	–	505.6	–
	–	186.1	–	140.5	–	372.2	–	341.2
	814.5	**1,050.5**	**663.2**	**880.3**	**1,432.2**	**1,314.2**	**1,191.2**	**539.7**
	133.7	146.8	124.1	127.8	268.9	345.5	136.8	–
	948.2	**1,197.3**	**787.3**	**1,008.1**	**1,701.1**	**1,659.7**	**1,328.0**	**539.7**

Table 8

Provisions for pensions and similar obligations

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

Provisions for pensions and similar obligations

in €'000	Obligation December 31, 2014	Change 2015	Obligation December 31, 2015
Dr. Stefan Schulte	5,899	366	6,265
Michael Müller	310	108	418
Dr. Matthias Zieschang	2,685	299	2,984
Anke Giesen	310	111	421
Total	**9,204**	**884**	**10,088**

Table 9

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 annual 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. Part 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 former Executive Board member Mr. Mai received payments of €162.8 thousand for the LTIP 2011 tranche and a payment of €7.5 thousand for the LSA 2012 tranche in fiscal year 2015.

The employment contract of the former Executive Board member Peter Schmitz provides for a two-year noncompetition clause following the end of his employment as at August 31, 2014. Pursuant to a resolution of the Supervisory Board, the noncompetition clause was waived. Furthermore, in fiscal year 2015, Mr. Schmitz received payments of €341.2 thousand for the LTIP 2011 tranche, and a payment of €26.7 thousand for the LSA 2012 tranche.

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 2015

The remuneration of the Supervisory Board is regulated in Section 12 of the company statutes of Fraport AG. It is provided solely as fixed remuneration. According to this, every member of the Supervisory Board shall receive a fixed remuneration 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 remuneration 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 remuneration. 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 individual members of the Supervisory Board for fiscal year 2015:

Remuneration of the Supervisory Board 2015

in €		Fixed salary	Committee remuneration	Attendance fees	Total
Supervisory Board Member					
Amier	Claudia	33,750.00	10,000.00	14,400.00	**58,150.00**
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	8,800.00	**36,300.00**
Feldmann	Peter	22,500.00	10,000.00	7,200.00	**39,700.00**
Gerber	Peter	22,500.00	0.00	4,800.00	**27,300.00**
Haase	Dr. Margarete	45,000.00	10,000.00	12,000.00	**67,000.00**
Kaufmann	Frank-Peter	22,500.00	10,000.00	14,400.00	**46,900.00**
Klemm	Lothar	33,750.00	10,000.00	14,400.00	**58,150.00**
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	12,000.00	**44,500.00**
Stejskal	Edgar	22,500.00	10,000.00	16,800.00	**49,300.00**
Weimar	Karlheinz	45,000.00	10,000.00	8,000.00	**63,000.00**
Windt	Prof. Dr. Katja	22,500.00	10,000.00	11,200.00	**43,700.00**
		528,750.00	**155,000.00**	**204,800.00**	**888,550.00**

Table 10

Remuneration of the Economic Advisory Board in fiscal year 2015

For membership on the Economic Advisory Board, a remuneration 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

Despite strike and weather-related flight cancellations, the number of passengers at the Frankfurt site again developed positively over the past fiscal year. Over 61 million passengers represented an increase of 2.5 % and a new record at the same time. On the other hand, the weaker growth of world trade and the economic problems of various emerging and developing economies were reflected in the cargo section. In total, cargo throughput declined by 2.6 % to nearly 2.1 million metric tons. The airports in the Fraport Group recorded mixed performances over the past fiscal year. While the sites with significant share of Russian traffic recorded a declining to static number of passengers, the airports in Ljubljana, Lima, Hanover and Xi'an showed a positive trend.

Financially, the Group had an overall positive performance in 2015. In addition to growth of passengers at the Frankfurt site, higher revenue resulted from the increase in airport and infrastructure charges at the site and from the retail business. Outside Frankfurt, –in addition to the increase in traffic at the Lima site, – higher revenue primarily resulted from the first-time full-year inclusion of the Group companies AMU Holidays Inc. and Ljubljana. Further positive effects resulted from the conversion of US$ revenue from the Group company Lima to the Group's € currency. Adjusted for the recognition of earnings-neutral capacitive capital expenditure, Group revenue increased by €200.0 million to €2,583.8 million (+8.4 %) in the past fiscal year. Group EBITDA also improved noticeably by 7.4 % to €848.8 million and the Group result increased by 18.0 % to €297.0 million. Free cash flow was at €393.6 million, which was again significantly positive and surpassed the previous year's value by €146.8 million (+59.5 %).

The Executive Board declares the Group development in 2015 as overall positive also due to the consistently sound liquidity supply.

Economic and Industry-Specific Conditions

Development of the economic conditions

The global economy grew again in 2015, but developed somewhat more sluggishly than expected. The growth rate of world trade was 2.6 %.

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

Real changes compared to the previous year in %	2015	2014
World	3.1	3.4
Eurozone	1.5	0.9
Germany	1.7	1.6
USA	2.5	2.4
China	6.9	7.3
Japan	0.6	0.0
World trade	**2.6**	**3.4**

[1] Data for 2015: Estimates based on International Monetary Fund (IMF, January 2016), Deutsche Bank (January 2016), DekaBank (December 2015), German Federal Statistical Office (January 2015).

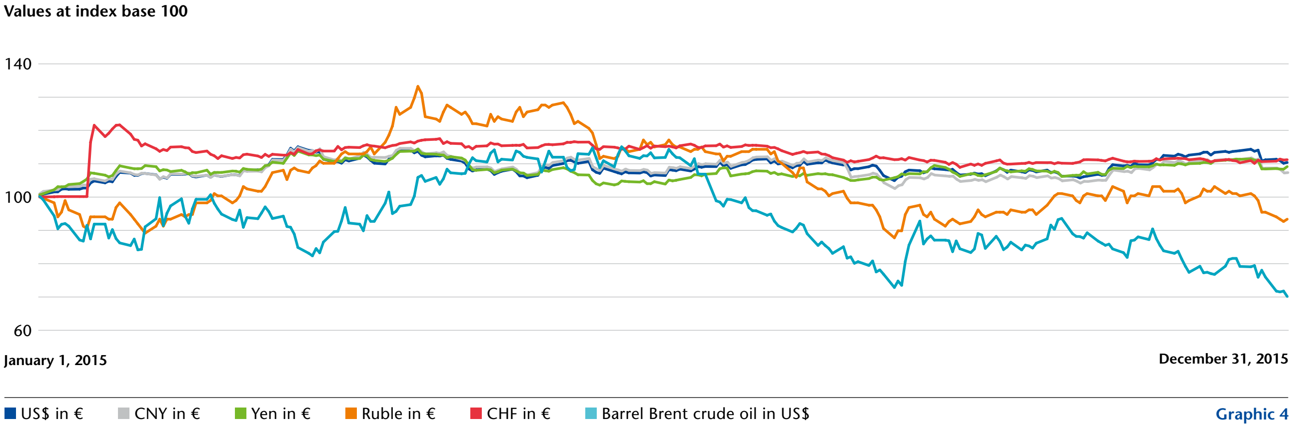
Table 11

The upturn in the global economy forecasted at the start of the fiscal year did not fully occur in the reporting period. The different developments in individual regions already seen in 2014 continued in the previous year. Whereas the economic development of most industrial countries was relatively robust, economic growth decreased in a number of emerging and industrial countries. In China in particular, signs of weakening development accumulated. Due to a weak Chinese import demand, global trade was also below expectations for the full year. A further reason for this was liquidity being withdrawn from countries that are particularly important sales markets for China or whose economy depends particularly heavily on commodity exports. As a result, various international currencies including the Russian Ruble and the Brazilian Real depreciated significantly against the US$. China also significantly devalued the Renminbi against the US$ for the first time in many years.

Economic recovery continued in the Eurozone. Consumption was an important pillar for economic growth. In an environment of decreased energy costs, low interest rates and a weak €, the gross domestic product within the monetary union increased by an estimated 1.5 % in the year 2015. The economic recovery also ensured a visible improvement in the labor market. The unemployment rate in the Eurozone thus achieved the lowest level since January 2012 in October at 10.7 %.

Driven by private consumption, the German economy has again grown dynamically in 2015. Gross domestic product increased by 1.7 %. Consumption was supported by low interest rates on savings, lower energy costs and a relatively good situation in the labor market. Other factors supporting economic recovery included devaluation of the €, which had a positive effect on exports.

Crude oil price and significant exchange rates 2015



Graphic 4

Despite the globally higher economic output, the oil price decreased by around 30 % to below 40 US $ per barrel. The decrease was mainly due to an excess suppy from the United States, which resulted primarily from fracking, as well as ongoing high output from individual OPEC nations.

Short and long-term interest rates have fallen further in the Eurozone over the past year. Thus, the average 6-month EURIBOR was 0.05 % (in the previous year: 0.31 %). In the long-term, the average 10-year Euro swap rate dropped from 1.46 % to 0.88 %.

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 numbers grew by 6.1 % in fiscal year 2015. Air freight volume rose by 2.3 %. European airports achieved slightly lower growth in passenger numbers at 5.0 %. In air freight, European airports also developed below the total market at 0.7 % . The passenger numbers at German airports grew by 3.8 %. Cargo tonnage also remained below the global and European level at +0.1 %.

Passenger and cargo development by region

Changes compared to the previous year in %	Passengers 2015	Air freight 2015
Germany	3.8	0.1
Europe	5.0	0.7
North America	5.6	2.4
Latin America	5.5	1.2
Middle East	11.3	10.7
Asia-Pacific	8.0	1.5
Africa	–0.1	3.2
World	**6.1**	**2.3**

Source: Press release ACI Pax Flash and Freight Flash (ACI, February 17, 2016), ADV for Germany; cargo instead of air freight (ADV, February 8, 2016).

Table 12

Significant Events

Start of construction of Terminal 3 in Frankfurt

In March 2015, the Hesse state government presented the results of the quality audit of the expert reports published by Fraport AG on future capacity requirements at Frankfurt Airport. The traffic reports presented by Fraport AG in September 2014 assume that passenger numbers at Frankfurt Airport will rise to between 68 and 73 million passengers by 2021, so that the airport's current terminal capacity of 64 million passengers will be exceeded. On April 14, 2015, after detailed analysis of the audit reports, the Fraport Supervisory Board confirmed its decision to implement the planned Terminal 3 in the southern part of the airport. The ground-breaking ceremony for Terminal 3 was organized on October 5, 2015. The construction time for the terminal, including test phases, is scheduled to be a good seven years, so the new terminal is expected to be inaugurated in 2022. The new terminal including the land and airside infrastructure development is expected to cost between approximately €2.5 billion and €3 billion.

Sale of the Group company Air-Transport IT Services

Fraport sold its shares in the Group company Air-Transport IT Services, Inc., USA for a price of US$13.0 million with effect from April 22, 2015. The company was assigned to the segment External Activities & Services and generated revenue of €4.9 million in the period up to the deconsolidation (full year 2014: €12.5 million) and a net profit of €0.1 million (full year 2014: €0.6 million). A gain on disposal of €8.0 million resulted from the sale of Air-Transport IT Services.

Application for charge development at the Frankfurt site retracted

Due to differences of opinion between Fraport and the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVL) with regard to the calculation of significant cost items in calculating the airport charges for the 2016 fiscal year, on October 29, 2015, Fraport withdrew the application made on July 1, 2015 for an increase in airport charges by an average of 1.9% for the fiscal year 2016. Fraport will re-check the facts and make a new application in the fiscal year 2016. Until a new charge table comes into force, the charge table approved from 2015 will remain in force. Due to the withdrawal of the proposal, the Executive Board does not expect any further increase in airport charges for the fiscal year 2016 (increase in 2015: on average 2.9%). The airport charges serve to refinance the chargeable costs and are essential to the Aviation segment's revenue performance.

Strategic partnership for freight handling at Frankfurt Airport

Fraport established a strategic partnership with WFS in the area of freight handling at the Frankfurt site on July 7, 2015. The sale of 51% of the capital shares of the Group company FCS to WFS took place on November 2, 2015. The Group company FCS, which generated revenue of €54.0 million and a net result of –€3.2 million until the sale of the shares, is now consolidated into the Group as a joint venture accounted for using the equity method. However, due to the company's low margin, the sale had only an insignificant overall effect on the operating results for fiscal year 2015. The aforementioned revenue will fail to be consolidated in fiscal year 2016. Since then, the company's net result is recognized on a pro rata basis in the result from companies accounted for using the equity method.

Concession agreements signed for Greek regional airports

Fraport and its Greek partner, the Copelouzos Group, signed the concession agreements for operating 14 regional airports in Greece on December 14, 2015. After finalizing the financing agreements and the fulfillment of suspensive conditions, such as approval under competition law by the EU and the ratification of the concession agreements by the Greek parliament, the Executive Board assumes the closing of the transaction at the end of 2016 when preparing the consolidated annual financial statements. At this point of time, the Fraport/Copelouzos consortium, in which Fraport has a majority shareholding, will also takeover the operation of 14 regional airports and will make a one-time payment of €1,234 million.

The 40-year concession 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 total, the airports recorded passenger numbers of about 23.4 million in 2015 and thus showed an increase of 6.4% compared to the previous year. In addition to the one-time payment of €1,234 million, the consortium will make an annual minimum concession payment of €22.9 million. This is adjusted depending on the inflation rate. The consortium is also required to make capital expenditure in the upgrading and expansion of the airport infrastructures within the first four years of operation. After completion of the expenditure, the concession agreements include an increase in the airport charges and rise in a variable concession fee, which is to be paid in addition to the minimum concession payment. The expected effects from the closing of the transaction on the short to medium-term asset, financial, and earnings position of the Fraport Group are included in the Outlook Report of this report from page 74 onwards.

No other events that have had or will have a significant effect on the business development of the Fraport Group have occurred over the past fiscal year.

Business Development

Development at Frankfurt site

The stable growth of private consumption led to pleasing growth in **passenger demand** in 2015. With over 61.0 million passengers, this was the highest number of passengers recorded in the history of the airport. The number for the previous year was exceeded by around 1.5 million passengers (+2.5 %), despite the fact that this year was characterized by a large number of cancellations due to strikes. Without strike and weather-related cancellations, the growth would have been 3.8 %.

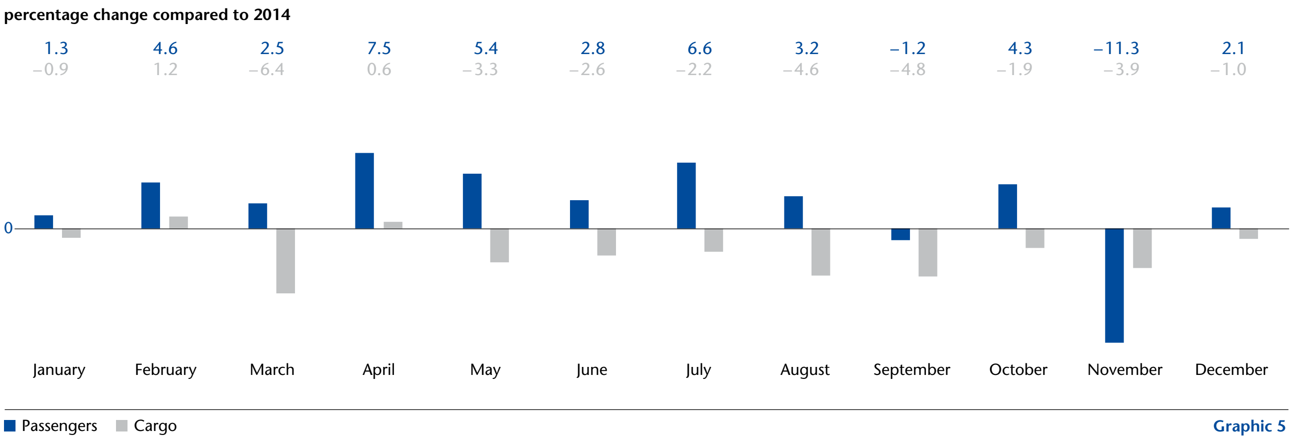
With a growth rate of 2.5 %, **intercontinental traffic** found a way back to its previous growth momentum. The main driver was Asian traffic; all high volume markets in the Far East clearly increased, in some cases by double-digits. In the Middle East, growth was quantitatively led by the Emirates and its hub airports. However, African traffic saw an increasing reduction. After the attacks in this region, traffic with Tunisia initially fell and demand for Egyptian destinations also subsequently reduced.

European traffic (excluding Germany) achieved growth of 2.3 % in the reporting period. **Domestic traffic** saw the most dynamic growth at 3.0 %. Thus, German domestic traffic profited from base effects from the previous year.

Cargo volume declined by 2.6 % in 2015 to a total of around 2.1 million metric tons. The development was characterized by the weakness in world trade and economic problems in certain emerging and industrial countries. In particular, China's imports and exports via air freight were in stronger negative territory over the course of the year.

As a result of the cancellations due to strikes and the ongoing trend of using larger aircraft, **aircraft movements** stagnated during 2015. Movements in Frankfurt decreased by 0.2 % compared with the previous year with approximately 468 thousand take-offs and landings. In contrast, the **maximum take-off weights** increased and achieved a new record value of some 29.5 million metric tons (+2.0 %).

2015 passenger and cargo development at Frankfurt Airport



Graphic 5

Development outside the Frankfurt site

Ljubljana Airport, the capital airport of Slovenia, recorded a 10.0% increase in passenger numbers, some 1.4 million in the 2015 fiscal year. While more passengers traveled on flights to and from Belgrade and Zurich Airports, there was a drop in passenger numbers on connections to and from Moscow.

The passenger numbers at **Lima Airport** developed over the past fiscal year just as strongly as in previous years. With around 17.1 million passengers, an increase of 9.2% was achieved, which was also a new record. Domestic traffic grew by 11.8%. This was more than international traffic, which increased by 6.2%. Cargo throughput was around 301 thousand metric tons. This figure was slightly below the previous year's level (–0.6%).

The Bulgarian airports in **Varna** and **Burgas** carried approximately 3.8 million passengers in fiscal year 2015, a decrease of 4.1%. While the number of passengers at the Burgas site decreased, mainly due to fewer travelers from Russia and Germany, by 6.7% to approximately 2.4 million, passenger numbers in Varna stagnated at just under 1.4 million (+0.8%).

Around 27.5 million passengers were recorded traveling through **Antalya Airport** in the 2015 fiscal year, signaling a decrease of 1.6%. While the number of passengers traveling within Turkey increased once again significantly by 14.2% to over 6.3 million, the number of international passengers fell by 5.5% to some 21.2 million. The drop in the number of international passengers was, in particular, due to fewer travelers coming from Russia.

With around 13.5 million passengers, **St. Petersburg Airport** showed, in the reporting year, a decline of 5.4% compared with the previous year. While international traffic significantly decreased by 21.8%, domestic traffic rose by 10.4%.

Approximately 5.5 million passengers meant that there was an increase of 3.0% at **Hanover Airport** in the 2015 fiscal year. Tourist air traffic in particular has developed positively.

There was a sustained dynamic development at **Xi'an Airport.** The passenger numbers there in 2015 grew by 13.0% to nearly 33.0 million passengers. High-volume domestic air traffic increased by 12.5% to approximately 31.3 million passengers. International traffic grew by 23.9% to almost 1.7 million passengers.

Delhi Airport, in which Fraport AG holds a 10% share, was used by approximately 46.0 million travelers in the reporting period, compared to last year this represented a significant growth of 15.7%. Indian domestic traffic continued to show strong growth at 21.6%. International passenger numbers increased by 3.9%. Freight volume again showed a sharp rise (+11.8%).

Traffic development at the Group sites

Airport [1]	Fraport share in %	Passengers [2]		Cargo (air freight and air mail in m. t.)		Movements	
		2015	Change in %	2015	Change in %	2015	Change in %
Frankfurt	100	61,032,022	2.5	2,076,734	–2.6	468,153	–0.2
Ljubljana	100	1,438,304	10.0	10,140	3.1	32,893	4.7
Lima	70.01	17,112,536	9.2	300,686	–0.6	166,388	7.3
Burgas	60.00	2,360,320	–6.7	13,272	>100	18,271	–4.3
Varna	60.00	1,398,694	0.8	116	57.2	11,959	–0.9
Antalya	51.00/50.00 [3]	27,522,514	–1.6	n.a.	n.a.	171,285	–2.8
St. Petersburg	35.50	13,499,755	–5.4	n.a.	n.a.	138,327	–6.2
Hanover	30.00	5,452,669	3.0	17,492	15.2	75,695	–0.4
Xi'an	24.50	32,970,150	13.0	211,591	13.8	266,807	9.2
Delhi	10.00	45,981,773	15.7	773,896	11.8	347,434	7.3

[1] Fraport also holds 100% of the shares of the operating company at the new airport in Dakar, which is currently in the construction phase.
[2] Commercial traffic only, in + out + transit.
[3] Share of voting rights: 51%, dividend share: 50%.

Table 13

Comparison with the forecasted development

Compared with the forecast for the 2015 fiscal year (see the 2014 Group management report, “Business Outlook” chapter starting on page 91), with respect to business development over the past fiscal year the following deviations arose:

The weakness in global trade and economic problems in various emerging and developed countries meant that cargo throughput in Frankfurt was below the forecast (forecast: market growth rate of up to 3%). As the 2014 management report had already foreseen as possible, the Varna and Burgas airport holdings, as well as those in Antalya and St. Petersburg, did show stagnation or a decline in passenger numbers, owing to the ongoing difficult economic and political situation in Russia. The airport holdings in Lima, Xi’an and Ljubljana, in contrast, performed clearly positive and grew higher than expected at growth rates of around 10% or more.

Other forecasts for business development were accurate.

Group Results of Operations

Summary of the income statement

€ million	2015	2014	Change	Change in %
Revenue	2,598.9	2,394.6	204.3	8.5
Revenue adjusted by IFRIC 12	2,583.8	2,383.8	200.0	8.4
EBITDA	848.8	790.1	58.7	7.4
Depreciation and amortization	328.3	307.3	21.0	6.8
EBIT	520.5	482.8	37.7	7.8
Financial result	–86.7	–108.1	21.4	–
EBT	433.8	374.7	59.1	15.8
Group result	297.0	251.8	45.2	18.0
Earnings per share in € (basic)	3.00	2.54	0.46	18.1

Table 14

Over the past fiscal year, the Fraport Group generated **revenue** in the amount of €2,598.9 million and therefore €204.3 million more than in fiscal year 2014 (+8.5%). All segments of the Group contributed to this positive development. Adjusted for earnings-neutral capacitive capital expenditure in Group companies outside Frankfurt in the context of applying IFRIC 12 and relating to the Group companies Lima and Twin Star for the 2015 fiscal year, the revenue for the 2015 fiscal year was €2,583.8 million. In relation to the also adjusted previous year’s figure of €2,383.8 million, this was an increase of €200.0 million or 8.4%. As in previous years, Fraport earned a major portion of its consolidated revenue (more than one third) in the fiscal year through its principal customer at the Frankfurt site, Deutsche Lufthansa.

At the Frankfurt site, this revenue growth was primarily due to positive passenger development, as well as higher airport and infrastructure charges. Additional revenue came from the retail and parking business. At €3.62, the net retail revenue per passenger at the Frankfurt site exceeded the previous year's figure by €0.19 or 5.5 %. On the one hand, the increase in the number of passengers traveling on intercontinental flights had a positive impact on the retail revenue, as these travelers generally have an above-average retail spend. On the other hand, the weakness of the € currency was another purchase incentive for customers. Outside of Frankfurt Airport there was – in addition to positive traffic development at Lima Airport, – higher revenue mainly coming from the new Group companies AMU Holdings Inc. (first consolidated in August 2014 with additional revenue of €39.1 million in the reporting period) and Ljubljana (consolidated for the first time in October 2014, with additional revenue of €27.6 million in the reporting period). There were further positive effects from the translation of revenue from the Group company Lima, which was recognized in US$, into the Group currency of the €. The Group company Twin Star saw a decline in its performance, generating lower revenue due to a decrease in traffic. Declining revenue also resulted from the absence of revenue from the Group company Air-Transport IT Services that was sold off and the management contract in Saudi Arabia that ended as planned in the previous year.

Other operating income in the reporting period totaled €49.8 million, €7.3 million higher than the previous year (+17.2 %). The increase was mainly driven by the gain on disposal from the sale of the Group company Air-Transport IT Services, which resulted in additional other operating income of €8.0 million. Excluding the gain on disposal, the other operating income would have been approximately at the same level as the previous year. Slightly higher **internal work capitalized** in the segments of Ground Handling, External Activities & Services, and Aviation led to an increase in internal work capitalized from €28.3 million to €29.9 million.

The positive development in revenue, other operating income and internal work capitalized, led to a significant increase in **total revenue** in the past fiscal year. At €2,679.1 million, this showed a growth of €213.1 million on the figure for the 2014 fiscal year (+8.6 %). When adjusted for the application of IFRIC 12, at €2,664.0 million, total revenue was €208.8 million above the corresponding figure for the previous year (+8.5 %).

There was an increase in cost of material, personnel expenses, and other operating expenses in the fiscal year under review. The **cost of materials** totaled €610.4 million, some €77.1 million above the previous year's figure (+14.5 %). The main reasons for the increase were higher currency and traffic-related expenses in the Group company Lima, resulting in additional expense of €36.6 million. AMU Holdings Inc. and Ljubljana Airport, acquired by the Group in 2014, increased cost of materials by a further €24.5 million and €4.7 million, respectively. At the Frankfurt site, in particular, non-capitalizable expenses from capital expenditure resulted in additional material costs. After adjusting for the recognition of capacitive capital expenditure, the cost of materials across the Group amounted to €595.3 million, up by €72.8 million on the adjusted previous year's figure of €522.5 million (+13.9 %).

Over the past fiscal year, **personnel expenses** increased by €56.3 million to €1,026.7 million (+5.8 %). Whereas the new Group companies Ljubljana (+€8.2 million) and AMU Holdings Inc. (+€1.6 million) led to additional personnel expenses of €9.8 million, the majority of the increase came from collective bargaining agreements for the public sector and security business that, in particular, affected employees at the Frankfurt site. At the Frankfurt site, the creation of a provision for fire brigade employees' transitional pensions additionally increased the expenses. Mainly due to the exchange rate, personnel expenses increased in the Group company Lima by €2.1 million.

Other operating expenses increased, partly as a result of higher allowances as well as the new Group companies Ljubljana (+€4.6 million) and AMU Holdings Inc. (+€4.5 million), from €172.2 million to €193.2 million (+12.2 %). Due to foreign currency conversion and volumes the other operating expenses also increased in the Group company Lima (+€1.1 million).

Despite the increase in operating expenses, the significant improvement in total revenue over the past fiscal year resulted in an increase in **Group EBITDA**. Totaling some €848.8 million, Group EBITDA exceeded the previous year's figure by €58.7 million (+7.4 %). Relative to Group revenue, this meant that there was an **EBITDA margin** of 32.7 % and an almost constant margin compared with the value of the 2014 fiscal year of 33.0 %. Adjusting the revenue and expenses from recording earnings-neutral capacitive capital expenditure in the Group companies outside of Frankfurt, the EBITDA margin was at 32.9 % (in the previous year: 33.1 %).

Depreciation and amortization of €328.3 million (+6.8% compared to the previous year) led to a **Group EBIT** of €520.5 million. Compared with the previous year, there was a rise in depreciation and amortization mainly due to the first-time full-year recognition of the Group companies Ljubljana (+€7.5 million) and AMU Holdings Inc. (+€5.4 million), depreciation and amortization in connection with the sale of shares FCS, and by the translation of depreciation and amortization in the Group company Lima. Thanks to the positive development of the Group EBITDA, Group EBIT showed an increase of €37.7 million compared with the previous year (+7.8%), despite higher depreciation and amortization.

The **financial result** improved significantly over the last fiscal year from –€108.1 million to –€86.7 million (+€21.4 million). The reasons for the positive performance were a better interest result and other financial result. While the interest result improved mainly due to lower interest rates for long-term loans, the other financial result saw, despite unrealized exchange rate losses because of the fair value of a CHF loan, mainly a positive development due to the market valuation of derivatives. The negative traffic development in Antalya led to a decline in the result from companies accounted for using the equity method. This was partly offset by a higher contribution from the Group company in Xi'an. The capitalization of interest expenses relating to construction work affected the fiscal year with a reduction of €15.8 million in the interest expenses (previous year: €15.2 million).

The better Group EBIT and financial result led to a significant increase in **Group EBT**. An amount of €433.8 million surpassed the previous year's EBT by €59.1 million (+15.8%). At a **tax rate** of 31.5% (previous year: 32.8%), the **Group result** also increased noticeably by €45.2 million compared with 2014 to €297.0 million (+18.0%). **Basic earnings per share** amounted to €3.00, €0.46 up on the previous year (+18.1%).

Comparison with the forecasted development

Compared with the forecast for the 2015 fiscal year (see the 2014 Group management report, "Business Outlook" chapter starting on page 91) the following variations occurred concerning the Group's results of operations over the past fiscal year:

With a total of €848.8 million, the Group EBITDA slightly exceeded the forecast range of around €820 million to approximately €840 million. The reason for the higher than expected Group EBITDA was, in particular, due to gains on disposal from the sale of the Group company Air-Transport IT Services in the amount of €8.0 million. Slightly higher than forecasted depreciation and amortization due partly to the sale of shares in FCS and converting the depreciation and amortization of Group companies Lima and AMU Holdings Inc., however, meant that the Group EBIT was in line with the forecasted range, despite the improved Group EBITDA. A better than expected financial result led to slightly higher than projected Group EBT of €433.8 million (forecast of between approximately €405 million and €425 million). The Group result was therefore also better.

The modified forecasts presented in the 2015 nine-month report were confirmed by the values of the consolidated financial statements for 2015. Also the forecast for Group revenue stated in the 2014 Group management report and not modified during the year was confirmed in the past fiscal year.

Segment Results of Operations

Aviation

€ million	2015	2014	Change	Change in %
Revenue	927.3	884.2	43.1	4.9
Personnel expenses	320.9	296.1	24.8	8.4
EBITDA	237.5	236.9	0.6	0.3
EBITDA margin	25.6 %	26.8 %	–1.2 PP	–
EBIT	116.3	115.5	0.8	0.7
Average number of employees	6,043	6,082	–39	–0.6

Table 15

Retail & Real Estate

€ million	2015	2014	Change	Change in %
Revenue	488.2	455.7	32.5	7.1
Personnel expenses	48.6	46.2	2.4	5.2
EBITDA	378.8	356.5	22.3	6.3
EBITDA margin	77.6 %	78.2 %	–0.6 PP	–
EBIT	295.1	275.0	20.1	7.3
Average number of employees	624	613	11	1.8

Table 16

The Aviation segment's revenue in the 2015 fiscal year rose from €884.2 million to €927.3 million (+4.9 %). The reasons for this positive development were mainly higher passenger numbers at the Frankfurt site, as well as the increase in airport charges on January 1, 2015 by an average of 2.9 %. Security services also increased significantly year-on-year by €8.1 million (+7.4 %). Despite the increase in revenue and higher income from the release of provisions, the segment EBITDA was almost unchanged compared with the previous year at €237.5 million (+0.3 %). The main reason for the constant EBITDA development was a significant increase in expenses. In addition to the higher personnel expenses arising from collective agreements in the security business and the public sector, the creation of a provision for the transitional pensions of fire brigade employees had an impact, increasing expenses. Within the non-staff cost, among other things, it was the higher expenses from capital expenditure that could not be capitalized and higher provisions created which led to an increase. Further expenses related to temporary measures to increase customer satisfaction at the Frankfurt site.

Depreciation and amortization, which stayed at the same level as the previous year, resulted in a segment EBIT of €116.3 million. When compared with fiscal year 2014, this was a slight increase of €0.8 million or 0.7 %.

The revenue of the Retail & Real Estate segment rose significantly in the year under review from €455.7 million in the previous year to €488.2 million (+7.1 %). The higher revenue of €32.5 million was mainly due to additional revenue in the retail business (+€16.1 million compared with the previous year). Here, growth in passenger numbers in Frankfurt and, in particular, an increase in the number of passengers traveling on intercontinental services, which show above spending behavior in retail stores, increased revenue. The depreciation of the € currency against a number of international currencies also had a positive impact. The "net retail revenue per passenger" key figure in the 2015 fiscal year reached an amount of €3.62, an increase of 5.5 % when compared with the previous year. Additional revenue was generated in the past fiscal year in the areas of real estate – due to higher rental income – and parking – due to volume and price effects. The sale of land on the Mönchhof site in the past fiscal year led to one-off revenue in the mid single-digit million € range.

Despite the increase in operating expenses arising, among other things, from material expenses in connection with the sale of land and from non-capitalizable capital expenditure as well as tariffs and volume effects in human resources, the segment EBITDA clearly rose in 2015 by €22.3 million to €378.8 million (+6.3 %). There was an additional positive effect from other income which was mainly the result of the release of provisions. Slightly higher depreciation and amortization resulted in a segment EBIT of €295.1 million. Compared with the previous year, this was a significant growth of €20.1 million or 7.3 %.

Ground Handling

€ million	2015	2014	Change	Change in %
Revenue	673.1	656.2	16.9	2.6
Personnel expenses	429.4	412.0	17.4	4.2
EBITDA	46.4	44.3	2.1	4.7
EBITDA margin	6.9 %	6.8 %	0.1 PP	–
EBIT	6.0	7.5	–1.5	–20.0
Average number of employees	9,262	9,038	224	2.5

Table 17

External Activities & Services

€ million	2015	2014	Change	Change in %
Revenue	510.3	398.5	111.8	28.1
Personnel expenses	227.8	216.1	11.7	5.4
EBITDA	186.1	152.4	33.7	22.1
EBITDA margin	36.5 %	38.2 %	–1.7 PP	–
EBIT	103.1	84.8	18.3	21.6
Average number of employees	4,791	4,662	129	2.8

Table 18

The higher passenger numbers, increased maximum take-off weights, as well as the increase of infrastructure charges in the fiscal year 2015 led to a 2.6 % increase in revenue to €673.1 million (+€16.9 million) in the Ground Handling segment. In terms of expenses, it was mainly personnel expenses that rose due to the traffic volume and prices from €412.0 million to €429.4 million (+4.2 %).

Despite the increase in personnel expenses as well as lower other operating income, which mainly resulted from the release of provisions in the previous year, the segment EBITDA improved from €44.3 million to €46.4 million (+4.7 %). This positive development was largely the result of the increase in revenue. Higher depreciation and amortization, which derived, among other things, from the sale of shares in FCS, resulted in a segment EBIT of €6.0 million. Compared to the previous year, this was a decrease of €1.5 million or 20.0 %.

In the reporting period, the External Activities & Services segment reported a significant increase in revenue by €111.8 million to €510.3 million (+28.1 %). Adjusted for the recognition of earnings-neutral capacitive capital expenditure related to the application of IFRIC 12, revenue increased in the 2015 fiscal year from €387.7 million to €495.2 million (+27.7 %). In addition to the positive traffic development in Lima, higher revenue of €66.7 million resulted from the new Group companies AMU Holdings Inc. (consolidated for the first time in August 2014, with additional revenue of €39.1 million in the reporting period) and Ljubljana (consolidated for the first time in October 2014, with additional revenue of €27.6 million in the reporting period). There were further positive effects from the translation of revenue from the Group company Lima, which was recognized in US$, into the Group currency of the €. The Group company Twin Star, however, saw a decline in its performance, generating lower revenue due to a decrease in traffic. Declining revenue also resulted from the absence of revenue from the Group company Air-Transport IT Services that was sold off and the management contract in Saudi Arabia that ended as planned in the previous year.

With below-average expense development, the segment EBITDA improved significantly also because of the gain from the disposal of the Group company Air-Transport IT Services of €8.0 million, from €152.4 million to €186.1 million (+22.1 %). Higher depreciation and amortization, particularly from the new Group companies Ljubljana (+€7.5 million) and AMU Holdings Inc. (+€5.4 million), resulted in a segment EBIT of €103.1 million. Compared with the previous year, this was equivalent to an increase of €18.3 million or 21.6 %.

Development of the key Group companies outside of Frankfurt

The following table shows the business numbers of the key Group companies outside of Frankfurt at 100 %:

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		
		2015	2014	Δ %	2015	2014	Δ %	2015	2014	Δ %	2015	2014	Δ %
AMU Holdings Inc. [2]	100	59.7	20.6	>100	11.8	3.8	>100	3.6	0.9	>100	3.7	1.1	>100
Ljubljana [2]	100	34.8	7.2	>100	12.6	1.7	>100	2.6	–0.8	–	3.3	–0.6	–
Lima	70.01	277.9	214.3	29.7	100.1	76.7	30.5	82.5	61.8	33.5	46.3	32.1	44.2
Twin Star	60	53.9	60.7	–11.2	32.4	35.7	–9.2	20.9	24.4	–14.3	13.2	15.8	–16.5

Group companies accounted for using the equity method	Share in %	Revenue in €million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		2015	2014	Δ %	2015	2014	Δ %	2015	2014	Δ %	2015	2014	Δ %
Antalya [3]	51/50	301.0	326.8	–7.9	258.3	282.6	–8.6	160.6	184.0	–12.7	67.8	85.2	–20.4
Pulkovo/Thalita	35.5	233.1	369.9	–37.0	125.4	108.7	15.4	87.1	67.0	30.0	–8.8	–291.7	–
Hanover	30	146.1	142.0	2.9	28.3	27.1	4.4	8.1	7.2	12.5	3.8	1.1	>100
Xi'an [4]	24.5	200.7	143.9	39.5	84.7	56.6	49.6	36.1	29.0	24.5	20.5	12.6	62.7

[1] Revenue adjusted by IFRIC 12: Lima 2015: €263.0 million (2014: €204.7 million);
Twin Star 2015: €53.7 million (2014: €59.5 million); Pulkovo/Thalita 2015: €208.1 million (2014: €241.3 million).
[2] Values since Fraport share acquisition: AMU Holdings Inc. since August 2014 and Ljubljana since October 2014.
[3] Share of voting rights: 51 %, Dividend share: 50 %.
[4] Previous year's figures have been adjusted.

Table 19

In the 2015 fiscal year, the **AMU Holdings Inc.** Group company acquired in August 2014 reported revenue of €59.7 million, an EBITDA of €11.8 million, an EBIT of €3.6 million and a result of €3.7 million. Whereas the appreciation of the US$ had a negative effect on the purchasing power of international passengers in the USA, the strength of the currency also led to an increase in the consolidated earnings of the Company in €.

With higher passenger numbers, the Group company **Ljubljana,** acquired in October 2014, reported over the past fiscal year revenue of €34.8 million, an EBITDA of €12.6 million, an EBIT of €2.6 million and a result of €3.3 million. Due to the late inclusion of the Group company in 2014, as for AMU Holdings Inc. there are no comparable figures for the previous year.

Boosted by the good traffic development and positive exchange rates from the conversion of US$, the Group company **Lima** recorded good revenue, EBITDA, EBIT and result growth in 2015. The exchange rate effect increased revenue by approximately €45.8 million, EBITDA by around €16.5 million, EBIT by approximately €13.7 million and earnings by around €7.6 million.

Due to the decrease in passenger numbers, the Group company **Twin Star** reported a decrease in revenue, EBITDA, EBIT and the result in the year under review. With a €6.8 million revenue decline (without the effect of IFRIC 12: €5.8 million), the company's EBITDA fell by €3.3 million. Lower expenses were linked, among other things, with decreases in revenue-related concession payments and a lower headcount due to the traffic volume. Almost flat depreciation and amortization and an improvement in the financial result led to a €2.6 million fall in result to €13.2 million.

Especially due to lower passenger numbers in international traffic, the Group company in **Antalya,** which is accounted for using the equity method, saw a decline in revenue, EBITDA and EBIT in 2015. In addition to a decrease in airport charges, the revenue from the retail business was also below the previous year. The main reason for this was a fall in the number of passengers from Russia, who had previously been strong consumers in Antalya. The Group company's result of €67.8 million was €17.4 million lower than the previous year's figure (–20.4 %).

Adjusted for the impact of earnings-neutral capacitive capital expenditure in connection with the application of IFRIC 12, the Group company **Pulkovo/Thalita,** which is accounted for using the equity method, in the reporting year saw revenue decrease from €241.3 million to €208.1 million (–13.8 %) due to the exchange rate. The Group company's EBITDA of €125.4 million (+€16.7 million), EBIT of €87.1 million (+€20.1 million), and result of –€8.8 million (+€282.9 million) significantly exceeded the earnings figures for the previous year. While the previous year's financial result was noticeably negatively affected in the amount of –€320.2 million through the currency translation of financial liabilities, the currency translation in the 2015 fiscal year had a positive effect of €11.8 million. The result contribution for Fraport of –€3.1 million increased the pro rata loss of the Group company, which is – based on accounting using the equity method – recognized in a separate account, to €107.2 million as at December 31, 2015.

The positive development of traffic at the Group company **Hanover,** which is accounted for using the equity method, resulted in good revenue, EBITDA, EBIT and result development for the Group company. With an amount of €3.8 million, the result of the company in which Fraport holds a 30 % stake exceeded the previous year's figure by €2.7 million.

The financial development of the Group company **Xi'an** accounted for using the equity method, reflected the positive traffic development in 2015. The revenue, EBITDA, and EBIT of the company significantly improved compared to the figures for the previous year. At the amount of €20.5 million, the result showed an increase of €7.9 million (+62.7 %). In addition to the increase in traffic, the translation of the Chinese currency into the Group currency, the €, also had the effect of increasing the result.

Comparison with the forecasted development

Compared with the forecast for the 2015 fiscal year (see the 2014 Group management report, "Business Outlook" chapter, starting on page 91), in respect of the segment's results of operations the following variations occurred during the past fiscal year:

Due to higher expenses, which were in part in connection with the creation of a provision for the transitional pensions of fire brigade employees, the development of the Aviation segment's EBITDA and EBIT was lower than forecast at the beginning of the fiscal year (forecast at the beginning of the fiscal year: growth between around €5 million and €15 million).

The revenue, EBITDA and EBIT in the Retail & Real Estate segment, however, proved to be better than forecasted at the beginning of the fiscal year (forecasts at the beginning of the fiscal year: Increase in revenue of up to approximately 5 %, segment EBITDA and EBIT roughly at the same level as the previous year). This was due to higher than expected revenue and other income as well as lower expenses.

Partly as a result of the sale of shares held in Group company FCS, the increase in revenue in the Ground Handling segment was lower than forecasted at the beginning of the fiscal year (forecast at the beginning of the fiscal year: revenue increase of up to €30 million). The low impact of the Group company FCS on the segment EBITDA, just as with the segment EBIT, meant that the forecasts made at the beginning of the fiscal year for both earnings figures were essentially met (forecasts: values which are approximately the same level as in the previous year).

Earnings for the External Activities & Services segment developed as expected at the beginning of the fiscal year.

The forecasts adapted in the 2015 nine-month report were for the most part confirmed by the values of the consolidated financial statements for 2015.

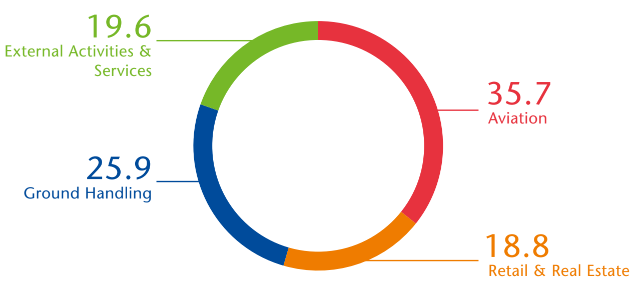
Segment share in Group revenue and EBITDA in 2015

Despite increases in revenue in the Aviation, Retail & Real Estate and Ground Handling segments, their shares in Group revenue did not increase. The reason for this was the strong revenue growth in the External Activities & Services segment, mainly due to the first-time full-year consolidation of the companies acquired in 2014, AMU Group Holdings Inc. and Ljubljana and the positive development of the Lima Group company. However the Aviation segment retained the largest share in Group revenue at 35.7 % (previous year: 36.9 %).

The Retail & Real Estate segment with a share of 44.6 % again contributed most to the Group's EBITDA (previous year: 45.1 %). In the same way as for Group revenue, the External Activities & Services segment increased its share in the Group's EBITDA (from 19.3 % to 21.9 %) due to the significantly positive development, while the remaining segments had a lower share in Group EBITDA (Aviation 2015: 28.0 %, in the previous year: 30.0 %, Retail & Real Estate 2015: 44.6 %, compared with 45.1 % in the previous year and Ground Handling 2015: 5.5 %, in the previous year: 5.6 %).

Segment contribution to Group revenue 2015

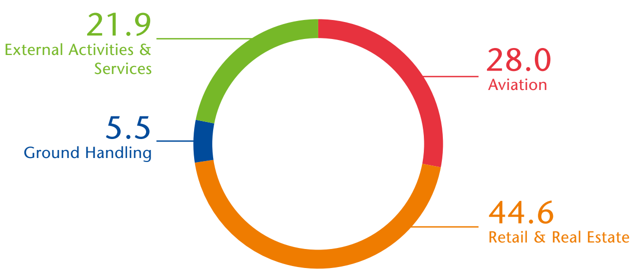
in %



Graphic 6

Segment contribution to Group EBITDA 2015

in %



Graphic 7

Asset and Financial Position

Asset and capital structure

In comparison with the balance sheet date 2014 the **total assets** of the Fraport Group for the year ended December 31, 2015 went down from €9,013.2 million to €8,847.3 million (–1.8%). This slight decline was due to lower non-current assets and non-current liabilities.

The **non-current assets** decreased compared with December 31, 2014 from €8,081.3 million by 1.9% to €7,926.3 million. The reason for the decline was mainly term-related reclassifications of securities from the item "Other financial assets" to the current item "Other receivables and financial assets". The decline in "property, plant, and equipment", was mainly due to a capital expenditure volume that was lower than regular depreciation and amortization. Despite the term-related reclassifications, the **current assets** of €921.0 million were 1.2% below the value of the 2014 balance sheet date. This decrease was attributable to a decline in "trade accounts receivable" on the balance sheet date. The item "non-current assets held for sale" in the previous year's balance sheet was in connection with the Air-Transport IT Services Inc., FSG and Adria Airways Tehnika, d.d. Group companies, which have been sold in the meantime.

Despite the distribution of profits for the past fiscal year, **shareholders' equity** rose in 2015 from €3,286.0 million to €3,511.7 million (+6.9%). The rise was primarily due to the positive Group result. After deducting the "non-controlling interests" item in the amount of €74.4 million and the profit earmarked for distribution of €124.7 million, the **shareholders' equity ratio** reached 37.4% at December 31, 2015, exceeding the level of December 31, 2014 of 34.4 % by 3.0 percentage points.

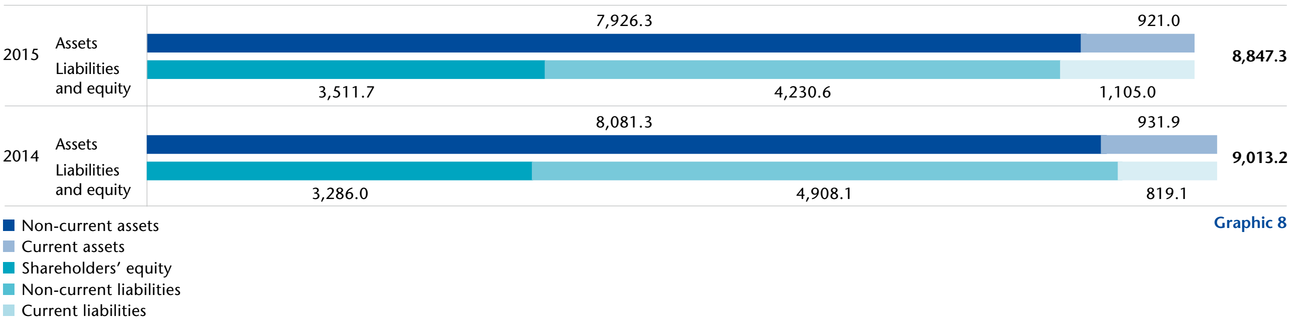
The **non-current liabilities** in the amount of €4,230.6 million were €677.5 million lower than the value on the 2014 balance sheet date (–13.8%). The main reason for the lower figure was a decrease of €600.5 million in non-current financial liabilities, which were reclassified to current financial liabilities due to their remaining term. A positive development in the market values of derivatives led to lower "other liabilities". An increase from €819.1 million to €1,105.0 million was recognized in **current liabilities** (+34.9%). The reason for the increase was particularly a rise in current financial liabilities. Whereas the term-related reclassifications increased the current financial liabilities, loan repayments reduced the item.

Despite a new promissory note loan in the amount of €125.0 million, **gross debt** as at December 31, 2015 amounted to €3,817.4 million, €375.0 million below the level of December 31, 2014 (–8.9%). Deducting the **Group liquidity** of €1,043.1 million (December 31, 2014: €1,179.6 million) resulted in 7.9% lower **net financial debt** of €2,774.3 million (December 31, 2014: €3,012.8 million). The **gearing ratio** reached a value of 83.8% (December 31, 2014: 97.3%).

In the past fiscal year, disposals and acquisitions of companies as well as share increases/reductions have not had a material effects on the development of the asset and capital structure. 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 8

Additions to non-current assets

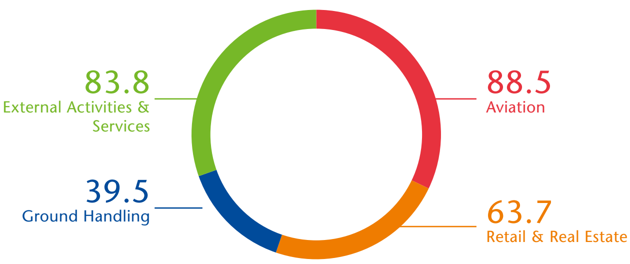
In the 2015 fiscal year, the additions to the non-current assets of the Fraport Group totaled €409.8 million, €78.2 million lower than the comparable figure of the previous year (2014: €488.0 million). Of this amount, €235.3 million was attributed to "property, plant, and equipment" (2014: €270.3 million), €134.3 million to "financial assets" (2014: €161.9 million), €8.4 million to "investment property" (2014: €16.4 million) and €31.8 million to "other intangible assets" and "airport operating projects" (2014: €39.4 million). The capitalization of interest expenses relating to construction work amounted to €15.8 million (2014: €15.2 million).

At €245.0 million, the greater part of additions related to Fraport AG (2014: €276.2 million). The focus areas were capital expenditure in the existing infrastructure as well as various construction activities for Terminal 3. Additions to financial non-current assets resulted in particular from securities and the positive contribution to earnings of the Group company Antalya, which is accounted for using the equity method.

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

Additions by segment

€ million



Graphic 9

Statement of cash flows

In the 2015 fiscal year, the Fraport Group realized **cash flow from operating activities** of €652.2 million. Compared with the previous year, this was equivalent to an increase of €146.0 million or 28.8%. In addition to a significant increase from operating activities, which primarily resulted from improving operating earnings, the amount of interest paid and taxes on income paid improved when compared to the previous year.

The **cash flow used in investing activities excluding investments in time deposits and securities** was, particularly due to the disappearing of payments for the acquisition of consolidated subsidiaries, €279.5 million lower than the previous year's figure at €244.3 million (–53.3%). At virtually constant cash outflows for capital expenditure in property, plant, and equipment, the significant improvement in operating cash flow mainly led to a significant increase in **free cash flow** from €246.8 million to €393.6 million (+€146.8 million). The sale of consolidated subsidiaries related to the sale of shares in Air-Transport IT Services (+€10.0 million) and FSG (–€0.3 million). Including capital expenditure and proceeds from securities and promissory note loans as well as returns from time deposits with a term to maturity of more than three months, in the past fiscal year there was a **cash flow used in investing activities** of €57.7 million. In the previous year, this was €235.0 million higher at €292.7 million.

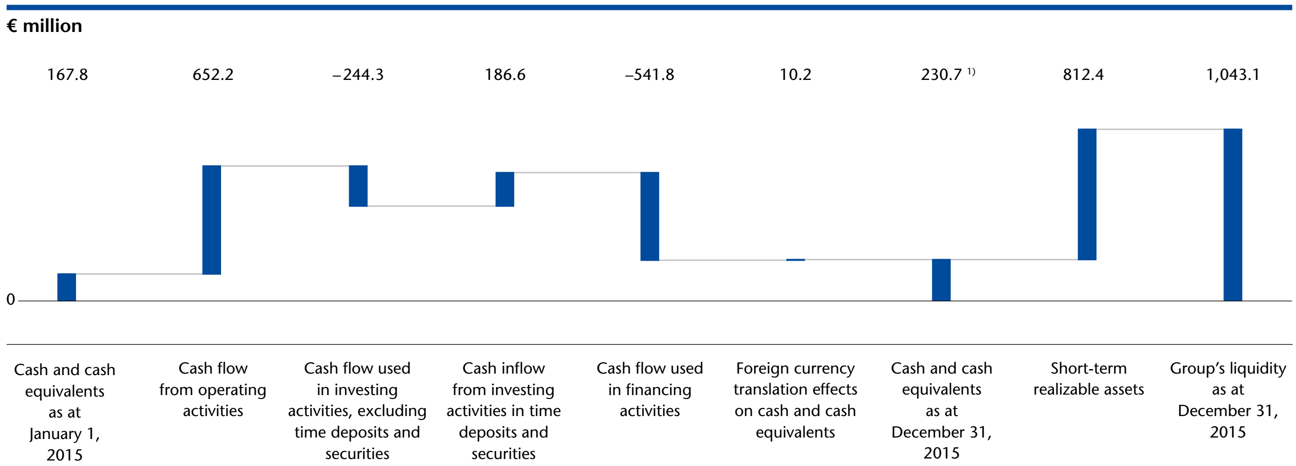
Within **financing activities,** there were non-current financial liabilities of €561.1 million redeemed (previous year: €460.0 million), so that the cash flow used in financing activities in the reporting period amounted to €541.8 million. The significantly lower value in the previous year of €184.5 million (lower cash outflow of €357.3 million) was in particular due to higher inflows of cash and cash equivalents in the 2014 fiscal year, which resulted from taking on long-term financial liabilities (delta of €275.0 million). The acquisition of "non-controlling interests" resulted from the takeover of the remaining shares in the Group company Ljubljana following the squeeze-out resolution by the general meeting of Aerodrom Ljubljana, d.d. on January 19, 2015. In connection with the financing for the Antalya concession, bank deposits of €23.3 million remained subject to drawing restrictions as at the balance sheet date. The level of **cash and cash equivalents** as presented in the statement of cash flows as at December 31, 2015, therefore was at €230.7 million, €62.9 million more than in the previous year.

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

€ million	December 31, 2015	December 31, 2014
Bank and cash balances	39.8	17.4
Time deposits with a remaining term of less than three months	190.9	150.4
Cash and cash equivalents as at the consolidated statement of cash flows	**230.7**	**167.7**
Time deposits with a remaining term of more than three months	152.0	210.0
Restricted cash	23.3	23.3
Cash and cash equivalents as at the consolidated statement of financial position	**406.0**	**401.0**

Table 20

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 statement of financial position is the result of the time deposits with a remaining term of more than three months, and restricted cash.

Graphic 10

Financing analysis

In 2015, the finance management of Fraport AG 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 (26.6%), bonds (25.9%), loans issued by public loan institutions (21.1%) and promissory note loans (26.4%). To reduce interest rate risks from borrowing with floating interest rates, interest rate hedging transactions were concluded in some cases. The nominal volume relating to this was €970 million at the end of the year.

Overall, the financial liabilities had an average remaining term of 4.6 years with an average hedging maturity of 3.6 years. Taking into account interest rate hedging transactions, the floating rate portion of the gross debt of Fraport AG was almost 30%, and the fixed portion approximately 70% (floating rate portion in previous year: almost 30%, fixed share: approximately 70%). The cost of debt after interest rate hedging measures was 3.3% (previous year: 3.5%).

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

Financing type	Year of issue	Nominal volume in € million	Maturity	Repayment structure	Interest	Interest rate
Promissory note loans	2008	50	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	235	2020	end of term	fixed	2.42% p.a.
			2022			2.90% p.a.
			2030			4.00% p.a.
	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.
	2015	125	2017	end of term	floating	6-month-EURIBOR + margin
Public 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	999 (primarily denominated in €)	2016–2028	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 21

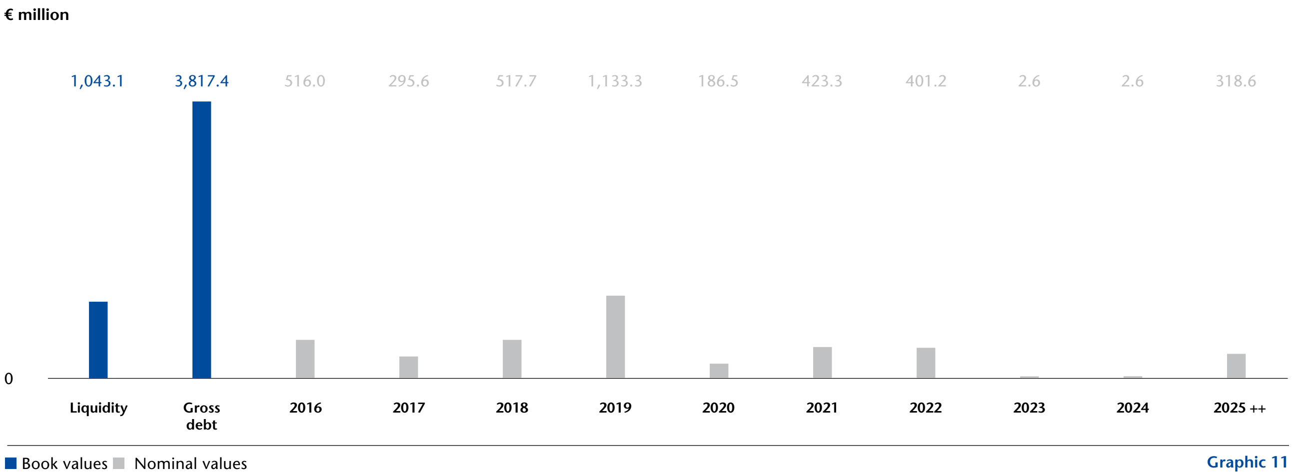
The contractual agreements for the financial liabilities of Fraport AG include two customary non-financial covenants consisting of a negative pledge and a pari passu clause. Only the public loans include, among other things, commonly accepted credit clauses regarding changes in shareholder structure 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 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 shareholders' equity. Compliance with these criteria is examined on an ongoing basis. Regarding the financial indicators, all of the clauses had been complied with as at the balance sheet date 2015.

In connection with the project finance in Lima, there is also a credit clause under which the transfer of construction land for expanding the airport, laid down in the concession contract, was planned to take place by the Peruvian government to the Group company Lima by December 31, 2015. As the transfer by the state was not fully completed by December 31, 2015, the Group company did not comply with this credit clause after December 31, 2015. Until this situation is resolved, the Group company is currently only permitted to distribute dividends after the prior agreement of the creditor. There are also investment restrictions. The Group company in Lima is currently in negotiations with the Peruvian government in order to remedy this situation.

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 converted as at the balance sheet date rate).

Maturity profile as at December 31, 2015



Graphic 11

Liquidity analysis

The strategy of broad diversification of investments in corporate bonds was continued in the 2015 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	1.7	floating
	11.0	2.6	fixed
Overnight funds	0.0	0.0	fixed
Time deposits	65.0	0.6	fixed
Bonds	104.0	2.2	floating
	441.7	2.7	fixed
thereof governmental	10.3	1.4	fixed
thereof financials	82.0	1.8	floating
	96.0	2.3	fixed
thereof insurances	6.7	2.2	fixed
thereof industrials	22.0	2.9	floating
	328.7	2.8	fixed
Commercial paper	57.9	0.7	fixed

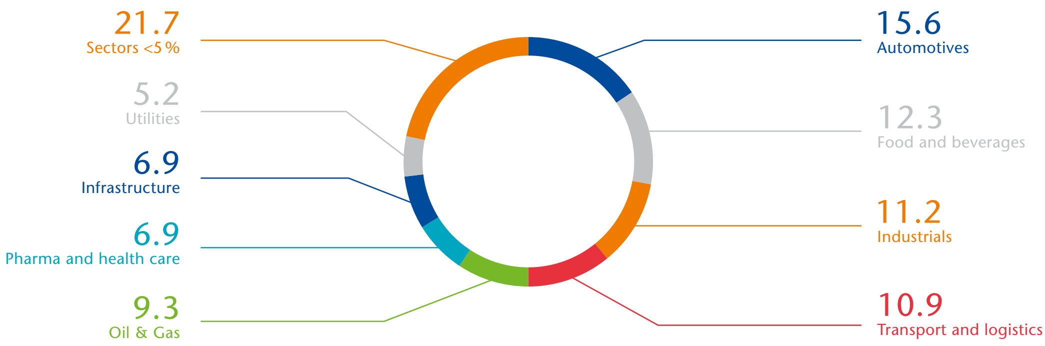
[1] As a result of roundings, there can be discrepancies when summing up.

Table 22

As at December 31, 2015, industrial promissory note loans, industrial bonds, and industrial commercial paper were distributed across the following industry sectors (market value: €422.1 million):

Allocation of industrial assets

in %

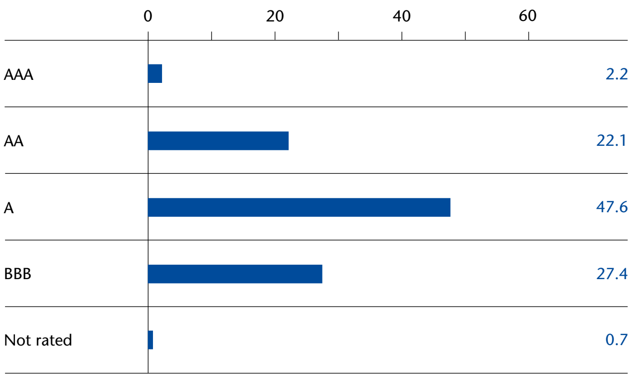


Graphic 12

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

in %



Graphic 13

On the balance sheet date rated (99.3 %) and non-rated assets (0.7 %) were in the industrial portfolio.

The cost of carry, which is calculated using a (tiered statement) maturity-matching principle, was –0.6 % (–€4.1 million) as at December 31, 2015.

Liquidity in the fully consolidated foreign Group companies was €329.7 million (previous year: €174.6 million). As it is partly subject to drawing restrictions – arising from conditions stipulated in the project financing agreements – it is not part of the asset management at Fraport AG.

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 forecast for the 2015 fiscal year (see the 2014 management report, "Business Outlook” chapter, starting on page 91), in respect of the asset and financial position the following variations occurred during the past fiscal year:

As a result of a later than planned start of construction of Terminal 3 in Frankfurt, the investment volume for property, plant, and equipment was slightly below the forecast for the 2015 fiscal year (forecast: slight increase in investment volume compared to 2014). As a result, the free cash flow was also more positive than anticipated and net financial debt was down stronger (forecast: ongoing significantly positive free cash flow, net financial debt slightly below the level on the balance sheet date of 2014). Among other things, due to the good development of the Group result, the Group shareholders’ equity and shareholders’ equity ratio achieved higher growth than assumed at the beginning of the fiscal year (forecast: in each case slight increases compared with the 2014 balance sheet date). As a consequence, also the gearing ratio fell at a faster rate than expected (forecast: decrease of up to approximately five percentage points). The low level of capital expenditure at regular depreciation and amortization also resulted in a reduction in total assets (forecast: slight increase compared to 2014).

The operating cash flow and Group liquidity developed as expected.

Value Management

Development of the value added 2015

€ million	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		External Activities & Services [1]	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Adjusted EBIT [1]	569.1	538.5	116.3	115.5	294.6	274.6	7.0	8.8	151.0	139.6
Fraport assets	6,071.0	5,830.5	2,481.0	2,456.1	1,887.5	1,870.0	608.8	605.2	1,093.8	899.2
Costs of capital before taxes	522.1	501.4	213.4	211.2	162.3	160.8	52.4	52.0	94.1	77.3
Value added before taxes	46.9	37.1	–97.1	–95.7	132.3	113.8	–45.3	–43.3	56.9	62.3
ROFRA	9.4%	9.2%	4.7%	4.7%	15.6%	14.7%	1.2%	1.4%	13.8%	15.5%

[1] Adjusted EBIT = EBIT plus earnings before taxes of the Group companies accounted for using the equity method
2014 values adapted to reflect the new calculation method to enable comparisons to be made.

Table 23

In fiscal year 2015, the value added of the Fraport Group was €9.8 million higher than the value of the previous year at €46.9 million (previous year: €37.1 million). The value added of the Aviation segment decreased slightly from –€95.7 million to –€97.1 million and remained negative. The value added of the Retail & Real Estate segment increased from €113.8 million to €132.3 million. The reason for this was the disproportionately large EBIT development of the segment in relation to the cost of capital before taxes. The value added of the Ground Handling segment declined slightly due to the decline in EBIT from –€43.3 million to –€45.3 million. The decline in the value added of the External Activities & Services segment was mainly due to the falling result at the Group company, Antalya, which is accounted for using the equity method, so that the value added was down from €62.3 million to €56.9 million.

The ROFRA of the Fraport Group rose as a result of the positive performance of the Retail & Real Estate segment from 9.2% to 9.4%.

Comparison with the forecasted development

Compared with the forecast for the 2015 fiscal year (see the 2014 management report, “Business Outlook” chapter, starting on page 91), in respect of the Group and segment added value contributions the following variations occurred during the past fiscal year:

As a result of a lower than assumed development of the adjusted segment EBIT, the value added for the Aviation and External Activities & Services segments were below those of the forecasts (forecast for Aviation: slight increase, forecast for External Activities & Services: noticeable increase). The better development of the results of operations in the Retail & Real Estate segment led in contrast to a segment value added that exceeded the forecast (forecast: roughly unchanged to the previous year).

The value added figures of the Group and of the Ground Handling segment were largely in line with the forecasts.

Non-financial Performance Indicators

Non-financial performance indicators

Indicators	2015	2014	Change	Change in %
Global satisfaction (Frankfurt)	80 %	80 %	0 PP	–
Punctuality rate (Frankfurt)	80.3 %	81.1 %	–0.8 PP	–
Baggage connectivity (Frankfurt)	98.8 %	98.6 %	0.2 PP	–
Equipment availability rate (Frankfurt)	98.9 %	97.7 %	1.2 PP	–
Employee satisfaction [1]	2.85	2.89	0.04	–
Total number of work accidents [2]	1,475	1,473	2	0.1
Rate per 1,000 employees [2]	27.0	28.8	–1.8	–

[1] Values without Lima and Twin Star Group companies, whose values were not available until the editors deadline.
[2] Values at the reporting date of December 31, 2015 and December 31, 2014.
As a result of late submissions, there may be changes to the figures.

Table 24

Customer satisfaction and product quality

Global satisfaction of passengers

As a result of the measures of the service program "Great to have you here!", over the past fiscal year it was possible at higher passenger numbers to maintain global passenger satisfaction at the Frankfurt site at the level of the 2014 fiscal year of 80 %. In addition, the willingness of passengers to recommend the site to others rose above 70 % for the first time. Among other things, the introduction of an unlimited free WiFi offering, additional resting and waiting areas in the terminals and improved orientation for passengers contributed to this.

At the Antalya site, customer satisfaction was 1.4 percentage points lower than the previous year's figure at 78.4 % (previous year: 79.8 %). The airport in Lima recorded in the most recent study an unchanged level of satisfied passengers of 95.0 % (in the previous study: 95.0 %). At the airports in Varna and Burgas, the satisfaction level, in line with the previous year was over 97.0 %. With strong passenger growth, the number of complaints in Ljubljana in 2015 was 137 (as a result of the late takeover in 2014 there are no comparable previous year figures for Fraport).

Punctuality rate

For the punctuality of aircraft movements at Frankfurt Airport, in 2015 there was a similar picture to the previous year. The results were adversely affected by strikes and weather. The record numbers in the summer months meant that there was a lower punctuality rate for the summer six months than for the winter quarters. With a punctuality rate of 80.3 % the previous year's figure was not fully achieved, but was still at a high level (2014: 81.1 %).

Baggage connectivity

In the past fiscal year, baggage connectivity at the Frankfurt site amounted to 98.8 % and was therefore 0.2 percentage points above the previous year's figure. Particularly in the summer months of 2015 and at the end of 2015, connectivity was increased above the comparable figures for the previous year.

Equipment availability rate

The equipment availability rate reached an average of 98.9 % in fiscal year 2015 and was thus 1.1 percentage points above the level of the previous year. Compared with the previous year, in particular the availability of escalators (an average of 98.4 % to 96.8 %) and lifts (an average of 98.9 % to 97.7 %) improved. With an average availability of 99.8 %, the gate bridges were available at almost all times during the year under review (previous year: 99.8 %).

Appeal as an employer

Employee satisfaction

The average grade for satisfaction by the employees of the Fraport Group was in the past fiscal year at 2.85 and therefore slightly up on the previous year's figure of 2.89. In particular the satisfaction of employees in Fraport AG increased. The response rate was almost unchanged to the previous year at 48 % (previous year 49 %).

Employee safety and health management

The total number of work-related accidents, including commuting and sports accidents over the past 2015 fiscal year totaled 1,475 (adjusted for FCS) and therefore increased by 2 over the previous year's figure of 1,473 (+0.1 %). After deducting non-reportable accidents, the number of accidents in the year under review was 585 reportable accidents, which, when taking account of the total number of employees, represented a rate per 1,000 employees of 27.0 (previous year: 28.8). For the fully-consolidated companies at the Frankfurt site this was 27.8 and therefore a rate of 2.3 below the previous year.

Comparison with the forecasted development

Compared with the forecast for the 2015 fiscal year (see the 2014 management report, "Business Outlook" chapter, starting on page 91), in respect of the non-financial performance indicators the following variation occurred during the past fiscal year:

Contrary to the forecast, the number of work-related accidents could not be reduced but rather was maintained at approximately the value of 2014. The other forecasts were met.

Employees

Development of employees in the Group

Average number of employees	2015	2014	Change	Change in %
Fraport Group	20,720	20,395	325	1.6
thereof Fraport AG	10,561	10,725	–164	–1.5
thereof Group companies	10,159	9,670	489	5.1
thereof in Germany	18,865	18,657	208	1.1
thereof abroad	1,855	1,738	117	6.7

Table 25

Compared with the previous year, the average number of employees (employees excluding apprentices and employees on leave) of the Fraport Group in fiscal year 2015 increased from 20,395 to 20,720 (+1.6 %). In Germany, there was an increase in demand for manpower, particularly in the Group company APS Airport Personal Services (+293 employees), as a result of increased traffic volume at the Frankfurt site. The reduction in headcount at Fraport AG (–164 employees), which was primarily due to the use of fluctuation combined with higher employment in the Group companies, had the opposite effect on the Group-wide headcount. Outside of Germany, headcount increased, largely as a result of the first-time full-year inclusion of the new Group companies Ljubljana (+301 employees) and AMU Holdings Inc. (+16 employees).

With a share of 10.1 %, the rate of employee turnover for permanent employees was slightly below the level of the previous year of 10.5 %.

Development of employees in the segments

Average number of employees per segment	2015	2014	Change	Change in %
Aviation	6,043	6,082	–39	–0.6
Retail & Real Estate	624	613	11	1.8
Ground Handling	9,262	9,038	224	2.5
External Activities & Services	4,791	4,662	129	2.8

Table 26

While the Aviation segment last fiscal year had a lower number of employees, primarily due to a decline in the number of persons employed at Fraport AG, the slight increase in the Retail & Real Estate segment however resulted from higher employment numbers in Fraport AG. In the Ground Handling segment, the number of employees increased in particular as a result of additional employees in the Group company APS Airport Personal Service. In the External Activities & Services segment, the number of employees increased due to the first-time full-year inclusion of the new Group companies Ljubljana and AMU Holdings Inc.

Development of total employees in the Group

Total employees as at the reporting date	December 31, 2015	December 31, 2014	Change	Change in %
Fraport Group	23,038	23,116	–78	–0.3
thereof Fraport AG	11,401	11,694	–293	–2.5
thereof Group companies	11,637	11,422	215	1.9
thereof in Germany	21,043	20,956	87	0.4
thereof abroad	1,995	2,160	–165	–7.6

Table 27

Compared with the previous year balance sheet date, the number of total employees (employees including joint ventures, temporary employees, apprentices, and employees on leave) of the Fraport Group as at December 31, 2015 fell to 23,038 from 23,116 (–78 employees). The decline at Fraport AG in the amount of 293 was mainly due to the fluctuation of employees associated with increased employment at Group companies (+215 employees). Abroad, among other things, due to the sale of Air-Transport IT Services as well as due to lower traffic-related employment in the Group companies Antalya and Twin Star, there was a reduction in the total number of employees (–165).

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 globalized 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 0.5 percentage points to 24.2 % in fiscal year 2015 (previous year: 23.7 %). At 29.3 % (previous year: 30.0 %), the percentage of women in the top five management levels exceeded the aforementioned Group-wide percentage of women again in 2015.

Further diversity indicators developed as follows in fiscal year 2015: The average age of the Group's workforce rose slightly from 42.4 years to 42.8 years. 20.2 % of employees had foreign citizenship (excluding German citizens with an immigration background) (previous year: 20.2 %). The Group-wide disability ratio reached a level of 7.9 % (previous year: 7.7 %). The number of training days increased from 3.0 days on average to 3.8 days in fiscal year 2015.

Research and Development

As a service company, Fraport does not undertake research and development in the strict sense. For the Group, 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 75).

Fraport therefore consistently uses its own employees' potential within the framework of its ideas management. During the past fiscal year there was again an "Ideas Day" set up by ideas management to honor the most committed submitters and assessors by the Executive Board. Overall, 807 ideas were submitted in 2015 and 67 ideas implemented (previous year: 854 ideas, 49 implementations). The economic benefits were thus improved in comparison with the previous year.

Fraport specifically carries out networking among other things within innovation management – pursuant to an "open innovation" – with companies in its own value chain as well as "best practice" companies in other sectors. Initial projects were also successfully initiated with start-ups explicitly from the Rhine-Main area. In 2015, the 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 appeal of the Frankfurt site.

Environment and Society

At its airport sites, Fraport serves the mobility requirements of the relevant regions and countries. At the same time, flight operations are invariably associated with direct and indirect burdens for local residents and the environment. In this area of conflict, Fraport faces up to its corporate responsibility. To the extent that this is feasible, Fraport ensures that the burden from airport operations is reduced.

The measures that Fraport starts and implements are wide-ranging. In this respect, the company bundles important issues and monitors the measures taken using targets and achievement levels. These issues include, among other things, active and passive noise abatement at the Frankfurt site, climate, nature, and resource protection. Whereas the measures in the area of active noise abatement are monitored by such means as flight noise measurements and the regular determination of those affected by flight noise in particular noise level ranges, the measures relating to passive noise abatement are measured for example by the value of the noise abatement measures constructed. The measures in the area of climate change are measured in particular with reference to the carbon emissions of the company. With regard to nature and resource protection, Fraport has set a goal inter alia to provide all environmentally relevant Group companies in which Fraport holds a stake of more than 50% with a certified environmental management system. In addition, in terms of social responsibility, the so-called value creation statement defines the company's positive contribution to the economic development of the various regions.

Noise abatement

For further noise abatement, over the past fiscal year Fraport has tested at the Frankfurt site in particular the potential of the "ground based augmentation system" (GBAS) navigation system introduced in 2014. GBAS supports satellite-guided precision approaches with a view to conduct curved approaching procedures without losing capacity in the longer term. In addition, the company also plans to use GBAS to introduce a steeper 3.2 degree approaching angle on all runways and thus to achieve further noise reduction.

In the past fiscal year, Fraport has implemented various further measures for passive noise abatement. Using construction changes, for example, it is possible to reduce noise levels in buildings. At the Frankfurt site, in this context Fraport has extensive statutory obligations for around 86,000 households whose claims are defined by such matters as noise protection areas. In order to support local residents in the determination of their rights and to assist their application, Fraport provides an extensive range of information and services on the Group website www.fraport.com.

Climate, nature, and resource protection

To reduce its own CO_2 emissions, Fraport drove forward the replacement of ventilation systems in Terminal 1 at the Frankfurt site in 2015. Additional energy-saving measures included terminal lighting control depending on usage, the use of LED bulbs in the freight transfer hall at Group company FCS, and the optimization of the 80 km long luggage transfer system. The measures relating to the “E-PORT AN” e-mobility project were also expanded in 2015. Based on preliminary figures, the Group parent company emitted over the past fiscal year around 218,000 metric tons of CO_2 and therefore 8.3% less than in the previous year. With regard to nature and resource protection, at the end of the past fiscal year 96% of the fully consolidated environmentally relevant Group companies were certified by an Environmental Management System (EMAS) or ISO 14001.

Value creation statement

Airports are important business locations and contribute directly and indirectly to economic and social value creation. Frankfurt Airport, for example, with more than 80,000 direct employees, is the largest regional place of work in Germany. Additional employment effects are also created in enterprises that are appointed by Fraport for the construction and maintenance of airport infrastructures. With a catchment area of around 38 million people in a radius of approximately 200 kilometers and in its role as one of the largest cargo airports in Europe, the Frankfurt site is one of the most important business locations of the country.

In this context, Fraport contributes comprehensively to social value creation. The company’s direct value creation includes expenses for personnel, capital expenditure, taxes, interest, and dividends to its shareholders. Over the past fiscal year the direct value added amounted to more than €2.7 billion. Indirectly the company contributes by such means as the consumption by airport employees and companies located at the airport, which also have their own value creation and in turn also employment effects.

Further information on the social and environmental commitment of Fraport AG is provided on the company’s website www.fraport.com.

Share and Investor Relations

Development of the share 2015

The German equity markets were clearly volatile in 2015. While Germany’s benchmark DAX index ended the reporting period 9.6% up compared to the 2014 fiscal year’s closing value at 10,743 points, the MDAX achieved a relatively strong increase of 22.7% to 20,775 points. After strong gains in the first quarter (DAX +22.0% and MDAX +22.1%), development cooled in the second quarter of 2015, primarily due to the uncertain economic development of Greece and the consequences for the European economy that may result (DAX in the second quarter: –10.4% and the MDAX: –6.2%). The low interest rates and overall favorable economic conditions continued to have a positive impact. The European Central Bank’s decision to purchase €60 billion in government bonds and other securities from Eurozone countries each month until the end of September 2016 also stimulated equity markets. In the third quarter, in particular the devaluation of the Chinese Renminbi at the end of August as a result of the concerns about China’s economic development and it becoming known in September that Volkswagen had manipulated emissions tests led to negative market reactions (DAX in the third quarter: –13.1% and the MDAX: –2.1%). In the fourth quarter of the fiscal year, the mood on the stock markets turned again. Among other things, the ECB’s decision to extend the bond buying program, as well as positive labor market indicators from the USA, caused prices to rise. As a result, the benchmark DAX index rose strongly by 11.1% and the MDAX by 7.8%.

Within this market environment, the Fraport share developed also very positive with a rise from €48.04 to €58.94 (+22.7%). Following share price growth of 15.9% in the first quarter of the fiscal year, the Fraport share gained again in the second quarter, increasing 1.2% to €56.34. Primarily due to concerns about China’s economic development, however, the value of the share fell 2.0% to €55.19 in the third quarter. Similar to the positive development of the leading German indices, the Fraport share – despite the uncertainties in the Far East and the decision to withdraw the application to increase Frankfurt airport charges – increased in the fourth quarter by 6.8% to the price of €58.94 at the end of the year. Cumulatively the increase in the share price in the course of the 2015 fiscal year therefore amounted to €10.90 (+22.7%) and taking into account the dividend payment on June 1, 2015 of €1.35 per share amounted to €12.25 (+25.5%).

The Fraport share therefore had a market capitalization of €5.4 billion at the year-end (previous year: €4.4 billion). The share was thus based on market capitalization the 18th largest stock among the 50 MDAX shares (previous year: 22nd place). Measured by traded stock market turnover in XETRA, the Fraport share ranked as in the previous year 40th place among the MDAX stocks. With an average of 151,188 shares traded daily, the share’s trading volume increased by 51.0% in 2015 (previous year: 100,101).

Fraport share

	2015	2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Opening price in €	48.04	54.39	48.04	55.67	56.34	55.19
Closing price in €	58.94	48.04	55.67	56.34	55.19	58.94
Change in absolute terms in € [1]	10.90	–6.35	7.63	0.67	–1.15	3.75
Change in % [2]	22.7	–11.7	15.9	1.2	–2.0	6.8
Highest price in € (daily closing price)	62.30	57.77	57.93	62.30	60.67	60.59
Lowest price in € (daily closing price)	48.04	47.19	48.04	55.72	51.63	54.51
Average price in € (daily closing prices)	56.34	52.13	53.48	58.11	55.87	57.87
Average trading volume per day (number)	151,188	100,101	126,772	148,938	176,356	150,714
Market capitalization in € million (quarterly closing price)	5,443	4,436	5,141	5,203	5,096	5,443

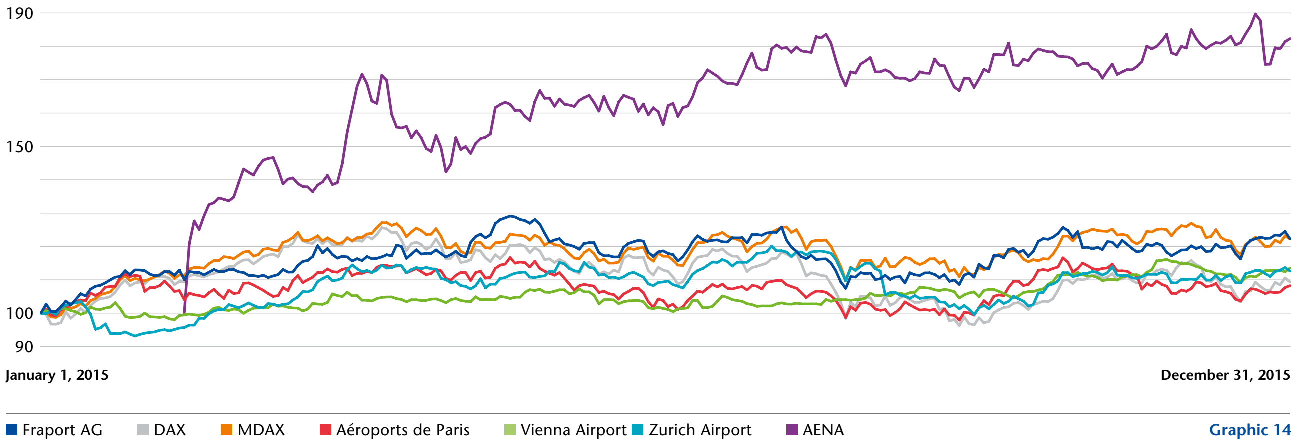
[1] Change including dividends: 2015: €12.25, 2014: –€5.10, Q2 2015: +€2.02.
[2] Change including dividends: 2015: 25.5%, 2014: –9.4%, Q2 2015: 3.6%.

Table 28

The shares of other stock-exchange listed European airports performed as follows: Aéroports de Paris +8.5%, Vienna Airport +14.0% and Zurich Airport +13.1%. Compared with its issue price of €58 per share on February 11, 2015, the Spanish airport operator AENA gained 82.4% by the end of the year.

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

in % (index base 100)



Graphic 14

Source: Bloomberg

Development in shareholder structure

Fraport was notified of the following changes in shareholder structure in the past fiscal year:

Notification of voting right pursuant to Section 21 of the German Securities Trading Act (WpHG)

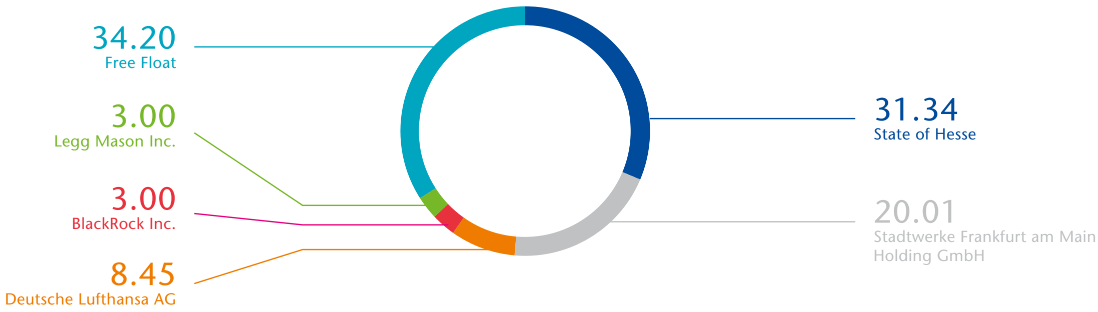
Holders of voting rights	Date of change	Type of change	New share of voting rights
RARE Infrastructure Limited [1]	March 10, 2015	Falling below the 5% threshold	4.87%
RARE Infrastructure Limited [2]	August 25, 2015	Falling below the 3% threshold	2.99%
RARE Infrastructure Limited [3]	September 10, 2015	Exceeding the 3% threshold	3.002%
RARE Infrastructure Limited [4]	September 11, 2015	Falling below the 3% threshold	2.99%
Legg Mason, Inc. [5]	December 2, 2015	Exceeding the 3% threshold	3.001%
BlackRock, Inc. [6]	December 18, 2015	Exceeding the 3% threshold	3.003%

[1] Of which 4.87% of the voting rights were assigned in accordance with Section 22 (1) sentence 1, No. 6 WpHG in conjunction with Section 22 (1) sentence 2 WpHG.
[2] Of which 2.99% of the voting rights were assigned in accordance with section 22 (1) sentence 1, No. 6 WpHG in conjunction with Section 22 (1) sentence 2 WpHG.
[3] Of which 3.002% of the voting rights were assigned in accordance with Section 22 (1) sentence 1, No. 6 WpHG in conjunction with Section 22 (1) sentence 2 WpHG.
[4] Of which 2.99% of the voting rights were assigned in accordance with Section 22 (1) sentence 1, No. 6 WpHG in conjunction with Section 22 (1) sentence 2 WpHG.
[5] Of which 3.001% of the voting rights were assigned in accordance with Section 22 WpHG.
[6] Of which 3.003% of the voting rights were assigned in accordance with Section 22 WpHG, Black Rock, Inc. were assigned instruments pursuant to Section 25 (1) No. 2 WpHG, that provided other voting rights of 0.03% and 0.11%.

Table 29

Shareholder structure as at December 31, 2015 [1]

in %



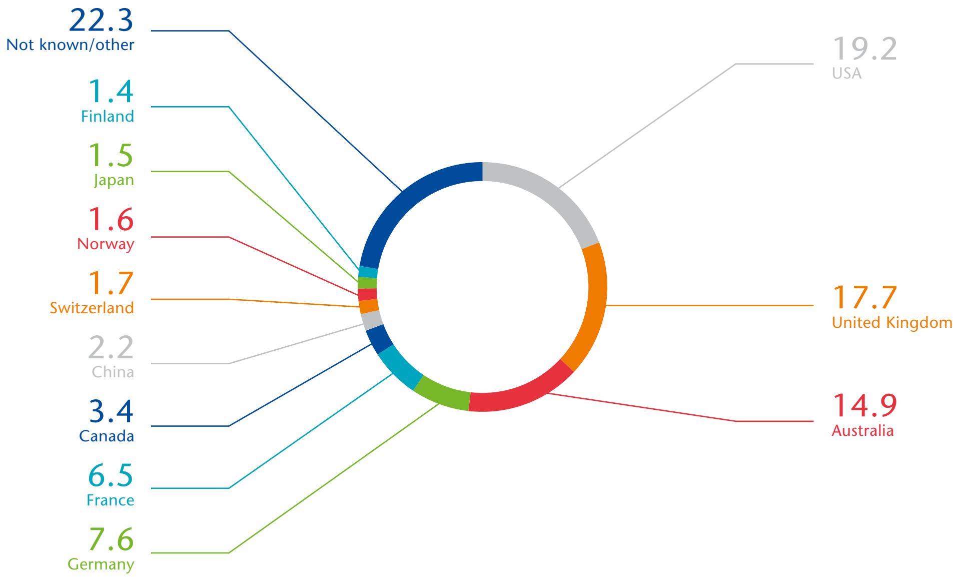
[1] The relative ownership interests were adjusted to the current total number of shares as at December 31, 2015 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Shares below 3% are classified under "free float".

Graphic 15

To the extent it was 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 of the State of Hesse, Stadtwerke Frankfurt am Main Holding GmbH, and Deutsche Lufthansa AG, Source: Ipreo.

Graphic 16

Dividend for the 2015 fiscal year (proposal for the appropriation of profit)

Fraport pursues a consistent dividend policy. The aim is that shareholders participate appropriately and long-term oriented in the business development. In this context, the Executive Board aims to pay out approximately 40 to 60 % of the profit attributable to shareholders of Fraport AG as dividends. Here, the dividend per share should reach at least the level of the previous year.

For the 2015 fiscal year, the Executive Board intends to propose to the 2016 AGM an unchanged dividend compared to the previous year of €1.35 per share. Compared to the share closing price in 2015 of €58.94, this would correspond to a dividend yield of 2.3 % (previous year: 2.8 %). The profit earmarked for distribution of €124.7 million (previous year: €124.7 million) would then equate a pay out of 45.1 % based on the profit attributable to shareholders of Fraport AG in the Group result of €276.5 million (previous year: 53.1 %).

Investor Relations (IR)

Consistent, comprehensive and proactive communication with investors and analysts is of utmost importance to the Fraport IR department. The IR team maintains personal contact with existing and potential investors in the context of road shows, capital market conferences, and meetings at the company's headquarters at Frankfurt Airport. Over the past fiscal year there were also targeted individual and Group meetings as well as presentations with the company's chief executive officer and chief financial officer. The central topics for discussion in 2015 remained the current and expected traffic developments at the company's sites, planning for the construction of Terminal 3, as well as the development of the free cash flow and dividends. Other issues related to the cost situation in particular in the Aviation and Ground Handling segments, the development of airport charges in Frankfurt, the strategy of Deutsche Lufthansa in its role as the main customer at the Frankfurt site as well as portfolio development, and strategy in the External Activities & Services segment.

Furthermore, the IR team was available by phone or by e-mail for a direct dialog. The analysts' conference on the publication of the 2014 results in March 2015, the AGM in May 2015, three conference calls on the quarterly reports, and the provision of up-to-date information on the IR website www.meet-ir.com rounded off the range of IR services in the past fiscal year.

Annual General Meeting (AGM)

At the last AGM on May 29, 2015, Fraport received a clear majority for all agenda items from its shareholders. The capital entitled to vote was represented with 81,614,693 ordinary shares and the same number of voting rights (88.38% of capital). The detailed voting results as well as further information about the AGM are available on the company website www.fraport.com in the Investor Relations section. The AGM for the 2015 fiscal year will be held on May 20, 2016 at the Jahrhunderthalle in Frankfurt.

Data relevant to the capital market

		2015	2014
Share capital Fraport AG [1]	€ million	923.9	923.4
Total number of shares as at December 31	Number	92,385,076	92,342,748
Number of floating shares [2] as at December 31	Number	92,307,711	92,265,383
Number of floating shares (weighted average of reporting period)	Number	92,289,839	92,240,662
Absolute share of capital stock	per share, in €	10.00	10.00
Annual performance (including dividend)	in %	25.5	–9.4
Beta relative to the MDAX		0.80	0.80
Earnings per share (basic)	in €	3.00	2.54
Earnings per share (diluted)	in €	2.99	2.54
Price-earnings ratio		19.6	18.9
Dividend per share [3]	in €	1.35	1.35
Profit earmarked for distribution	€ million	124.7	124.7
Dividend yield as at December 31 [3]	in %	2.3	2.8

ISIN	DE 000 577 330 3
Security identification number (WKN)	577330
Reuters ticker code	FRAG.DE
Bloomberg ticker code	FRA GR
Selected indexes	MDAX, FTSE4Good Index, STOXX Global ESG Leaders Index, Euronext Vigeo (Europe 120/Eurozone 120), Germany Ethical 30 Share Index, Climate Disclosure Leadership Index (CDLI).

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

Table 30

Significant Events after the Balance Sheet Date

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

Outlook Report

General Statement of the Executive Board

Following signature of the concession agreements for the operation of the 14 Greek regional airports, at the time of preparing the consolidated financial statements the Executive Board expects the transaction to be closed at the end of 2016 and to take over operation of the airports. As there were still conditions precedent at the time of preparing the consolidated financial statements (see chapter titled "Significant Events" beginning on page 48), there is, however, the possibility that the closing of the transaction will be delayed. The Executive Board therefore forecastes the financial development for the 2016 fiscal year first without effects from the closing of the Greece transaction, followed by a forecast of the impact of the transaction. The order selected does not reflect the probability 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.

In the medium-term forecasted period of the next five years, the Executive Board expects the global economy to expand, which will have a positive impact on the development of air traffic in general as well as on the Group airports. Correspondingly, the Executive Board forecasts positive operating development for the Group in total. Uncertainties continue to result from political crises, particularly between Russia and Ukraine and between Russia and Turkey. These may particularly impact the business development of the Varna and Burgas, Antalya and St. Petersburg sites. In addition, terrorist attacks or the threat of terrorist attacks in touristic areas may have an impact on passenger demand at the Group airports. At the Frankfurt site, the situation in the Ground Handling segment in particular remains challenging and difficult in view of the intense competitive environment.

For the Frankfurt site, the Executive Board expects continuing stable growth in passenger numbers, estimating growth at around 1 % to approximately 3 % in the 2016 fiscal year – partly due to geopolitical tensions – . In addition to the expected traffic growth, the Executive Board expects additional revenue from the further development of the retail business. Exchange rate fluctuations that impact the purchasing power of passengers may additionally have positive or negative effects. In connection with the continuing shortfall in covering the capital costs in Frankfurt and the further investing activities at the airport sites, particularly in Frankfurt, in the forecasted period the Executive Board expects increases in airport charges, which he expects to materialize in Frankfurt from fiscal year 2017 onwards. The sale of shares in the Group company FCS will lead to a decrease in revenue in the Ground Handling segment in fiscal year 2016. Due to the Group company's low operating margin, this will, however, have no significant impact on the segment's EBITDA. The Executive Board expects negative effects at the Frankfurt site to come in particular from additional personnel expenses in connection with pay increases under collective bargaining agreements and from a higher cost of materials for reasons relating to traffic volumes.

Outside of Frankfurt, the financial development of the Lima site – in addition to the assumed positive operating development – is particularly characterized by exchange rate effects in connection with the translation of the revenue denominated in US$ into the Group currency. As previously described, the development of the Varna and Burgas, Antalya and St. Petersburg sites is largely determined by the political developments around Russia. Travel restrictions between Russia and Turkey may have a negative impact on the Antalya and St. Petersburg sites. Russian passengers switching to alternative vacation destinations may, in contrast, have a positive impact on the Varna and Burgas sites. In connection with the terrorist attacks that have taken place in Istanbul and Ankara since the start of 2016, there is additionally a negative development of tourist traffic in Antalya in fiscal year 2016 to be expected. The Executive Board assesses the further development of the Ljubljana, Hanover and Xi'an sites as positive overall, whereas the Xi'an site should exhibit continuing high momentum.

Although it remains difficult to forecast the financial result, which is due to future changes in interest rates and exchange rates and from the uncertain operating and financial development of the Group company Antalya, the Executive Board anticipates a positive overall development in the Group result in the forecasted period. In the event that the Greece transaction is closed as early as the end of 2016, the 2016 Group result may also decrease temporarily (see also the "Business Outlook" chapter beginning on page 94). In the medium-term forecasted period, the operation of the Greek regional airports will have the impact of increasing the result. Here the Executive Board expects significant growth in revenue in the lower triple digit million € range for the 2017 fiscal year and an associated significant increase in EBITDA.

With regard to the asset and financial position, despite ongoing capital expenditure on maintenance measures and in Terminal 3, the Executive Board expects positive free cash flows in the short to medium term (without taking payments for the acquisition of Group companies and concessions into account), which, after the deduction of dividend payments, will lead to a reduction of net financial debt and the gearing ratio. In connection with the closing of the transaction to operate the 14 Greek regional airports, however, depending on the date of closing and of the financing of the one-off payment of €1,234 million, there will be a significant increase in net financial debt of up to approximately €1.1 billion, if circumstances remain the same. The gearing ratio will also increase significantly as a result. In connection with the medium-term capital expenditure requirements at the Frankfurt, Lima, and Greece sites, overall the Executive Board expects a temporary increase in net financial debt and the gearing ratio in the medium-term forecasted period.

Despite the higher debt, the Executive Board continues to assess the Group's financial situation in the forecasted period as stable. As at the date of preparing the consolidated financial statements, the Executive Board does not see any significant risks that might jeopardize the Fraport Group as a going concern (see also the "Risk and Opportunities Report" beginning on page 75). Apart from the closing of the Greece transaction, there are no further significant acquisitions or disposals of companies or increases or reductions in shareholdings in the forecasted period foreseen.

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.

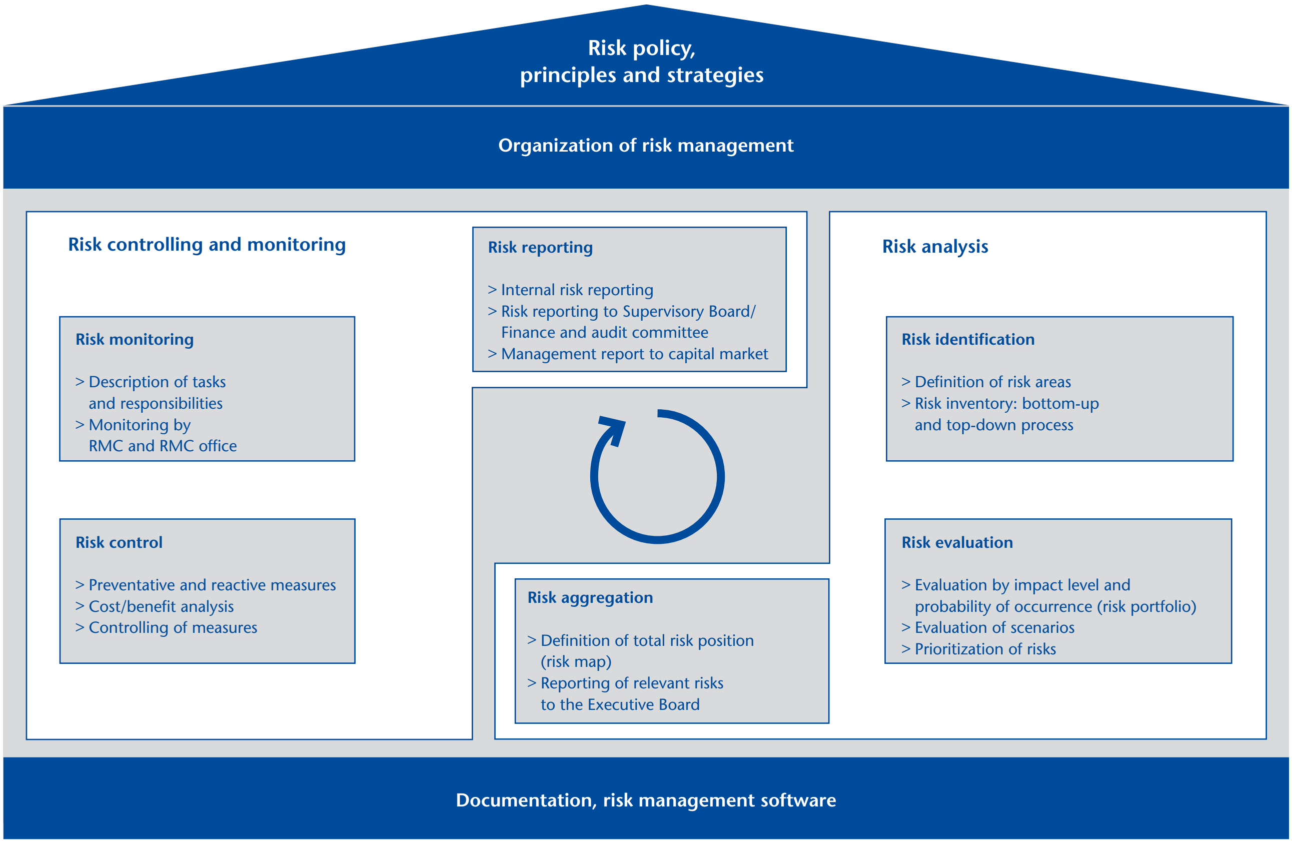
Risk strategy and objectives

Within the further development of Fraport it is always, within the context of the integrated strategy and planning process, 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.

The risk management system



Graphic 17

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 (ICS), as well as the regular updating and implementation of the risk management and ICS policy in the Fraport Group. The RMC reports to the Executive Board on a quarterly basis immediately after its meetings.

The risk management system is documented in writing in a policy for Fraport AG and one for the Group companies to be included, and is closely linked to the central 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.

Using a risk-oriented scope procedure, which is to be performed annually, the Risk Management and Internal Control System department determines which Group companies should be included in the standardized ICS procedure. Based on an annually updated analysis, this process records internal risks along the very significant business processes, mitigates them through suitable control activities and/or reduces them to an appropriate level. Based on an annual self-assessment by the responsible departments and Group companies (so-called control self-assessment), the effectiveness of the key process controls is assessed and the results of this effectiveness assessment is then reported to the Executive Board and the Supervisory Board. Through linking the risk management system to the ICS, 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 systems. 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 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 probability 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, are able to jeopardize the company as a going concern. For this purpose, the financial impact (quantitative assessment or – if this is not possible – grouping into the relevant impact levels) 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 risk carriers 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 four categories: “low”, “medium”, “high” and “very 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 four categories: “unlikely”, “possible”, “likely” and “very likely”. The risk level (“low”, “moderate”, “significant” and “very significant”) arises from the combination of impact level and probability of occurrence.

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.

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 minimize 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. Here, 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 consolidates and aggregates the quarterly risk reports from the divisions and Group companies as required 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 as "significant" or "very significant" on the basis of their net assessment according to systematic evaluation standards used Group-wide.

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

Twice a year, the Executive Board reports the "significant" ("amber") and "very significant" ("red") risks, including their changes, to the Supervisory Board with a focus on 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				
very likely > 80%	Strategic business units, service and central units/ Group companies	Finance and audit committee/ Executive Board, RMC	Management report, finance and audit committee/Executive Board, RMC	Management report, finance and audit committee/Executive Board, RMC
likely > 50%–80%	Strategic business units, service and central units/ Group companies	RMC	Management report, finance and audit committee/Executive Board, RMC	Management report, finance and audit committee/Executive Board, RMC
possible > 20%–50%	Strategic business units, service and central units/ Group companies	RMC	Finance and audit committee/ Executive Board, RMC	Management report, finance and audit committee/Executive Board, RMC
unlikely ≤ 20%	Strategic business units, service and central units/ Group companies	Strategic business units, service and central units/ Group companies	RMC	Finance and audit committee/ Executive Board, RMC
	low ≤ €3 million	medium > €3–10 million	high > €10–20 million	very high > €20 million

Level of financial impact

Graphic 18

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 is 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 2015

The new risk management policy for Fraport AG and the new Group policy for the Group companies to be included came into force as at January 1, 2015. The principles, procedures, instruments, risk areas, competences and responsibilities within the Group and also the requirements for reporting and the communication duties are set out in it. 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 furthermore redefined and each was extended by an additional level. The switch to the new 4x4 risk matrix did not result in any significant changes in the assessment of or duty to report risks to the Executive Board and the Supervisory Board.

In addition, an e-learning module was developed on the topic of risk management, which is expected to first be rolled out in Fraport AG in the first quarter of 2016. This is intended to contribute to further embedding the risk culture in the company.

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

In terms of 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 separate financial statements of the parent company and subsidiaries, joint ventures and associated companies (commercial balance sheet I) to the separate financial statements prepared in accordance with Group-wide accounting and valuation methods (commercial balance sheet II) is carried out 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 commercial balance sheet I to commercial balance sheet II. The effectiveness of the Group accounting process and its compliance 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 fundamental 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 separate financial statements in accordance with German commercial and stock market regulations. Fraport AG has developed a HGB accounting policy to ensure that its accounts are prepared consistently and in accordance with the principles of proper accounting.

Accounting at the Group parent company Fraport AG is, as far as possible, carried out locally 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-ledgers and general ledger 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 its accounting. Accounting-related internal controls are carried out, where possible, in 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 monitoring 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 preparing 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 accounts receivable accounting process includes the valuation of receivables, i.e., the creation of allowances. In asset accounting, the closed sub-ledger reflects scheduled depreciation and amortization and impairment losses on property, plant, and equipment. The Treasury department is responsible for the operational processes of its own sub-ledger (including cash pooling) and for providing the information required for recognizing financial instruments in the general ledger.

After the closing of the sub-ledgers, the 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 taxes on income, 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 or on the asset, financial, and earnings position and/or reputation 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 – directly or indirectly – subject to the risks described.

Strategic risks

General economic risks

The global economy developed with limited momentum in 2015, and the consequences of the financial and debt crisis have been overcome to differing degrees. Industrial nations' 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 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.

Further expansion of the global economy is expected for 2016 (see also the "Business Outlook" chapter beginning on page 94). Nevertheless, 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 insolvencies 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 risks currently existing in China (constrained growth as a result of structural change), Japan (recession), and Russia (continuing sanctions and a fall in earnings due to the drop in the price of oil) as well as in various emerging countries could have a dampening effect on the global economy and, as a result, on 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. In the personnel area, Fraport has agreements with the employee representative body in order to be able to intervene with countermeasures to a certain extent.

An increasingly unstable geopolitical situation in the Middle East and North Africa in the form of 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, or flight bans between states may lead to further limitations on services supplied.

As an international air traffic hub, Frankfurt Airport benefited in the past from the fact that it was possible to compensate for the effects of crises in a relatively short time. However, experiences with the most recent crises could indicate that it may take increasingly long to return to the pre-crisis growth path. Furthermore, structural changes in business travel (e.g. further reduction in the number of business trips) could have a direct or indirect impact on Fraport's business. Furthermore, currency rate fluctuations, unemployment, and changes in consumer behavior insofar they influence passengers' shopping habits can also impact the earnings of the Fraport Group 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 development.

Given the difficult situation described, Fraport estimates the potential impact level of the macroeconomic factors as "very 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.

Subdued 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 offer to other airport locations. Often, changes do not occur smoothly, but if there are strikes by employees this may damage Frankfurt Airport through flight cancellations or cancellations of feeder traffic.

The amount of transfer traffic also varies depending on the number and appeal 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 its established European competitors. It is also faced increasingly with new competitors. Political and regulatory decisions on regional, national, and European level have a partial impact on the market, and therefore competition through 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 in 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 further 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, 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 "very high" and the probability of occurrence as "possible". The traffic assumptions underlying the 2016 Business Plan were used with a growth assumption of 2 to 3 % for passenger traffic and, due to geopolitical tensions at the time of preparing the consolidated financial statements, were adjusted to approximately 1 to around 3 %.

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. A state-of-the-art drainage system could be necessary for the northern part due to deicing fluids measured last winter, or their degradation products.

The order does not contain any conditions for the realization of a state-of-the-art drainage for the parallel runway system. However, there is fundamentally a risk that, if deicing fluids are detected in the groundwater also in connection with the parallel runway system, the higher water authorities will call for a state-of-the-art drainage system and impose a corresponding water order. The impact level is assessed as “very high”, the risk level as “very significant” 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 that 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 is 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 negative impact on the conditions for the development of the site.

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 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. In a significant non-test case (Flörsheim vs. the State of Hesse) and as a result in further non-test cases, the cases heard were rejected in the first instance. 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 €2,526 million as at December 31, 2015 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 “unlikely”. However, if the risk was realized, the impact (impact level) of the risk would be “very high”.

Financial risks

“Risk report” pursuant 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 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 control 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 canceled 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. Fraport assesses the probability of occurrence of this risk as being “unlikely” and the potential impact (impact level) as “high”. 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 market 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 “unlikely” and the potential impact (impact level) as “medium”.

Foreign currency risks mainly arise from financing 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 is made on a case-by-case basis on the further course of action with the asset or derivative, taking into account the remaining term.

As of the beginning of 2013, investments in bonds without ratings have also been possible in individual cases, within narrowly defined limits. The counterparty’s issuer and issue ratings are regularly monitored. In addition, ongoing reporting regarding the counterparties is monitored. 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 term 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 “unlikely”, 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 48.

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 possible 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, anti-trust, data protection 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 management that are recognized by Fraport. These include the risk of fraud, misrepresentation or manipulation of financial data or bribery and corruption, with the consequence that Fraport could suffer asset losses and/or reputational damage. Fraport is proactively working to counter these potential risks through the establishment and expansion 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 central ICS. In addition to this, Fraport has implemented various whistle-blower systems, which employees and external parties can turn to confidentially and anonymously. In addition, a regular review is made of the applicable policies for whether they are current and appropriate. All policies adopted by the Executive Board are freely accessible to all employees via the intranet. Furthermore, Fraport documents important business processes to create transparency, and promotes the implementation of suitable control mechanisms. In view of the previously described effective compliance structures, the probability of occurrence of a compliance violation with a "high" potential impact (impact level) is assessed as being "unlikely".

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 case of Fraport against the Republic of the Philippines in front of the International Centre for Settlement of Investment Disputes (ICSID), following the court of arbitration's declaration in its decision of December 10, 2014 that it was not competent, Fraport continues to pursue claims for compensation via the local project company Philippine International Air Terminals Co., Inc. (PIATCO), in which Fraport holds 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 Supreme Court of the Philippines in Manila ruled on September 8, 2015 that the Philippine government must pay PIATCO compensation of a further approximately US$510 million. This sum takes account of the advance payment of around US$59 million made by the Philippine government to PIATCO in 2006 and interest as per December 31, 2014 for the Terminal 3 project in Manila. This decision is not yet legally binding. It was contested by all parties with appeals before the Supreme Court. No decision has yet been made. Fraport is not a party in the expropriation proceedings, as this is directed against the project company. However, a conclusive decision in the expropriation proceedings regarding the payment of compensation also affects Fraport as a shareholder in PIATCO.

At the beginning of 2003, the shareholders and directors of PIATCO – against Fraport's votes and those of the PIATCO directors Fraport 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 "very high".

As reported, one Philippine law firm as well as one former Philippine minster had each filed claims for damages against Fraport, two former board members, and two Philippine attorneys of Fraport for alleged defamation for PHP 100 million in each of the cases (around €1.6 million) and had filed criminal charges in the same matter. The civil action tracing back to the lawsuit by the law firm has now been discontinued because of a settlement. The proceedings, which trace back to the lawsuit by the former Philippine minister, in part remain pending, although here too it has now been possible to reach a settlement with the plaintiff, the court has not yet ruled on a motion to dismiss the proceedings. The guarantee provided at court in these proceedings remains in existence for the time being. Furthermore, exemption declarations were issued to the Philippine lawyers. With regard to the criminal charges filed, investigation and criminal proceedings are currently still pending, whereas a joint motion by the plaintiff and the accused to dismiss the proceedings has now been submitted in each of the cases. No ruling has yet been made on these. In order to cover the still existing risk, a provision of €2.0 million continues to exist. Fraport denies these allegations. The probability of occurrence of the risk described continues not to be assessable in view of the still ongoing proceedings.

All of the legal risks described are counteracted by Fraport in each case appointing experienced law firms to represent it.

Other legal risks

Tax risks affecting the tax items in Fraport's statement of financial position 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 "very high") and, taking the project-related monitoring measures into account, the probability of the risk materializing as "possible".

Risks from Airport Expansion South

Airport Expansion South is also subject to the risks typical for large construction projects described before. To this extent, the various risks for this project described before also apply. Due to the long duration of such specific large infrastructure projects, further risk positions arise in relation to external influences from the public, the environment, politics, crises or customer/market developments, technological changes, engineering practices or other legal requirements.

The project risk for further airport expansion, particularly Terminal 3, is defined as "overall deviation of current cost forecasts from the approved capital expenditure program" and its impact on cash flow. As at the balance sheet date, none of the risks mentioned with respect to their impact level and/or probability of occurrence are discernible for Airport Expansion South.

Risks attributable to investments and projects

Investments and airport operating projects are, like Fraport AG at the Frankfurt site itself, 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 either capital-intensive investments, such as the acquisition of long-term concessions or the acquisition of shares in airports, or as business models with no capital investment or only a small amount, such as the conclusion of service contracts (management contracts). Here, Fraport is also active in countries, such as China and Russia, which can hold higher risks for investors than is the case for investments 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. Furthermore, there is a risk that concessions acquired whose terms end and which are put out to tender as scheduled may not be won again, contrary to our assumptions.

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 shareholders' equity 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 reasonable.

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 development. 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.

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 and consumer behavior by passengers. 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 "very significant" risks to project financing or the capital invested. 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 completion date of a tunnel to relocate a main road, which is directly connected to the handover of land, is still uncertain. The handover of land by the government to LAP therefore continues to be delayed. While the associated deviations regarding the expansion costs and/or the timetable can be classified as "possible" – if they occur – this would result in a presumably "very high" impact level. In order to adequately counter the risk, the management of LAP is working on the new conceptual design and cost optimization of the terminal expansion project.

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, particularly against military and police establishments but also against public institutions and at political demonstrations (almost exclusively in the urban centers of Istanbul and Ankara), political unrest in the past, and conflicts in the border area with Iraq and Syria, security measures in Turkey remain at a high level throughout the country. 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 nor the terrorist attacks have had a noticeable negative impact on the development of tourism in the region around Antalya. The latest tensions between Russia and Turkey and the resulting sanctions by Russia, which include a suspension of charter traffic as of January 1, 2016, could have a significant negative influence on traffic in Antalya if they continue into the 2016 summer season or beyond. With the latter risk in particular, it appears "likely" that such a development could imply "very high" 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. Due to political developments and the uncertainty about how the relationship between Russia and in particular the USA and Europe will develop, and also whether additional sanctions will be imposed against Russia and how strongly the Russian government could react to these, there are considerable uncertainties regarding the investment there. Direct measures that could be taken against foreign investors would, at least in the short term, result for Fraport in a weakening of the Group company in St. Petersburg. This "unlikely" risk would potentially result in a "very high" impact level for Fraport. Furthermore, due to the general political and economic developments, a weaker ruble exchange rate and increasingly negative traffic developments cannot be ruled out.

In connection with this, last year's annual report reported on the negative equity situation of Northern Capital Gateway, primarily caused by the strong depreciation of the Russian ruble. In the past fiscal year, it was possible to remedy this situation through restructuring. This involved the takeover of the existing liabilities of Northern Capital Gateway by Thalita Trading Limited, Cyprus, followed by their conversion into shareholders' equity in Northern Capital Gateway, thus remedying its negative shareholders' equity.

As well as the uncertainties regarding the interest in St. Petersburg and in addition to the berfore-described risk relating to the sanctions announced by Russia against Turkey, there could also be negative effects on passenger numbers – particularly at the tourist-centered airports in Bulgaria and Turkey in which Fraport holds shares – due to the general political development in Russia, the currently weak ruble, and the resulting changes in travel behavior, particularly among Russian and Ukrainian tourists.

On the basis of existing contracts between Fraport AG, its Group companies, and various principals, guarantees and sureties from Fraport AG exist. A claim under such collateral by the contractor is classified as "possible", depending on the circumstances of the respective project. If such a risk occurs, up to 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 participation of employees in the company's success, and concrete measures for good work-life balance. 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 into 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 planned change to the German Temporary Employment Act as at January 1, 2017, the risk exists, within the context of employing employees through temporary employment, that the number of employees that can be permanently employed in future must be reduced. The current bill includes the principles already announced in the coalition agreement to in future limit temporary employment contracts to a maximum of 18 months in relation to the person performing temporary employment. In addition, after no later than nine (in exceptional cases twelve) months, equal pay is to apply. Therefore, the risk exists for Fraport that the permanent use of personnel through temporary employment contracts may no longer be admissible in future, compared to the current situation, and thus employees from temporary employment will only be able to be employed in auxiliary roles for limited periods of time and with correspondingly restricted qualifications. Without alternative solutions, the required additional volume of work would need to be covered with the parent company's personnel, which would lead to additional costs of an estimated double-digit € million figure in the period under review. In view of this situation, adequate options for an alternative structure have already largely been worked out. The key structuring options are being prepared. Talks with the competent employee representatives have already commenced. Due to the measures already started, Fraport assesses the probability of occurrence of the risk as "possible", and the impact level as "low".

For the purpose of granting a company pension under the statutory insurance scheme based on 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 development, the ZVK has the problem that the current levies are not sufficient to finance the benefits in the long term. 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 funding shortfall 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 funding shortfall. 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 was realized, its impact would be "very high".

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 conditions, 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 carries out all of the necessary processes airport-wide in the event of emergencies. In order to verify the adequacy of these plans and measures 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 at airport companies. It particularly includes loss events that result from the loss of or damage to assets, including resulting business interruptions, as well as the statutory 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 insurable 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 potential 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 "very high" financial impact (impact level) – in spite of possible insurance protection – depending on the seriousness. This assessment takes account of far-reaching consequences for the Fraport business, for example, from natural disasters or terrorist attacks. As such unusual disruptions tend to be rare, Fraport assesses the probability of occurrence as "unlikely".

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 Fraport AG's business-critical IT systems and their availability. The requirements for IT security are specified and compliance with these requirements is reviewed in the IT security policy and security guidelines that must be followed throughout the company. Furthermore, compliance with data protection regulations is ensured. In addition to this, residual risks from failures that occur, are, in as far as economically reasonable, 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. Despite the preventative and proactive measures introduced, the potential effects (impact level) of an IT failure lasting several hours are assessed as "high" in at least one scenario and the probability of occurrence as "unlikely".

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, that 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.

In general, 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 2016 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 – directly or indirectly – subject to the opportunities described.

Overall economic opportunities

The European 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 turbulence 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 are conceivable. For 2016, experts expect economic growth to be at the same level as or only slightly higher than the level of 2015 not just for the global economy, but also for the USA, the EU and Germany, which are particularly important economic areas for the hub operations in Frankfurt. Global trade is assumed more dynamic, although German exports will be hurt by the economic slump in several emerging markets (see also "Business Outlook" chapter, beginning on page 94).

Continuing favorable crude oil prices, like as of fall 2014, would relieve pressure on the international and national economy, including the air traffic industry and consumer households, and facilitate travel behavior. A continuing weak € 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.

According to the preliminary figures from ACI, global passenger traffic grew by 6.1 % in fiscal year 2015. European airports achieved lower growth in passenger numbers of 5.0 %. IATA assumes global passenger growth of 6.9 % for 2016, based on revenue passenger kilometers (RPK), and a growth rate of 5.9 % for Europe. These growth rates bear witness to the currently dynamic development of the air traffic industry. In a long-term context, the annual growth of passenger kilometers globally is higher than economic growth, meaning that the chance of significant growth in traffic also exists for 2016. The traffic assumptions underlying the 2016 Business Plan were used with a growth assumption of 2 to 3 % for passenger traffic and, due to geopolitical tensions at the time of preparing the consolidated financial statements, were adjusted to approximately 1 to around 3 %.

Largely independent of the current 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. Only shifts in production sites are discernible. For example, China is starting a structural change away from the "workshop of the world" to a service-oriented economy.

Global air traffic in particular provides the key infrastructure required for continuing the internationalization of the global economy. 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 crisis, and the current debt crisis. However, some emerging markets that depend on commodity exports recently exhibited dips in growth.

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 and balance out geopolitical risks 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.

The construction work for the new Terminal 3 in Frankfurt began with the official ground-breaking ceremony on October 5, 2015. With Terminal 3, Fraport has the potential to also participate in the worldwide growth in air traffic in the medium and long term. The inauguration of the first construction phase with a capacity of up to 14 million passengers per year is planned for 2022.

The discontinuation of regulatory measures that distort 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 potential existing areas. 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. At the same time, the opportunities available in an increasingly digitizing world are used, for example through developing innovative multichannel offers for the customer in addition to bricks-and-mortar retail.

External business

Fraport's expertise is now represented at 14 airports worldwide. 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 direct investment portfolio with four minority-owned airports. In addition to this portfolio, Fraport holds all the shares in the US company AMU Holdings Inc., which is in turn 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 approximately 70 million passengers. On December 14, 2015, Fraport also signed concession agreements with its consortium partner, the Copelouzos Group, to operate the 40-year concessions of 14 Greek regional airports. At the time of preparing the consolidated financial statements, the Executive Board expects the transaction to be closed and Fraport to take over the concessions at the end of 2016.

Clear aim is to increase the result from the external business in the next few 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. Case-by-case projects are initiated to use the identified optimization potential (such as the lean management initiative). Through this continuous process, it shall 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 intersections 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 very significant for the Group'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. 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 "very significant" 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 Group's risks and opportunities are regularly discussed and assessed at Executive Board level and within the context of the regular planning process. 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 2016 fiscal year. No material effects on the asset, financial, and earnings position will result from amendments of the accounting standards. The medium-term forecasted period comprises a period of five years.

As already described in the General Statement of the Outlook Report, 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 at the end of 2016. As there were still conditions precedent at the time of preparing the consolidated financial statements (see chapter titled “Significant Events” on page 48), there is, however, the possibility that the closing of the transaction will be delayed. The Executive Board therefore forecasts the development of the asset, financial, and earnings position for the 2016 fiscal year first without effects from the closing of the Greece transaction, followed by a forecast of the impact of the transaction. The order selected does not reflect the probability 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.

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 75.

Forecasted situation of the Group for 2016

Development of structure

The planned closing of the transaction for the operation of the 14 Greek regional airports will result in a new key Group site (“Greece”). The site will in future have a material impact on the Group’s asset, financial, and earnings position. The Executive Board does not expect any further changes to the Group structure in fiscal year 2016 that will have a significant impact on the asset, financial, and earnings position.

Development of strategy

As described in the “Strategy” chapter on page 33, the new mission statement converts the previous strategy “Agenda 2015” into a new strategy. This will be introduced in the Group starting from 2016 and rolled out in the individual segments and Group companies. The new mission statement underpins the existing business model and the Group’s current plans. The Executive Board does not anticipate any material effects on the structure of the Fraport Group or impacts on the future asset, financial, and earnings position from the change.

Development of control

Compared with the 2015 fiscal year, the Executive Board does not expect any fundamental changes in 2016 in the financial and non-financial performance indicators that are used to control the Group and derived from the strategy. Due to regular reviews and the further development of the Group strategy, however, changes to individual parameters and key figures may arise. The Executive Board does not expect any fundamental changes to the strategic focus of finance management in 2016.

Forecasted economic and industry-specific conditions for 2016

Development of the economic conditions

Financial and economic institutions expect the global economy to expand further in the 2016 fiscal year. Following global economic growth of approximately 3.1 % in 2015, an increase of 3.0 % to 3.4 % is expected for the current fiscal year. Global trade will rise by up to 3.4 %, according to current forecasts. Overall, inflation is expected to be moderate. The expansionary monetary support by central banks counteracts the price decrease in commodity markets. With regard to the € to US$ exchange rate, it is assumed that the slight depreciation trend will continue. With regard to the oil price, oil futures suggest a slight price rise. However, the opening of the Iranian market could counteract a price increase.

The USA will continue to show positive growth in 2016 (GDP forecast approximately 2.0 to 2.6 %). While only moderate development is anticipated in Japan – due to limited 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. Growth in China is likely to weaken. As before, only a recovery and not an upturn is anticipated in the Eurozone, which will continue to be burdened with political uncertainty. After achieving growth of 1.5 % in 2015, economic growth of approximately 1.7 % is forecasted for the 2016 fiscal year. For Germany, many forecasts continue to expect growth at the level of the past year (2015: +1.7 %). The favorable oil price and weak € support export. The mainstay of the economy will be government and private consumption.

The following growth rates are expected for the countries with key investments: Slovenia +1.8 %, Peru +3.3 %, Greece –1.3 %, Bulgaria +1.9 %, Turkey +2.9 %, Russia –1.0 %, and China +6.3 %.

Sources: OECD (February 2016), IMF (January 2016, October 2015), Deutsche Bank Research (January 2016), DekaBank (December 2015), German Federal Statistical Office (January 2016).

Development of the legal environment

At the time the consolidated annual financial statements were prepared, the Executive Board saw no changes in the legal environment in the 2016 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 6.9 % in 2016, based on revenue passenger kilometers (RPK). Regionally IATA anticipates the following growth rates (also based on RPK): Europe: 5.9 %, North America: 4.4 %, Asia-Pacific: 8.0 %, Latin America: 6.8 %, Middle East: 12.5 %, and Africa: 1.4 %. Globally, cargo is expected to grow by 2.8 %. Positive stimulus is also expected from the low price forecasted for crude oil. With regard to global passenger numbers, DKMA expects growth of 4.5 % in 2016.

On the basis of the German airports, ADV forecasts solid passenger growth of 3.1 % despite international crises and strikes. ADV also expects an increase of 1.7 % in the area of cargo.

Source: IATA "Airline Industry Economic Performance" (December 2015), DKMA (December 2015), ADV Forecast, press release (December 2015).

Forecasted business development for 2016

Taking economic and industry-specific conditions into account and the currently hard to predict intensity of any strikes and development of core tourist markets resulting from geopolitical crises, the Executive Board expects a growth rate of between approximately 1 % and around 3 % for passenger traffic at the **Frankfurt** site for fiscal year 2016. While the slightly favorable economic environment will continue to have a positive impact on passenger business, uncertainties continue to result from political crises and airlines' short-term yield and capacity management. With regard to cargo tonnage handled, the Executive Board does not expect a significant recovery compared to 2015 in fiscal year 2016 and expects cargo throughput at around the level of 2015. The reasons for this are particularly the slower forecasted economic growth in China, which will have a negative impact on the country's imports and exports, and political crises, particularly in Russia and the Middle East.

As a result of the positive economic assumptions and tourism forecasts, the Executive Board largely expects further growth at the Group sites outside of Frankfurt in 2016. The sites in **Lima** and **Xi'an** continue to experience disproportionately strong growth of 5 % and more. The growth rates at the **Ljubljana** and **Hanover** sites are also expected to be robust in the mid-single-digit percentage range. Uncertainties continue to result from the political crises between Russia and Ukraine and between Russia and Turkey. These will particularly impact traffic development at the **St. Petersburg**, **Antalya** , **Varna** and **Burgas** sites. Here, travel restrictions between Russia and Turkey will have a negative impact on the Antalya and St. Petersburg sites. In connection with the terrorist attacks that have taken place in Istanbul and Ankara since the start of 2016, there is additionally a negative development in tourist traffic in Antalya in fiscal year 2016 to be expected. If the situation remains tense or if crises intensify, significant decreases in passenger numbers at the sites cannot be ruled out. Russian passengers switching to alternative vacation destinations may, in contrast, have a positive impact on the Varna and Burgas sites, meaning that figures slightly higher than the previous year's level are expected for these sites.

Forecasted results of operations for 2016

The expected overall positive business development will be reflected in an increase in 2016 **Group revenue**. The Executive Board expects additional revenue from the Retail & Real Estate segment at the Frankfurt site over and above the traffic development in 2016. Due to the withdrawal of the charge proposal for the Frankfurt site (see also the "Significant Events" chapter on page 48), the Executive Board does not expect a price rise in airport charges in the current 2016 fiscal year. The Executive Board expects negative effects from, among other things, the absence of revenue from the Group companies FCS, Air-Transport IT Services, Inc. and FSG Flughafen-Service GmbH, whose shares were in some cases fully divested in fiscal year 2015. In Frankfurt, the Executive Board also expects a decrease in revenue in the security business due to the loss of the tender to perform security services at Pier B.

At sites outside of Frankfurt, the Group companies Lima and Ljubljana will continue to develop positively. As in the previous fiscal year, the financial development of the Lima site will additionally be influenced by exchange rate effects in connection with the translation of the revenue denominated in US$ into the Group currency. Depending on the extent of growth in passenger numbers at the consolidated airports, the Executive Board expects Group revenue of up to approximately €2.65 billion. The Executive Board is also taking higher capacitive capital expenditure in connection with the application of IFRIC 12 in the Group company Lima into account here.

Adjusted for the recognition of capacitive capital expenditure, the Executive Board expects a slight decrease in **expenses** in 2016. This will result, inter alia, from the absence of expenses from the Group companies FCS, Air-Transport IT Services, Inc. and FSG. On a comparable basis, at the Frankfurt site a slight increase on the expense side will result primarily from increases in salaries and wages. In the Lima Group company, higher traffic-related concession payments are also expected.

Overall, the Executive Board expects a **Group EBITDA** of between around €850 million and approximately €880 million for the 2016 fiscal year. Slightly higher **depreciation and amortization** will lead to a **Group EBIT** of approximately €520 million up to about €550 million.

Due to the continuing difficulty in predicting interest-rate and exchange-rate effects and the difficulty in estimating the Group company Antalya's operating, and financial development, the development of the 2016 **financial result** can only be predicted to a limited extent. Positive effects are, among other things, assumed from net financial debt decreasing during the year, lower interest rates and the positive expectations of the business development of Group company Xi'an, which is accounted for using the equity method. In view of the earnings performance of the Group company Antalya, the Executive Board expects a negative effect on the result of companies accounted for using the equity method of up to approximately €30 million. Depending on the deterioration of the Group company Antalya, the Executive Board therefore expects the financial result to decrease by up to approximately €15 million.

The positive development of Group EBIT and the assumed negative development of the financial result will lead to a **Group EBT** of between approximately €420 million and about €450 million. The Executive Board therefore expects the **Group result** to be approximately at the previous year's level or slightly above it. If the Group company in Antalya performs more positively or negatively than previously assumed, the Group EBT and Group result figures may differ from the aforementioned ranges.

The development of the Group company Antalya will also influence the development of 2016 **Group value added**. While the assumed overall positive development of Group EBIT will have the impact of increasing the 2016 value added, due to the development of the Group company Antalya, the Executive Board in total expects value added to be between approximately at the previous year's level and approximately €30 million below it. **ROFRA** will accordingly be at the level of fiscal year 2015 or fall similarly to the decrease of the value added.

In the event that the Greece transaction will be closed at the end of 2016, the following possible effects on the Fraport Group's results of operations will arise:
In the event of closing the transaction and takeover of the business at the end of 2016 – depending on the date of the takeover – revenue growth of up to approximately €25 million and only a slight impact on Group EBITDA are expected. This is particularly connected with the fact that as at the date of takeover, a significant part of the tourist season will already be over. Due to pro rata depreciation and amortization, the Executive Board expects a negative effect on Group EBIT of up to approximately €10 million. In connection with financing the Greece transaction, the Executive Board expects a negative contribution to Group EBT and to the Group result of between around €10 million and approximately €30 million – depending on the date of the takeover.

In connection with the first-time accounting of the concessions to operate the Greek regional airports, the Executive Board also expects a rise in Group capital costs and thus a negative effect on the value added of up to approximately €20 million. Correspondingly, ROFRA will be negatively impacted by Greece.

In view of the long-term positive outlook for earnings, the Executive Board intends to hold the **dividend per share** at least stable for fiscal year 2016 at €1.35.

Forecasted segment development for 2016

For the segment forecasts, the Executive Board, for simplification purposes, expects passenger growth of 2% in Frankfurt. As a result of the aforementioned range for passenger growth in Frankfurt of approximately 1% to around 3%, segment developments in fiscal year 2016 may also deviate from the following descriptions.

The assumed passenger growth at the Frankfurt site will have a positive impact on the **Aviation** segment's revenue development in 2016. Due to the withdrawal of the charge proposal for the 2016 fiscal year (see also the "Significant Events" chapter on page 48), the Executive Board does not expect a price rise in airport charges in the current fiscal year. The Executive Board forecasts the revenue from security services at below the level of fiscal year 2015 primarily due to the loss of the tender to perform security services at Pier B in Frankfurt. Depending on traffic development in fiscal year 2016, the Executive Board therefore expects revenue in the Aviation segment to be approximately at the level of the 2015 fiscal year or slightly below it.

On the expense side, the Executive Board forecasts a decrease. The reason for this will, among other things, be the absence of base effects in connection with the creation of provisions in fiscal year 2015. At lower forecasted other income and revenue being assumed at approximately the previous year's level to slightly below it, the planned decrease in expenses will lead to segment EBITDA slightly above the level of 2015. Assumed slightly lower depreciation and amortization will lead to a slightly more positive development of segment EBIT in 2016. The value added of the segment will also benefit from the slightly positive development of segment EBIT, but remain clearly in negative territory.

The **Retail & Real Estate** segment will also benefit from the positive passenger outlook at the Frankfurt site in 2016, which will primarily impact revenue in the Retail division. Additional revenue will result from a change to the offsetting of rental income from the Group company FCS, which will be consolidated in the Group using the equity method for the entire 2016 fiscal year. The change to offsetting will not have the impact of increasing segment EBITDA. Overall, the Executive Board forecasts a rise in revenue of up to approximately €20 million, with around €7 to 8 million of additional revenue from the change in the offsetting of rental income of FCS being assumed. Beyond the planned development of revenue, currency rate effects can have both positive and negative effects on the purchasing power of passengers.

The realization or absence of land sales may also lead to additional revenue as well as a decrease in revenue in the segment. On the expense side, the Executive Board is expecting a slight increase in personnel expenses for fiscal year 2016. The realization of land sales or the absence of these may also have an impact on expense development. Despite the forecasted rise in revenue, partly due to the assumed decrease in other income, the Executive Board expects flat to slightly decreasing figures for the segment EBITDA and EBIT. The Executive Board also expects the level of the 2016 segment value added to remain almost flat or decrease.

The assumed passenger growth will also have a positive impact on the **Ground Handling** segment's revenue development in 2016. The absence of revenue from the Group company FCS, which has been consolidated in the Group using the equity method as of November 2015, will have the opposite effect. Contrary to the 2015 fiscal year, the 2016 forecast does not contain any price changes to the infrastructure charges. Overall, due to the absence of revenue from the Group company FCS, the Executive Board expects a decrease in revenue in the Ground Handling segment of up to approximately €40 million. Due to the Group company FCS's low operating margin, this will, however, only have an insignificant impact on the segment's EBITDA in 2016. In connection with the positive underlying operating development, the Executive Board therefore expects segment EBITDA to be slightly higher than the figure for fiscal year 2015. On an assumed decrease in depreciation and amortization, the Executive Board expects segment EBIT to increase slightly more than EBITDA. The segment value added is also expected to be slightly higher on a slight decrease in capital costs.

In connection with the expected positive business developments in the Group companies Lima and Ljubljana and the recognition of earnings-neutral capacitive capital expenditure in connection with the application of IFRIC 12, the Executive Board expects a significant increase in revenue in the **External Activities & Services** segment for fiscal year 2016. As in the previous fiscal year, the financial development of the Lima site will additionally be influenced by exchange rate effects in connection with the translation of the revenue denominated in US$ into the Group currency. Decreases in revenue will result from the absence of the Group companies Air-Transport IT Services, Inc. and FSG Flughafen-Service GmbH, whose shares were divested in fiscal year 2015. Without taking account of the earnings-neutral recognition of capacitive capital expenditure, the Executive Board expects an increase in segment revenue of up to approximately 5%.

Despite lower other income, which particularly arose from the sale of the Group company Air-Transport IT Services, Inc. in fiscal year 2015, the Executive Board expects a rise in segment EBITDA and segment EBIT of approximately up to €10 million in each case. The development of the 2016 segment value added will additionally be influenced by the development of the Group companies accounted for using the equity method. While the assumed positive development of segment EBIT will have the impact of increasing the 2016 segment value added, due to the development of the Group company Antalya, overall the Executive Board expects value added to be between €10 million higher and up to approximately €20 million lower than the figure for the 2015 fiscal year.

In the event that the Greece transaction is closed at the end of 2016, the following possible effects on the segment's results of operations will arise:
In the event of closing the transaction and takeover of the business at the end of 2016 – depending on the date of the takeover – revenue growth of up to approximately €25 million and only a slight impact on segment EBITDA are expected. This is particularly connected with the fact that as at the date of takeover, a significant part of the tourist season will already be over. Due to pro rata depreciation and amortization, the Executive Board expects a negative effect on segment EBIT of up to approximately €10 million. In connection with the first-time accounting of the concessions to operate the Greek regional airports, the Executive Board also expects a rise in segment capital costs and thus a negative effect on the segment value added of up to approximately €20 million.

Forecasted asset and financial position for 2016

The Executive Board expects the **capital expenditure volume** in property, plant, and equipment at the Frankfurt site in fiscal year 2016 to be at about or slightly above the level of the past fiscal year. The reason for the possible increase will particularly be the progressing construction activity on Terminal 3 in Frankfurt. The Executive Board forecasts capital expenditure on airport operating projects in 2016 to be slightly higher than the level of fiscal year 2015, particularly due to additional capital expenditure at the Lima site. Capital expenditure on intangible assets and investment property is expected to be at approximately 2015's level. Mainly depending on the development of traffic at the Frankfurt site, the Executive Board expects the **operating cash flow** to be slightly higher than the previous year's figure. Despite the potentially higher capital expenditure volume in property, plant, and equipment, the Executive Board therefore expects continuing significantly positive **free cash flow**, which will clearly exceed the dividend payment for fiscal year 2015. Due to a possible decrease in the dividends from the Group company Antalya, which is accounted for using the equity method, the Executive Board does not, however, expect free cash flow in 2016 to exceed the figure for the 2015 fiscal year. Depending on the development in Antalya, the free cash flow can be at the level of 2015 or even lower than the figure for 2015.

The remaining free cash flow that exceeds the dividend payment will be used, inter alia, to service financial liabilities due and have a positive impact on the Group's **net financial debt** and **gearing ratio**. Here, the Executive Board expects a decrease in net financial debt of up to approximately 10% and a gearing ratio that will be up to approximately 10 percentage points lower than the figure as at the 2015 balance sheet date. Despite the positive free cash flow, due to the scheduled repayment of loans, the Executive Board expects a significant decrease in the **Group liquidity** in fiscal year 2016. This does not take account of a rise in liquidity from possible refinancing measures. Depending on the level of the Group result, **shareholders' equity** as at the 2016 balance sheet date is expected to be noticeably higher than the figure as at the end of the 2015 fiscal year. On an assumed decrease in **total assets**, the **shareholders' equity ratio** is forecasted to be up to approximately 3 to 4 percentage points higher than the level of the 2015 balance sheet date.

In the event that the Greece transaction is closed at the end of 2016, the following effects on the asset and financial position will arise:

As a result of the late date of the takeover, the Greece transaction will not have a material impact on the development of the Fraport Group's operating cash flow. However, in connection with the planned capital expenditure on upgrading and expanding airport infrastructure, slightly negative effects on the development of the free cash flow in the Fraport Group may arise in 2016. Depending on the financing of the one-off payment of €1,234 million, there will also be a significant increase in net financial debt in fiscal year 2016. The Executive Board estimates the potential rise in net financial debt as a result of the transaction up to €1.1 billion. The overall positive free cash flow will counter this, meaning that net financial debt in the current full year may rise by up to approximately €900 million. Correspondingly, the Executive Board expects an increase in the gearing ratio. Due to the significant rise in shareholders' equity still expected, the gearing ratio on the closing of the Greece transaction will reach a figure of up to approximately 100%. The closing of the transaction will lead to an expansion of the balance sheet and thus an increase in total assets compared to 2015. In this case, the shareholders' equity ratio is expected to be approximately the same as to slightly lower than the level of the 2015 balance sheet date.

Forecasted non-financial performance indicators for 2016

In connection with the focus on the development of non-financial performance indicators, the Executive Board is expecting the following developments in fiscal year 2016:

In the area of **customer satisfaction** and **product quality**, the Executive Board continues to expect 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 expects the punctuality rate to remain at approximately the same high level, and for baggage connectivity to continue to be better than 98.5%. The Executive Board continues to expect a value significantly above 90% for the equipment availability rate. In the field of **appeal as an employer** – despite continuing uncertain economic conditions – the Executive Board is aiming for employee satisfaction to stabilize at a level of better than 3.0 in 2016. In addition, the Executive Board expects confirmation of the rate per 1,000 employees at the low level of fiscal year 2015.

Medium-term outlook

In the medium-term forecasted period, the Executive Board expects a further expansion of the global economy, which will have a positive impact on the development of air traffic in general as well as on the Group airports. Correspondingly, the Executive Board forecasts positive operating development for the company overall. Uncertainties continue to result from the political crises between Russia and Ukraine and between Russia and Turkey. These will particularly impact business developments at the St. Petersburg, Antalya, Varna and Burgas sites. Terrorists attacks or the threat of terrorist attacks in tourist areas may also have a negative effect on the demand situation at the Group sites. At the Frankfurt site, the situation in the Ground Handling segment in particular remains challenging and difficult in view of the intense competitive environment (also see chapter titled "Risk and Opportunities Report" beginning on page 75).

In addition to the expected traffic growth, the Executive Board expects additional revenue from the further development of the retail business. Exchange rate fluctuations that impact the purchasing power of passengers may additionally have positive or negative effects. In connection with the continuing shortfall in covering the cost of capital in Frankfurt and the further investing activities at the airport sites, particularly in Frankfurt, in the forecasted period the Executive Board expects increases in airport charges, which he expects to materialize in Frankfurt from fiscal year 2017 onwards. The Executive Board continues to expect negative effects at the Frankfurt site from additional personnel expenses in connection with pay increases under collective bargaining agreements and from a higher cost of materials due to traffic volumes.

Outside of Frankfurt, the operation of the Greek regional airports in particular will have the impact of increasing the result in the medium-term forecasted period. Here, the Executive Board expects significant growth in revenue in the lower triple digit million € range for the 2017 fiscal year and an associated significant increase in EBITDA. The financial development of the Lima site – in addition to the assumed positive operating development – will continue to be particularly characterized by exchange rate effects in connection with the translation of the revenue denominated in US$ into the Group currency. As previously described, the development of the Varna and Burgas, Antalya and St. Petersburg sites is largely determined by the political developments around Russia. Here, especially the further development between Russia and Turkey will have to be observed. This may also have an impact on the development of the Varna and Burgas sites. The Executive Board assesses the further development of the Ljubljana, Hanover and Xi'an sites as positive overall, whereas the Xi'an site should exhibit continuing high momentum.

Although it remains difficult to forecast the financial result, which results from future changes in interest rates and exchange rates, the uncertain operating and financial development of the Group company Antalya and from the – as at the time of preparing the consolidated financial statements – not yet finalized financing of the transaction to acquire the concession agreements in Greece, the Executive Board anticipates a positive overall development in the Group result in the forecasted period. Additional income may result from further Group companies accounted for using the equity method.

Following the expected rise in net financial debt from the closing of the Greece transaction, in connection with the medium-term capital expenditure requirements at the Frankfurt site and the sites in Lima and Greece, the Executive Board expects another temporary increase in the Group's net financial debt and gearing ratio. Despite the higher indebtedness, the Executive Board continues to assess the Group's financial situation in the forecasted period as stable.

For the dividend payment, the Executive Board continues to aim for a pay-out ratio in a range of approximately 40 to 60% of the profit attributable to shareholders of Fraport AG, whereby the dividend per share should at least reach the level of the corresponding previous year.

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 appeal as an employer.

Apart from the takeover of the operation of the concessions of the 14 Greek regional airports, there are no further significant acquisitions or disposals of companies or increases or reductions in shareholdings included in the forecasted period. 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, February 29, 2016

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 2015 Fiscal Year

Consolidated Income Statement

€ million	Notes	2015	2014
Revenue	(5)	**2,598.9**	**2,394.6**
Change in work-in-process	(6)	0.5	0.6
Other internal work capitalized	(7)	29.9	28.3
Other operating income	(8)	49.8	42.5
Total revenue		**2,679.1**	**2,466.0**
Cost of materials	(9)	–610.4	–533.3
Personnel expenses	(10)	–1,026.7	–970.4
Depreciation and amortization	(11)	–328.3	–307.3
Other operating expenses	(12)	–193.2	–172.2
Operating result		**520.5**	**482.8**
Interest income	(13)	30.6	35.6
Interest expenses	(13)	–156.2	–176.7
Result from companies accounted for using the equity method	(14)	37.6	43.5
Other financial result	(15)	1.3	–10.5
Financial result		**–86.7**	**–108.1**
Result from ordinary operations		**433.8**	**374.7**
Taxes on income	(16)	–136.8	–122.9
Group result		**297.0**	**251.8**
thereof profit attributable to non-controlling interests		20.5	17.1
thereof profit attributable to shareholders of Fraport AG		276.5	234.7
Earnings per € 10 share in €	(17)		
basic		3.00	2.54
diluted		2.99	2.54
EBIT (= Operating result)		**520.5**	**482.8**
EBITDA (= EBIT + Depreciation and amortization)		**848.8**	**790.1**

Table 31

Consolidated Statement of Comprehensive Income

€ million	2015	2014
Group result	**297.0**	**251.8**
Remeasurements of defined benefit pension plans	2.9	–7.4
(Deferred taxes related to those items	–0.4	1.7)
Expenses of companies accounted for using the equity method	0.0	–0.3
(Deferred taxes related to those items	0.0	0.1)
Items that will not be reclassified subsequently to profit or loss	**2.5**	**–5.9**
Fair value changes of derivatives		
Changes directly recognized in equity	–5.3	–32.3
realized gains (+)/losses (–)	–37.6	–40.3
	32.3	**8.0**
(Deferred taxes related to those items	–10.0	–2.5)
Fair value changes of financial assets available for sale		
Changes directly recognized in equity	9.0	25.4
realized gains (+)/losses (–)	0.0	0.0
	9.0	**25.4**
(Deferred taxes related to those items	2.1	–2.3)
Currency translation of foreign Group companies		
Changes directly recognized in equity	18.1	13.6
realized gains (+)/losses (–)	0.5	0.0
	17.6	**13.6**
Income and expenses from companies accounted for using the equity method directly recognized in equity	**12.1**	**12.6**
(Deferred taxes related to those items	–1.2	0.0)
Items that will be reclassified subsequently to profit or loss	**61.9**	**54.8**
Other result after deferred taxes	**64.4**	**48.9**
Comprehensive income	**361.4**	**300.7**
thereof attributable to non-controlling interests	23.2	20.1
thereof attributable to shareholders of Fraport AG	338.2	280.6

Table 32

Consolidated Statement of Financial Position as at December 31, 2015

Assets

€ million	Notes	December 31, 2015	December 31, 2014
Non-current assets			
Goodwill	(18)	41.7	41.7
Investments in airport operating projects	(19)	500.9	479.2
Other intangible assets	(20)	161.2	157.1
Property, plant, and equipment	(21)	6,045.4	6,127.7
Investment property	(22)	74.5	63.0
Investments in companies accounted for using the equity method	(23)	237.6	216.9
Other financial assets	(24)	659.2	773.3
Other receivables and financial assets	(25)	167.0	181.1
Income tax receivables	(26)	5.4	10.2
Deferred tax assets	(27)	33.4	31.1
		7,926.3	**8,081.3**
Current assets			
Inventories	(28)	42.8	43.7
Trade accounts receivable	(29)	154.0	174.7
Other receivables and financial assets	(25)	310.8	297.6
Income tax receivables	(26)	7.4	7.7
Cash and cash equivalents	(30)	406.0	401.1
		921.0	**924.8**
Non-current assets held for sale	(31)	0.0	7.1
		921.0	**931.9**
Total		**8,847.3**	**9,013.2**

Liabilities and equity

€ million	Notes	December 31, 2015	December 31, 2014
Shareholders' equity			
Issued capital	(32)	923.1	922.7
Capital reserve	(32)	594.3	592.3
Revenue reserves	(32)	1,919.9	1,706.1
Equity attributable to shareholders of Fraport AG	(32)	3,437.3	3,221.1
Non-controlling interests	(33)	74.4	64.9
		3,511.7	**3,286.0**
Non-current liabilities			
Financial liabilities	(34)	3,273.8	3,874.3
Trade accounts payable	(35)	42.5	47.1
Other liabilities	(36)	447.7	497.5
Deferred tax liabilities	(37)	172.2	158.7
Provisions for pensions and similar obligations	(38)	30.7	33.7
Provisions for taxes on income	(39)	62.1	68.8
Other provisions	(40)	201.6	228.0
		4,230.6	**4,908.1**
Current liabilities			
Financial liabilities	(34)	543.6	318.1
Trade accounts payable	(35)	143.1	134.5
Other liabilities	(36)	129.4	123.7
Provisions for taxes on income	(39)	56.0	14.7
Other provisions	(40)	232.9	223.8
		1,105.0	**814.8**
Liabilities in the context of non-current assets held for sale	(41)	0.0	4.3
		1,105.0	**819.1**
Total		**8,847.3**	**9,013.2**

Table 33

Consolidated Statement of Cash Flows

€ million	Notes	2015	2014
Profit attributable to shareholders of Fraport AG		**276.5**	**234.7**
Profit attributable to non-controlling interests		20.5	17.1
Adjustments for			
Taxes on income	(16)	136.8	122.9
Depreciation and amortization	(11)	328.3	307.3
Interest result	(13)	125.6	141.1
Gains/losses from disposal of non-current assets		–2.8	0.7
Other		5.8	0.7
Fair value changes of companies accounted for using the equity method	(14)	–37.6	–43.5
Changes in inventories	(28)	0.9	–1.1
Changes in accounts receivable and financial assets	(25)(29)	12.3	4.6
Changes in liabilities	(35–36)	–15.3	–52.0
Changes in provisions	(38–40)	–6.3	–10.0
Operating activities		**844.7**	**722.5**
Financial activities			
Interest paid		–131.3	–148.7
Interest received		16.0	18.4
Taxes on income paid		–77.2	–86.0
Cash flow from operating activities	(44)	**652.2**	**506.2**
Investments in airport operating projects	(19)	–16.1	–12.7
Capital expenditure for other intangible assets	(20)	–15.7	–7.7
Capital expenditure for property, plant, and equipment	(21)	–247.1	–251.7
Investment property	(22)	–10.2	–19.1
Capital expenditure in companies accounted for using the equity method		–2.0	0.0
Sale of consolidated subsidiaries	(2)	9.7	0.0
Acquisition of fully consolidated subsidiaries		0.0	–271.1
Dividends from companies accounted for using the equity method	(23)	32.5	31.8
Revenue from disposal of non-current assets		4.6	6.7
Cash flow used in investing activities without investments in cash deposits and securities		**–244.3**	**–523.8**
Financial investments in securities and promissory note loans	(24)	–312.8	–555.5
Revenue from disposal of securities and promissory note loans		441.4	664.2
Decrease of time deposits with a term of more than three months	(30)	58.0	122.4
Cash flow used in investing activities	(44)	**–57.7**	**–292.7**
Dividends paid to shareholders of Fraport AG	(32)	–124.6	–115.3
Dividends paid to non-controlling interests		–8.9	–5.3
Capital increase	(32)	2.4	2.5
Acquisition of non-controlling interests		–4.2	0.0
Cash inflow from long-term financial liabilities	(34)	125.0	400.0
Repayment of long-term financial liabilities		–561.1	–460.0
Changes in short-term financial liabilities		29.6	–6.4
Cash flow used in financing activities	(44)	**–541.8**	**–184.5**
Change in cash and cash equivalents		**52.7**	**29.0**
Cash and cash equivalents as at January 1		167.8	131.2
Foreign currency translation effects on cash and cash equivalents		10.2	7.6
Cash and cash equivalents as at December 31	(44)(30)	**230.7**	**167.8**

Table 34

Consolidated Statement of Changes in Equity

€ million	Notes	Issued capital	Capital reserve
As at January 1, 2015		**922.7**	**592.3**
Foreign currency translation effects		–	–
Income and expenses of companies accounted for using the equity method directly recognized in equity		–	–
Remeasurements of defined benefit plans		–	–
Fair value changes of financial assets available for sale		–	–
Fair value changes of derivatives		–	–
Other result		**0.0**	**0.0**
Issue of shares for employee investment plan		0.4	2.0
Distributions		–	–
Group result		–	–
Transactions with non-controlling interests		–	–
Consolidation activities/other changes		–	–
As at December 31, 2015	(32), (33)	**923.1**	**594.3**
As at January 1, 2014		**922.1**	**590.2**
Foreign currency translation effects		–	–
Income and expenses of companies accounted for using the equity method directly recognized in equity		–	–
Remeasurements of defined benefit plans		–	–
Fair value changes of financial assets available 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**

Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Equity (total)
1,731.8	**26.6**	**–52.3**	**1,706.1**	**3,221.1**	**64.9**	**3,286.0**
–	14.9	–	14.9	14.9	2.7	**17.6**
	6.2	4.7	10.9	10.9	–	**10.9**
2.5	–	–	2.5	2.5	–	**2.5**
–	–	11.1	11.1	11.1	–	**11.1**
–		22.3	22.3	22.3	–	**22.3**
2.5	**21.1**	**38.1**	**61.7**	**61.7**	**2.7**	**64.4**
–	–	–	–	2.4	–	**2.4**
–124.6	–	–	–124.6	–124.6	–8.9	**–133.5**
276.5	–	–	276.5	276.5	20.5	**297.0**
–	–	–	–	–	–4.7	**–4.7**
0.2	–	–	0.2	0.2	–0.1	**0.1**
1,886.4	**47.7**	**–14.2**	**1,919.9**	**3,437.3**	**74.4**	**3,511.7**
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**

Table 35

Consolidated Statement of Changes in Non-Current Assets
(Note 18 to 22)

€ million	Goodwill	Investments in airport operating projects	Other intangible assets
Acquisition/production costs			
Balance as at January 1, 2015	**138.3**	**651.2**	**243.2**
Foreign currency translation effects		47.8	4.6
Additions		16.1	15.7
Disposals		0.3	–0.2
Reclassifications			3.9
Changes in the scope of consolidation	**–6.0**		–5.8
Balance as at December 31, 2015	**132.3**	**715.4**	**261.4**
Accumulated depreciation and amortization			
Balance as at January 1, 2015	**96.6**	**172.0**	**86.1**
Foreign currency translation effects		16.4	0.2
Additions		25.8	16.9
Impairment losses			
Disposals		0.3	–0.2
Reclassifications			
Changes in the scope of consolidation	**–6.0**		–2.8
Balance as at December 31, 2015	**90.6**	**214.5**	**100.2**
Residual carrying amounts			
Balance as at December 31, 2015	**41.7**	**500.9**	**161.2**
Acquisition/production costs			
Balance as at January 1, 2014	**119.3**	**591.1**	**132.4**
Foreign currency translation effects		47.4	4.3
Additions	**19.0**	12.7	7.7
Disposals			–8.9
Reclassifications			6.6
Changes in the scope of consolidation			101.1
Balance as at December 31, 2014	**138.3**	**651.2**	**243.2**
Accumulated depreciation and amortization			
Balance as at January 1, 2014	**96.6**	**133.0**	**81.3**
Foreign currency translation effects		15.7	0.4
Additions		23.3	12.3
Disposals			–7.9
Reclassifications			
Write-ups			
Balance as at December 31, 2014	**96.6**	**172.0**	**86.1**
Residual carrying amounts			
Balance as at December 31, 2014	**41.7**	**479.2**	**157.1**

	Land, land rights, and buildings, including buildings on leased land	Technical equipment and machinery	Other equipment, operating, and office equipment	Construction in progress	Property, plant, and equipment (total)	Investment property
	6,014.1	3,175.6	408.5	567.2	10,165.4	69.7
			3.9		3.9	
	38.9	32.8	31.1	132.5	235.3	8.4
	−26.9	−35.1	−17.9	−8.6	−88.5	−0.2
	26.7	15.4	2.0	−52.4	−8.3	4.4
	−13.8	−12.8	−2.0	−0.2	−28.8	
	6,039.0	3,175.9	425.6	638.5	10,279.0	82.3
	2,347.8	1,439.7	249.1	1.1	4,037.7	6.7
			1.1		1.1	
	151.2	99.2	32.0		282.4	1.1
	1.1	1.0			2.1	
	−25.4	−29.1	−17.3		−71.8	
					0.0	
	−4.8	−11.8	−1.3		−17.9	
	2,469.9	1,499.0	263.6	1.1	4,233.6	7.8
	3,569.1	1,676.9	162.0	637.4	6,045.4	74.5
	5,854.7	2,997.5	388.5	586.5	9,827.2	54.6
			3.3		3.3	
	57.6	92.9	21.3	98.5	270.3	16.4
	−28.1	−47.6	−31.6	−4.6	−111.9	−2.5
	55.8	52.4	1.6	−117.6	−7.8	1.2
	74.1	80.4	25.4	4.4	184.3	
	6,014.1	3,175.6	408.5	567.2	10,165.4	69.7
	2,228.1	1,387.4	248.3	1.1	3,864.9	6.9
			1.2		1.2	
	145.6	95.6	30.2		271.4	0.3
	−25.9	−43.3	−30.6		−99.8	−0.5
					0.0	
					0.0	
	2,347.8	1,439.7	249.1	1.1	4,037.7	6.7
	3,666.3	1,735.9	159.4	566.1	6,127.7	63.0

Table 36

Segment Reporting

(Note 43)

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Reconciliation	Group
Revenue	2015	927.3	488.2	673.1	510.3		**2,598.9**
	2014	884.2	455.7	656.2	398.5		**2,394.6**
Other income	2015	32.8	16.7	12.0	18.7		**80.2**
	2014	29.2	15.8	15.2	11.2		**71.4**
Third-party revenue	**2015**	**960.1**	**504.9**	**685.1**	**529.0**	**–**	**2,679.1**
	2014	**913.4**	**471.5**	**671.4**	**409.7**	**–**	**2,466.0**
Intersegment revenue	2015	80.4	236.7	46.1	367.0	–730.2	–
	2014	77.2	233.5	36.9	357.0	–704.6	–
Total revenue	**2015**	**1,040.5**	**741.6**	**731.2**	**896.0**	**–730.2**	**2,679.1**
	2014	**990.6**	**705.0**	**708.3**	**766.7**	**–704.6**	**2,466.0**
Segment result EBIT	**2015**	**116.3**	**295.1**	**6.0**	**103.1**	**0.0**	**520.5**
	2014	**115.5**	**275.0**	**7.5**	**84.8**	**0.0**	**482.8**
Depreciation and amortization of segment assets	2015	121.2	83.7	40.4	83.0	–	**328.3**
	2014	121.4	81.5	36.8	67.6	–	**307.3**
EBITDA	**2015**	**237.5**	**378.8**	**46.4**	**186.1**	**–**	**848.8**
	2014	**236.9**	**356.5**	**44.3**	**152.4**	**–**	**790.1**
Share of result from companies accounted for using the equity method	2015	0.0	–0.3	0.7	37.2	–	**37.6**
	2014	0.0	–0.3	0.8	43.0	–	**43.5**
Income from investments	2015	0.0	0.0	0.1	0.0	–	**0.1**
	2014	0.0	0.0	0.0	0.0	–	**0.0**
Book value of segment assets	December 31, 2015	3,853.8	2,414.8	620.4	1,912.1	46.2	**8,847.3**
	December 31, 2014	4,049.8	2,538.0	668.4	1,708.0	49.0	**9,013.2**
Segment liabilities	December 31, 2015	2,573.7	1,478.4	370.9	620.3	290.3	**5,333.6**
	December 31, 2014	2,819.9	1,604.3	433.2	627.6	242.2	**5,727.2**
Acquisition cost of additions to property, plant, and equipment, investments in airport operating projects, goodwill, intangible assets, and investment property	2015	88.5	63.7	39.5	83.8	–	**275.5**
	2014	143.8	87.2	31.2	63.9	–	**326.1**
Other significant non-cash effective expenses	2015	68.1	43.9	13.2	6.4	–	**131.6**
	2014	73.4	27.5	11.3	5.8	–	**118.0**
Investments in companies accounted for using the equity method	December 31, 2015	0.0	3.7	17.4	216.5	–	**237.6**
	December 31, 2014	0.0	4.0	11.9	201.0	–	**216.9**

Table 37

Geographical information

€ million		Germany	Rest of Europe	Asia	Rest of World	Reconciliation	Group
	2015	2,131.3	98.5	18.5	350.6		**2,598.9**
Revenue	2014	2,042.7	75.5	37.6	238.8		**2,394.6**
	2015	68.9	0.9	0.9	9.5		**80.2**
Other income	2014	68.6	0.7	1.1	1.0		**71.4**
	2015	**2,200.2**	**99.4**	**19.4**	**360.1**	–	**2,679.1**
Third-party revenue	**2014**	**2,111.3**	**76.2**	**38.7**	**239.8**	–	**2,466.0**
	December 31, 2015	7,144.7	821.4	319.1	515.9	46.2	**8,847.3**
Book value of segment assets	December 31, 2014	7,499.7	718.6	292.2	453.7	49.0	**9,013.2**
Acquisition cost of additions to property, plant and equipment, investments in airport operating projects, goodwill, intangible assets and investment property	2015	250.1	10.0	0.0	15.4	–	**275.5**
	2014	287.0	28.6	0.0	10.5	–	**326.1**

Table 38

Group Notes for the 2015 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), is a global airport operator and its main business focus is the operation of Frankfurt Main airport, one of Europe's most important air transport hubs. Fraport AG is headquartered in Frankfurt am Main.

Fraport AG has prepared its consolidated financial statements as at December 31, 2015 in accordance with the standards issued by the International Accounting Standards Board (IASB).

We have applied the International Financial Reporting Standards (IFRS) for the consolidated financial statements and the interpretations about them issued by the International Financial Reporting Committee (IFRC, IC) as adopted in the European Union (EU), in force on the balance sheet date, completely and without any restriction in accounting, measurement and disclosure in the 2015 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 in accordance with IFRS, pursuant to Regulation (EC) No 1606/2002 of the European Parliament and the Council dated July 19, 2002 (new version dated April 9, 2008) on the application of international accounting standards.

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 2015 fiscal year were approved for publication by the Executive Board on February 29, 2016. The Supervisory Board approved the consolidated financial statements in its meeting on March 14, 2016.

2 Companies included in the consolidation and balance sheet date

Fraport AG and all subsidiaries are included in the consolidated financial statements in full. Joint ventures and associated companies are accounted for in the consolidated financial statements using the equity method.

Companies controlled by Fraport AG are considered to be subsidiaries. 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 2015 fiscal year:

Companies included in Consolidation

	Germany	Other countries	Total
Fraport AG	**1**	**0**	**1**
December 31, 2014	**24**	**22**	**46**
Additions	3	3	**6**
Interim consolidation	–1	0	**–1**
Disposals	–2	–1	**–3**
December 31, 2015	**24**	**24**	**48**
Companies accounted for using the equity method			
Joint ventures			
December 31, 2014	5	5	**10**
Additions	0	0	**0**
Interim consolidation	1	0	**1**
Disposals	0	0	**0**
December 31, 2015	**6**	**5**	**11**
Associated companies			
December 31, 2014	4	4	**8**
Additions	0	0	**0**
Disposals	0	–1	**–1**
December 31, 2015	**4**	**3**	**7**
Companies consolidated including companies accounted for using the equity method on December 31, 2014	34	31	**65**
Companies consolidated including companies accounted for using the equity method on December 31, 2015	**35**	**32**	**67**

Table 39

The additions in the case of the fully consolidated affiliated companies relate to the founding of three foreign companies in connection with the management and operation of 14 Greek regional airports and three domestic companies in the area of disposal services. All the new additions were not operationally active in the year under review, meaning that the effects on the Fraport Group’s financial statements were insignificant.

The interim consolidation of the affiliated companies and joint ventures relates to the sale on November 2, 2015 of 51 % of the capital shares in FCS. The sale was carried out within the scope of a strategic partnership for freight handling at Frankfurt Airport concluded previously with Worldwide Flight Services (WFS). The company’s assets and liabilities were recognized as “held for sale” from the date of initial classification pursuant to IFRS 5 and measured at fair value less costs to sell. The income accruing on the date of initial consolidation of –€0.7 million from the disposal loss (–€2.2 million) and the valuation of the remaining capital shares at fair value (+€1.5 million) was reported under other operating expenses.

The disposal in the case of the associated companies relates to the sale on November 24, 2015 of the 47.67 % capital shares held by Aerodrome Ljubljana in Adria Airways Tehnika d.d. The deconsolidation of the company already accounted for as of December 31, 2014 pursuant to IFRS 5 did not have a significant impact on the financial statements of the Fraport Group.

Fraport sold its shares in Air-Transport IT Services, Inc., USA with effect as at April 22, 2015. A net income of €8.0 million resulted from the sale. On September 21, 2015, Fraport also sold its 33.33 % share in the capital of FSG Flughafen Service GmbH. A further disposal relates to the no longer operational FRA Vorfeldaufsicht GmbH, which was liquidated in November 2015. The deconsolidation of the companies has had no material effect on Fraport's consolidated financial statements.

The generally insignificant effects from company disposals are shown in the following overview:

Disposal and interim consolidation effects 2015

€ million	Air Transport IT	FSG	FCS	Total
Non-current assets	3.5	0.0	13.6	17.1
Current assets	4.4	0.5	10.3	15.2
Cash and cash equivalents	2.1	0.4	0.0	2.5
Total assets	**10.0**	**0.9**	**23.9**	**34.8**
Non-current liabilities	–0.6	–0.1	–12.0	–12.7
Current liabilities	–4.8	–0.6	–7.5	–12.9
Total liabilities	**–5.4**	**–0.7**	**–19.5**	**–25.6**
Net assets	**4.6**	**0.2**	**4.4**	**9.2**
Sale price/Received consideration in cash	12.1	0.1	0.0	12.2
Income from foreign currency reserve	0.5			0.5
Non-controlling interests		0.1		0.1
Remaining fair value shares			3.7	3.7
Disposal profit/loss	**8.0**	**0.0**	**–0.7**	**7.3**
Inflow of funds from the sale of subsidiaries (sale price less sold cash and cash equivalents)	10.0	–0.3	0.0	9.7

Table 40

At the beginning of the year the remaining shares in the already fully consolidated GCS Gesellschaft für Cleaning Services mbH Co. Airport Frankfurt/Main KG, Frankfurt am Main, were acquired. As this involved the acquisition of limited partner shares in a partnership, which were recognized in the consolidated financial statements as borrowed capital pursuant to IAS 32, the acquisition was shown as the repayment of liabilities.

On January 19, 2015 the shareholder meeting of Aerodrom Ljubljana, d.d. resolved the squeeze-out of the remaining minority shareholders. In March 2015, registration of the resolution and the formal transfer of the remaining 2.01 % capital shares in Fraport AG took place. Directly before the acquisition of the stake, the carrying amount of the non-controlling shares in Aerodrom Ljubljana amounted to €4.7 million. The non-controlling shares were fully derecognized based on the acquisition of the stake. The purchase price for the non-controlling shares was also €4.7 million. As the shares were acquired at the carrying amount, the transaction had no effect on the shareholders' equity attributable to the shareholders of Fraport AG.

Overall, both acquisitions had no material effect on the consolidated financial statements.

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

Operational services GmbH & Co. KG, Frankfurt am Main, in which Fraport holds 50 % of the shares, is recognized as an associated company based on the contractual arrangements.

The full list of the shareholding pursuant to Section 313 (2) HGB is shown under Note 57 of the Notes to the consolidated financial statements.

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 is contained in Note 50 (Service Concession Arrangements).

Disclosure of interests in subsidiaries

€ million	Lima		Twin Star	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Participation quota, non-controlling interests	**29.99%**	**29.99%**	**40.00%**	**40.00%**
Non-current assets	346.0	312.2	198.0	204.3
Current assets	124.6	94.1	25.8	26.6
Non-current liabilities	272.4	258.6	91.8	97.6
Current liabilities	81.1	68.6	44.7	53.1
Shareholders' equity/net assets	**117.1**	**79.1**	**87.3**	**80.2**
Carrying amount, non-controlling interests	35.1	23.7	34.9	32.1

	2015	2014	2015	2014
Revenue	277.9	214.3	53.9	60.7
Result after taxes	46.3	32.1	13.3	15.8
Other result	8.8	9.1	0.0	0.1
Comprehensive income	**55.1**	**41.2**	**13.3**	**15.9**
Proportion of non-controlling interests in comprehensive income	16.5	12.4	5.3	6.4
Cash flow from operating activities	65.6	45.7	24.5	23.9
Cash flow used in investing activities	–14.6	–10.1	–5.3	–6.5
Cash flow used in financing activities	–30.6	–14.4	–18.3	–16.2
Change in cash and cash equivalents	**20.4**	**21.2**	**0.9**	**1.2**
Cash and cash equivalents as at January 1	81.9	53.6	19.8	18.6
Foreign currency translation effects on cash and cash equivalents	9.5	7.1	0.0	0.0
Cash and cash equivalents as at December 31	111.8	81.9	20.7	19.8
Dividends to non-controlling interests	5.5	2.5	2.4	1.6

Table 41

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.

For possible restrictions in connection with project financing for the airport operator concession in Lima, please refer to the statements in Note 48.

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, that is deemed to be an asset or a liability are 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 any 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 net income 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 updating 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 financial situation of the Group would have been negligible.

Loans, accounts receivable, and liabilities, contingencies and other contingent liabilities 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 shareholders' equity at the historical exchange rate, whereas, for the purpose of simplification, 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, 2015	Average exchange rate 2015	Exchange rate December 31, 2014	Average exchange rate 2014
1 US Dollar (US$)	0.9181	0.9013	0.8227	0.7527
1 Turkish New Lira (TRY)	0.3143	0.3305	0.3535	0.3441
1 Renminbi Yuan (CNY)	0.1398	0.1434	0.1327	0.1222
1 Hong Kong Dollar (HKD)	0.1184	0.1163	0.1061	0.0971
1 Peruvian Nuevo Sol (PEN)	0.2689	0.2829	0.2750	0.2653
100 Russian Ruble (RUB)	1.2434	1.4690	1.3874	1.9626

Table 42

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 those subject to regulation (according to Section 19b (1) of the German Air Traffic Act [LuftVG]), which include, among others, landing and take-off charges, parking charges, passenger and security charges and other charges not subject to regulation, such as ground services and ground handling infrastructure.

In addition, the Fraport Group mainly generates revenue from revenue-based payments, renting, parking, sale of land, and security services. Revenue from renting is recorded using the straight-line method over the term of the lease. Revenue from revenue-based payments is recorded appropriate to the period based on the revenue generated. Revenue from sales of land is realized after transfer of the opportunities and risks.

In the context of the airport operating projects outside of Germany (see also note 50), 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 has been rendered, when it is reasonably probable that an economic benefit will be received, and that 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 pursuant 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.

Interest income is recorded using the effective interest rate method.

Goodwill

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

For the purpose of impairment testing, goodwill acquired in the course of a business merger is assigned to the cash-generating units of the Group on the acquisition date. 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. Essentially in the Fraport Group the value in use based on a company valuation model (discounted cash flow method) is used to calculate the recoverable amount. All goodwill items are tested for impairment at least once a year in December in accordance with IAS 36.88–99. In the event 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 50). The concession agreements for the operation of the airports fall under the application of 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 production for the period in which the production costs are incurred. Revenue 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.

Development costs for internally generated intangible assets are capitalized at manufacturing cost when it is probable that the manufacture of these assets will generate future economic benefits for the company and the costs can be measured reliably. The manufacturing costs cover all costs directly attributable to the manufacturing process. If the conditions for capitalization are not met, the expenses are recognized in the income statement in the year in which they are incurred. Internally generated intangible assets are amortized over their useful lives using the straight-line method.

Borrowing costs of other intangible assets that constitute qualifying assets are recognized (see “borrowing costs”).

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 pursuant 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 concession and operator rights	4–39
Software and other intangible assets	2–25
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 43

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 pursuant to IAS 36

Impairment losses on assets are recognized pursuant to IAS 36. Assets are tested for impairment if there are 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, 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.

Generally the value in use is calculated 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 2016 to 2021 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 and other concession and operator rights. These forecasts are based on past experience and the expected market performance. A growth rate of between 0% and 2.0% (previous year: 0% to 2%) 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) after taxes of between 5.40% and 8.82% (previous year: 5.80% and 9.08%).

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 (operating 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.

Operating lease

If economic ownership of the leased assets remains with the lessor and Fraport AG assumes the role of the lessee, lease payments are recognized on a straight-line 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 straight-line 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 investments are tested for impairment annually.

Other financial assets

Other financial assets include securities, loans with a remaining term 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 subsequent valuation of financial assets depends on the respective category pursuant to IAS 39 (see note 42).

Securities are allocated to the “available for sale” category. Securities exclusively comprise debt instruments. Subsequent measurement is at fair value, taking into account the effective interest method, where changes in value are included directly in shareholders’ equity without affecting profit or loss.

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

Other investments are allocated to the “available for sale” category. They are recognized at fair value as long as they can be reliably calculated, and the gains or losses are included directly in shareholders’ equity without affecting profit or loss.

When deciding whether to dispose of a financial asset as a result of a contractual amendment, quantitative and qualitative criteria are taken into account.

Other receivables and financial assets

Other receivables and financial assets mainly consist of trade accounts receivable, receivables from banks, other financial and non-financial receivables, as well as derivatives and marketable securities with a remaining term of less than one year. 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.

Trade accounts receivable, accounts receivable 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 of acquistion, 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 shareholders’ equity without affecting profit or loss. Securities largely comprise debt instruments.

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.

Impairments of equity instruments in the “Available for sale” category are recognized through profit or loss if there is a prolonged decline in fair value below cost of acquisition. If in subsequent periods, as a result of events that took place after the date of recognition of the impairment, the fair value has objectively increased, reversals of impairment losses must be carried out in the corresponding amount and recognized directly in equity.

Inventories

Inventories include work-in-process, raw materials, consumables, supplies, and property held for sale within the ordinary course of business.

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, and 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 and cash equivalents with a term 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 to sell, whichever is the lower amount.

Accounting of taxes on income

Taxes on income are recognized using the liability method pursuant 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 n retroactively 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 recognized pursuant 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 straight-line basis), and if the difference is temporary, a deferred tax liability is recognized. Pursuant to the IFRS, deferred tax assets are recognized from financial position differences and for carry-forwards 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 shareholders' equity without affecting profit or loss, the change to deferred taxes is also included directly in shareholders' 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 2.20% (previous year: 2.10%). 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, see 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. This especially applies to the provisions for passive noise abatement, which are discounted over a period until 2026 and according to the expected cash outflow dates of matching interest rates up to a maximum of 0.89 % (previous year: 0.82 %).

The provision for partial retirement is recognized pursuant 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 financial position, 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 nominal value. Non-current low-interest or non-interest-bearing liabilities are carried at their present value at the time of addition less the transaction costs. 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 acquisition 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 under 'Financial result on other items'.

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. The fair value changes are recorded under 'Financial result on other items'.

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 remuneration 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. The share options granted within the framework of the MSOP expired in full in fiscal year 2014.

The value of the remuneration within the scope of the annual employee investment plan is not based on the performance of the shares, which means that the employee investment plan does not fall within the scope of application of IFRS 2.

Virtual stock options

Virtual stock options have been issued since January 1, 2010 as part of the remuneration 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 pursuant to IFRS 2. Up to the end of the performance period, the fair value is re-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 accounts receivable, 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, 2015 (€122.1 million; previous year: €143.5 million) and wake turbulences (€31.0 million; previous year: €42.6 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, 2015 (€30.2 million; previous year: €31.7 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 must 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 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. When assessing the impairment of carrying amounts as of December 31, 2015 (€67.3 million) sustained cost savings which will lead to an increase in the average EBITDA margin in the planning period 2016 to 2025 of 9.8% were taken into account. Should these cost savings not be realized as planned, a significant adjustment of the carrying amounts may be necessary.

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, 2015.

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, that are not levies pursuant to IAS 12 “Taxes on income”. According to IFRIC 21, a liability is recognized in the annual financial statements as soon as the event occurs, that 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 provisions of IFRIC 21 have not had a material impact on the presentation of the asset, financial and earnings position of the Fraport Group.

On December 12, 2013, the IASB published the “Improvements to IFRS 2011–2013” (Annual Improvements). The changes relate to the following in detail: IFRS 3 in respect of the exemption from the application scope for the creation of a joint agreement in the financial statements of the jointly controlled entity itself, 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 2011–2013” were accepted into European law on December 19, 2014 and are to be first applied in the reporting periods starting on or after January 1, 2015. The “Improvements to IFRS 2011–2013” have not had any impact on the presentation 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 November 21, 2013, the IASB published changes to IAS 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 July 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". The "Improvements to IFRS 2010–2012" relate in detail to: IFRS 2 regarding the definition of "vesting conditions" and "service conditions" for transactions where services are received as well as the treatment of vesting conditions, IFRS 3 regarding the accounting of conditional purchase price payments for company acquisitions, IFRS 8 regarding notes disclosures in relation to the merger of business segments and regarding the reconciliation of segment assets to Group assets, 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 "Improvements to IFRS 2010–2012" were accepted into European law on January 9, 2015 and are to be first applied in the reporting periods starting on or after February 1, 2015. The impact of the new regulations on the consolidated financial statements of Fraport AG is currently being assessed.

On May 6, 2014, the IASB approved amendments to IFRS 11 "Joint Arrangements". For the purchase of interests in jointly controlled operations that constitute a business combination as defined by IFRS 3 "Business Combinations", the provisions and disclosure requirements of IFRS 3 apply. The changes are to be applied prospectively for purchases of interests that take place in the 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 amendments will not have a material impact on the reporting of the asset, financial, and earnings position of the Fraport Group in future.

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 amendments will not have a material impact on the reporting of the asset, financial, and earnings position of the Fraport Group in future.

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 amendments will not have a material impact on the reporting of the asset, financial, and earnings position of the Fraport Group.

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

On 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, revenue 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 its adoption into European law and after postponement of the initial application date by the IASB, IFRS 15 is to be first applied for fiscal years starting on or after January 1, 2018. The early application of IFRS 15 is still permitted. On the basis of initial analyses, no material impact on the consolidated financial statements is expected.

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 pursuant 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 to be applied to fiscal years starting on or after January 1, 2018; early voluntary early application is permitted. The effects of the new IFRS 9 regulation on the consolidated financial statements of Fraport AG are currently 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 net income 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 originally intended date of initial application for fiscal years starting on or after January 1, 2016 has been postponed indefinitely by the IASB.

On January 13, 2016 the IASB published the accounting standard IFRS 16 “Leases”. IFRS 16 contains the new rules on accounting for leases and replaces the current IAS 17. The new rules are mandatory for fiscal years starting on or after January 1, 2019. Earlier application is permitted provided IFRS 15 is also applied. The effects of the new IFRS 16 regulation on the consolidated financial statements of Fraport AG are currently still being assessed.

Notes to the Consolidated Income Statement

5 Revenue

Revenue

€ million	2015	2014
Aviation		
Airport charges	768.9	731.8
Security services	117.5	109.4
Other revenue	40.9	43.0
	927.3	**884.2**
Retail & Real Estate		
Real Estate	183.7	179.4
Retail	209.2	193.1
Parking	81.9	77.7
Other revenue	13.4	5.5
	488.2	**455.7**
Ground Handling		
Ground Services	375.8	380.6
Infrastructure charges	297.3	275.6
	673.1	**656.2**
External Activities & Services	**510.3**	**398.5**
Total	**2,598.9**	**2,394.6**

Table 44

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 €174.7 million (previous year: €164.7 million).

The operating leases mainly relate to the renting of buildings, land, terminal areas and offices. The contract term ends in 2070 at latest. No purchase options have been agreed upon. As in the previous year, the remaining term of hereditary building rights contracts was 43 years on average. No purchase options exist for these, either.

The acquisition and production costs of the leased buildings and land amounts to €424.3 million (previous year: €425.7 million). Cumulative depreciation and amortization came to €297.6 million (previous year: €293.2 million), of which depreciation and amortization amounted to €6.4 million for the fiscal year (previous year: €8.2 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 €15.1 million (previous year: €10.8 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	2015
Minimum lease payments	92.8	187.5	784.2	1,064.5

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

Table 45

The total future income from minimum leasing payments under subleasing arrangements amounted on the reporting date to €1.8 million (previous year: €2.1 million).

6 Change in work-in-process

Change in work-in-process

€ million	2015	2014
Change in work-in-process	0.5	0.6

Table 46

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	2015	2014
Other internal work capitalized	29.9	28.3

Table 47

The other internal work capitalized primarily relates to engineering, planning, and construction services 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	2015	2014
Releases of provisions	22.4	17.2
Income from compensation payments	2.3	1.1
Income from deconsolidations	8.0	0.0
Releases of special items for investment grants	1.3	1.3
Releases of allowances	0.9	3.6
Gains from disposal of non-current assets	0.6	2.3
Others	14.3	17.0
Total	**49.8**	**42.5**

Table 48

The release of provisions mainly relates to current provisions for rebates and refunds.

Income from deconsolidations relates to the sale of Air Transport IT (see also Note 2).

9 Cost of materials

Cost of materials

€ million	2015	2014
Cost of raw materials, consumables, supplies, and real estate inventories	–77.3	–77.1
Cost of purchased services	–533.1	–456.2
Total	**–610.4**	**–533.3**

Table 49

Among other things, the cost of raw materials, consumables, 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 outside of Germany (see also note 50) the cost of purchased services includes accrued revenue-related concession charges of €130.8 million (previous year: €102.8 million), as well as order costs for construction and expansion services in the amount of €15.1 million (previous year: €10.8 million).

10 Personnel expenses and number of employees

Personnel expenses and average number of employees

€ million	2015	2014
Remuneration for staff	–832.8	–783.4
Social security and welfare expenses	–150.1	–143.6
Pension expenses	–43.8	–43.4
Total	**–1,026.7**	**–970.4**

Average number of employees	2015	2014
Permanent employees	19,770	19,307
Temporary staff (interns, students, and scholars)	950	1,088
Total	**20,720**	**20,395**

Table 50

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	2015	2014
Composition of depreciation and amortization		
Investments in airport operating projects	–25.8	–23.3
Other intangible assets	–16.9	–12.3
Property, plant, and equipment		
regular	–282.4	–271.4
non-regular	–2.1	0.0
Investment property	–1.1	–0.3
Total	**–328.3**	**–307.3**

Table 51

Regular depreciation and amortization

The useful lives of some assets were remeasured in the year under review, resulting in increased depreciation and amortization of €4.6 million (previous year: €5.6 million) and reduced depreciation and amortization of €10.5 million (previous year: €5.5 million).

Impairment losses pursuant to IAS 36

The non-regular depreciation and amortization recorded in the year under review relate to the property, plant, and equipment of FCS and result from a company valuation carried out in connection with the disposal of shares in the company (see also Note 2).

12 Other operating expenses

Other operating expenses

€ million	2015	2014
Insurances	–25.3	–24.7
Consulting, legal, and auditing expenses	–15.4	–19.7
Rental and lease expenses	–14.1	–19.2
Costs for advertising and representation	–19.3	–15.7
Other taxes	–10.3	–9.6
Losses from disposal of non-current assets	–5.9	–3.2
Expenses from obligations to environmental and local areas	–3.0	–3.2
Write-downs of trade accounts receivable	–11.5	–1.2
Others	–88.4	–75.7
Total	**–193.2**	**–172.2**

Table 52

Rental and lease expenses include minimum lease payments in the amount of €9.5 million (previous year: €14.4 million) and expenses arising from subleases of €0.3 million (previous year: €0.1 million). In the fiscal year, contingent rental payments of €0.3 million (previous year: none) were accrued.

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 auditing expenses include Group auditor fees (disclosed in accordance with Section 314 (1) no. 9 HGB) amounting to €1.8 million (previous year: €1.9 million). They are comprised as follows:

Group auditor fees

€ million	2015		2014	
	Fraport AG	Consolidated companies	Fraport AG	Consolidated companies
Audit services	1.4	0.3	1.2	0.3
Other certification services	0.1	0.0	0.2	0.0
Tax audit services	0.0	0.0	0.0	0.0
Other benefits	0.0	0.0	0.2	0.0
Total	**1.5**	**0.3**	**1.6**	**0.3**

Table 53

13 Interest income and interest expenses

Interest income and interest expenses

€ million	2015	2014
Interest and similar income	30.6	35.6
Interest and similar expenses	–156.2	–176.7

Table 54

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, which are not recognized at fair value

€ million	2015	2014
Interest income from financial instruments	26.9	27.9
Interest expenses from financial instruments	–151.1	–165.3

Table 55

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	2015	2014
Joint ventures	30.5	39.2
Associated companies	7.1	4.3
Total	**37.6**	**43.5**

Table 56

15 Other financial result

The other financial result breaks down as follows:

Other financial result

€ million	2015	2014
Income		
Foreign currency translation rate gains, unrealized	2.4	2.2
Foreign currency translation rate gains, realized	3.8	1.2
Valuation of derivatives	7.7	0.1
Other	0.8	0.2
Total	**14.7**	**3.7**
Expenses		
Foreign currency translation rate losses, unrealized	–8.2	–2.9
Foreign currency translation rate losses, realized	–5.1	–1.4
Valuation of derivatives	0.0	–8.2
Other	–0.1	–1.7
Total	**–13.4**	**–14.2**
Total other financial result	**1.3**	**–10.5**

Table 57

16 Taxes on income

Income tax expense breaks down as follows:

Taxes on income

€ million	2015	2014
Current taxes on income	–131.5	–113.2
Deferred taxes on income	–5.3	–9.7
Total	**–136.8**	**–122.9**

Table 58

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 2015 fiscal year amounts to €101.0 million (previous year: €88.8 million), €12.0 million of which relates to previous years (previous year: €0.0 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 taxes, unchanged from the previous year, has been applied to German companies.

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. In the previous year, €2.0 million deferred tax assets were formed. These related to a Group company that had generated losses in the prior year and in past years, as it was assessed as being of value based on the planning. The company was deconsolidated in the year under review.

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, 2015, based on current information, the Fraport Group had non-utilizable tax loss carry-forwards forward in the amount of €5.0 million (of which €5.0 million related to trade taxes and €0.0 million to corporation taxes; previous year: €20.6 million, of which €10.3 million trade taxes and €10.3 million corporation taxes). Loss carry-forwards that are not expected to be utilizable are due to Fraport Immobilienservice und -entwicklungs GmbH & Co. KG and can be carried forward indefinitely.

For temporary differences in connection with shares in subsidiaries amounting to €186.3 million (previous year: €152.4 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 deferred tax liabilities are, however, limited to 1.55 % of the difference as well as local withholding taxes in the case of future dividend payments from certain foreign subsidiaries.

In addition, deferred taxes 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	2015		2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Investments in airport operating projects	0.0	–10.6	0.0	–10.3
Other intangible assets	0.0	–29.3	1.4	–29.7
Property, plant, and equipment	0.5	–210.5	1.3	–203.2
Financial assets	0.2	0.0	1.9	0.0
Accounts receivable and other assets	7.5	–0.9	2.8	–6.5
Provisions for pensions and similar obligations	6.2	0.0	7.0	0.0
Other provisions	27.3	–1.4	26.3	–1.7
Liabilities	56.5	–2.1	59.9	–3.0
Financial derivatives	21.0	–0.1	28.9	–0.1
Losses carried forward	0.0	0.0	0.8	0.0
Total separate financial statements	**119.2**	**–254.9**	**130.3**	**–254.5**
Offsetting	–85.8	85.8	–99.2	99.2
Consolidation measures	0.0	–3.1	0.0	–3.4
Statement of financial position	**33.4**	**–172.2**	**31.1**	**–158.7**

Table 59

The vast majority of the deferred tax assets and liabilities result from non-current assets (investments in airport operating projects, other intangible assets, property, plant, and equipment) 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 €7.9 million (previous year: €4.8 million) from the change in the fair values of financial derivatives and securities were recognized directly in shareholders' equity without affecting profit or loss. Further equity-reducing deferred taxes resulted primarily from the revaluation of defined benefit plans in the amount of €0.4 million (previous year: equity-increasing deferred taxes of €1.7 million).

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

Tax reconciliation

€ million	2015	2014
Earnings before taxes on income	433.8	374.7
Expected tax income/expense [1]	–134.5	–116.2
Tax effects from differences in foreign tax rates	12.3	7.8
Taxes on non-deductible operating expenses	–1.3	–1.2
Non-creditable non-German withholding tax	–1.6	0.0
Permanent differences including non-deductible tax provisions	–18.0	–19.5
Results of companies accounted for using the equity method	11.6	13.5
Non-utilizable tax losses carried forward	0.0	–1.8
Trade effects and other effects from local taxes	–4.5	–5.1
Other	–0.8	–0.4
Taxes on income according to the income statement	**–136.8**	**–122.9**

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

Table 60

The consolidated tax rate for the 2015 fiscal year is 31.5 % (previous year: 32.8 %).

17 Earnings per share

Earnings per share

	2015		2014	
	basic	diluted	basic	diluted
Group result attributable to shareholders of Fraport AG in € million	276.5	276.5	234.7	234.7
Weighted average number of shares	92,289,839	92,548,167	92,240,662	92,541,318
Earnings per €10 share in €	3.00	2.99	2.54	2.54

Table 61

The basic earnings per share for the 2015 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 92,265,383 to 92,307,711 as at December 31, 2015. With a weighted average number of 92,289,839 shares, the basic earnings per €10 share amounted to €3.00.

As a result of the rights granted to employees to buy shares (authorized capital) within the scope of the employee investment plan, the diluted number of shares amounts to 92,548,167 (weighted average) and the diluted earnings per €10 share are therefore €2.99.

Notes to the Consolidated Financial Position

The composition and development of goodwill, investments in airport operating projects, other intangible assets, property, plant, and equipment, and investment property are shown in the Consolidated Statement of Changes in Non-Current Assets.

18 Goodwill

Goodwill arising from consolidation relates to:

Goodwill

€ million	Carrying amount December 31, 2015	Carrying amount December 31, 2014
FraSec	22.4	22.4
Aerodrom Ljubljana	18.0	18.0
AMU Holdings Inc.	1.0	1.0
Media	0.3	0.3
Total	**41.7**	**41.7**

Table 62

The following table provides an overview of the assumptions incorporated in the main goodwill impairment tests:

Goodwill impairment test

Designation CGU	Carrying amount Goodwill	Discount rate before taxes	Growth rate of perpetual annuity	Average revenue growth in detailed planning period	Average EBITDA margin in detailed planning period	Detailed planning period
FraSec	€22.4 million	8.6%	1.0%	–	1.5%	2016 to 2025
Aerodrom Ljubljana	€18.0 million	8.2%	–	2.6%	–	2016 to 2053

Table 63

The parameters used within the scope of the impairment tests are based on the current plan approved by the Executive Board. This takes account of internal empirical values and external economic framework data.

The revenue forecasts used to determine growth assumptions are based in particular on expected air traffic trends derived from external market forecasts and expected order development.

A variation in the discount rate of +0.5 percentage points, growth forecasts of – 0.5 percentage points or in the average EBITDA margin (FraSec) of – 10 % will not affect the recoverability of the reported goodwill.

The planning period that forms the basis for the FraSec impairment test is subdivided into a plan for 2016 – 2021 approved by the Executive Board and the Supervisory Board and an additional long-term plan up to 2025. The background for the planning period is capacity expansion at Frankfurt Airport. Accordingly the detailed planning period for the free cash flows will be extended until 2025. It is expected that the situation will be stable from this year, which means that subsequently a perpetual annuity can be determined.

The planning period on which the impairment test for Ljubljana Aerodrome is based corresponds to the term of the right derived from a long-term land use contract to operate the airport in Ljubljana.

19 Investments in airport operating projects

Investments in airport operating projects

€ million	December 31, 2015	December 31, 2014
Investments in airport operating projects	500.9	479.2

Table 64

Investments in airport operating projects comprise minimum concession payments capitalized due to the application of IFRIC 12 (see also note 4 and note 50) of €296.9 million (previous year: €298.0 million) and incurred capital expenditure of €204.0 million (previous year: €181.2 million). They relate to the terminal operation at the concession airports in Lima at €315.8 million (previous year: €288.4 million) and in Varna and Burgas at €185.1 million (previous year: €190.8 million).

20 Other intangible assets

Other intangible assets

€ million	December 31, 2015	December 31, 2014
Other concession and operator rights	101.5	100.4
Software and other intangible assets	59.7	56.7
	161.2	**157.1**

Table 65

The other concession and operator rights include the right derived from an existing, long-term land use contract to operate the airport in Ljubljana (€62.8 million, previous year: €64.6 million) with a residual term of 38 years and the concession rights shown in the balance sheet of the AMU Group (€38.7 million, previous year: €36.0 million) in the retail sector with residual terms of up to 14 years.

The other intangible assets included as of the reporting date internally generated intangible assets with residual carrying amounts of €12.7 million. The capitalized manufacturing costs are attributable in full to the development phase. The depreciation and amortization is carried out on a straight-line basis taking into account the scheduled useful lives between two and 16 years. Depreciation and amortization in the fiscal year amounted to €1.9 million.

21 Property, plant, and equipment

Property, plant, and equipment

€ million	December 31, 2015	December 31, 2014
Land, land rights, and buildings, including buildings on leased lands	3,569.1	3,666.3
Technical equipment and machinery	1,676.9	1,735.9
Other equipment, operating, and office equipment	162.0	159.4
Construction in progress	637.4	566.1
Total	**6,045.4**	**6,127.7**

Table 66

Additions in the 2015 fiscal year amounted to €235.3 million. Of this, €63.1 million was attributable to projects relating to the capacitive expansion of Frankfurt Airport.

Borrowing costs were capitalized in the amount of €15.7 million (previous year: €15.0 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 4.5 % on average (previous year: around 4.3 %). Borrowing costs were mainly incurred for projects relating to the capacitive expansion of Frankfurt Airport.

As in the previous year, no borrowing costs were incurred from concrete project financing.

As at the balance sheet date, property, plant and equipment with a carrying amount totaling €10.3 million carry mortgages (previous year: €13.0 million).

Assets from finance lease contracts amounting to €23.8 million were recognized in property, plant, and equipment at the balance sheet date (previous year: €44.0 million):

Finance lease contracts (2015)

€ million	Carrying amount January 1, 2015	Additions	Disposals	Depreciation and amortization	Carrying amount December 31, 2015
Land, land rights and buildings, including buildings on leased land	20.1	0.0	7.6	2.1	10.4
Technical equipment and machinery	23.8	0.0	3.7	6.8	13.3
Other equipment, operating and office equipment	0.1	0.1	0.0	0.1	0.1
Total	**44.0**	**0.1**	**11.3**	**9.0**	**23.8**

Table 67

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 68

Land, land rights and buildings, including buildings on leased lands, include an energy plant located on the site 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.

Technical equipment and machinery includes an IT service agreement for the provision of an IT network on the Frankfurt Airport site and related services. As the network is located on the site 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 site of Fraport AG, and Fraport AG is the sole recipient of the server and data storage services. Both contracts run until 2018. The quantity of infrastructure supplied for the two aforementioned agreements declined during the fiscal year, so the leases were adjusted accordingly. Disposals totaling €3.7 million are accounted for by this.

The disposals of €7.6 million in the category land, land rights and buildings, including buildings on leased land can be solely attributed to changes in the scope of consolidation.

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, 2015	Carrying amount December 31, 2014	Fair value December 31, 2015	Fair value December 31, 2014
Undeveloped land – Level 2	3.1	3.0	50.7	3.0
Undeveloped land – Level 3	8.8	8.1	9.9	10.2
Developed land – Level 3	62.6	51.9	96.7	138.0
Total	**74.5**	**63.0**	**157.3**	**151.2**

Table 69

Undeveloped land – Level 2 is agricultural land in the Kelsterbach district which is partly located in a bird sanctuary and undeveloped land in the southern part of the airport site. 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.

At €4.7 million, the additions in the reporting year are mainly attributed to additions to the property in the southern part of the airport site. They consist of already finished and still to be built commercial property that is or is to be leased long term to air freight companies. The reclassifications in the year under review can also be attributed in full to this commercial property. The changes in the fair values of the undeveloped land – Level 2 and the developed land – Level 3 are due to the further reclassification of land in the southern part of the airport site from property, plant, and equipment and to splitting of land that took place in the fiscal year, which led to shifts between the two said categories.

As of the balance sheet date, the investment property included assets under construction of €1.8 million (previous year: €13.4 million).

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 2015 fiscal year amounted to €4.6 million (previous year: €2.9 million). The total costs incurred for the maintenance of investment property were €1.7 million (previous year: €1.7 million), of which €0.1 million (previous year: €0.5 million) was incurred for property for which no lease revenue was earned during the fiscal year.

As of the balance sheet date, there were no obligations to acquire investment property (previous year: €0.3 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 financial position 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, 2015	December 31, 2014
Non-current assets	**960.7**	**1,065.5**
Non-current liabilities	**937.5**	**1,082.6**
thereof financial liabilities	257.0	331.1
thereof other liabilities (including trade accounts payable)	680.5	751.5
Current assets	**267.1**	**265.4**
thereof cash and cash equivalents	226.5	235.9
thereof other assets	40.5	29.5
Current liabilities	**188.0**	**154.1**
thereof financial liabilities	74.2	41.8
thereof other liabilities (including trade accounts payable)	113.8	112.3
Net assets	**102.3**	**94.2**
Share of net assets	51.2	47.1
Goodwill	16.9	16.9
Investment carrying amount	**68.1**	**64.0**

Table 70

Results data for Antalya

€ million	2015	2014
Revenue	301.0	326.8
Regular depreciation and amortization	–108.5	–109.4
Interest income	3.0	4.6
Interest expenses	–75.4	–82.3
Taxes on income	–16.3	–29.5
Result after taxes	**59.2**	**76.6**
Other result	9.2	2.2
Comprehensive income	**68.4**	**78.8**

Table 71

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	
	2015	2014	2015	2014	2015	2014
Investment carrying amount on January 1 (Fraport share)	64.0	52.9	20.1	20.8	84.1	73.7
Share of annual net profit/losses	29.6	38.3	0.9	0.9	30.5	39.2
Share of other result	4.6	1.1	0.0	0.0	4.6	1.1
Comprehensive income	**34.2**	**39.4**	**0.9**	**0.9**	**35.1**	**40.3**
Dividends	–28.9	–27.5	–0.3	–1.3	–29.2	–28.8
Other adjustments	–1.2	–0.8	0.0	–0.3	–1.2	–1.1
Addition and capital increase FCS	0.0	0.0	5.7	0.0	5.7	0.0
Investment carrying amount on December 31 (Fraport share)	**68.1**	**64.0**	**26.4**	**20.1**	**94.5**	**84.1**
Unrecorded pro rata results/losses						
In the reporting period			1.0	0.7		
Cumulative			–0.4	–1.3		

Table 72

In connection with financing the concession in Antalya, €206.4 million of bank balances are subject to a drawing restriction (previous year: €235.9 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 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 AG holds 30 % of the shares and the City of Hanover and the State of Lower Saxony each have a 35 % stake in the company.

NCG, Xi'an, and Hannover-Langenhagen GmbH are not 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, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Share of shareholders' equity	**35.50 %**	**35.50 %**	**24.50 %**	**24.50 %**	**30.00 %**	**30.00 %**
Non-current assets	**718.0**	**815.5**	**736.1**	**789.1**	**335.6**	**338.8**
Non-current liabilities	**1,119.6**	**607.3**	**261.7**	**256.7**	**159.2**	**166.7**
thereof financial liabilities	1,063.3	524.3	234.1	239.7	130.8	137.6
thereof other liabilities (including trade accounts payable)	56.3	83.0	27.6	17.0	28.4	29.1
Current assets	**128.7**	**150.5**	**178.9**	**95.9**	**12.3**	**12.0**
thereof cash and cash equivalents	104.9	123.0	138.5	68.3	1.0	0.7
thereof other assets	23.8	27.5	40.3	27.6	11.3	11.3
Current liabilities	**86.8**	**610.4**	**140.3**	**151.2**	**53.2**	**52.8**
thereof financial liabilities	36.1	535.3	0.0	0.0	21.0	23.2
thereof other liabilities (including trade accounts payable)	50.7	75.1	140.3	151.2	32.2	29.6
Net assets	**–359.7**	**–251.7**	**513.0**	**477.1**	**135.5**	**131.3**
Pro rata share of net assets	–179.9	–125.9	125.7	116.8	40.7	39.5
Adjustments/accumulated impairments	0.0	0.0	0.0	0.0	–25.7	–25.7
Investment carrying amount	**0.0**	**0.0**	**125.7**	**116.8**	**15.0**	**13.8**

Table 73

Result data

€ million	Thalita/NCG		Xi'an		Hanover	
	2015	2014	2015	2014	2015	2014
Revenue	233.1	369.9	200.7	143.9	146.1	142.0
Regular depreciation and amortization	−38.3	−41.7	−48.6	−27.6	−20.2	−19.9
Interest income	0.0	0.0	4.2	2.0	0.0	0.0
Interest expenses	−90.9	−73.3	−15.8	−15.9	−6.2	−6.8
Taxes on income	6.6	48.5	−4.0	−2.5	1.0	−0.2
Result after taxes	**−8.8**	**−291.7**	**20.5**	**12.6**	**3.8**	**1.1**
Other result	4.7	−10.9	0.0	0.0	0.3	−3.1
Comprehensive income	**−4.1**	**−302.6**	**20.5**	**12.6**	**4.1**	**−2.0**

Table 74

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	
	2015	2014	2015	2014	2015	2014	2015	2014
Investment carrying amount on January 1 (Fraport share)	**0.0**	**0.0**	**116.8**	**104.2**	**13.8**	**14.4**	**2.2**	**2.6**
Share of annual net profit/losses	0.0	0.0	5.1	3.1	1.1	0.3	0.9	0.9
Share of other result	0.0	0.0	0.0	0.0	0.1	−0.9	0.0	0.0
Currency translation differences	0.0	0.0	6.2	11.3	0.0	0.0	0.0	0.0
Comprehensive income	**0.0**	**0.0**	**11.3**	**14.4**	**1.2**	**−0.6**	**0.9**	**0.9**
Dividends	0.0	0.0	−2.4	−1.8	0.0	0.0	−0.8	−1.3
Other adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Investment carrying amount on December 31 (Fraport share)	**0.0**	**0.0**	**125.7**	**116.8**	**15.0**	**13.8**	**2.4**	**2.2**
Unrecorded pro rata results/losses								
in the reporting period	−3.1	−103.5						
Cumulative	−107.2	−104.1						

Table 75

There are no significant restrictions pursuant to IFRS 12.

24 Other financial assets

Other financial assets

€ million	December 31, 2015	December 31, 2014
Available for sale financial assets		
Securities	408.2	539.5
Other investments	91.8	76.0
Loans		
Loans to joint ventures	4.3	4.3
Loans to associated companies	120.3	122.0
Other loans	34.6	31.5
Total	**659.2**	**773.3**

Table 76

Cash deposits of €90.5 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 €220.0 million maturing in 2016 and changes arising from valuation of €2.6 million.

Investment securities include fund units that have been acquired exclusively for the insolvency protection of credits from the time-account models and partial retirement claims in particular of employees of Fraport AG. In the 2015 fiscal year, fund units were increased by €0.9 million (previous year: a reduction of €11.7 million). As at the reporting date, acquisition costs amounted to €47.5 million (previous year: €46.5 million). These securities are measured at fair value and credited against the corresponding obligations in the amount of €37.3 million (previous year: €43.5 million) (see also note 40). At year-end, there was an overfunding from fund units of €13.7 million (previous year: €6.4 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.

The loans to associated companies relate to a loan granted to Northern Capital Gateway LLC (NCG), St. Petersburg/ Russia in previous years. In the fiscal year, the loan liability was assumed by the parent company of NCG, Thalita Ltd, Cyprus. The guarantee that existed for direct investments abroad through the Federal Republic of Germany up until the assumption of the liability by Thalita Ltd. was replaced by commercial insurance. The interest receivables arising from the interest accrued according to the effective interest method are reported as non-current receivables from associated companies (see also note 25).

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, 2015	up to 1 year	over 1 year	December 31, 2014
Accounts receivable from joint ventures	5.7	6.8	**12.5**	1.1	7.9	**9.0**
Accounts receivable from associated companies	0.4	56.4	**56.8**	0.2	41.8	**42.0**
Accounts receivable from other investments	2.1	–	**2.1**	0.9	–	**0.9**
Financial assets "available for sale"	213.3	–	**213.3**	199.3	–	**199.3**
Refunds from "passive noise abatement"	11.7	77.0	**88.7**	13.3	103.6	**116.9**
Other assets	68.4	4.6	**73.0**	75.1	4.2	**79.3**
Accruals	9.2	22.2	**31.4**	7.7	23.6	**31.3**
Total	**310.8**	**167.0**	**477.8**	**297.6**	**181.1**	**478.7**
thereof financial assets	263.5	75.9	**339.4**	256.3	52.8	**309.1**

Table 77

The financial assets in the "available for sale" category include securities with a remaining term of up to one year. The change in the total amount as of December 31, 2015 compared to the previous year results from scheduled reclassifications from the balance sheet item "Other financial assets", additions in the reporting year of around €438.7 million (previous year: €530.6 million) and disposals of securities that matured in the fiscal year of around €423.9 million (previous year: €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 assets in compliance with IAS 37.53 in connection with the provisions created for the obligation of Fraport AG to reimburse costs for noise abatement construction measures and expenses from refund claims for reduced utilization of outdoor facilities. The value was determined based on the estimated expenses for reimbursing the costs of noise abatement construction measures and estimated expenses for refund claims for reduced utilization of outdoor facilities. More information about the corresponding other provisions can be found in Note 40.

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

Accounts receivable from associated companies primarily include interest receivables from the interest cost added back pursuant to the effective interest method to the loan to Thalita Ltd. recorded under "Other loans" (see note 24).

The accruals are mainly construction cost subsidies paid by Fraport AG. They are especially paid to public utilities who set up facilities for special requirements of Fraport AG. The utility companies own the utility equipment.

Where applicable, the appropriate allowance is recognized for other financial assets as at the reporting date. No material allowances were applied in the reporting year (previous year: €0.1 million). There are no material overdue 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, 2015	up to 1 year	over 1 year	December 31, 2014
Income tax receivables	7.4	5.4	**12.8**	7.7	10.2	**17.9**

Table 78

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 Act on tax assistance measures for the introduction of the European Company and changes to further tax requirements (SEStEG).

According to Section 37 (4) of the KStG (new version), the corporation tax credit of Fraport AG had to be established most recently 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 between 2008 and 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.

Corporation tax credit totaled €12.2 million as at December 31, 2015 (previous year: €18.2 million), and is discounted at a rate of 3.75 % as in the previous year due to its long-term nature. The present value of this claim to a tax refund amounts to a total of €10.5 million as at the balance sheet date (previous year: €15.5 million). Economically, this refund claim is an overpayment pursuant to IAS 12.12.

27 Deferred tax assets

Deferred tax assets

€ million	December 31, 2015	December 31, 2014
Deferred tax assets	33.4	31.1

Table 79

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

28 Inventories

Inventories

€ million	December 31, 2015	December 31, 2014
Land and buildings for sale	24.7	26.6
Raw materials, consumables, and supplies	17.4	16.6
Work-in-process/other	0.7	0.5
Total	**42.8**	**43.7**

Table 80

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 real estate held for sale, €0.9 million was capitalized in the year under review (previous year: €2.8 million). Carrying amount reductions in the amount of €2.8 million (previous year: €0.3 million) were the result of real estate sale transactions. Borrowing costs were capitalized in the amount of €0.1 million (previous year: €0.2 million). The cost of debt was set at around 0.5 % (previous year: around 0.6 %).

The net realizable value of the real estate 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 3.1 % after tax (previous year: 4.5 %). 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 be incurred up to the date of sale mainly relate to expenses for the further development of the Mönchhof site property held for sale.

Sales of real estate with a carrying amount of around €5.9 million are planned for 2016 (previous year: around €6 million). The sale of other land and buildings (€18.8 million) should be realized in 2017 and subsequent years.

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, 2015	December 31, 2014
From third parties	154.0	174.7

Table 81

For 2015, as at the reporting date, the maximum default risk without taking securities into account equaled the carrying amount of €154.0 million (previous year: €174.7 million). The following table provides information on the extent of the default risk with regard to the non-impaired trade accounts receivable.

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, 2015	**154.0**	**99.4**	**30.7**	**8.8**	**15.1**
December 31, 2014	174.7	82.3	45.2	18.1	29.1

Table 82

With regard to trade accounts receivable which are neither impaired nor in default, there is no indication as at the reporting date for 2015 that the debtors will not meet their payment obligations. 30 % (previous year: 35 %) of outstanding accounts receivable are due from two customers.

Cash security in the amount of €6.6 million (previous year: €6.6 million) and non-cash guarantees (mainly loan guarantees) in the nominal amount of €27.6 million (previous year: €26.5 million) were accepted as security 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	2015	2014
Balance as at January 1	**49.1**	**34.4**
Allowances included in other operating expenses	11.5	1.2
Revenue-decreasing allowances	3.5	17.9
Release	–0.9	–4.2
Availments	–4.1	–0.2
Changes in the scope of consolidation	–1.5	0.0
Exchange rate differences	–0.4	0.0
Balance as at December 31	**57.2**	**49.1**

Table 83

30 Cash and cash equivalents

Cash and cash equivalents

€ million	December 31, 2015	December 31, 2014
Cash in hand, bank balances, and checks	406.0	401.1

Table 84

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

Cash and cash equivalents include time deposits of €152.0 million (previous year: €210.0 million) with a term of more than three months from the time of acquisition. These funds are not subject to any significant fluctuations in value and can be realized at any time.

In connection with financing the concession in Antalya, €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, 2015	December 31, 2014
Non-current assets held for sale	0.0	7.1

Table 85

The non-current assets held for sale in the previous year were assets pertaining to Air Transport IT Inc., FSG Flughafen Services GmbH and the investment in Adria Airways Tehnika d.d., which were all allocated to the External Activities segment. The sales took place in 2015 (see also note 2). 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, 2015	December 31, 2014
Issued capital	923.1	922.7
Capital reserve	594.3	592.3
Revenue reserves	1,919.9	1,706.1
Total	**3,437.3**	**3,221.1**

Table 86

Issued capital

Issued capital (less treasury shares) increased by €0.4 million in fiscal year 2015 and is fully paid up as at the balance sheet date.

This increase relates to the partial use of authorized capital following the capital increase in exchange for cash contributions to issue shares in connection with the employee investment plan.

Number of floating shares and treasury shares

Issued capital consisted of 92,385,076 (previous year: 92,342,748) bearer shares with no-par value, each of which accounts for €10.00 of the capital stock.

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

	Issued capital	Floating shares	Treasury shares		
				Amount of capital stock	Share of capital stock
	Number	Number	Number	in €	in %
Balance as at Jan. 1, 2015	**92,342,748**	**92,265,383**	**77,365**	**773,650**	**0.0838**
Employee investment plan					
Capital increase	42,328	42,328			
Balance as at Dec. 31, 2015	**92,385,076**	**92,307,711**	**77,365**	**773,650**	**0.0837**

	Issued capital	Floating shares	Treasury shares		
				Amount of capital stock	Share of capital stock
	Number	Number	Number	in €	in %
Balance as at Jan. 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 at Dec. 31, 2014	**92,342,748**	**92,265,383**	**77,365**	**773,650**	**0.0838**

Table 87

The new shares created for the employee investment plan were issued to employees at a price of €57.37 each in June 2015.

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 2015, a total of €423,280 of authorized capital was used to issue shares within the scope of the employee investment plan.

Therefore, €2.6 million of authorized capital remained as at December 31, 2015, which can be used for issuing shares to employees of Fraport AG and companies controlled by Fraport AG. The subscription rights of the shareholders may be excluded.

Contingent capital

A contingent capital increase of €13.9 million was approved pursuant 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 issued in the context of performance-related remuneration to members of the Executive Board up to 2010 were subject to a vesting period of 12 or 24 months. The exercise period of the last MSOP 2005 tranche ended on April 10, 2014.

Contingent capital totaled €3.4 million as at December 31, 2014. The Supervisory Board increased the contingent capital in its meeting of March 16, 2015 and passed a resolution for the deletion without replacement of the relevant passage in Section 4 (4) of the company statutes.

Capital reserve

The capital reserve contains the premium from the issue of Fraport AG shares. The €2.0 million increase in the capital reserve results from the excess in the issue amount (€47.37 per share) of new shares issued under the employee investment plan (42,328 shares in total).

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.

The derivative valuation reserve is –€52.7 million as at the balance sheet date (previous year: –€79.7 million). The reserve for the fair value valuation of financial assets available for sale totals €38.5 million (previous year: €27.4 million).

Pursuant to Section 268 (8) of the HGB, a total of €48.4 million of the shareholders' equity attributable to Fraport AG shareholders (previous year: €39.6 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, as in the previous year.

In the 2015 fiscal year, the AGM of May 29, 2015 resolved to pay a dividend of €1.35 per no-par value share entitled to dividends. The distributed amount thus came to €124.6 million (previous year: €115.3 million).

33 Non-controlling interests

Non-controlling interests

€ million	December 31, 2015	December 31, 2014
Non-controlling interests (excluding the attributable Group result)	53.9	47.8
Group result attributable to non-controlling interests	20.5	17.1
Total	**74.4**	**64.9**

Table 88

Non-controlling interests include allocated equity and earnings of Fraport Twin Star Airport Management AD, FraCare-Services GmbH, Media Frankfurt GmbH, Lima Airport Partners S.R.L., and in the previous year FSG Flughafen-Service GmbH 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, 2015	up to 1 year	over 1 year	December 31, 2014
Financial liabilities	543.6	3,273.8	**3,817.4**	318.1	3,874.3	**4,192.4**

Table 89

Please refer to the presentation of 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, 2015	up to 1 year	over 1 year	December 31, 2014
To third parties	143.1	42.5	**185.6**	134.5	47.1	**181.6**

Table 90

Trade accounts payable include liabilities in connection with compensation measures in connection with nature protection law in the amount of €27.9 million (previous year: €28.7 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, 2015	up to 1 year	over 1 year	December 31, 2014
Prepayment for orders	1.9	–	**1.9**	1.4	–	**1.4**
To joint ventures	8.1	–	**8.1**	7.2	–	**7.2**
To associated companies	0.7	–	**0.7**	0.8	–	**0.8**
To investments	3.9	–	**3.9**	1.7	–	**1.7**
Investment grants for non-current assets	1.3	10.4	**11.7**	1.3	11.5	**12.8**
Other accruals	7.1	36.4	**43.5**	6.9	38.0	**44.9**
Liabilities in connection with concession obligations	26.4	251.6	**278.0**	25.4	236.7	**262.1**
Negative fair values of derivative financial instruments	4.1	109.4	**113.5**	–	153.4	**153.4**
Other liabilities	75.9	39.9	**115.8**	79.0	57.9	**136.9**
Total	**129.4**	**447.7**	**577.1**	**123.7**	**497.5**	**621.2**
thereof primary financial liabilities	75.6	268.3	**343.9**	61.6	254.2	**315.8**

Table 91

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 thereof. Investment grants include government grants of €6.2 million (previous year: €7.1 million) and grants from other grant donors of €5.5 million (previous year: €5.7 million). The government grants relate, in particular, to capital expenditure incurred for baggage controls at Frankfurt Airport. The special items are straight-line released according to the useful life of the granted assets.

Other accruals are earnings 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 primarily consist 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, 2015
Lease payments	9.4	21.3	0.0	**30.7**
Discount amounts	1.4	1.6	0.0	**3.0**
Present value	**8.0**	**19.7**	**0.0**	**27.7**

€ 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**

Table 92

Discount rates, as in the previous year, are between 4.90% and 6.00%.

37 Deferred tax liabilities

Deferred tax liabilities

€ million	December 31, 2015	December 31, 2014
Deferred tax liabilities	172.2	158.7

Table 93

Deferred tax liabilities were recognized in compliance with IAS 12 using the temporary concept. Further explanations of deferred tax liabilities can be found in “Taxes on income” (see note 16).

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.

Pension obligations primarily include 17 (previous year: 20) vested pension benefits promised in individual pension commitments to 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/widower's benefits in accordance with the pension commitments. Reinsurance benefits are recognized at the active value reported by the insurance company in the amount of €21.3 million (previous year: €20.4 million), of which €0.5 million (previous year: €0.3 million) is attributable to reserved trust assets. The reinsurance is not traded on an active market. Plan assets are invested in shares, real estate, fixed-interest securities, and other assets. Reinsurance installments of €1.0 million have been paid for 2015 (previous year: €1.0 million) and €1.0 million is expected for the next year (previous year: €1.0 million). The average weighted term of the members of the Executive Board’s defined benefit plans is 16.2 years (previous year: 16.8 years) for pensions with reinsurance and 9.0 years (previous year: 9.1 years) for pensions without reinsurance.

The Executive Board members are entitled to pension benefits and provision for surviving dependents. An Executive Board member is generally entitled to a retirement pension if he or she becomes permanently unable to work or retires from office during the term 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. This amounts to 60% of the retirement pension for the widower or widow; children entitled to receive benefits receive 12% each. If no widow's/widower'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 are credited against accrued retirement pay up to the age of 60, 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 to 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 is 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, 2015, Dr. Schulte is entitled to 62.0% of his fixed annual gross salary. As at December 31, 2015, Dr. Zieschang is entitled to 46.0% of his fixed annual gross salary.

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 from 2012 onwards, the pension benefits, provision for surviving dependents, and provision for long-term occupational disability are governed by a separate benefit agreement. This calls for the payment of a one-time pension capital or lifelong retirement pension after the insured event. Pension capital is generated when Fraport AG credits 40% of the paid fixed annual gross salary to a pension account on an annual basis. The pension capital accumulated at the end of the previous year pays interest annually at the interest rate used for the valuation of the pension obligations in the German balance sheet of Fraport AG at the end of the previous year pursuant to Section 253 (2) of the German Commercial Code (HGB), which is at least 3% and at most 6%. This is increased by 1% on January 1 of each year for life-long retirement payments. No further adjustment is made. If the pension capital reached is less than €600,000 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 by a maximum of five years from the start of the employment contract. Until the postponed start of the pension benefit 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 pursuant to the Income Tax Act from employment or self-employment is credited against the retirement pension paid until the end of the month in which the Executive Board member reaches the age of 62.

Survivor benefits for Executive Board members appointed from 2012 onwards 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 thus 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 a retirement pension, the widow or widower is entitled to 60% of the last retirement pension paid. Half-orphans receive 10% and full orphans receive 25% of the last retirement pension 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 entered into a two-year restrictive covenant. During this term, reasonable compensation in the form of an annual gross salary (fixed salary) pursuant to Section 90a of the HGB will be paid. Part payments will be made monthly. The compensation will 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 provision for surviving dependents on the monthly compensation liable to top-up pension payments, for which contributions are payable, are restricted to the upper limit defined in Section 38 of the ATV-K in the amount of 1.133 times 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 retirement benefit for these persons. Hereafter, Fraport AG makes an annual contribution in the amount of 13% of the eligible income as capital components and pays this 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 408 benefits (of which 356 vested) as at the end of the year. The present value of the non-vested benefits amounts to €0.2 million (previous year: €0.2 million); the present value of the vested benefits amounted to €8.6 million in the 2015 annual financial statements (previous year: €8.0 million). Future obligations amount to €6.6 million for active employees and €2.2 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 term of 9.8 years (previous year: 10.5 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 13 vested pension commitments totaling €4.5 million (previous year: €4.9 million). Obligations amount to €3.5 million for active employees (previous year: €3.2 million); obligations amount to €1.0 million for former and retired employees (previous year: €1.7 million). The average weighted term of the employee-financed company pension scheme was 6.7 years (previous year: 6.4 years).

The valuation of pension obligations is based on the provisions of IAS 19. The pension obligations as at December 31, 2015 were calculated on the basis of actuarial opinions. Changes to the obligations outlined above were as follows:

Pension obligations (2015)

€ million	Present value of the obligation	Plan assets	Total
As at January 1, 2015	**54.1**	**–20.4**	**33.7**
Service cost			
Current service cost	2.3	0.0	**2.3**
Supplementary service cost	0.0	0.0	**0.0**
Gains and losses on compensation	0.0	0.0	**0.0**
Total service cost	**2.3**	**0.0**	**2.3**
Net interest income/expense			
Interest income and interest expenses	**1.1**	**–0.4**	**0.7**
Remeasurements			
Income 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	–2.1	0.0	**–2.1**
Actuarial gains and losses from changes in financial assumptions	–0.6	0.0	**–0.6**
Total remeasurements	**–2.7**	**–0.2**	**–2.9**
Impacts of exchange rate differences	0.0	0.0	**0.0**
Contributions of the employer to the plan	0.0	–1.0	**–1.0**
Contributions of the employee to the plan	0.0	0.0	**0.0**
Payments from the plan	–2.8	0.7	**–2.1**
Overfunding	0.0	0.0	**0.0**
As at December 31, 2015	**52.0**	**–21.3**	**30.7**

Table 94

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			
Income 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 95

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

Offsetting

€ million	2015	2014
Offsetting		
Reconciliation to assets and liabilities recognized in the financial position		
Present value of an obligation funded through a reinsurance/trust assets	23.8	23.6
Fair value of plan assets	–21.3	–20.4
Overfunding (not included in the net liability)/underfunding	2.5	3.2
Present value of an obligation not funded through a reinsurance/trust assets	28.2	30.5
(Net) liabilities recognized in the financial position	**30.7**	**33.7**

Table 96

Significant actuarial assumptions

	2015	2014
Salary trend	0.00 %	0.00 %
Interest rate	2.20 %	2.10 %
Pension growth	2.00 %/2.50 %	2.00 %/2.50 %
Mortality	Reduction by one year	Reduction by one year
Retirement age	Termination of contract period, earliest pensionable age in pension commitments	Termination of contract period, earliest pensionable age in pension commitments

Table 97

The significant actuarial assumptions relate 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 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 method for determining the sensitivity analysis did not change. The pension provision would vary by the following amounts in the event of a change in assumptions:

Sensitivity analysis (December 31, 2015)

€ million	2015	
	Decrease in interest rate by 0.5 %	Increase in interest rate by 0.5 %
Interest rate	3.2	–2.9
	Decrease in pension growth by 0.25 %	Increase in pension growth by 0.25 %
Pension growth	–1.0	1.0
	Reduction by one year	
Mortality [1]	1.4	
	Increase by one year	
Retirement age	0.3	

[1] The obligation would increase for all beneficiaries by €1.4 million as a result of the decrease in mortality of one year.

Table 98

Sensitivity analysis (December 31, 2014)

€ million	2014	
	Decrease in interest rate by 0.5 %	Increase in interest rate by 0.5 %
Interest rate	3.4	–3.1
	Decrease in inflation by 0.25 %	Increase in 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 99

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 the purposes of granting a company pension under the statutory insurance scheme based on a collective agreement (Altersvorsorge-TV-Kommunal – [ATV-K]) with the Zusatzversorgungskasse (top-up provision insurance scheme) for local authority and municipal employers in Wiesbaden (ZVK). The contributions are collected based on a pay-as-you-go model. As in the previous year, the contribution rate of the ZVK is 6.2 % on compensation liable to top-up pension payments; thereof, the employer pays 5.7 %, with the contribution paid by the employee amounting to 0.5 %. In addition, a tax-free restructuring charge of 2.3 % of the compensation liable to top-up pension payments is levied by the employer in accordance with Section 63 of the ZVK Statutes (ZVKS). An additional contribution of 9 % is paid for some employees included in the statutory social security insurance scheme (generally employees exempted from collective bargaining agreements and senior executives) for the consideration subject to ZVK that, according to Section 38 ATV-K, exceeds the upper limit defined in the collective 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, €29.1 million (previous year: €28.8 million) was recorded as contributions to defined contribution plans for ZVK. Contributions of €30.7 million are expected for the next fiscal year.

Furthermore, due to statutory provisions, contributions are also made to state-administered pension funds in Germany. The current contributions are shown as expense for the respective year. Employer contributions made by the Fraport Group to state-administered pension funds totaled €70.5 million (previous year: €67.2 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, 2015	up to 1 year	over 1 year	December 31, 2014
Provisions for taxes on income	56.0	62.1	**118.1**	14.7	68.8	**83.5**

Table 100

Tax provisions amounting to €118.1 million (previous year: €83.5 million) were accrued for unassessed corporation tax and trade taxes, 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, 2015	Use	Release	Additions	December 31, 2015
Personnel	**79.5**	**–59.3**	**–3.5**	**76.3**	**93.0**
thereof non-current	11.6				25.1
thereof current	67.9				67.9

Table 101

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 pursuant to IAS 19. The credit for partial retirement is offset against the fund units (see also note 24).

Other provisions

€ million	January 1, 2015	Use	Release	Additions	Interest effect	December 31, 2015
Environment	33.8	–2.9	0.0	3.3	–0.2	**34.0**
Passive noise abatement	143.5	–5.7	–16.6	0.0	0.9	**122.1**
Nature protection law compensation	31.7	–0.2	–1.7	0.0	0.4	**30.2**
Wake turbulences	42.6	–11.8	0.0	0.0	0.2	**31.0**
Others	120.7	–29.6	–18.9	52.0	0.0	**124.2**
Total	**372.3**	**–50.2**	**–37.2**	**55.3**	**1.3**	**341.5**
thereof non-current	216.4					176.5
thereof current	155.9					165.0

Table 102

Releases include releases recognized directly in equity in the amount of €18.3 million which were made in relation to the corresponding asset.

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, 2015, estimated cash outflows amount to €6.4 million within one year (previous year: €7.8 million), €14.5 million after one to five years (previous year: €15.9 million), and €13.1 million after five years (previous year: €10.1 million).

The “passive noise abatement” provision includes obligations to refund the passive noise abatement expenses of owners of private and commercial land and obligations to pay outdoor living and commercial area compensation. The obligations result from the planning approval notice made by the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVL) on December 18, 2007 in conjunction with the Act for Protection against Aircraft Noise (Aircraft Noise Act), and the planning approval notice of April 30, 2013. In the fiscal year, estimated future cash outflows for compensation in accordance with the Regulation on Outdoor Living Areas were changed on account of new experience. This resulted in the reduction of the present value of the relevant provision by €16.6 million. As at December 31, 2015, estimated cash outflows amount to €26.6 million within one year (previous year: €17.0 million), €77.3 million after one to five years (previous year: €99.8 million), and €18.2 million after five years (previous year: €26.7 million). There is a corresponding refund claim for part of the obligations under other accounts receivable (see also note 25). The adjustment to the provision in the fiscal year was made to a corresponding extent on the receivables side.

A provision for environmental protection compensating measures was created in 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, 2015, estimated cash outflows amount to €0.7 million within one year (previous year: €0.6 million), €4.8 million after one to five years (previous year: €4.2 million), and €24.7 million after five years (previous year: €26.9 million).

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. The obligations result from the corresponding supplementation decision dated May 10, 2013 and May 26, 2014. As at December 31, 2015, estimated cash outflows amount to €14.4 million within one year (previous year: €14.0 million), €14.4 million after one to five years (previous year: €25.7 million), and €2.2 million after five years (previous year: €2.9 million).

The remaining provisions include provisions for risks arising from renting and other services for which no further information is provided due to disputed facts, provisions for development measures to be carried out in connection with the sale of real estate inventories in the amount of €19.8 million (previous year: €20.9 million) (also see note 28), provisions relating to legal disputes in the amount of €9.4 million (previous year: €9.5 million), and provisions for the purchase and compensation program for residential properties (Fraport Casa) in the amount of €0.3 million (previous year: €8.3 million).

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, 2015	December 31, 2014
Liabilities in the context of assets held for sale	0.0	4.3

Table 103

Liabilities concerning non-current assets held for sale related to Air Transport IT Inc. and FSG Flughafen Services GmbH in the previous year (also see note 2).

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, 2015 and December 31, 2014, respectively:

Financial instruments as at December 31, 2015

€ million	Measured at amortized cost		Measured at fair value			December 31, 2015
			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**
	Carrying amount	**Fair value**	**Carrying amount [1]**	**Carrying amount [1]**	**Carrying amount [1]**	
Financial assets						
Cash and cash equivalents	406.0	406.0				**406.0**
Trade accounts receivable	154.0	154.0				**154.0**
Other financial receivables and assets	126.1	126.1		213.3		**339.4**
Other financial assets						
Securities				408.2		**408.2**
Other investments				91.8		**91.8**
Loans to joint ventures	4.3	4.3				**4.3**
Loans to associated companies	120.3	120.3				**120.3**
Other loans	34.6	34.6				**34.6**
Total	**845.3**	**845.3**	**0.0**	**713.3**	**0.0**	**1,558.6**

	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]**	
Financial liabilities							
Trade accounts payable	185.5	190.3					**190.3**
Other financial liabilities	343.9	438.0					**438.0**
Financial liabilities	3,817.4	3,987.9					**3,987.9**
Liabilities from finance leases				27.7	30.1		**30.1**
Derivative financial liabilities							
Hedging derivative						79.4	**79.4**
Other derivatives			34.1				**34.1**
Total	**4,346.8**	**4,616.2**	**34.1**	**27.7**	**30.1**	**79.4**	**4,759.8**

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

Table 104

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
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	
Financial assets						
Cash and cash equivalents	401.1	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 joint ventures	4.3	4.3				**4.3**
Loans to associated companies	122.0	120.3				**120.3**
Other loans	31.5	31.5				**31.5**
Total	**843.4**	**841.2**	**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]	
Financial liabilities							
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	**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 105

Given the short terms, 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 of the respective borrower on the reporting date is added to the cash flows.

Other investments mainly relate to 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 joint ventures and associated companies, as well as other non-current financial 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. The remaining other loans are promissory note loans with a remaining term of less than five years. Due to the lack of an active market, no information is available on the risk premiums of their respective issuers. As the promissory note loans are mainly floating interest rate loans, their carrying amounts were used as the most reliable value for their fair values. These are not intended for sale as at the 2015 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. There is a general interest rate risk for fixed-interest loans that are extended at the ends of their terms.

The fair values of financial instruments belong to the measurement categories of the hierarchy pursuant to IFRS 13:

Measurement categories pursuant to IFRS 13 (2015)

€ million	December 31, 2015	Level 1	Level 2	Level 3
		Quoted prices	Derived prices	Prices that cannot be derived
Financial assets				
Other financial receivables and financial assets				
Available for sale	**213.3**	213.3	0.0	0.0
Loans and receivables	**126.1**	0.0	69.7	56.4
Other financial assets				
Securities	**408.2**	350.3	57.9	0.0
Other investments	**91.8**	0.0	91.8	0.0
Loans to joint ventures	**4.3**	0.0	4.3	0.0
Loans to associated companies	**120.3**	0.0	0.0	120.3
Other loans	**34.6**	0.0	34.6	0.0
Total	**998.6**	**563.6**	**258.3**	**176.7**
Financial liabilities				
Trade accounts payable	**190.3**	0.0	190.3	0.0
Other financial liabilities	**438.0**	0.0	438.0	0.0
Financial liabilities	**3,987.9**	0.0	3,987.9	0.0
Liabilities from finance leases	**30.1**	0.0	30.1	0.0
Derivative financial liabilities				
Derivatives without hedging relationships	**34.1**	0.0	34.1	0.0
Derivatives with hedging relationships	**79.4**	0.0	79.4	0.0
Total	**4,759.8**	**0.0**	**4,759.8**	**0.0**

Table 106

The fair values of financial instruments belonged to the following measurement categories of the hierarchy pursuant to IFRS 13 as at December 31, 2014:

Measurement categories pursuant to IFRS 13 (2014)

€ million	December 31, 2014	Level 1	Level 2	Level 3
		Quoted prices	Derived prices	Prices that cannot be derived
Financial 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	**539.5**	469.6	69.9	0.0
Other investments	**76.0**	0.0	76.0	0.0
Loans to joint ventures	**4.3**	0.0	4.3	0.0
Loans to associated companies	**120.3**	0.0	1.5	118.8
Other loans	**31.5**	0.0	31.5	0.0
Total	**1,080.2**	**668.9**	**251.2**	**160.1**
Financial liabilities				
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	**5,263.1**	**0.0**	**5,263.1**	**0.0**

Table 107

Net results of the measurement categories

€ million	2015	2014
Financial assets		
Loans and receivables	–2.5	1.0
Available for sale	11.0	11.7
Financial liabilities		
At amortized cost	–3.3	–6.0
Held for trading	7.7	–8.1

Table 108

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, gains 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 2015 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.

The Group holds 35 interest rate swaps as at the reporting date (previous year: 44). Options were sold on four interest rate swaps (previous year: five) 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, 2015	December 31, 2014	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Interest rate swaps	970.0	1,200.0	–113.5	–153.4	0.0	0.0
thereof hedge accounting	775.0	975.0	–79.4	–111.7	0.0	0.0
thereof trading	195.0	225.0	–34.1	–41.7	0.0	0.0

Table 109

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, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Interest rate swaps – cash flow hedges	0.0	0.0	79.4	111.7
Interest rate swaps – trading	0.0	0.0	34.1	41.7

Table 110

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

A total of 29 interest rate swaps (previous year: 37) are accounted for as cash flow hedges in accordance with IAS 39. Changes in the fair values of these instruments are recorded in a shareholders' 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. Six interest rate swaps (previous year: seven) are 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 years. This is also the time when the respective hedged item affects profit or loss.

Interest rate swaps (2015 hedge accounting)

€ million	December 31, 2015		
Beginning of term	End of term	Nominal volume	Fair value
2006	2016	70.0	–1.4
2007	2017	60.0	–4.2
2008	2018	115.0	–13.2
2009	2016	100.0	–2.0
2009	2017	25.0	–1.7
2009	2019	220.0	–33.0
2010	2017	100.0	–6.9
2010	2020	85.0	–17.0
Total		**775.0**	**–79.4**

Table 111

There were the following time periods as at December 31, 2014:

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 112

Unrealized losses of €5.3 million were recorded in shareholders' equity from the change in fair value of derivatives in the 2015 fiscal year (previous year: €32.2 million). During the year under review, losses of €37.6 million (previous year: €40.3 million) were transferred from shareholders' equity to the financial result. In addition, ineffectiveness of the interest rate swaps amounting to €0.1 million was 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 “Integrated Facility Management”, “Corporate Infrastructure Management”, and “Project Expansion South”, 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.

Inter-segment revenue is primarily generated by the allocation of rent for land, buildings and space, as well as maintenance services and energy supply within Fraport AG. The corresponding assets are allocated to the Retail & Real Estate segment. The relevant units are charged on the basis of the costs incurred, including imputed interest.

Inter-segment revenue also reflects revenue that has been generated between the companies included in 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 of operation: Germany, rest of Europe, Asia and rest of the world. The figures shown under "Asia" relate mainly to Turkey and the People's Republic of China. The figures shown under "rest of the world" relate mainly to the USA and Peru. The revenue of Lima Airport Partners S.R.L., Lima, amounted to €277.9 million in 2015 (previous year: €214.3 million).

The three foreign companies founded in the fiscal year in connection with the management and operation of 14 Greek regional airports and the three domestic companies in the waste management services sector have been assigned to the External Activities & Services segment. All newly founded companies were not yet active in the fiscal year and therefore had no significant effect on the segment reporting.

The disposals during the year of the companies FRA Vorfeldaufsicht GmbH (Aviation segment), FSG Flughafen Service GmbH and Air-Transport IT Services, Inc. (External Activities & Services segment) and the sale of shares in FCS Frankfurt Cargo Services GmbH (Ground Handling segment) had no significant effect on the segment reporting.

Segment assets of the Ground Handling segment in the year under review included impairment losses in accordance with IAS 36 amounting to €2.1 million (see also notes 2 and 4).

Segment assets of the Retail & Real Estate segment include real estate inventories of €24.7 million (previous year: €26.6 million).

During the 2015 fiscal year, revenue of €932.1 million was generated in all four segments from one customer (previous year: €895.2 million). Further explanations about segment reporting can be found in the management report.

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 €652.2 million (previous year: €506.2 million) resulted in €844.0 million (previous year: €722.5 million) from operating activities, €114.6 million (previous year: €130.3 million) from financial activities, and €77.2 million (previous year: €86.0 million) from cash flow used in taxes on income.

Cash flow from operating activities includes cash outflows for fixed and variable concession payments in connection with the airport operator projects.

Cash flow used in investing activities

Cash flow used in investing activities excluding investments in cash deposits and securities amounted to €244.3 million in the reporting period, a decrease of €279.5 million year-on-year. In the previous year, there was a total cash outflow of €271.1 million for company acquisitions (AMU Holdings Inc. and Aerodrom Ljubljana d.d.).

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 cash flow used in investing activities includes payments for capacitive capital expenditure in infrastructure in connection with the airport operator projects.

Cash flow used in financing activities

Cash flow used in financing activities of €541.8 million mainly resulted from the repayment of non-current financial liabilities (previous year: €184.5 million).

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

€ million	December 31, 2015	December 31, 2014
Bank balances and cash in hand	39.8	17.4
Time deposits with a remaining term of less than three months	190.9	150.4
Cash and cash equivalents as at the consolidated statement of cash flows	**230.7**	**167.8**
Time deposits with a remaining term of more than three months	152.0	210.0
Restricted cash	23.3	23.3
Cash and cash equivalents as at the consolidated statement of financial position	**406.0**	**401.1**

Table 113

Other Disclosures

45 Contingent Liabilities

Contingent liabilities

€ million	December 31, 2015	December 31, 2014
Guarantees	3.3	12.2
Warranties	176.0	178.2
thereof contract performance guarantees	129.0	125.7
Other contingent liabilities	30.9	31.3
Total	**210.2**	**221.7**

Table 114

The warranties concluded mainly result from the respective contract terms in connection with national and international investment projects.

Alongside performance guarantees, the guarantees mainly include tender guarantees amounting to €19.5 million in connection with tenders for airport operator concessions as well as guarantees assumed by Fraport AG in connection with financing agreements signed by the Antalya operating company amounting to €4.5 million.

The performance guarantees of €129.0 million (previous year: €125.7 million) are mainly attributable to the following investments:

A performance guarantee, excluding recourse against Fraport AG, was signed between GMR Holdings Private Ltd., Fraport AG, and ICICI Bank Ltd. to the amount of €41.3 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.

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).

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, amounted to €14.7 million (US$16.0 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 €10.1 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.

The other contingent liabilities include that Fraport AG is held liable to the amount of €10.9 million for rentals payable by Lufthansa Cargo Aktiengesellschaft to ACC Animal Cargo Center Frankfurt GmbH if Lufthansa Cargo Aktiengesellschaft exercises an extraordinary right to terminate the contract (previous year: €11.6 million), contingent liabilities at Lima from tax risks in the amount of €12.4 million (previous year: €12.0 million), as well as at Twin Star from penalties for obligations for capital expenditure in arrears in the amount of €7.5 million (previous year: €7.7 million).

There are contingent liabilities amounting to €53.4 million (previous year: €52.4 million) in connection with investments in joint ventures.

46 Other financial obligations

Order commitments for capital expenditure

€ million	December 31, 2015	December 31, 2014
Orders for capital expenditure in property, plant, and equipment, intangible assets, and investment property	196.1	175.0

Table 115

Order commitments for intangible assets and investment property comprise an insignificant portion of the total amount.

Operating leases

€ million	December 31, 2015	December 31, 2014
Rental and leasing contracts		
up to 1 year	7.8	7.9
more than 1 up to 5 years	10.1	9.7
more than 5 years	30.3	30.9
Total	**48.2**	**48.5**

Table 116

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 reporting date. In view of their economic 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 (€41.9 million, previous year: €78.4 million) with Mainova AG 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. The other obligations amount to €45.4 million (previous year: €45.4 million) to associated companies and €1.0 million (previous year: €1.0 million) to joint ventures.

Revenue-related concession fees and additional obligations for capital expenditure of unspecified amounts on airport infrastructure have been agreed based on the existing concession agreements related to the operation of the airports in Varna and Burgas, Bulgaria (term until 2041) and Lima, Peru (minimum term until 2031) (see also note 50).

47 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 (see also note 32).

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 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 developments. Therefore, it constitutes a market-dependent performance target.

The amount of the actual tranche is limited to 150% of the target tranche (virtual shares awarded).

A total of 43,373 virtual shares (previous year: 45,444) were issued in the 2015 fiscal year. A provision for the LTIP in the amount of €7.4 million (previous year: €7.6 million) was reported as at December 31, 2015. The number of vested virtual shares (LTIP 2012) on the reporting date was 68,930 with a value of €3.3 million.

Expense reported in the 2015 fiscal year amounted to €3.5 million (previous year: €1.7 million), thereof €1.7 million (previous year: €0.9 million) attributable to Executive Board members and €1.8 million (previous year: €0.8 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, 2015 Executive Board	Fair value December 31, 2015 Senior Managers	Fair value December 31, 2014 Executive Board	Fair value December 31, 2014 Senior Managers
Fiscal year 2012	49.61	47.78	39.43	37.24
Fiscal year 2013	47.29	44.39	41.26	38.83
Fiscal year 2014	54.21	52.31	43.45	42.11
Fiscal year 2015	53.04	52.84	41.13	41.13

Table 117

On January 1 of the years 2012 to 2015, 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 in the 2015 tranche were issued on January 1, 2015. Their term is four years and thus ends on December 31, 2018.

The payout per virtual share corresponds to the weighted average closing prices of the Fraport share in the XETRA trading system 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 2012 to 2015 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.

48 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, among others, are regulated 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.

For further details, please refer to the opportunity and risk reporting in the group management report.

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 in the carrying amounts of the assets reported in the financial position. The amount of the debt instruments corresponds to the credit risks of the securities and promissory note loans. The breakdown on the balance sheet date is as follows:

Classification of securities

€ million	December 31, 2015	December 31, 2014
Debt instruments	637.1	778.5

Table 118

Securities and promissory note loans have the following long-term issuer ratings:

Issuer ratings of securities and promissory note loans (2015)

€ million	December 31, 2015
AAA	15.2
AA+	16.2
AA	30.2
AA–	110.2
A+	72.5
A	111.3
A–	115.6
BBB+	90.1
BBB	37.9
BBB–	32.9
Not rated	4.8
Total	**637.1**

Table 119

In 2014, the securities and promissory note loans had the following 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 120

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 (2015)

€ million	December 31, 2015
AAA	0.0
AA+	0.0
AA	0.0
AA–	43.7
A+	0.7
A	148.9
A–	13.5
BBB+	97.0
BBB	57.9
BBB–	0.9
BB+	23.7
BB	0.0
BB–	0.3
Not rated	19.4
Total	**406.0**

Table 121

In 2014, the banks where liquid funds were deposited had the following 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 122

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 and intangible assets.

The operating cash flow, the available liquid funds (including cash and cash equivalents and current 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, 2015 influenced the Group's future liquidity.

Liquidity profile as at December 31, 2015

€ million	Total	2016	2017	2018–2022	2023–2027	2028 et seqq.
Primary financial instruments						
Financial liabilities	**4,325.5**	604.3	380.1	2,910.5	87.6	343.0
Finance leases	**30.7**	9.4	9.5	11.8	0.0	0.0
Concessions payable	**663.7**	26.4	21.8	113.8	122.7	379.0
Trade accounts payable	**185.5**	143.1	22.8	10.8	7.5	1.3
Derivative financial instruments						
Interest rate swaps	**116.5**	39.1	30.5	45.1	1.8	0.0
Thereof trading	**32.1**	7.8	6.8	15.7	1.8	0.0
Thereof hedge accounting	**84.4**	31.3	23.7	29.4	0.0	0.0

Table 123

The liquidity profile as at December 31, 2014 was as follows:

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 124

All financial instruments that are subject to agreements as of the reporting date were included to determine the undiscounted payments. If a contractual partner can release a payment at different points of time, the earliest deadline was taken into account. The respective forward interest rates derived from the interest curve 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 outside Germany arising from independent project financing with a nominal value of €109.6 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 shareholders' 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.

In connection with the project financing of the airport operator concession in Lima, Peru (carrying amount: €110 million), there is also a credit clause under which the transfer of construction land for expanding the airport as laid down in the concession agreement was planned by the Peruvian government to the airport operator Lima Airport Partners S.A. (LAP) by December 31, 2015. This transfer constitutes an obligation on the part of the Peruvian government to LAP under the concession agreement for the operation of the airport for the capital, Lima. As the transfer has not been completed at December 31, 2015, LAP has not observed the credit clause at the end of December 31, 2015. Until this situation is resolved, LAP is only permitted to issue dividends following the prior agreement of the creditors. There are also investment restrictions.

If LAP formally reports to the Peruvian government the failure to transfer the construction land, this will give LAP the right to terminate the concession agreement if the construction land is not transferred within 90 days. This right of termination would entitle the creditors of the project financing to demand the early repayment of the project financing after an additional period.

LAP is currently in negotiations with the Peruvian government with the aim of resolving the situation.

All other agreed borrowing terms and conditions were met in 2015. There are currently no indications that there will be 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. Within the Group, foreign currency risks mainly arise from revenue in foreign currencies, that are not covered by expenses in matching currencies. This results in a cash flow risk between foreign currency revenue and functional currency revenue. Only the transaction risks affecting cash flows are actively controlled. These mainly apply between the US Dollar (US$) and the Peruvian Nuevo Sol (PEN). 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 department of Fraport AG. The transaction risks are assessed by means of sensitivity analyses. The calculation rates on which the analyses are based are the result of the mean value for the respective exchange rate in the period under review, less or in addition to a standard deviation. Taking these assumptions as a basis, the result for the period would have been affected in the year under review as follows:

Currency rate sensitivity

Risk in € million	December 31, 2015		December 31, 2014	
	Net income	Loss	Net income	Loss
US$/PEN	0.21	0.23	0.24	0.25

Table 125

Currency effects in connection with the shares in Delhi International Airport Private Ltd. classed as available for sale are recorded under shareholders' equity. A 10% revaluation or devaluation of the Euro against the Indian Rupee (INR) at December 31, 2015 would decrease or increase shareholders' equity by €0.9 million (previous year: €0.7 million). In addition, there are effects in the Group from the translation of foreign currency assets or liabilities into Euros and/or from the consolidation of Group companies not accounted for in Euros. These translational risks are met as far as possible by applying natural hedging.

Fraport holds an isolated foreign currency liability of CHF 72.9 million with a term lasting until 2016. A 10% revaluation or devaluation of the Euro against the CHF at December 31, 2015 would result in a €6.1 million (previous year: €5.5 million) lower or a €7.5 million (previous year: €6.7 million) higher financial liability. This would lead to a net income in the financial result of €6.1 million (previous year: €5.5 million) or a loss of €7.5 million (previous year: €6.7 million).

Interest rate risk

The Fraport Group is exposed to interest rate risks on a variety of primary and derivative financial assets and liabilities, as well as future planned capital requirements.

In regard to assets and liabilities that are currently held, the objective of refinancing at matching maturities is generally pursued. The interest rate risk arising in the next twelve months is relevant for control. Therefore, it is assessed every quarter and reported to the financial risk committee. Sensitivity analyses are prepared to determine the risk. These show the effects of changes in market interest rates on interest payments, interest income and expenses, other profit or loss portions, and shareholders' equity. Interest rate changes are defined to be the maximum fluctuation of the key interest rate in the past for the respective currency and the respective period of time and/or the maximum fluctuation of the ten year swap rate in the past. 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 analyses are based on the following assumptions:

Changes in market interest rates of primary financial instruments with fixed interest rates affect profit or loss, or shareholders' 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 curve by 169 basis points over a period of twelve months.

The financial instruments measured at amortized acquisition cost with fixed interest rates do not affect the result for the period or the shareholders' equity of the Fraport Group.

Market interest rate changes of primary floating-rate financial instruments, that 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; Peruvian Nuevo Sol (PEN): 7.10 percentage points; Saudi Riyal (SAR): 4.50 percentage points; Bulgarian Lew (BGN): 5.22 percentage points; Hong Kong Dollar (HKD): 5.25 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 shareholders' 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 pursuant 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 statement of financial position as at December 31, 2015 and the assumptions made, the profit or loss related sensitivity is –€0.7 million in the event of an increase (decrease) in the market interest rate (previous year: –€0.5 million). This means that the financial result could hypothetically have increased (decreased) by €0.7 million. This hypothetical effect on the result would have resulted from the potential effects of interest rate derivatives of €11.1 million (previous year: €16.0 million) and an increase (decrease) in the interest result from primary floating-rate net financial positions of –€11.8 million (previous year: –€16.5 million).

Interest sensitivity on financial result

	Interest sensitivity in € million	Thereof derivative financial instruments	Thereof primary financial instruments
December 31, 2015	**–0.7**	**11.1**	**–11.8**
December 31, 2014	–0.5	16.0	–16.5

Table 126

The equity-related sensitivity is €8.6 million (previous year: €19.6 million). By applying the assumptions made, an increase (decrease) in interest rates would have resulted in an increase (decrease) in shareholders' equity of €8.6 million.

Assuming a parallel shift in the interest rate curve of 58 basis points over a twelve-month period in the current interest rate environment as in the previous year gives the following interest sensitivity:

Interest sensitivity on equity

	Interest sensitivity in € million	Thereof derivative financial instruments	Thereof primary financial instruments
December 31, 2015	**–8.0**	**3.8**	**–11.8**
December 31, 2014	–11.0	5.5	–16.5

Table 127

The equity-related sensitivity for 58 basis points is €2.9 million (previous year: €6.7 million). By applying the assumptions made, an increase (decrease) in interest rates would have resulted in an increase (decrease) in shareholders' equity of €2.9 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, that relate EBITDA to net financial debt and/or interest expense. As long as the company remains within the following margins, Fraport's present view is that there is sufficient access to debt capital sources at reasonable costs.

The components of the control indicators are defined as follows:

Components of the control indicators

Net financial debt	Current financial liabilities
	+ Non-current financial liabilities
	– Liquid funds
	– Current realizable assets in "other financial assets" and "other receivables and financial assets"
EBITDA	Operating result + depreciation and amortization
Interest expense	Interest expense

Table 128

The financial ratios developed as follows in the period under review:

Financial debt ratios

Key figures	Corridor	December 31, 2015	December 31, 2014
Net debt/EBITDA	max. 4–6 ×	3.3	3.8
EBITDA/interest expense	min. 3–4 ×	5.4	4.5

Table 129

49 Related party disclosures

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			
	2015	**1.6**	**0.2**	**7.3**	**5.5**	**13.9**
Revenue	2014	1.6	0.2	5.7	4.4	14.7
	2015	**5.9**	**10.1**	**15.3**	**9.5**	**104.7**
Purchased goods and services	2014	10.6	13.2	16.2	11.1	121.2
	2015	**–0.8**	**–**	**0.1**	**2.7**	**–**
Interest	2014	–0.9	–	0.1	12.2	–
	2015	**–**	**–**	**12.5**	**56.8**	**0.1**
Accounts receivable	2014	–	–	9.0	42.0	–
	2015	**–**	**–**	**4.2**	**120.3**	**–**
Loans	2014	–	–	4.2	122.0	–
	2015	**–**	**0.2**	**8.1**	**0.7**	**9.1**
Liabilities	2014	–	–	7.2	0.8	13.3

Table 130

Relationships with related persons

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	2015	2014
Salaries and other short-term employee benefits	4.5	5.0
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	**7.3**	**7.8**

Table 131

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 54) are accounted for as other long-term employee benefits in the 2015 fiscal year.

The statement of share-based remuneration includes the granted amount for the Long-Term Incentive Program awarded in the 2015 fiscal year (LTIP, see also note 54).

At the end of the fiscal year, there were outstanding balances for the Executive Board members' bonuses amounting to €1.3 million (previous year: €1.2 million).

In the 2015 fiscal year, there was a consulting agreement in place between Fraport AG and Korthäuer & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Essen. One of the non-controlling managing partners of Korthäuer & Partner is Mr. Arno Prangenberg. Mr. Prangenberg is a member of the Supervisory Board of Fraport AG. The signing of the agreement followed the approval by the Supervisory Board of Fraport AG in accordance with Section 114 (1) of the AktG. The activities arising from this agreement were terminated in the fiscal year. The fee of €41 thousand net was paid by Fraport AG in 2015. The contract was concluded on an arm's length basis.

50 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

On December 20, 1957, the Minister of Labor, Economics and Transport for the State of Hesse, in agreement with the German Federal Minister of Transport, approved operations at Frankfurt am Main Airport in accordance with Section 7 of the German Air Traffic Act as amended on August 21, 1936. 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 planning approval notice 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. According to this, 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. In addition, 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 Airport what are known as “traffic charges” for provision of the transport infrastructure. These traffic charges are broken down into airport charges that require approval and other charges that do not require approval.

> The airport charges that require approval pursuant to Section 19b of the German Air Traffic Law (LuftVG) are divided into take-off and landing charges, including noise components and emission charges, parking charges, and passenger and security charges, as well as charges for the financing of passive noise abatement measures (noise surcharges). The amount of the charges is specified in a related charge table.

  Fraport AG and airline representatives reached an agreement on airport charges for 2012 to 2015 as early as February 19, 2010. 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 since January 1, 2014 was approved by the HMWEVL and published in the Air Transport Bulletin (NfL). 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 36.89 % (previous year: 36.87 %) 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 classified as charges for central Ground Services infrastructure facilities and Ground Services 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 2015, 15.37% was generated by ground handling services (previous year: 16.11%) and 14.21% by infrastructure charges (previous year: 14.03%).

Above and beyond the traffic charges, Fraport AG generates revenue essentially from revenue-based payments, renting and parking, and security services. The earnings from these operations which do not require approval accounted for 33.53% (previous year: 32.99%) 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. There are no options for renewal.

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 Chavez International Airport on the operation, expansion, maintenance, and use of the Jorge Chavez International Airport in Lima (Peru).

The term of the concession agreement is 30 years. The contract may be renewed for another 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 transfer of land for the construction of the second landing runway by the Peruvian government, planned for late 2015, has not taken place at December 31, 2015 (see also note 49).

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, inflation-fed by the US CPI) or 46.511 % of total revenue after deduction and transfer to Corpac (Aviation Regulatory Authority) of 50 % of landing fees and 20 % of the international passenger fees (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.

51 Significant events after the balance sheet date

There were no significant events after December 31, 2015 for the Fraport Group.

52 Information on investments 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 2015:

RARE Infrastructure Limited, Sydney, Australia notified us on March 16, 2015 in accordance with Section 21 (1) of the WpHG that its share of voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, Germany fell below the threshold of 5 % of voting rights on March 10, 2015 and amounted to 4.8736 % (corresponding to 4,500,447 voting rights) on that date.

RARE Infrastructure Limited, Sydney, Australia notified us on September 2, 2015 in accordance with Section 21 (1) of the WpHG that its share of voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, Germany fell below the threshold of 3 % of voting rights on August 25, 2015 and amounted to 2.99 % (corresponding to 2,762,302 voting rights) on that date.

RARE Infrastructure Limited, Sydney, Australia notified us on September 14, 2015 in accordance with Section 21 (1) of the WpHG that its share of voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, Germany rose above the threshold of 3 % of voting rights on September 10, 2015 and amounted to 3.002 % (corresponding to 2,773,140 voting rights) on that date.

RARE Infrastructure Limited, Sydney, Australia notified us on September 17, 2015 in accordance with Section 21 (1) of the WpHG that its share of voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, Germany fell below the threshold of 3% of voting rights on September 11, 2015 and amounted to 2.99% (corresponding to 2,762,938 voting rights) on that date.

Legg Mason, Inc, Baltimore, USA notified us on December 15, 2015 in accordance with Section 21 (1) of the WpHG that its share of voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, Germany rose above the threshold of 3% of voting rights on December 2, 2015 and amounted to 3.001% (corresponding to 2,772,583 voting rights) on that date.

BlackRock, Inc, Wilmington, USA notified us on December 23, 2015 in accordance with Section 21 (1) of the WpHG that its share of voting rights in Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main, Germany rose above the threshold of 3% of voting rights on December 18, 2015 and amounted to 3.003% (corresponding to 2,900,014 voting rights) on that date.

As at December 31, 2015, 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 51.35% as at December 31, 2015. State of Hesse held 31.34% and Stadtwerke Frankfurt am Main Holding GmbH held 20.01%.

The voting rights in Fraport AG owned by the City of Frankfurt am Main are held indirectly via the subsidiary Stadtwerke Frankfurt am Main Holding GmbH.

According to the last official report in accordance with the WpHG or disclosures by individual shareholders, the other voting rights in Fraport AG were attributable as follows (as at December 31, 2015): Deutsche Lufthansa AG 8.45%, BlackRock Inc. 3.00%, and Legg Mason, Inc. 3.00%. 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 34.20% (free float).

53 Statement issued by the Executive Board and the Supervisory Board of Fraport AG pursuant to Section 161 of the AktG

On December 14, 2015, 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 under the header "The Fraport Group" in the "Corporate Compliance" section.

54 Information concerning the Executive Board, Supervisory Board, and Economic Advisory Board

Remuneration of the Executive Board and Supervisory Board in fiscal year 2015

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 €5,409.5 thousand (previous year: €5,829.5 thousand) plus service costs for pensions of €1,122.6 thousand (previous year: €1,054.4 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 fiscal 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 €509 thousand as at December 31, 2015 (previous year: €250 thousand). The fair values of the LSA for Dr. Schulte amounted to €65.1 thousand as at the balance sheet date December 31, 2015 for the 2013 tranche (previous year: €64.6 thousand), €93.4 thousand for the 2014 tranche (previous year: €89.3 thousand), and €122.0 thousand for the 2015 tranche. The fair values of the LSA for Ms. Giesen, Mr. Müller, and Dr. Zieschang amounted to €35.1 thousand each as at December 31, 2015 for the 2013 tranche (previous year: €34.8 thousand), €63.2 thousand each for the 2014 tranche (previous year: €59.2 thousand), and €90.3 thousand each for the 2015 tranche.

The Executive Board received short-term remuneration components of €2,339.4 thousand for the fiscal year 2015 (previous year: €2,396.2 thousand). In addition, long-term remuneration components were allocated with an issue fair value of €1,215.3 thousand (2015 LTIP tranche) and €390.0 thousand (2015 LSA tranche) as part of the LTIP and LSA programs (previous year for the 2014 LTIP tranche: €1,283.4 thousand, 2014 LSA tranche: €410.0 thousand).

All active members of the Supervisory Board received a total remuneration of €889 thousand in the 2015 fiscal year (previous year: €877 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 €1,732 thousand (previous year: €1,885 thousand). The pension obligations towards active members of the Executive Board as at the balance sheet date were €10,088 thousand (previous year: €9,204 thousand) and towards former Executive Board members and their surviving dependents €25,341 thousand (previous year: €28,526 thousand).

The information concerning the members of the Executive Board and Supervisory Board is presented in notes 55 and 56.

Remuneration of the Economic Advisory Board in fiscal year 2015

In the 2015 fiscal year, aggregate remuneration of the Economic Advisory Board amounted to €97.0 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 set out in Section 15a of the WpHG.

55 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 Controlling & Finance **Dr. Matthias Zieschang**	**Chairman of the Supervisory Board:** > Flughafen Hannover-Langenhagen GmbH (until March 1, 2015) **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 > Flughafen Hannover-Langenhagen GmbH (from March 1, 2015) **Member of the Shareholders' Meeting:** > Flughafen Hannover-Langenhagen GmbH **Member of the Administrative Board:** > Frankfurter Sparkasse

Table 132

56 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 (Remuneration 2015: €63,000, 2014: €62,200)	**Member of the University Council:** > University of Frankfurt am Main **Member of the Board of Trustees:** > Institute for Law and Finance
Vice-Chairman **Gerold Schaub** Regional Director Traffic ver.di Hessen (Remuneration 2015: €54,150, 2014: €54,150)	**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 2015: €58,150, 2014: €57,350)	
Devrim Arslan Chairman of the Works Council of APS Airport Personal Service GmbH (Remuneration 2015: €40,500, 2014: €40,500)	**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 2015: €41,300, 2014: €41,300)	**Membership in mandatory control bodies:** > Stadtwerke Verkehrsgesellschaft Frankfurt/Main mbH (Chairperson) > ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH > Frankfurter Aufbau-Aktiengesellschaft > Mainova AG (Chairperson) > 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 (Vice-Chairperson from Nov 24, 2015) > Erdgas Westthüringen Beteiligungsgesellschaft mbH (until May 22, 2015) > Gas-Union GmbH (Chairperson) > 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 (until March 17, 2015) > RMA Rhein-Main Abfall GmbH **Chairman of the Supervisory Board:** > Frankfurt Ticket RheinMain GmbH (from March 18, 2015)
Hakan Cicek Member of the Works Council relieved of duty (Remuneration 2015: €35,500, 2014: €35,500)	
Kathrin Dahnke Member of the Executive Board at Wilhelm Wehrhahn KG (Remuneration 2015: €36,300, 2014: €34,700)	**Member of the Supervisory Board:** **(wholly-owned subsidiaries of Wilhelm Wehrhahn KG):** > Bank11 für Privatkunden und Handel GmbH > abcbank GmbH > ZWILLING J.A. Henckels AG (until June 7, 2015) **Chairperson of the Supervisory Board:** > ZWILLING J.A. Henckels AG (from June 8, 2015) **Vice-Chairperson of the Supervisory Board:** > Basalt-Actien-Gesellschaft **Member of the Administrative Board:** **(wholly-owned subsidiary of Wilhelm Wehrhahn KG):** > abcfinance GmbH **Member of the Executive Board:** **(wholly-owned subsidiary of Wilhelm Wehrhahn KG):** > Wehrhahn Industrieholding AG

Table 133

Mandates of the Supervisory Board

Members of the Supervisory Board	Memberships in mandatory Supervisory Boards and comparable control bodies
Peter Feldmann Lord Mayor of the City of Frankfurt am Main (Remuneration 2015: €39,700, 2014: €38,900)	**Chairman of the Supervisory Board:** > ABG FRANKFURT HOLDING Wohnungsbau- und Beteiligungsgesellschaft mbH > Messe Frankfurt GmbH > Stadtwerke Frankfurt am Main Holding GmbH **Membership in Supervisory Boards and comparable control bodies of business enterprises:** > Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH > FrankfurtRheinMain GmbH International Marketing of the Region > Gas Union GmbH > Nassauische Heimstätte Wohnungsbau- und Entwicklungsgesellschaft mbH (Vice-Chairperson) > 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) (acting member from July 1, 2015) **Member of the Executive Board:** > Sparkassenzweckverband Nassau **Member of the Advisory Board:** > Thüga AG
Peter Gerber Chairman of the Executive Board of Lufthansa Cargo AG (Remuneration 2015: €27,300, 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 2015: €67,000, 2014: €67,800)	**Membership in comparable control bodies pursuant to 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 (until May 13, 2015) > ZF Friedrichshafen AG
Frank-Peter Kaufmann Member of the Hessian State Parliament (Remuneration 2015: €46,900, 2014: €26,158.33)	**Member of the Supervisory Board:** > Hessische Staatsweingüter Kloster Eberbach GmbH Eltville
Lothar Klemm Former Hessian State Minister (Remuneration 2015: €58,150, 2014: €52,993.75)	**Chairman of the Supervisory Board:** > Dietz AG **Chairman of the Executive Board:** > Förderverein für integrierte Verkehrssysteme (Darmstadt)
Dr. Roland Krieg Head of the Information and Telecommunication Service Unit (Remuneration 2015: €37,900, 2014: €37,900)	**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 2015: €33,900, 2014: €33,900)	**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 2015: €35,500, 2014: €35,500)	
Arno Prangenberg Auditor, tax consultant (Remuneration 2015: €37,900, 2014: €37,900)	
Hans-Jürgen Schmidt First State Vice-Chairman komba gewerkschaft Hessen Chairman komba gewerkschaft Kreisverband Flughafen Frankfurt/Main (until May 1, 2015) (Remuneration 2015: €37,900, 2014: €37,900)	
Werner Schmidt Vice-Chairman of the Group Works Council (Remuneration 2015: €44,500, 2014: €42,900)	**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 2015: €49,300, 2014: €48,500)	**Member of the Supervisory Board:** > Airmail Center Frankfurt GmbH
Prof Dr. Katja Windt President Jacobs University Bremen gGmbH (Remuneration 2015: €43,700, 2014: €42,900)	**Member of the Supervisory Board:** > Deutsche Post AG

Table 133

57 Disclosure of shareholding pursuant to Section 313 (2) of the HGB

Subsidiaries

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in €'000	Result (pursuant to IFRS) in €'000
Aerodrom Ljubljana,d.o.o. Zgornji Brnik/Slovenia	**2015**	**100**	**217,759**	**3,267**
	2014	97.99	215,028	–601
Afriport S.A., Luxembourg/Luxembourg	**2015**	**100**	**1,586**	**–6**
	2014	100	1,492	–24
AirIT Services AG, Lautzenhausen	**2015**	**100**	**2,504**	**363**
	2014	100	2,392	368
AIRMALL Boston Inc., Boston/USA	**2015**	**100**	**21,697**	**1,400**
	2014	100	18,165	697
AIRMALL Cleveland Inc., Cleveland/USA	**2015**	**100**	**4,275**	**259**
	2014	100	3,594	–107
AIRMALL Maryland Inc., Maryland/USA	**2015**	**100**	**19,953**	**719**
	2014	100	17,224	–111
AIRMALL Pittsburgh Inc., Pittsburgh/USA	**2015**	**100**	**10,608**	**761**
	2014	100	8,811	335
AIRMALL USA Holdings Inc., Pittsburgh/USA	**2015**	**100**	**–672**	**183**
	2014	100	–769	67
AIRMALL USA Inc., Pittsburgh/USA	**2015**	**100**	**–1,812**	**–1,371**
	2014	100	–372	–341
Airport Assekuranz Vermittlungs-GmbH, Frankfurt am Main	**2015**	**100**	**162,606**	**8,801**
	2014	100	153,870	9,877
Airport Cater Service GmbH, Frankfurt am Main	**2015**	**100**	**26**	**0**
	2014	100	26	0
AIRWAYMALL Inc., Wilmington/USA	**2015**	**100**	**0**	**0** [1]
	2014	100	0	0 [1]
AMU Holdings Inc., Pittsburgh/USA	**2015**	**100**	**3,882**	**186**
	2014	100	3,309	9
Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anonim Sirketi, Istanbul/Turkey	**2015**	**100**	**51,027**	**7,823** [2]
	2014	100	49,017	6,696 [2]
APS Airport Personal Service GmbH, Frankfurt am Main	**2015**	**100**	**1,412**	**595**
	2014	100	817	267
Daport S.A., Dakar/Senegal	**2015**	**100**	**467**	**–46** [1]
	2014	100	551	–33 [1]
Energy Air GmbH, Frankfurt am Main	**2015**	**100**	**2,340**	**2,288**
	2014	100	2,109	2,011
Flughafen Kanalreinigungsgesellschaft mbH, Kelsterbach	**2015**	**100**	**22**	**–3** [3]
FraCareServices GmbH, Frankfurt am Main	**2015**	**51**	**1,251**	**108**
	2014	51	1,283	140
Frankfurter Kanalreinigungsgesellschaft mbH, Kelsterbach	**2015**	**100**	**25**	**0** [3]
Fraport Asia Ltd., Hong Kong/China	**2015**	**100**	**110,805**	**2,050**
	2014	100	99,164	1,455
Fraport Beteiligungsgesellschaft mbH, Neu-Isenburg	**2015**	**100**	**73**	**–1**
	2014	100	75	–1
Fraport Beteiligungs-Holding GmbH, Kelsterbach	**2015**	**100**	**75**	**0** [3]
Fraport Casa GmbH, Neu-Isenburg	**2015**	**100**	**42,785**	**754**
	2014	100	42,465	434
Fraport Casa Commercial GmbH, Neu-Isenburg	**2015**	**100**	**3,195**	**–24**
	2014	100	3,218	–33
Fraport Frankfurt Airport Services Worldwide (Greece) Monoprosopi EPE, Athens/Greece	**2015**	**100**	**38**	**–9** [1]
	2014	100	47	–8 [1]
Fraport Immobilienservice und -entwicklungs GmbH & Co. KG, Frankfurt am Main	**2015**	**100**	**11,538**	**4,483** [4] [5]
	2014	100	11,538	3,266 [4] [5]

Subsidiaries

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in €'000	Result (pursuant to IFRS) in €'000
	2015	**100**	**466,446**	**2,829**
Fraport Malta Business Services Ltd., St. Julians/Malta	2014	100	103,767	1,910
	2015	**100**	**470,748**	**4,061**
Fraport Malta Ltd., St. Julians/Malta	2014	100	103,907	337
	2015	**100**	**26**	**1**
Fraport Objekte 162 163 GmbH, Frankfurt am Main	2014	100	25	0
	2015	**99.99**	**–3,822**	**0** [1]
Fraport (Philippines) Services, Inc., Manila/Philippines	2014	99.99	–3,581	0 [1]
	2015	**100**	**1,068**	**914**
Fraport Peru S.A.C., Lima/Peru	2014	100	505	111
	2015	**100**	**804**	**454**
Fraport Passenger Services GmbH, Frankfurt am Main	2014	100	724	374
	2015	**100**	**26**	**1**
Fraport Objekt Mönchhof GmbH, Frankfurt am Main	2014	100	25	0
	2015	**100**	**4,286**	**2,582** [4) 5)]
Fraport Real Estate Mönchhof GmbH & Co. KG, Frankfurt am Main	2014	100	4,210	1,273 [4) 5)]
	2015	**100**	**32**	**2**
Fraport Real Estate Verwaltungs GmbH, Frankfurt am Main	2014	100	30	2
	2015	**100**	**5,745**	**2,402** [4) 5)]
Fraport Real Estate 162 163 GmbH & Co. KG, Frankfurt am Main	2014	100	5,421	2,288 [4) 5)]
Fraport Regional Airports of Greece A S.A. Athens/Greece	**2015**	**65**	**4,954**	**–70** [3)]
Fraport Regional Airports of Greece B S.A. Athens/Greece	**2015**	**65**	**4,965**	**–59** [3)]
Fraport Regional Airports of Greece Management Company	**2015**	**65**	**22**	**–2** [3)]
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd., Riyadh/Saudi Arabia	**2015**	**100**	**7,782**	**–1,230** [1)]
	2014	100	8,096	2,032
	2015	**60**	**87,319**	**13,210**
Fraport Twin Star Airport Management AD, Varna/Bulgaria	2014	60	80,172	15,837
	2015	**100**	**11,098**	**1,920**
FraSec Fraport Security Services GmbH, Frankfurt am Main	2014	100	12,878	6,160
	2015	**100**	**361**	**247**
FRA - Vorfeldkontrolle GmbH, Kelsterbach	2014	100	232	69
GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG, Frankfurt am Main	**2015**	**100**	**2,298**	**1,152** [4) 5)]
	2014	40	3,356	2,175
	2015	**70.01**	**117,012**	**46,289**
Lima Airport Partners S.R.L., Lima/Peru	2014	70.01	79,055	32,053
	2015	**51**	**7,603**	**2,536**
Media Frankfurt GmbH, Frankfurt am Main	2014	51	7,058	2,028
VCS Verwaltungsgesellschaft für Cleaning Service mbH, Frankfurt am Main	**2015**	**100**	**41**	**1**
	2014	100	40	1

Table 134

Joint ventures

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in €'000	Result (pursuant to IFRS) in €'000
	2015	**50**	**3,703**	**808**
AirITSystems GmbH, Hanover	2014	50	2,895	744
	2015	**49**	**10,996**	**–3,704** [6]
FCS Frankfurt Cargo Services GmbH, Frankfurt am Main	2014	100	10,904	–6,349
	2015	**51/50**	**59,734**	**78,867** [7]
Fraport IC Ictas Havalimani Isletme Anonim Sirketi, Antalya/Turkey	2014	51/50	40,582	48,611 [7]
Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi Anonim Sirketi, Antalya/Turkey	**2015**	**51/50**	**–14,895**	**67,754** [7]
	2014	51/50	–8,667	85,150 [7]
Fraport IC Ictas Havalimani Yer Hizmetleri Anonim Sirketi, Antalya/Turkey	**2015**	**50**	**221**	**–36** [1]
	2014	50	257	10 [1]
	2015	**33.33**	**2,874**	**–544**
Grundstücksgesellschaft Gateway Gardens GmbH, Frankfurt am Main	2014	33.33	3,417	–701
	2015	**50**	**8,101**	**1,652**
Medical Airport Service GmbH, Kelsterbach	2014	50	7,078	1,472
	2015	**50**	**71**	**21**
Multi Park II Mönchhof GmbH, Walldorf (Baden)	2014	50	75	–5
	2015	**52**	**17,778**	**–852**
N*ICE Aircraft Services & Support GmbH, Frankfurt am Main	2014	52	18,630	–110
	2015	**50**	**11,727**	**1,876**
Pantares Tradeport Asia Ltd., Hong Kong/China	2014	50	8,791	1,373
Shanghai Frankfurt Airport Consulting Services Co., Ltd., Shanghai/China	**2015**	**50**	**376**	**9**
	2014	50	349	6

Table 135

Associated companies

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in €'000	Result (pursuant to IFRS) in €'000
	2015	**30.46**	**3,192**	**0**
Aerodrom Portoroz,d.o.o. Secovlje/Slovenia	2014	30.46	3,183	0
	2015	**40**	**4,850**	**1,614**
Airmail Center Frankfurt GmbH, Frankfurt am Main	2014	40	4,345	1,310
	2015	**49**	**763**	**503**
ASG Airport Service Gesellschaft mbH, Frankfurt am Main	2014	49	982	722
	2015	**30**	**135,453**	**3,820**
Flughafen Hannover-Langenhagen GmbH, Hanover	2014	30	131,319	1,089
	2015	**50**	**27,839**	**9,562**
operational services GmbH & Co. KG, Frankfurt am Main	2014	50	18,277	5,336
	2015	**24.5**	**513,006**	**20,503**
Xi'an Xianyang International Airport Co., Ltd., Xianyang City/China	2014	24.5	477,055	12,570
Thalita Trading Ltd., Lakatamia/Cyprus; Northern Capital Gateway LLC, St. Petersburg/Russia	**2015**	**35.5**	**–359,711**	**–8,802**
	2014	35.5	–251,663	–291,659

Table 136

Other investments

Name and registered office		Shareholding in %	Shareholders' equity (pursuant to IFRS) in €'000	Result (pursuant to IFRS) in €'000
Delhi International Airport Private Ltd., New Delhi/India	**2015**	**10**	**236,842**	**32,065** [8]
	2014	10	180,117	50,820 [8]
Gateways for India Airports Private Ltd., Bangalore/India	**2015**	**13.51**	**0**	**0** [1]
	2014	13.51	0	0 [1]
Ineuropa Handling Alicante, U.T.E., Madrid/Spain	**2015**	**20**	**0**	**0** [1] [9] [10]
	2007	20	–575	–786 [1] [10] [11]
Ineuropa Handling Madrid, U.T.E., Madrid/Spain	**2015**	**20**	**0**	**0** [1] [9] [10]
	2007	20	–1,282	–2,604 [1] [10] [11]
Ineuropa Handling Mallorca, U.T.E., Madrid/Spain	**2015**	**20**	**0**	**0** [1] [9] [10]
	2007	20	871	270 [1] [10] [11]
Ineuropa Handling Teneriffa, U.T.E., Madrid/Spain	**2015**	**20**	**0**	**0** [1] [9] [10]
	2007	20	1,642	–762 [1] [10] [11]
Perishable-Center Verwaltungs-GmbH Zentrum für verderbliche Güter Frankfurt, Frankfurt am Main	**2015**	**10**	**0**	**0** [11]
	2014	10	2,036	501
Philippine Airport and Ground Services Terminals Holdings, Inc., Pasay City/Philippines (PTH)	**2015**	**40**	**0**	**0** [1] [9] [11]
	2005	40	–1,590	833
Philippine Airport and Ground Services Terminals, Inc., Manila/Philippines (PTI)	**2015**	**40**	**0**	**0** [1] [9] [11]
	2005	40	–2,937	1,390
Philippine Airport and Ground Services, Inc., Manila/Philippines (PAGS)	**2015**	**40**	**0**	**0** [1] [9] [11]
	2005	40	4,533	9
Philippine International Air Terminals Co., Inc., Pasay City/Philippines (PIATCO)	**2015**	**30**	**0**	**0** [1] [9] [11]
	2005	30	98,747	4,761

Table 137

1) Company inactive or in liquidation.
2) 0.01 % of shares are held by natural persons.
3) Company founded in 2015.
4) IFRS result before consolidation.
5) In the shareholders' equity of commercial partnerships, capital shares as well as shares in profit and loss of the limited partners are recognized (according to IAS 32, these represent debt).
6) Previously Fraport Cargo Services GmbH, Frankfurt am Main
7) 51 % capital shares, 50 % dividend rights.
8) Fiscal year of the company ends on March 31.
9) There is no influence on financial and business policies.
10) Shareholders' equity has been largely or wholly repaid.
11) Current financial statements not yet available.

Frankfurt am Main, February 29, 2016

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, February 29, 2016

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, 2015. 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, February 29, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Dietmar Prümm	Thomas Noll
German Public Auditor	German Public Auditor

Seven-Year Overview [1)]

Consolidated income statement

€ million	2015	2014	2013	2012	2011	2010	2009
Revenue	**2,598.9**	**2,394.6**	**2,375.7**	**2,442.0**	**2,371.2**	**2,194.6**	**2,010.3**
Change in work-in-process	0.5	0.6	0.6	0.5	0.4	0.4	0.9
Other internal work capitalized	29.9	28.3	32.3	44.0	40.3	36.9	39.1
Other operating income	49.8	42.5	32.5	55.8	40.9	52.1	45.3
Total revenue	**2,679.1**	**2,466.0**	**2,441.1**	**2,542.3**	**2,452.8**	**2,284.0**	**2,095.6**
Cost of materials	–610.4	–533.3	–595.2	–558.1	–541.1	–491.1	–471.6
Personnel expenses	–1,026.7	–970.4	–928.9	–942.9	–906.3	–880.4	–866.9
Other operating expenses	–193.2	–172.2	–184.1	–192.6	–203.1	–201.9	–187.4
EBITDA	**848.8**	**790.1**	**732.9**	**848.7**	**802.3**	**710.6**	**569.7**
Depreciation and amortization	–328.3	–307.3	–294.3	–352.7	–305.7	–279.7	–268.8
Operating result/EBIT	**520.5**	**482.8**	**438.6**	**496.0**	**496.6**	**430.9**	**300.9**
Interest result	–125.6	–141.1	–136.0	–174.1	–144.4	–137.7	–99.7
Result from companies accounted for using the equity method	37.6	43.5	18.5	11.7	11.5	7.0	4.3
Income from investments	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Write-down on financial assets	0.0	0.0	0.0	0.0	0.0	0.0	–7.2
Other financial result	1.3	–10.5	10.4	30.5	–16.4	–21.5	–3.9
Financial result	**–86.7**	**–108.1**	**–107.1**	**–131.9**	**–149.3**	**–152.2**	**–106.4**
Result from ordinary operations/EBT	**433.8**	**374.7**	**331.5**	**364.1**	**347.3**	**278.7**	**194.5**
Taxes on income	–136.8	–122.9	–95.8	–112.6	–96.5	–7.2	–42.5
Group result	**297.0**	**251.8**	**235.7**	**251.5**	**250.8**	**271.5**	**152.0**
thereof profit attributable to non-controlling interests	20.5	17.1	14.7	13.3	10.4	8.6	5.6
thereof profit attributable to shareholders of Fraport AG	**276.5**	**234.7**	**221.0**	**238.2**	**240.4**	**262.9**	**146.4**
Earnings per €10 share in € (basic)	**3.00**	**2.54**	**2.40**	**2.59**	**2.62**	**2.86**	**1.60**
Earnings per €10 share in € (diluted)	**2.99**	**2.54**	**2.39**	**2.58**	**2.60**	**2.85**	**1.59**

Key figures	2015	2014	2013	2012	2011	2010	2009
EBITDA margin in %	32.7	33.0	30.8	34.8	33.8	32.4	28.3
EBIT margin in %	20.0	20.2	18.5	20.3	20.9	19.6	15.0
Return on revenue in %	16.7	15.6	14.0	14.9	14.6	12.7	9.7
Fraport assets in € million	6,071.0	5,830.5	5,061.7	5,152.3	4,447.3	4,019.7	3,820.2
ROFRA in %	9.4	9.2	8.7	9.6	11.2	10.7	7.9
Year-end closing price of the Fraport share in €	58.94	48.04	54.39	43.94	38.00	47.16	36.28
Dividend per share in €	1.35 [2)]	1.35	1.25	1.25	1.25	1.25	1.15

Financial position key figures	Balance at Dec. 31, 2015	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
Profit earmarked for distribution in € million	124.7	124.7	115.4	115.5	115.4	115.6	106.2
Net financial debt in € million	2,774.3	3,012.8	2,870.6	2,934.5	2,647.0	2,024.4	1,614.5
Capital employed in € million	6,086.9	6,109.2	5,808.3	5,731.5	5,362.1	4,626.9	4,043.5
Gearing ratio in %	83.7	97.3	97.7	104.9	97.5	77.8	66.5
Debt-to-equity ratio in %	31.4	33.4	32.6	30.4	28.7	22.1	18.2
Dynamic debt ratio in %	425.4	595.2	632.0	530.7	427.8	356.7	378.5
Working capital in € million	606.0	626.6	797.6	1,057.8	977.6	1,878.4	2,030.0

[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, 2015	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
Goodwill	41.7	41.7	22.7	38.6	38.6	38.6	40.0
Investments in airport operating projects	500.9	479.2	458.1	1,031.2	1,067.1	1,073.4	1,098.4
Other intangible assets	161.2	157.1	51.1	44.2	43.6	32.4	34.0
Property, plant, and equipment	6,045.4	6,127.7	5,962.3	5,927.3	5,643.8	5,013.3	4,486.4
Investment property	74.5	63.0	47.7	34.4	74.6	34.0	34.7
Investments in companies accounted for using the equity method	237.6	216.9	194.9	136.6	138.0	97.1	72.9
Other financial assets	659.2	773.3	728.6	742.7	648.6	394.6	474.7
Other receivables and financial assets	167.0	181.1	172.2	117.1	33.5	20.9	20.0
Income tax receivables	5.4	10.2	20.3	19.5	29.6	29.6	23.6
Deferred tax assets	33.4	31.1	27.9	49.2	48.2	43.1	68.3
Non-current assets	**7,926.3**	**8,081.3**	**7,685.8**	**8,140.8**	**7,765.6**	**6,777.0**	**6,353.0**
Inventories	42.8	43.7	42.3	77.7	81.4	77.9	54.0
Trade accounts receivable	154.0	174.7	174.4	180.0	163.9	178.3	158.4
Other receivables and financial assets	310.8	297.6	426.4	385.2	280.2	319.2	492.2
Income tax receivables	7.4	7.7	1.0	35.0	6.2	5.5	5.3
Cash and cash equivalents	406.0	401.1	486.9	821.9	927.1	1,812.6	1,802.3
Non-current assets held for sale	–	7.1	–	–	–	–	–
Current assets	**921.0**	**931.9**	**1,131.0**	**1,499.8**	**1,458.8**	**2,393.5**	**2,512.2**
Issued capital	923.1	922.7	922.1	921.3	918.8	918.4	917.7
Capital reserve	594.3	592.3	590.2	588.0	584.7	582.0	578.3
Revenue reserves	1,919.9	1,706.1	1,540.8	1,403.2	1,327.0	1,217.7	1,039.2
Equity attributable to shareholders of Fraport AG	3,437.3	3,221.1	3,053.1	2,912.5	2,830.5	2,718.1	2,535.2
Non-controlling interests	74.4	64.9	45.7	35.7	29.4	21.2	22.6
Shareholders' equity	**3,511.7**	**3,286.0**	**3,098.8**	**2,948.2**	**2,859.9**	**2,739.3**	**2,557.8**
Financial liabilities	3,273.8	3,874.3	3,948.1	4,401.0	4,034.0	4,256.6	4,126.9
Trade accounts payable	42.5	47.1	50.8	64.4	64.9	60.0	114.7
Other liabilities	447.7	497.5	491.7	1,006.4	1,001.0	949.2	904.7
Deferred tax liabilities	172.2	158.7	107.2	102.5	110.8	105.5	143.9
Provisions for pensions and similar obligations	30.7	33.7	26.7	27.4	22.9	22.1	20.3
Provisions for income taxes	62.1	68.8	54.1	80.2	68.1	68.0	135.0
Other provisions	201.6	228.0	223.9	211.2	201.8	147.0	129.9
Non-current liabilities	**4,230.6**	**4,908.1**	**4,902.5**	**5,893.1**	**5,503.5**	**5,608.4**	**5,575.4**
Financial liabilities	543.6	318.1	290.6	196.6	219.9	151.8	118.9
Trade accounts payable	143.1	134.5	159.6	214.4	228.9	274.6	219.8
Other liabilities	129.4	123.7	123.0	163.2	187.4	180.5	147.7
Provisions for income taxes	56.0	14.7	7.7	5.3	2.4	12.9	6.7
Other provisions	232.9	223.8	234.6	219.8	222.4	203.0	238.9
Liabilities in the context of non-current assets held for sale	–	4.3	–	–	–	–	–
Current liabilities	**1,105.0**	**819.1**	**815.5**	**799.3**	**861.0**	**822.8**	**732.0**
Total assets	**8,847.3**	**9,013.2**	**8,816.8**	**9,640.6**	**9,224.4**	**9,170.5**	**8,865.2**

Change over the previous year in %	Balance at Dec. 31, 2015	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
Non-current assets	–1.9	5.1	–5.6	4.8	14.6	6.7	26.8
Shareholders' equity (less non-controlling interests and profit earmarked for distribution)	7.0	5.4	5.0	3.0	4.3	7.1	1.1
Share of total assets in %							
Non-current assets	89.6	89.7	87.2	84.4	84.2	73.9	71.7
Shareholders' equity ratio	37.4	34.4	33.3	29.0	29.4	28.4	27.4

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To Our Shareholders

Group Management Report

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Glossary

Annual performance of the Fraport share
(Year-end closing price of the Fraport share + dividend per share)/ previous year-end closing price

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 + carrying amounts of investments accounted for using the equity method + inventories + trade accounts receivable – current trade accounts payable

[1] Shareholders' equity less non-controlling interests and profit earmarked for distribution.

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) – capital expenditure in investments accounted for using the equity method

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

Financial Calendar 2016

Wednesday, May 4, 2016
Interim release Q1 2016
Online publication, conference call with analysts and investors

Friday, May 20, 2016
Annual General Meeting 2016
Frankfurt am Main, Jahrhunderthalle

Monday, May 23, 2016
Dividend payment

Thursday, August 4, 2016
Interim Report Q2/6M 2016
Online publication, conference call with analysts and investors

Thursday, November 3, 2016
Interim release Q3/9M 2016
Online publication, press conference, and conference call with analysts and investors

Traffic Calendar 2016

(Online publication)

Tuesday, April 12, 2016
March 2016/Q1 2016

Thursday, May 12, 2016
April 2016

Friday, June 10, 2016
May 2016

Tuesday, July 12, 2016
June 2016/6M 2016

Wednesday, August 10, 2016
July 2016

Monday, September 12, 2016
August 2016

Thursday, October 13, 2016
September 2016/9M 2016

Thursday, November 10, 2016
October 2016

Monday, December 12, 2016
November 2016

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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.


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