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### **3rd Quarter 2003 (First Nine Months)**

#### **Fraport AG on the Upswing:**

#### **Noticeable Increase in Results**

#### **Despite Difficult Market Conditions**

FRA/rap> In the first nine months of 2003, Fraport AG Frankfurt Airport Services Worldwide posted a 1.8 percent increase in Group revenues to €1,368.8 million. Group profits of €106.1 million exceeded the previous year's figure by 27.4 percent. Fraport AG's executive board chairman, Dr. Wilhelm Bender, said he was "very satisfied with what has been achieved in the first nine months of 2003". So far this year, Fraport AG's overall financial development has reached expectations, despite many negative external factors.

The climb in revenues was mainly due to increasing demand for security services – including the 100-percent screening of hold baggage that has been in operation at airports throughout the European Union since January 2003. Because of the effects of the Iraq conflict, SARS (Severe Acute Respiratory Syndrome), and the stalled global economy, Fraport registered a drop in income from airport charges – which are dependent primarily on air traffic volumes.

From January to September 2003, the Group's total passenger volume reached 53.3 million, 0.5 percent more than in the corresponding period last year. Frankfurt Airport (FRA) – the most important airport of

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the Fraport Group – served 36.5 million passengers in the first three quarters of 2003, down 1.3 percent from the same period last year. Antalya Airport (AYT) recorded a 3.7 percent drop in passenger traffic during January to September 2003; a noticeable rejuvenation of passenger demand in the third quarter partly offset the loss resulting from the Iraq war. Due to its focus on the low-cost market the Group's Frankfurt-Hahn Airport (HHN) experienced substantial growth in passenger figures, which jumped by almost 72 percent.

Cargo volumes and aircraft movements at Frankfurt Airport reached a similar level as in the previous year. Compared to the first nine months of 2002, airfreight and airmail at FRA grew by 0.7 percent to 1,200,898 metric tons, while aircraft movements increased slightly by 0.4 percent to 345,613 take-offs and landings.

Bender spoke optimistically about the future traffic volume at the Group's airports. "For the remaining weeks of 2003, we expect noticeable recovery in demand and further growth in passenger figures compared to the same period last year," said Fraport's CEO. Most players in the aviation industry are confident that "the bottom of the valley has been reached and that in the foreseeable future the industry will again be riding the growth waves prevailing prior to 2001".

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The Fraport Group employed a total of 23,325 people (all locations), some 2,595 more than in the corresponding period last year. ICTS Europe alone – Fraport's wholly-owned subsidiary that provides aviation security services throughout Europe – saw its employment climb by 2,370 people. Correspondingly, revenue growth from security services was offset by additional costs for the extra security staff required. Thus, personnel expenses rose by 8.5 percent to €688.0 million. Material costs remained at approximately the same level as last year, slightly declining by 0.3 percent to €358.4 million.

Earnings before interest, tax, depreciation and amortization (EBITDA) declined 1.8 percent to €394.4 in the nine-month reporting period. There was a positive effect compared to the previous year because of dividend income received in 2003 from Antalya and because there was no write down required in the first nine months of 2003, unlike in 2002 when an extraordinary write-down was required for the Manila project.

Fraport's profit from ordinary operations reached €210.5 million, a 6.7 percent increase over the previous year's figure. This growth was primarily due to the improved

financial result. Growing 27.4 percent over the corresponding period last year, the Group profit of €106.1 million benefited from a lower Group tax rate.

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Earnings per share, according to IFRS (International Financial Reporting Standards), increased from €0.92 to €1.18.

Frankfurt Airport's passenger figures for the entire year 2003 are expected to remain marginally below last year's level, due the effects of the Iraq war, SARS and the weak economy.

If no further risks are encountered in the fourth quarter of 2003, Fraport expects that the EBITDA and Group profit will reach similar values as last year – adjusted for the extraordinary write-down of the Manila project. "Fraport AG is steering a clear course through stormy weather," said Bender. "Today, the company is extremely well positioned strategically and with its high degree of job security can respond flexibly." This will benefit Fraport especially when the global economy will be gathering steam again in the coming year.

**– ENDS –**

Note to Editors:

A copy of Fraport AG's 3<sup>rd</sup> Quarter Report (interim report for the nine months ending September 30, 2003) can be downloaded from our Web site at: [www.fraport.de](http://www.fraport.de) (see "Investor Relations", then "download").

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