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## **Fraport First Quarter 2003: Sales and Profits Increase Despite the Aviation Crisis**

FRA/rap-th> In the first quarter of 2003, Fraport AG Frankfurt Airport Services Worldwide posted a 6.9 percent increase in sales to €429.4 million. Earnings before interest, tax, depreciation and amortization (EBITDA) climbed 10.6 percent to €110.8 million; Group profits jumped 42.5 percent to €25.8 million.

Despite the negative impact of the Iraq war, SARS (Severe Acute Respiratory Syndrome) and the weak economy on the aviation industry, Fraport was clearly able to increase sales revenues over the same quarter last year. A major contributing factor for the almost seven percent increase was the positive income development at the Frankfurt home base, which was helped by an increase in airport charges at Frankfurt, the moderate traffic growth, and especially by the increasing demand for security services.

In particular, Fraport's ICTS Europe subsidiary profited from the 100-percent hold-baggage screening required throughout Europe since the beginning January this year. Because of the growing business of ICTS Europe, the Group's employment level increased 8.6 percent from 20,567 to 22,340 people for the comparable time period. Because of this as well as the increase in negotiated wage rates, personnel expenditures rose 11.9 percent to €227.1 million.

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Positive sales development as well as dividend income from Fraport's investment in Antalya Airport decisively contributed to the increase in EBITDA by 10.9 percent to €110.8 million in the first quarter of the current year. With 0.7 percent, material expenditure fell negligibly short of the first quarter 2002 level. With 25.8 percent, the EBITDA-margin rose 0.9 percentage points over the previous year's comparable figure.

Fraport achieved proceeds from ordinary operations of €52.4 million, one third more than in the period from January to March 2002. This increase was due to both the EBITDA effects and to an improvement in interest income.

Group profits could be increased by as much as 42.5 percent or 7.7 million to €25.8 million; earnings per share according to IFRS (International Financial Reporting Standards) increased from €0.20 to €0.29.

Growth in world air traffic in 2003 depends particularly on further development of the economy, containment of the SARS epidemic, and further development of the Iraq crisis. Against this background, Fraport expects

passenger figures at Frankfurt Airport to just reach the previous year's level.

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Despite the many insecurities existing among consumers, Fraport AG plans to maintain the EBITDA and Group profit for 2003 at the level of 2002, adjusted for the exceptional Manila effect. The prerequisite for this is that the expected development in passenger figures is fulfilled and that no new risks emerge in the current year. Thus, this would allow dividends to be paid out for fiscal year 2003.

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