

ANR 45/2005: August 9, 2005

Substantial Earnings Growth at Fraport

**Half Year Revenues Increase by 6.3 Percent –
EBITDA Up by 9.5 Percent – The Group
Result Climbs by Almost One-Fourth –
Outlook for 2005 Confirmed – Bender
Appeals to Verdi Union**

FRA/lmh> Based on successful cost management and positive development of revenues during the first six months of 2005, the Fraport Group once again increased earnings substantially in comparison to the same period last year. Revenues at €1,002.3 million increased by 6.3 percent and the Group Result by even 22.7 percent. The outlook for the entire year is confirmed despite significant negative effects in the second half of 2005. Further challenges will be faced in 2006. Consequently, Dr. Wilhelm Bender, Chairman of the Executive Board, once again called for complete implementation of the company's "We're Making Fraport Fit" project.

The substantial increase in revenues is primarily attributed to higher airport traffic charges and more proceeds from security services. The operating costs (non-staff costs and personnel expenses) climbed by 5.0 percent and were below the increase of revenues. Personnel expenses at €512.4 million were 5.2

ANR 45/2005> Page 2 of 5

percent higher than in the same period of the previous year. ICTS Europe accounted for the largest proportion of this growth with an increase in the number of employees by 14 percent to a total of 10,343. The Fraport Group had an average of 25,146 employees in the first half of 2005, 6.8 percent more than in the same period of the previous year.

The non-staff costs were up 4.6 percent at €252.5 million. They include the cost of materials, which rose by 9.5 percent to €152.9 million. This cost increase was mainly caused by the volume growth in air traffic and additional security services that the Fraport Group provides. The maintenance expenses, which were incurred due to extensive modernization and partial expansion of the terminal and retail areas at Frankfurt Airport, were also higher than in the previous year. The other operating expenses were 2.3 percent lower than in the previous year at €99.6 million.

Thanks to the improvement in the efficiency, the positive development of earnings continued as well: EBITDA increased by 9.5 percent over the same period the previous year to €259.7 million. The Group Profit of €73.1 million was 22.7 percent higher than in the same period the previous year. The basic earnings per share increased from €0.65 to €0.80.

ANR 45/2005> Page 3 of 5

The Aviation segment of the Group generated revenues of €334.7 million in the first half of 2005. This was an increase of 13.7 percent over the same period the previous year. The segment EBITDA of €79,4 million were 23.1 percent higher than in the previous year.

The Retail & Properties segment revenues decreased by 0.9 percent over the same period the previous year to €179.9 million. The decline was due to lower revenue-based airport access fees. Revenues from parking facility management and the retail business increased. All in all, the retail revenues per passenger increased from €2.21 in the previous year to €2.25. The segment EBITDA of €144.2 million remained unchanged.

The Ground Handling segment generated revenues of €302.8 million which is an increase of 2.9 percent. The EBITDA of this segment at €26.5 million was double the previous year's figure.

The External Activities segment essentially covers all the investments outside of Frankfurt. Segment revenues increased by 6.9 percent in the first half of 2005 to €184.9 million. ICTS Europe, which specializes in security services, made the largest contribution to this growth. The opening of a competing terminal at the Antalya location in April led, on the other hand, to a reduction in segment revenues of about €7 million

ANR 45/2005> Page 4 of 5

compared with the same period the previous year. It was only possible to respond to the drop in the passenger figures at the terminal we operate in Antalya to a limited extent by cutting costs. For this reason in particular, segment operating costs increased by a disproportionate extent in comparison with revenues. EBITDA declined by 37.3 percent to €9.6 million.

Based on the extremely successful business development during the first six months of 2005, Fraport is maintaining the outlook for the full year. The passenger number in Frankfurt should climb by about three percent and Group revenues by more than three percent. On the basis of continuation of the policy of strict cost management, we aim to achieve an increase in EBITDA that is slightly larger than the revenue growth. The Group profit for the year should increase significantly compared to last year's figure.

Higher expenditures for modernization and adapting the terminal to handle the A380 aircraft have already been taken into account. The same applies for the decline of military traffic due to the closing of the US Air Base in Frankfurt at the end of the year, lower revenue-based airport access fees as well as lower earnings due to the competing terminal in Antalya.

ANR 45/2005> Page 5 of 5

As known, further challenges are expected in 2006. These include implementation of additional security requirements of the European Union, probable price reductions in the ground handling contract with Lufthansa, and substantially higher investments for modernization and expansion of the existing terminal facilities in Frankfurt.

In order to cushion these burdens on the earnings, Dr. Bender once again demanded the “implementation of all already identified cost-cutting measures within Fraport’s ‘We’re Making Fraport Fit’ project”. Dr. Bender appealed to the Verdi Union to support the catalogue of measures that was established in accordance with Fraport’s employees. Dr. Bender: “Our employees are aware of the fact that we must take advantage of all savings potentials, which have been discussed for months, in order to ensure our sustainability. The Verdi Union, too, must realize this in the current negotiations and be supportive.” Dr. Bender referred to the offer of the company that in return, there will not be any operationally determined redundancies and no cuts in the individual income of employees.

– ENDS –