Fraport Interim Report – First Quarter 2008: EBITDA Continues to Grow – Last Year's Special Effects Depress Revenue – Forecast for 2008 Confirmed

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FRA/rap-th> In the first quarter of fiscal year 2008, the Fraport Group's operating results (EBITDA or earnings before interest, taxes, depreciation and amortization) rose by 1.1 percent to €115.4 million, although Group revenue of €528.2 million fell 5.9 percent short of the previous year's level. Revenue development was curbed by the previous year's special effect from the finance lease with the Airrail Center Frankfurt. Adjusted for this effect, sales revenue increased by 4.9 percent. Group profit dropped 32.9 percent below the comparable period in 2007 to €24.5 million.

Together, the Fraport Group's airports (including minority-owned airports and those operated under management contract) welcomed approximately 26.8 million passengers, 7.3 percent more than in the first quarter of 2007. Within this figure, Fraport's majority-owned airports (Frankfurt, Frankfurt-Hahn, Lima, Antalya, Burgas and Varna) accounted for 16.1 million passengers (up 4.4 percent).

The 5.9 percent decline in sales revenue to €528.2 million was mainly due to revenue of €57.6 million generated in the previous year by the Airrail Center finance lease, which was set off by costs in the same amount. Higher revenue at Frankfurt Airport in the first quarter of 2008 was primarily achieved in the Retail & Properties segment. Because our Lima investment has been fully consolidated for the first-time since August 2007, Lima Airport, in particular, contributed to rising sales figures (up €21.8 million). Other income remained unchanged compared to the previous year.

The Fraport Group's operating expenses dropped by 7.4 percent to €428.4 million in the reporting period – adjusted for the aforementioned special effect, operating expenses were up by 5.8 percent. Fraport's personnel expenses climbed 4.5 percent to €275.4 million. This increase resulted mainly from a recent collective pay settlement, effective retroactively from the beginning of fiscal year 2008. Group-wide, the number of employees rose by 1.7 percent in the period under review. Thus, from January through March 2008, Fraport employed 29,341 people on average. Staff costs as a percentage of revenue reached 52.1 percent, 0.2 percentage points below the adjusted previous year's figure.

In contrast, adjusted non-staff costs as a percentage of revenue rose by 0.9 percentage points on the previous year's level to 29 percent. Material and other operating expenses dropped by 23.2 percent to €153 million, due to the special effect from the previous year. On an adjusted basis, cost of material amounted to €107 million (up 30 percent).

EBITDA rose by 1.1 percent to €115.4 million in the first three months of 2008, compared to the same period in 2007. The adjusted EBITDA margin fell 0.9 percentage points in the first quarter to 21.8 percent.

The financial result deteriorated noticeably from minus €0.3 million in the previous year to minus €29.7 million in the reporting period. This deterioration was mainly due to a strong increase in interest expenses, resulting primarily from interest cost compounded on Fraport's long-term liabilities for the concession payable to operate Antalya, and liabilities in connection with the basic agreement concluded with Celanese AG/Ticona GmbH. Basic earnings per share fell from €0.41 to €0.28.

Fraport continues to adhere to its forecasts for the year 2008. These forecasts predict passenger traffic at FRA to grow by between one and two percent year-on-year. Group revenue is expected to be lower than in 2007 due to the positive influence on revenue from the Airrail Center finance lease in the previous year. Without this special effect, Group revenue is expected to rise further. Operating results (EBITDA) will again exceed the previous year's level.

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For Further information, Please Contact:

Robert A. Payne, B.A.A. – Manager International Press
Press Office (Dept. UKM-PS), Corporate Communications (UKM)
60547 Frankfurt am Main, Federal Republic of Germany
Tel.: +49 69.690.78547; Fax: +49.69.690.60548;
E-mail: r.payne@fraport.de;
Internet: http://www.fraport.com;
www.airportcity-frankfurt.com