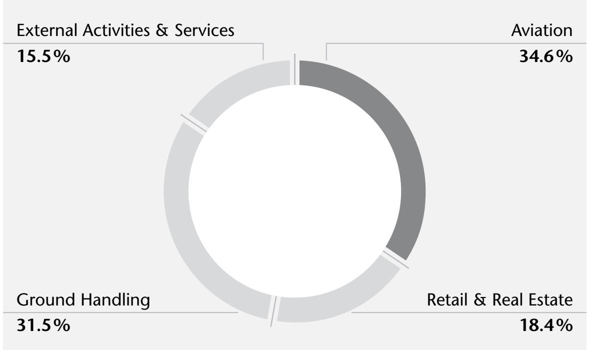
Fraport

ANNUAL REPORT 2009

Key segment figures of Fraport AG

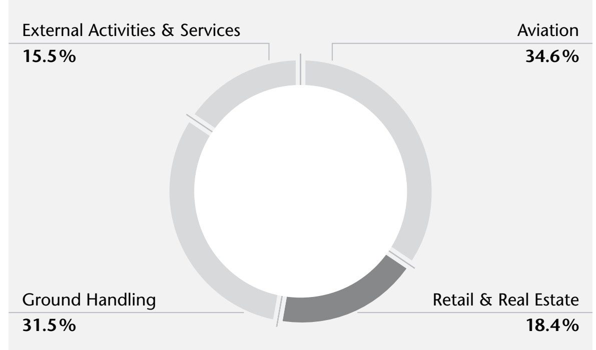
SEGMENTS SHARE OF GROUP REVENUE

in %



SEGMENTS SHARE OF GROUP REVENUE

in %



AVIATION

€ million	2009	2008	Change	Change in %
Revenue	683.7	711.8	– 28.1	– 3.9
EBITDA	115.8	161.4	– 45.6	– 28.3
EBIT	40.1	92.5	– 52.4	– 56.6
ROFRA	3.3%	8.0%	– 4.7 PP	–
Employees	6,315	6,674	– 359	– 5.4

RETAIL & REAL ESTATE

€ million	2009	2008	Change	Change in %
Revenue	362.9	370.7	– 7.8	– 2.1
EBITDA	279.9	286.7	– 6.8	– 2.4
EBIT	221.7	228.2	– 6.5	– 2.8
ROFRA	17.6%	19.8%	– 2.2 PP	–
Employees	604	594	10	1.7

AVIATION

The Aviation segment comprises all of Fraport AG's business activities involving flight and terminal operations as well as airport and aviation security at the Frankfurt site. It is also responsible for airport expansion. With revenue of € 683.7 million, this segment made up the largest share of Fraport AG's Group revenue.

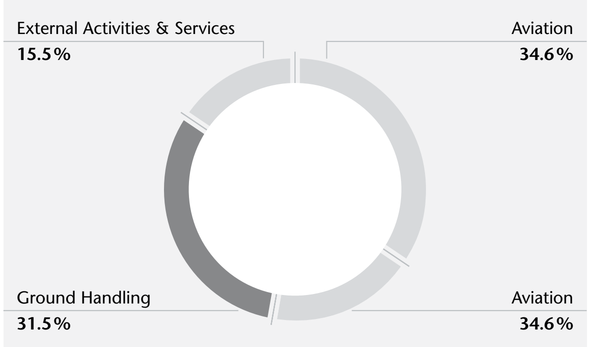
RETAIL & REAL ESTATE

The Retail & Real Estate segment pools all of Fraport AG's activities and competencies relating to the commercial development and marketing of areas at Frankfurt Airport which are not used for flight operations. With EBITDA of € 279.9 million in the fiscal year 2009, the Retail & Real Estate segment once again generated the largest share of Fraport AG's Group EBITDA.

Title shows the new apron control tower in Frankfurt near completion.

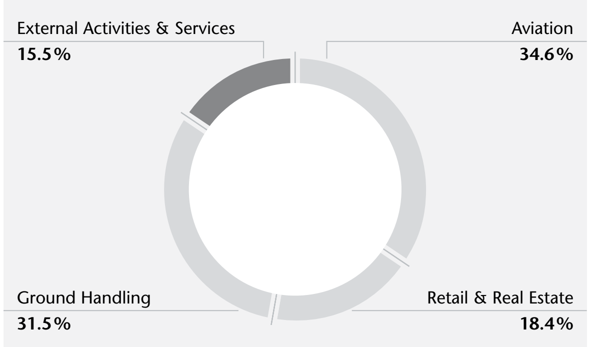
SEGMENTS SHARE OF GROUP REVENUE

in %



SEGMENTS SHARE OF GROUP REVENUE

in %



GROUND HANDLING

€ million	2009	2008	Change	Change in %
Revenue	620.8	642.7	–21.9	–3.4
EBITDA	15.7	52.1	–36.4	–69.9
EBIT	–38.5	18.8	–57.3	–
ROFRA	–8.4%	4.2%	–12.6 PP	–
Employees	8,276	8,443	–167	–2.0

EXTERNAL ACTIVITIES & SERVICES

€ million	2009	2008	Change	Change in %
Revenue	305.2	376.4	–71.2	–18.9
EBITDA	141.5	100.5	41.0	40.8
EBIT	67.1	19.7	47.4	>100
ROFRA	8.0%	0.6%	7.4 PP	–
Employees	4,775	7,368	–2,593	–35.2

GROUND HANDLING

High quality passenger, baggage and airfreight services are the trademark in the Ground Handling segment. By closing the “Pact for the Future 2018” this past year, Fraport has ensured that the segment can compete for years to come. With revenue of €620.8 million, the segment once again made a sizeable contribution to Group revenue in 2009.

EXTERNAL ACTIVITIES & SERVICES

The External Activities & Services segment handles all of Fraport’s activities outside of Frankfurt and markets the Company’s airport expertise across the globe. The IT and Facility Management service units at the Frankfurt site are also included in this segment. Additionally to the increased profit in 2009, the segment is likely to benefit considerably from the growth in international air traffic in the coming years.

TO OUR SHAREHOLDERS

GROUP MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENT

FURTHER INFORMATION

Dear Shareholders,

"Growth and Responsibility" is the title of this year's Annual Report and I would like to use this foreword to introduce myself as Fraport AG's new Chairman of the Executive Board. On the one hand, the Report's title refers to the Company's anticipated growth in size and earnings in the coming years on the back of the expansion of Frankfurt Airport and growth of the aviation industry. On the other hand, the title pays tribute to the Company's social and environmental responsibility – an area in which we are looking to keep the right balance as part of our airport expansion efforts. But before we get into the exciting and promising future prospects for our Company, let's take a closer look at the past fiscal year – a year full of challenges.

Due to the financial crisis, the global economy developed very negatively in the fiscal year 2009. As an internationally operating airport group, our Company could not avoid the negative outcome of the economic downturn. Indeed, there are few industries which are as closely tied to the global economy as the aviation industry. This being the case, it was unavoidable that at the start of the year we saw major drops in passenger traffic (–13 percent) and airfreight (more than –30 percent) in Frankfurt, our most important site. This was when the economic downturn was at its strongest.

However, over the course of the year, these negative developments increasingly turned for the better with the recovering economy and the onset of base effects. By the end of the fiscal year, passenger volume was down by only about 3 percent Group-wide and almost 5 percent in Frankfurt. The superior Group-wide figure was due mainly to our investments in Lima, Peru, and Antalya, Turkey. With growth rates of 6 and 5 percent respectively, they combined to have a positive impact on the Group-wide result. Including our minority investments and airports under management contracts we even were able to exceed the previous year's number of passengers slightly, despite the global downturn. Especially our investments in Xi'an, China, and Delhi, India, recorded with 28 percent respectively 9 percent solid growth rates, and contributed well to the Group-wide result.

However, the decline in traffic numbers at the Frankfurt site was also felt in revenue and earnings throughout the year as these figures largely depend on traffic development. With the reduced traffic came a decline in revenue of about €55 million – a decrease which is also reflected in Group profit. By adapting our expenses to the lower traffic volumes as part of our crisis prevention measures, we succeeded in saving about €28 million despite the high amount of fixed costs in our business model. In the end, the substantial decline in Group profit of roughly €40 million was also attributable to two other factors: Firstly, an increase in the pay structure led to higher personnel costs at the Frankfurt site. In addition to that, in the previous fiscal year we received about €42 million from a tax-free one-off compensation payment in connection with our already in the years 2001 and 2002 completely written-off Manila project. This had a considerably positive impact on the previous year's profit and therefore negatively impacted any direct comparisons this year.

Dear shareholders, I know that these declining revenue and profit figures are anything but satisfactory. However, in your assessment of our past year, please consider that our Company was – due to our active crisis management – able to deflect the impact of the crisis much better than other companies, and we still managed to post a positive profit of €157.3 million. Additionally, we are well-positioned to benefit from the economic recovery in the coming years. With expected average annual growth of 3 to 5 percent over the next 20 years, aviation is and remains one of the strongest future growth markets in the world. On the back of our measures from Agenda 2015, which I will explain in greater detail on the coming pages, I am confident that we created the necessary platform to participate from this growth to the most possible extent.

At this point I would like to come back to the title of the Annual Report: “Growth and Responsibility”. The following pages will offer an insight into how we will grow together in the future, because one thing is sure, that we will grow substantially in the coming years. But we will not allow our sustainable responsibility to fall by the wayside – the responsibility we have towards you, our shareholders, our employees as well as our neighborhood and the environment we share.

I look forward to an exciting and promising future together.

Sincerely yours

Stefan Schulte

Dr. Stefan Schulte
Chairman of the Executive Board

The Fraport Executive Board and its Corporate Strategy

On the back of the reorganization of the Executive Board on September 1, 2009, the new Chairman of the Executive Board, Dr. Stefan Schulte, adjusted and expanded the existing Group strategy from 2004 – the "three-pillar strategy". The previous corporate objectives – expanding the Frankfurt site, securing the integrated business model and generating growth in external activities – remain unchanged and were broadened to include the current challenges identified in the so-called "Agenda 2015". The members of the Executive Board explain the key elements of this agenda on the following pages.

AGENDA 2015

Agenda 2015 is a compilation of the current and future challenges facing our Company and forms the operational framework through which we will secure and increase the success of the Company. The challenges which we have identified as part of Agenda 2015 can be grouped into the following categories:

_ Manage capex
_ Strengthen profitability
_ Increase customer satisfaction
_ Secure sustainability
_ Use of growth potentials

MANAGE CAPEX

Fraport AG will invest about €4.5 billion into modernizing and expanding Frankfurt Airport from 2010 through 2015. With these investments we will continue to create the necessary conditions for the Company to participate in the future growth of the aviation market and hence the share in the potential revenue resulting from it.

The goal of "Manage capex" focuses on carefully and responsibly handling the resources made available for investing. This means realizing central and strategic investment projects both on time and on budget while always adjusting our investments according to our actual need. Top priority in investment activities is currently the realization of the new Northwest Landing Runway, which will bring the much needed expansion of slot capacity. Regarding our passenger capacity in the terminals, additional capacity will be available for future increases in passenger volume with the opening of the new Pier A-Plus in 2012 and the completion of our other past and current projects. To ensure that our resources are handled responsibly, we have delayed the gradual opening of the new Terminal 3 at the south end of airport grounds by about three years. It was originally planned to open in 2013. In the same way, we will continue to regularly review the profitability of every investment measure the Company is involved in and decide accordingly on their implementation.

STRENGTHEN PROFITABILITY

As part of our investment activities, we are currently investing about €1 billion per year into modernizing and expanding Frankfurt Airport. This annual investment roughly costs the Company nearly an additional €100 million per year in interest and depreciation costs. To finance this, we need a considerable increase in revenue on the one hand and tight cost management on the other.


Dr. Stefan Schulte, Chairman of the Executive Board


Herbert Mai, Executive Director Labor Relations


Peter Schmitz, Executive Director Operations


Dr. Matthias Zieschang, Executive Director Controlling and Finance

The higher traffic volume that will come after expanding the airport will be driving this increase in revenue – specifically after opening the new landing runway. Additional revenue will also result from expanding retail space in the terminals.

As they will benefit from the expansion and modernization of Frankfurt Airport the airlines must also share in bearing the financial burden. On the back of this, an agreement for adjusting the fees for the years 2010 to 2015 was signed in the past and current fiscal year. Initially it calls for a staggered fee increase for the years 2010 and 2011 by a total of 12.5 percent. From 2012 until 2015 the aviation fees will increase additionally by 2.9 percent per year. This increase is linked to our expected passenger development in Frankfurt. If the actual passenger development is higher or lower than forecast, the contract provides for a bonus-malus approach. Therewith, the contract for 2012 to 2015 also provides an incentive for airlines to grow even more in Frankfurt.

On top of this, we also need to check and optimize our structures and processes regularly to improve our competitive position. To do this, we launched the Fitness@Fraport2011 program, which we will use to optimize the Company's administrative structure together with Agenda 2015. As part of the project we will realize synergy effects by reorganizing responsibilities while simplifying structures between the strategic business and service units. Along with the fitness program, the "Pact for the Future 2018" finalized last year will also contribute to substantially lowering our cost structures on-site – especially for ground handling services. Savings in benefits and administrative services provide us with the opportunity to improve our competitive position in this area in the long-term.

INCREASING CUSTOMER SATISFACTION

Passenger surveys show that Frankfurt Airport ranks among the world's leading airports when it comes to quality and service, but also that there is still room for improvement in these categories. This is yet another area where our fitness program will produce even better results in the future. The creation of the central unit "Customer Relations" should increase customer satisfaction over the coming years. We will present ourselves streamlined and efficient and create the ideal conditions for our service offensive with our initiative "Security with a smile" together with the fitness program.

SECURE SUSTAINABILITY

The topic of sustainability is, and will continue to be, a crucial area for our Company in the future. Sustainable actions and business practices are key elements in the social responsibility we have towards our employees, who are directly involved in changes from an early stage. Social responsibility also means the responsibility that we have as a company towards our neighborhood. Important aspects of this include engaging in dialog with the surrounding communities and protecting the local population from aircraft noise.

We also support numerous social and cultural institutions in addition to these measures and demonstrate responsibility for the environment. Already in the past we initiated various measures to help us enact more environmentally-sound business practices. We want to continue to push this area of our business and have therefore assigned sustainability its own central unit as part of our fitness program. This will allow us to pool our measures and efforts more effectively in the future.

USE OF GROWTH POTENTIALS

We want to take advantage of the growth opportunities that come our way – especially those arising from the new landing runway. Growth is the main prerequisite for keeping existing jobs secure and generating further jobs at Frankfurt Airport. Thanks to our diversified portfolio and the employee potential on-site, we have excellent growth potentials in passenger and airfreight traffic.

Our attractive investment portfolio also offers us excellent opportunities in retail and international business. The fitness program will support our efforts to put customers and service first, while at the same time helping us to realize our potential and grow substantially once traffic figures pick up with the end of the crisis.

GROWTH – RESPONSIBILITY

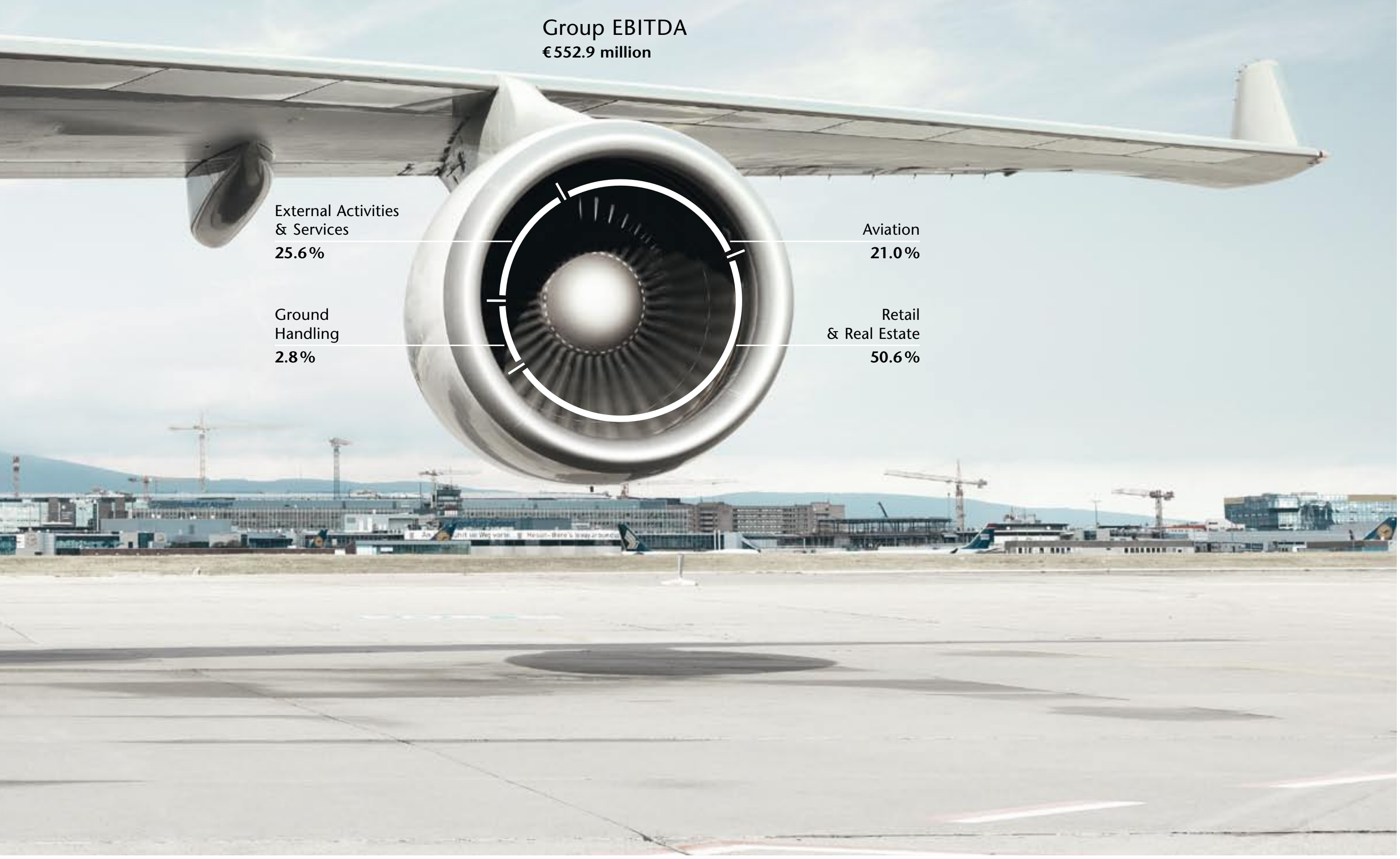
The expansion of Frankfurt Airport is by far the most important of Fraport AG's future projects for the coming years. The opening of the new Northwest Landing Runway for the 2011/2012 winter timetable represents the centerpiece of the expansion for traffic growth on-site. Just as important is Fraport AG's goal of remaining true to its social and ecological responsibilities throughout the project.

GROWTH – RESPONSIBILITY

Group revenue
€ 1.97 billion
External Activities
& Services
15.5 %
Aviation
34.6 %
Ground Handling
31.5 %
Retail
& Real Estate
18.4 %

How can we continue to expand our values and react flexibly to demands in the future?

_ In the past fiscal year, Fraport AG posted an EBITDA of € 552.9 million.



Our actions are based on the aim of consistently strengthening our integrated business model.

Exemplary responsibilities of Fraport segments

AVIATION

_Runways
_Taxiways
_Apron areas
_Terminals
_Airport security
_Airport expansion
_VIP service

RETAIL & REAL ESTATE

_Parking
_Shopping and Food & Beverage
_Marketing and renting of real estate
_Marketing and renting of properties
_Energy supply
_Airport advertising

GROUND HANDLING

_Aircraft handling services
_Check in
_Passenger and crew transports, passenger bridges
_Services for passengers with restricted mobility
_Cabin cleaning
_Sanitary services
_De-Icing
_Push back

EXTERNAL ACTIVITIES & SERVICE

_Airport and airport affiliated investments
_Marketing of Fraport know-how
_Facility management
_IT services
_Car services

As an internationally active airport operator, Fraport AG considers itself a full service provider in the field of airport management. Based on this comprehension, Fraport AG offers the entire range of services for passengers, baggage and airfreight while handling customer care from the moment passengers arrive at the airport up until they leave on their next flight.

The Group's operations are divided into four segments: Aviation, Retail & Real Estate, Ground Handling and External Activities & Services. While the Aviation, Retail & Real Estate and Ground Handling segments are responsible for business processes at the Company's main site, Frankfurt Airport, the External Activities & Services segment handles Fraport AG's activities outside of Frankfurt along with IT and Facility Management services. The External Activities & Services segment is responsible for all of the Company's international airport holdings and offers the Fraport Group's entire range of services to all sites outside of Frankfurt. It provides precise, high-quality on-site services to the other airports.

STRENGTHENING THE INTEGRATED BUSINESS MODEL

Fraport AG is a first-class provider of integrated services and is known worldwide as the operator of the intercontinental air traffic hub in Frankfurt. The advantages for our customers – airlines and passengers – resulting from these integrated services are plain to see: The high quality of services is ensured by our extensive know-how and single source management structure. Minimizing the number of interfaces and central contacts helps our customers save time and money.

The baggage conveyor belt system in Frankfurt is one of the best in the world.

In planning and coordinating both land- and air-side processes from a single source, our passengers benefit from one of the shortest guaranteed transfer times of any European hub airport. Flight operations also benefit from faster processing times for Ground Handling Services. Through the consequent combination of flight-related information with Fraport's Ground Handling Services can – among others – delay minutes be made up, saving airlines and passengers the stress of a late departure or the loss of a slot (time window for takeoff or landing at the airport). Approval and coordination problems become a thing of the past thanks to the integrated Facility Management in the case of repairs. Operational disruptions can be solved quickly and flexibly without having to inform or involve other contractors in the process.

By consistently strengthening the integrated business model, Fraport AG is able to market its wide-ranging expertise around the world to create added value. Fraport AG is therefore active on four continents across the globe through either direct or indirect investments.

OPERATING AND EXPANDING FRANKFURT AIRPORT IN THE AVIATION SEGMENT

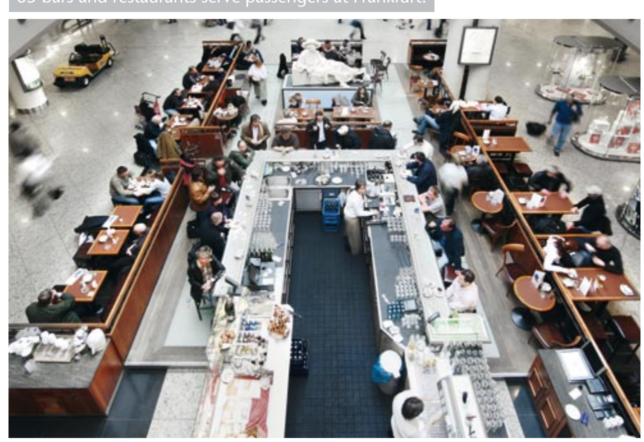
The Aviation segment is responsible for flight and terminal operations at the Frankfurt site as well as airport and aviation security and the expansion of the airport. The key to success in the segment lies in the expansion of Frankfurt Airport and the opportunities and revenue potential connected with it. With this in mind, the segment's main task is the sustainable financial and environmental realization of expansion activities. The future viability and competitive position of the segment also ensures our ability to optimize the process of allocating terminal positions to aircraft in coordination with passenger flow management. This provides passengers with short, quick walks to their connecting flights and therefore increases customer satisfaction. These advantages in turn also ensure that both land and air-side processes run smoothly. The segment will receive additional attention from 2010 onwards in connection with the gradual tendering of security services according to Sec. 5 of the Aviation Security Act. Optimizing cost structures and increasing focus on customer satisfaction are among the most important tasks for this area.

MARKETING THE AREAS AT FRANKFURT AIRPORT IN THE RETAIL & REAL ESTATE SEGMENT

All competencies and activities relating to the commercial development and marketing of property and real estate at the Frank-

Pier B is currently the busiest concourse in Frankfurt.

65 bars and restaurants serve passengers at Frankfurt.



*Subject to final approval

furt site are handled by the Retail & Real Estate segment. The segment's broad range of responsibilities includes among others energy management, creating trend-setting shopping options and service offers, managing the parking areas as well as airport advertising.

By tapping new revenue potential and securing mid to long-term contracts, the segment continues to produce increasing income figures year after year and is a major factor to the Company's success at the Frankfurt site.

PASSENGER, BAGGAGE AND AIRFREIGHT SERVICES IN THE GROUND HANDLING SEGMENT

As one of the leading international providers of Ground Handling Services, Fraport AG possesses nearly 50 years of experience in passenger, baggage and airfreight services. Ground Handling Services at Frankfurt Airport are one of the most important factors for the quality and success of the site. With a guaranteed transfer time of generally only 45 minutes coupled with outstanding baggage performance, we are one of the most efficient major airports in the world.

The strategic business unit Ground Handling Services is exposed to intense competition. The opening of the market and the entrance of a competitor with cheaper cost structures is putting the profitability of this segment under pressure. For this reason, Fraport AG reworked the future development of its cost structures – including the Ground Handling Services unit – with the "Pact for the Future 2018" in the past fiscal year. We aim to reinforce the segment's medium-term competitive position by implementing savings in benefits and administrative services while at the same time placing more focus on non-staff expenses.

IT AND FACILITY MANAGEMENT SERVICES AS WELL AS ACTIVITIES OUTSIDE OF THE FRANKFURT SITE IN THE EXTERNAL ACTIVITIES & SERVICES SEGMENT

Fraport AG's activities outside the Frankfurt site as well as the IT and Facility Management services at Frankfurt Airport are handled by the External Activities & Services segment. Fraport's investment portfolio is extremely well positioned.

Fraport AG has a balanced mix of investments and management contracts which are developing very positively on the whole. We want to continue to concentrate on high-growth airports in future markets where our Fraport know-how offers a distinct competitive edge. Should any attractive entry opportunities at established airports present themselves, we will be sure to follow these up. Additionally, we also aim to reinforce business with management contracts and consulting.

How are investments in future growth at the Frankfurt site financed?

_The equity story of Fraport AG

2004 & 2007
Approval authority approves the zoning decision for the A380 hangar on November 26, 2004 and the zoning decision for the airport expansion on December 18, 2007

2003
Submission of the application for the zoning procedure for the A380 hangar and airport expansion

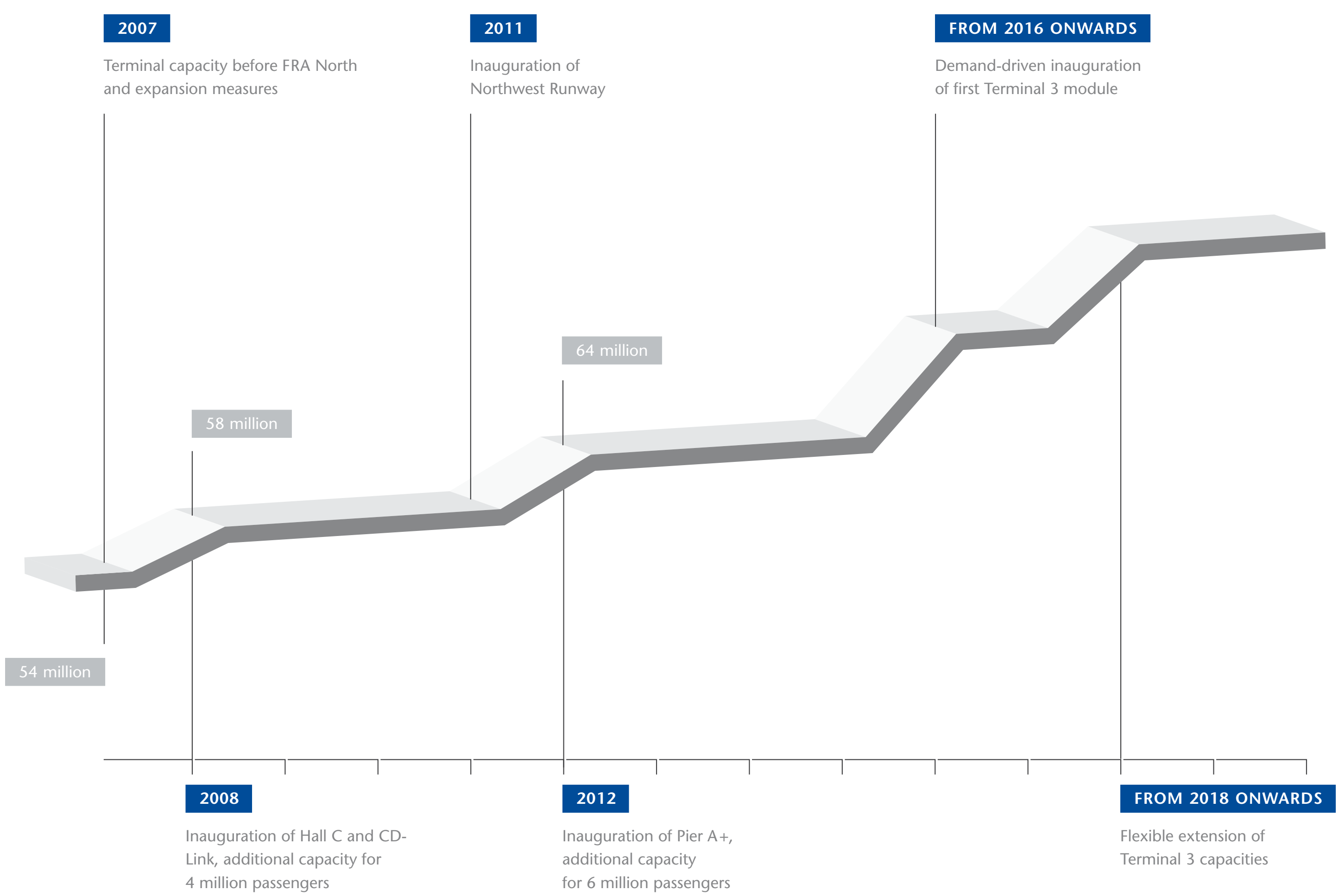
2001
Fraport AG's IPO (Initial Public Offering)

1997
Discussions about expansion get underway


2011
Planned inauguration of the Northwest Landing Runway
2009
Ground-breaking ceremony and start construction on the Northwest Landing Runway
2008
Completion of the first construction phase of the A380 hangar

The IPO in 2001 laid the foundation for the expansion and future of Fraport AG.

Planned terminal capacities



Discussions about Frankfurt Airport's future viability and need for expansion were already held as early as 1997. The first proposals on the expansion of the airport were drawn up against the backdrop of limited growth opportunities and the threat that the Rhine-Main region could lose some of its importance due to air traffic migrating to other locations.

In addition to the public discussion, a mediation group was set up in mid-May of the following year to consider the question of whether and how the airport could be expanded, in both a business and environmental sense. In January 2000, the group – made up of representatives from local communities, citizens' initiatives and environmental activists as well as business and aviation industry representatives – announced its recommendation on expanding the airport. After considering the various expansion plans, the mediation group expressed a slight preference for expanding to the northwest. The subsequent regional planning procedure was concluded in 2002 with the Regional Planning Evaluation Report. This verified the compatibility of the two northern construction options – the Northwest Landing Runway and Northeast Landing Runway – with the requirements of the regional plan. A comparison of the two options showed that the Northwest Landing Runway would be the preferred of the two to construct in compliance with the regional plan.

In September 2003, Fraport AG submitted the zoning procedure application for the expansion of Frankfurt Airport to the responsible authorities: the Hessian Ministry of Economics, Transportation, Urban and Regional Development to audit it for completeness. The application included the construction of the Northwest

Some 1,300 aircraft started and landed in Frankfurt in 2009 per day.

Landing Runway and Terminal 3 at the south of the airport grounds along with adjustments and expansions to existing facilities. At the end of 2004, Fraport AG handed in the completed application documents for the airport expansion to the approval authorities for public inspection. The application documents included comprehensive research on the effects of the plans on nature and the environment. The entire set of documents was displayed for inspection in 51 communities after a proper announcement according to the public participation ordinance. As a result of the consultation process, Fraport AG made changes to the plans and corresponding documents in spring 2007 that updated the current situation to 2005 and the forecast horizon to 2020.This update of the zoning documents was accompanied by a new public inspection as well as an additional,

FRA NORTH INVESTMENTS

The investments into modernizing and expanding the existing terminals and facilities are called "FRA North" investments.

AIRPORT EXPANSION

The airport expansion includes investments into the new landing runway and Terminal 3 as well as additional adjustments and expansions to existing facilities such as structural engineering work and flight operation facilities.

expanded consultation process. On December 18, 2007, the zoning decision for the expansion of Frankfurt Airport was issued by the Hessian Ministry of Economics, Transportation, Urban and Regional Development.

Aside from the zoning application for the airport expansion, the application for zoning the construction of the Lufthansa A380 hangar was also submitted in January 2003. This was in response to Lufthansa's request to station their A380 aircraft at Frankfurt Airport. On November 26, 2004, the Hessian Ministry of Economics, Transportation, Urban and Regional Development approved the zoning decision for the A380 hangar.

FROM FLUGHAFEN FRANKFURT / MAIN AG TO FRAPORT AG

The former Flughafen Frankfurt / Main AG announced as far back as the mediation process that financing the upcoming cash requirements for expanding Frankfurt Airport would require a capital increase or partial privatization of the Company. In 2000, the Executive Board and Supervisory Board decided to go public and to change the company name from Flughafen Frankfurt / Main AG to Fraport AG.

On June 11, 2001, the day of the IPO, the Fraport share was oversubscribed 7.5 times and was priced at €35.40. This represented a market capitalization of about €3.2 billion. In total, Fraport AG's IPO achieved gross revenue of €903.9 million.

The new Northwest Runway will allow about 50 percent more movements in the long-term at Frankfurt.

FRA INVESTMENTS

Fraport AG will invest a total of nearly € 7 billion into modernizing and expanding the Frankfurt site from 2007 through 2015. The total investment volume is one of the largest commercially financed volumes in Europe.

The company share has been traded on the MDAX, the second largest German stock index, since September 24, 2001.

FURTHER CAPITAL REQUIREMENTS FOR THE EXPANSION AND RESERVE FINANCING STRATEGY

Due to the scale of the investment project, the Company was already aware at the time of the IPO that it would need to tap an additional financing source to cover the cash requirements for the airport expansion in addition to the funds generated by going public and by Fraport AG's internal financing power. After signing the zoning decision on December 18, 2007, Fraport AG began implementing its reserve financing strategy – securing the additional required funds for the investment measures planned at the Frankfurt site in advance.

The goal of the reserve financing strategy was to systematically manage the resulting opportunities for securing the needed funds at the best possible terms and conditions on the debt capital market while maintaining a balanced maturity structure. Major milestones in this reserve financing strategy are seen in the issuing of a promissory note in June 2008 with a volume of € 720 million as well as loan agreements with two infrastructure banks which secured a total of € 980 million in additional funds in December 2008.

With the issuing of an € 800 million Eurobond in September 2009 as well as the issuing of private placements netting over € 150 million, Fraport AG succeeded in generating the amount of debt capital required for the investment projects planned for the upcoming years well ahead of time.

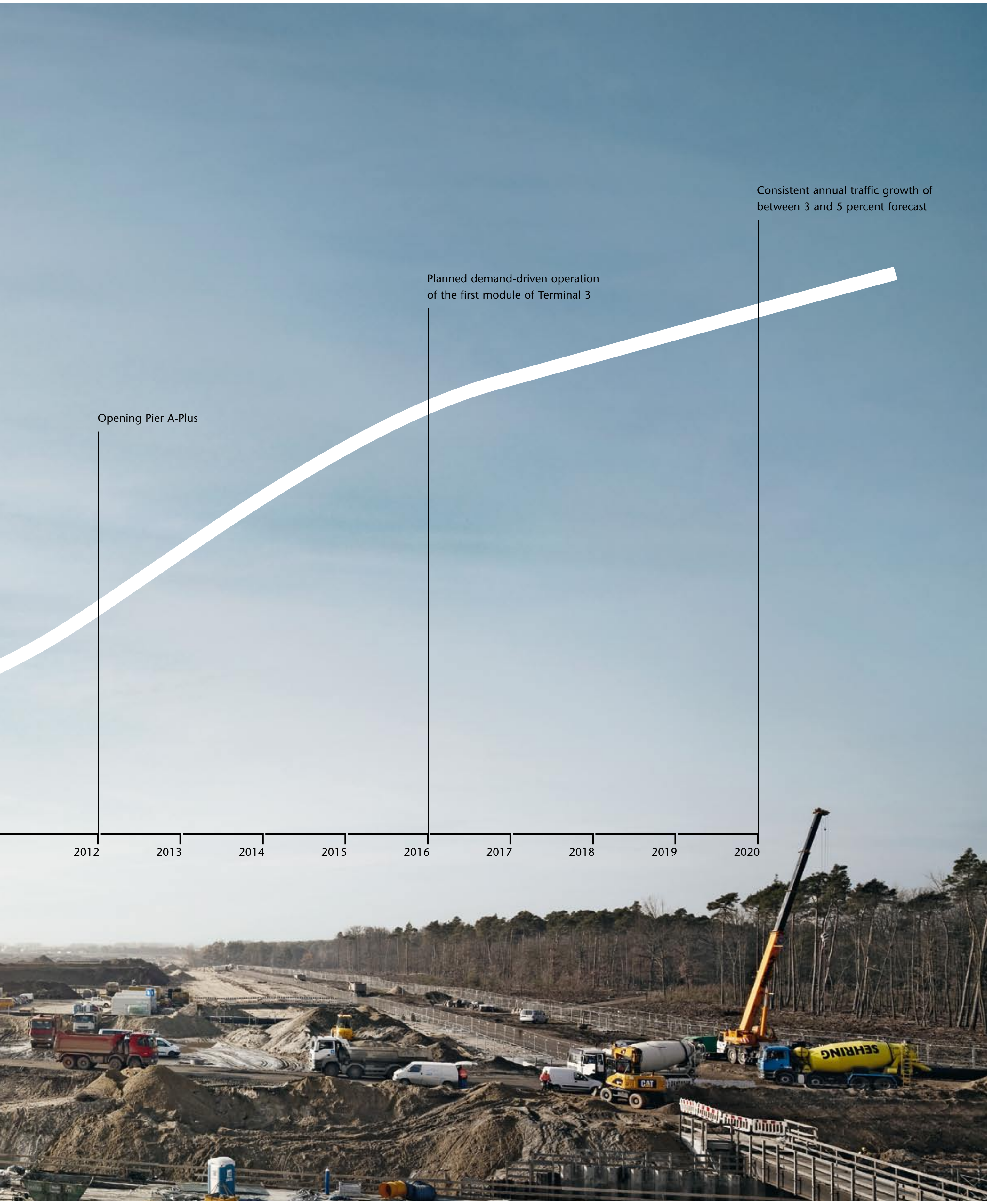
Two bridges will connect the runway with the existing airport.

START OF CONSTRUCTION AND EXPANSION PROGRAM

The start of clearing the area for the new Northwest Landing Runway on January 20, 2009 and the initial construction measures in mid-March not only marked an essential milestone for the future viability of Fraport AG and the economic power of the Rhine-Main region, this development also signaled the start of a new chapter in Fraport AG's equity story.

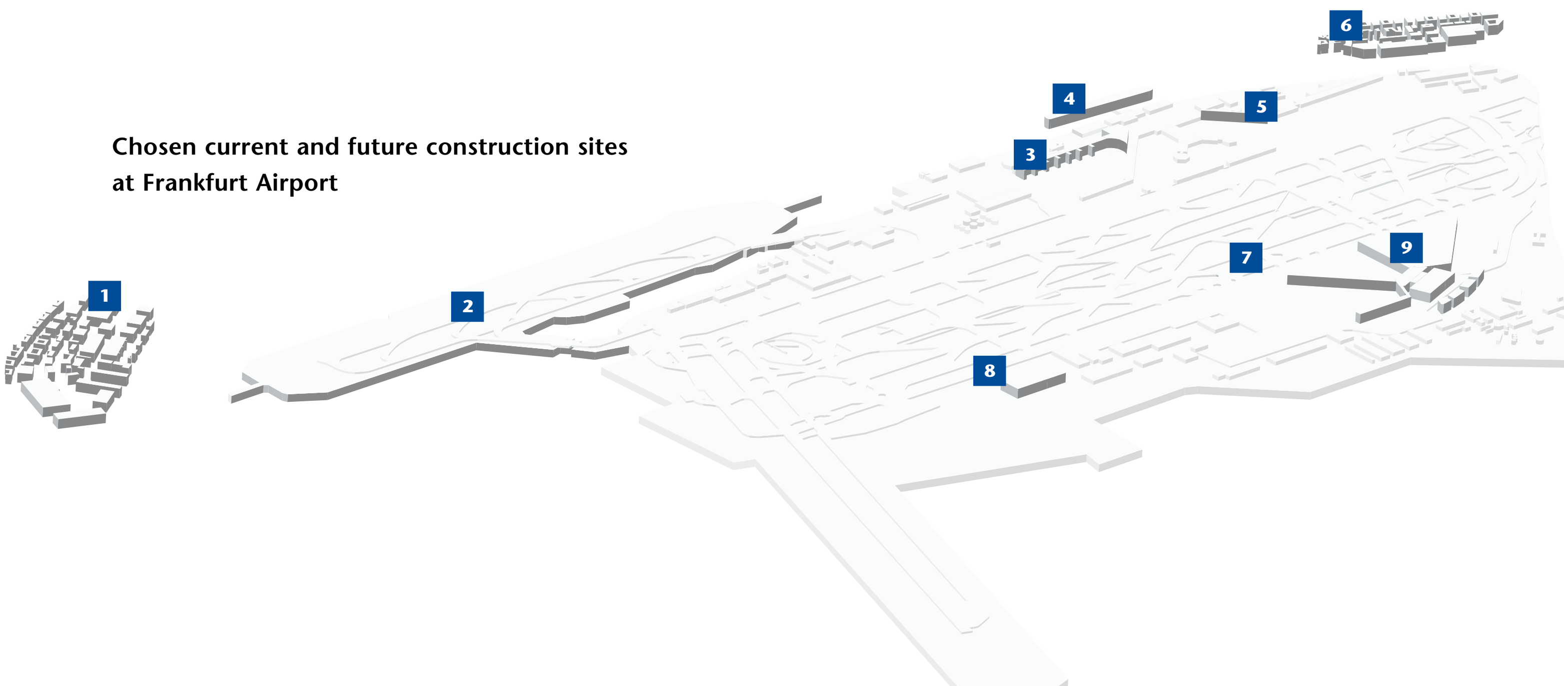
What challenges are connected with the Frankfurt Airport expansion?

_The airport expansion – a project with numerous interfaces


Consistent annual traffic growth of
between 3 and 5 percent forecast
Planned demand-driven operation
of the first module of Terminal 3
Opening Pier A-Plus
2012
2013
2014
2015
2016
2017
2018
2019
2020
SEHRING
CAT

Fraport AG accepts all of the challenges arising from the approval of the expansion. It analyzes them in an effort to systematically implement the opportunities these challenges offer.

Chosen current and future construction sites at Frankfurt Airport



1 MÖNCHHOF SITE

The largest industrial area in the Rhine-Main region covering a total of 110 hectares.

2 NORTHWEST RUNWAY

The 2,800 meter long landing runway enables parallel aircraft movement, increasing the airport's capacity.

3 PIER A+

With a total floor space of 185,000 m², the new pier provides additional terminal capacity for six million passengers.

4 AIRRAIL CENTER

With rental space of around 140,000 m², the Airrail Center offers direct links to air, rail and road networks.

5 CD-LINK AND C-PIER

The redevelopment of the previous C area is going to provide space for seven wide-body aircraft. Four positions are already in use at the CD-Link.

6 GATEWAY GARDENS

35 hectares of new office buildings, hotels and retail space as well as science and entertainment centers are being developed in close proximity to the airport.

7 TAXIWAYS

A system of taxiways with a total length of 54 km currently provides secure and quick access to runways.

8 A380 HANGAR

The building has been in use since 2008. With 25,000 m² floor space, it can accommodate two A380s or three B747s at the same time. It is planned to extend it to 49,000 m².

9 TERMINAL 3

Terminal 3 will be operating from around 2016, with modules gradually being added. Once completed, it is going to provide capacities for about 25 million passengers a year.

The expansion of Frankfurt Airport is without a doubt Fraport AG's most important future project, offering the Company substantial potential revenue and promising opportunities. However, the decision to expand also goes hand-in-hand with a number of challenges. These challenges result among others from the regulations from the zoning decision for expanding Frankfurt Airport and can generally be sorted into three categories:

Category 1: Managing the expected growth in passenger volume
Category 2: Mastering ecological and engineering challenges
Category 3: Staying within time and budget constraints

The Okrifteler Street has to be relocated as a tunnel for the new runway.

CATEGORY 1: MANAGING THE EXPECTED GROWTH IN PASSENGER VOLUME

Despite the declining traffic development of the past fiscal year, air traffic remains the catalyst of globalization and growth in global trade. Studies from the past fiscal year continue to predict an average global growth in passenger volume of 3 to 5 percent annually over the next 20 years (Studies: Boeing, Current Market Outlook 2009 – 2028 or ACI, Global Traffic Forecast 2008 – 2027, Edition 2009). An annual traffic volume of nearly 90 million passengers is therefore expected for Frankfurt Airport in the long-term.

This substantial increase in forecast passenger numbers presents Fraport AG with the challenge of handling this future volume in terms of infrastructure. Terminal capacity represents a major bottleneck here. In response to this, the Company is expanding the current facilities with additional piers and infrastructure – this would prepare the existing terminal facilities for a passenger volume of about 64 million passengers. The main elements are the new Pier A-Plus, which is set to begin operations in 2012 and provide additional space for about 6 million additional passengers annually, and the CD-link which was inaugurated in 2008 and has capacities for handling up to 4 million additional passengers (both projects are described in detail in the 2008 Annual Report as well as on our website: www.fraport.com).

To handle the forecast volume of around 90 million passengers, it will become necessary to gradually begin operations in response to demand in the new Terminal 3 at the south end of the airport despite the expansions to our existing facilities. This will likely take place around 2016. Fraport AG sees these

More than 2.1 million m³ soil have to be moved for the new Northwest Runway.

challenges not merely as a task to prepare for, but also as an opportunity to present its customers with new state-of-the-art facilities and set new standards with products like the two lounges in the CD-link or the marketplace in the future connection between the existing Pier A and Pier A-Plus.

CATEGORY 2: MASTERING ECOLOGICAL AND ENGINEERING CHALLENGES

Along with the increasing number of passengers, the implementation of expansion projects is also connected with numerous engineering and ecological challenges. The link between the new landing runway and airport grounds is a prime example of this. We are planning the construction of two taxiways which consist of five individual bridge structures. These connect the new landing runway with the existing airport grounds and cross over the A3 freeway, the ICE line as well as the Airport Ring. Additional engineering tasks include rerouting the Okrifteler street, which will instead run through a tunnel underneath the new landing runway.

One of the challenges from an ecological perspective was the relocation of numerous amphibians and reptiles in the run-up to the airport expansion. More than 5,000 amphibians and reptiles were collected and to do this about 20 kilometers of special fencing was put up. The animals were then moved to substitute habitats. Along with the transport of anthills and fallen trees, the trees being the natural ecosystem of stag beetle larvae, protecting local bats was also a difficult ecological task. Another ecological challenge was posed by the removal, storage and recycling of the ecologically valuable forest soil.

A detailed explanation of how Fraport AG is meeting, respectively met these challenges will be published in next year’s Annual Report which will focus on the implementation of the construction measures taking place on the Northwest Landing Runway and on the existing grounds.

CATEGORY 3: STAYING WITHIN TIME AND BUDGET CONSTRAINTS

The various complex construction projects, some occurring in security-related areas and during ongoing operations at this major airport, place extraordinary requirements on project personnel in terms of planning, preparation and execution. Fraport AG impressively demonstrated that it is a reliable manager of projects with tight time and budget constraints by successfully completing the last construction projects inside the terminals (including the completion of Hall C, the CD-Link and modernizing Pier B-West).

The expansion of the airport now presents Fraport AG with even greater logistical challenges. These include:

_ Adjusting the schedule in line with the various ongoing legal activities until the plan receives final legal endorsement
_ Observing vegetation periods as well as other ecological considerations
_ Meeting various deadlines for completing individual sub-projects so that the entire project does not run the risk of missing its overall deadline
_ Staying on budget

Thanks to the systematic planning and close connections between the partners involved, completion of the new Northwest Landing Runway has remained within the planned timeframe and will begin operations as planned for the winter timetable 2011/2012.

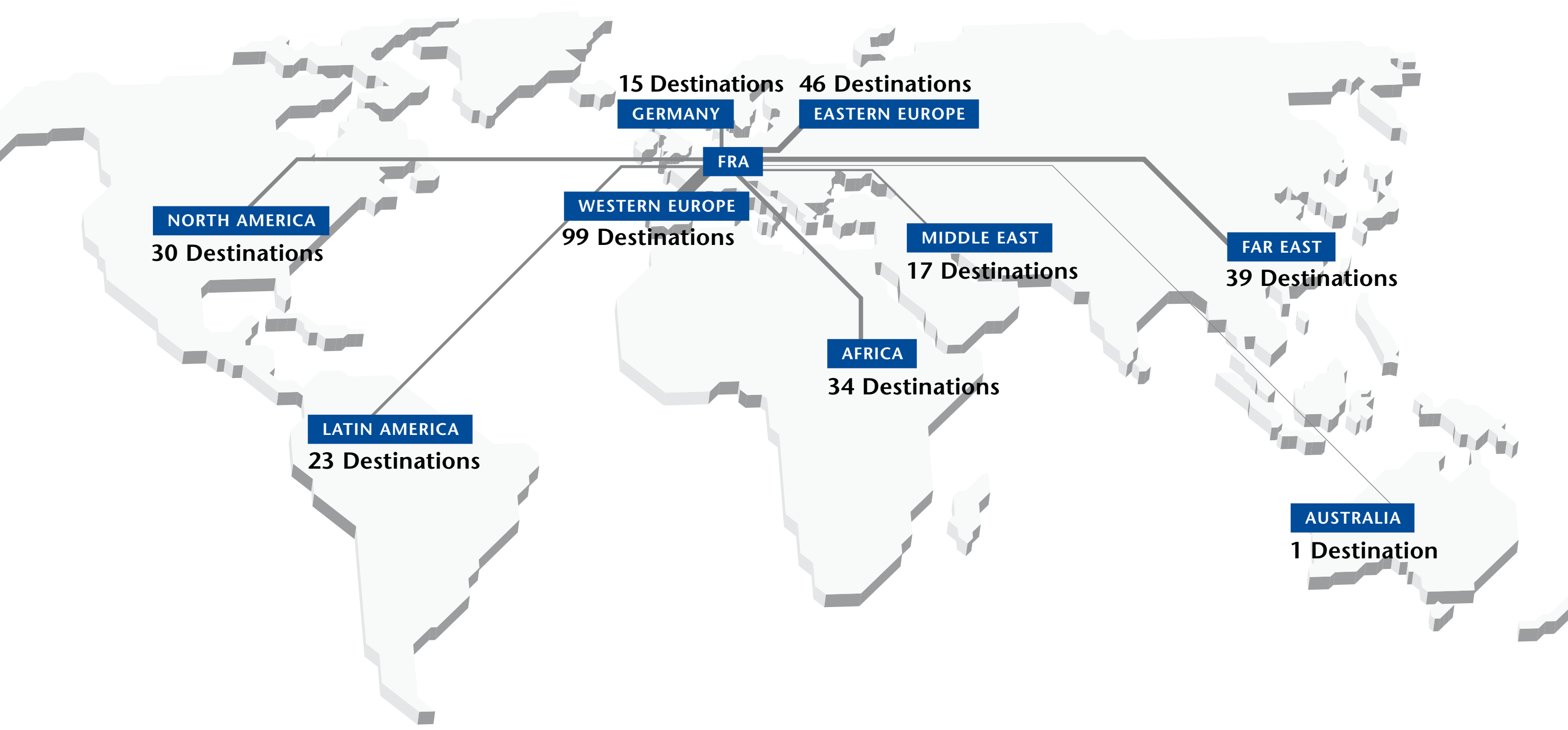
The tunnel beneath the new Northwest Runway will be finished in 2010.

What future opportunities are connected with the expansion of Frankfurt Airport?

_Frankfurt Airport after expansion


Unbroken upward trend in the net retail revenue per passenger despite economic crisis in 2009
2.22 €
2.22 €
2.26 €
2.56 €
2.69 €
2.84 €
2.86 €
2003
2004
2005
2006
2007
2008
2009

Frankfurt Airport – an intermodal hub that sets new standards for its customers.



Compared to its competitors, Frankfurt Airport offers about 300 possible destinations – more than any other major airport in the world (Source: Summer Flight Schedule 2009).

FRANKFURT AIRPORT TODAY

Frankfurt Airport was once again one of the top 10 airports in the world last year in terms of passenger volume (around 51 million) and ranked third in Europe only behind London's Heathrow Airport and Paris' Charles de Gaulle Airport. The recent trend continued in transported cargo, where Frankfurt Airport was again among the world's elite airports with 1.9 million tons in 2009. In Europe the airport ranked in this category the first place, leaving Paris' Charles de Gaulle behind on number 2 position.

But it's not just the volume of passengers and cargo transported that is impressive: More than 70,000 employees in nearly 500 companies and organizations make this airport the largest local employer in Germany. Three freeways and three train stations, one of which is linked to the high-speed rail network, ensure that the airport is well connected with the surrounding region and beyond. A good 300 destinations open up a whole host of possibilities for our passengers – more than any other major airport in the world.

Despite these impressive figures, Frankfurt Airport was threatened with the prospect of air traffic migrating to other airports had it not expanded its nearly maxed-out capacity. The region also faced a substantial economic loss had this occurred. Commencement of construction on the new landing runway last year marked an important milestone in Frankfurt Airport's future viability and provided planning reliability for the airlines. Along with this, the expansion of Frankfurt Airport also opens up numerous future opportunities and growth potential for Fraport AG as well as its customers and the surrounding region.

Next to Concourse A, Pier A+ will be inaugurated in 2012.

FRANKFURT AIRPORT AFTER EXPANSION

The expansion will make Frankfurt Airport one of the few mega-hubs in Europe. Construction of the new landing runway and the resulting increase in the number of possible flights per hour (from the current 83 to 126) ensure that the Company will be able to take on additional international air traffic and meet increasing passenger and airline demand.

Nearly 90 million passengers are expected to arrive, depart or take their connecting flights at Frankfurt Airport in the long-

CATCHMENT AREA

Catchment area describes the number of people living in a specified area. A total of 38 million people live within a radius of 200 km from Frankfurt Airport. This is the largest catchment area of any European hub airport.

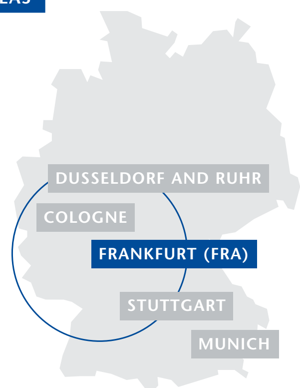
term. The number of employees working at Frankfurt Airport will also rise from about 70,000 to about 100,000 by 2020.

Together with the increase in takeoff and landing capacity, Fraport AG will also further increase the available passenger capacity in the terminals. The current modernization of the terminals along with the Pier A-Plus (currently under construction) and the planned Terminal 3 will provide Fraport AG with the space required to continue serving the increasing number of passengers.

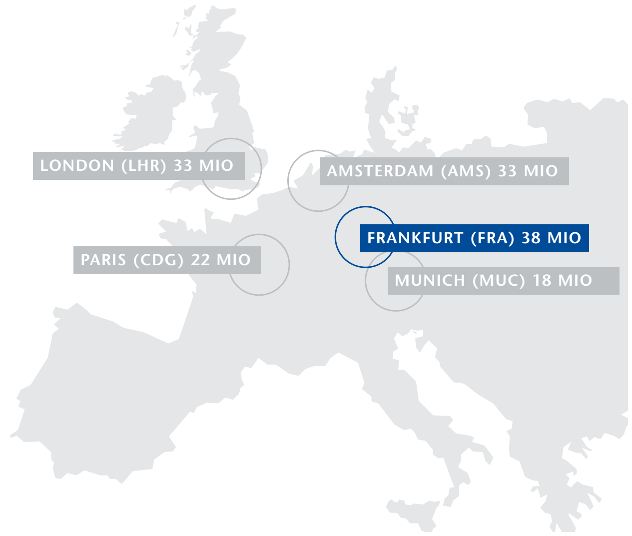
But terminal capacity is not the only thing that is continually increasing to meet demand. Fraport AG will put an even stronger focus on customer and passenger satisfaction with the service initiative "Security with a smile" and the creation of the "Customer Relations" central unit. New lounge and gate concepts along with improved floor plans and new technologies in security offer our passengers outstanding orientation and a relaxing atmosphere for their stay at our airport. Even our younger passengers benefit from the expansion and modernization of the airport: Indoor playgrounds and newly constructed infotainment areas are designed to allow children to enjoy their time in the airport as comfortably as possible and help ensure that family vacations start with the arrival at the terminal.

In 2009 some 140,000 passengers used Frankfurt Airport per day.

CATCHMENT AREAS



47 percent of the german population is living within a radius of 200 km around Frankfurt.



Pier A+ will offer more than 10,000 m² additional retail space in 2012.

Fraport AG will also tap further potential in terms of demand for shopping outlets and restaurants at Frankfurt Airport – gaining ground on the leaders internationally. While the airport's shopping space of approximately 19,000 m² still fell short of the "international shopping streets" at the Paris and London airports in the past year, the airport will create additional eye-catching shopping and consumer attractions with its expansion. Together with innovative shopping and wellness concepts, an increase in the number of brand name stores and restaurants on-site is another key part of this expansion.

Together with the expansion and modernization of available space, there will also be a focus on creating space on the air side, meaning the space behind the security checks, which is especially important for transfer passengers. After completing Pier A-Plus in 2012, the shopping space available for passengers will increase to about 30,000 m². Once operations start at Terminal 3, roughly 40,000 m² of shopping space will gradually be made available. Together with the increase in passengers, the expansion and modernization of high-margin retail business is one of the essential sources of potential revenue that Fraport AG will realize through the airport expansion.

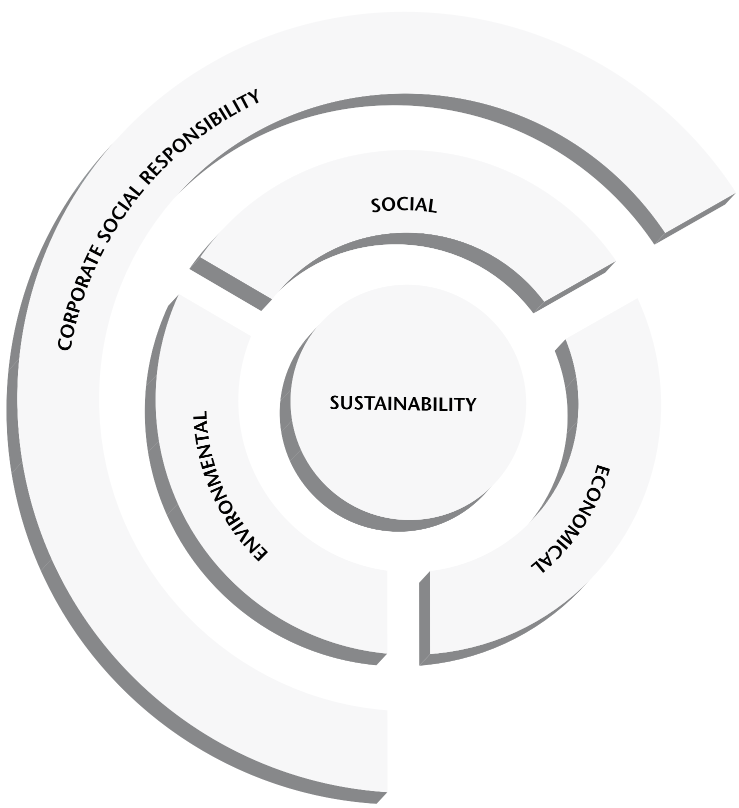
On the back of the resulting "Airport City" developing around the airport, Frankfurt Airport will not only rank among the world's leading airports in terms of passengers and cargo transported, but also setting new standards in quality and service for its customers. Frankfurt Airport will be a welcome partner to its passengers and business customers, a partner that creates a welcome and relaxing atmosphere for all those that enter its "gates".

How can Fraport AG realize the airport expansion in a socially and environmentally responsible manner?

_The strategic sustainability goals of Fraport AG


– 30 percent
CO_2 emissions per work load unit planned by 2020
CO_2 emissions in kg (per work load unit)
3.6
2.7
2.5
2005
2015
2020

Sustainable management and operations represent the cornerstones of the Company's long-term success.



SUSTAINABILITY

Sustainable operations Group-wide are an essential building block for Fraport AG's future viability. By creating the "Sustainability Management" central unit and the Sustainability Board at top management level, Fraport AG has pooled its activities in this field. And it is paying off, as proven by our inclusion in the sustainability indices DJSI STOXX, DJSI World and FTSE4Good. These indices only list companies that show exemplary corporate sustainability performance in terms of economic, environmental as well as social and cultural commitment. Fraport AG has already formulated additional ambitious goals for the future with its strategic sustainability goals 2020.

Hohenaue is one of 13 re-forestation areas of Fraport in the region.

The growth of the air traffic market means economical prosperity and future opportunities for Fraport AG and the surrounding region. However, it also likely means an increasing burden on the region in terms of aircraft noise and emissions as well.

As one of the leading international airport operators, Fraport AG is aware of its unique social responsibility and therefore places its strategic sustainability goals on an equal footing with its strategic objectives. Fraport AG sees this as a Group-wide responsibility, including all of the Fraport Group's activities in Germany and around the globe.

Fraport AG once again focused its considerable sustainability efforts this past fiscal year by creating the "Sustainability Management" central unit last year along with the Company's strategic sustainability goals for 2020 announced in 2008. The strategic sustainability guidelines comprise three main areas:

_ Economical
_ Environmental
_ Social

ECONOMICAL: CREATING SUSTAINABLE VALUE

Fraport AG is firmly convinced that only sustainable economical growth can provide secure jobs for its employees and attractive dividends for its shareholders. The financial success of the Company is also a key requirement for enabling us to continue our social responsibility efforts effectively in the long-term. With the expansion of Frankfurt Airport, Fraport AG is putting itself in an excellent position to participate in the future growth of air traffic and continued economical growth at the Frankfurt site. Fraport AG is also set to benefit from the growth in air traffic beyond the Frankfurt region with its external business. Possible risks for the financial development of the Fraport Group are constantly being reviewed and counteracted.

On top of economical growth, the systematic implementation of our Standards of Behavior in terms of integrity and transparency also represents a stated goal of the Company as part of its economical sustainability goals 2020. Fraport AG is implementing these standards across the entire company with the aid of values management.

SUSTAINABILITY BOARD

By establishing the Sustainability Board in 2008, Fraport laid the foundations for sustainability management across the entire Fraport Group. To reflect its high significance, the Board is located at top management level. Its members come from Internal Auditing, Corporate Strategy, Environmental Management, Human Resources, Corporate Communications and Legal Affairs.

ENVIRONMENTAL: REDUCING THE ENVIRONMENTAL IMPACT

Fraport AG is especially committed to environmental protection and sustainability in its aim to preserve our natural resources. Our efforts focus on measures to reduce and compensate for environmental impacts which arise from air traffic. Our environmental management therefore focuses on climate protection, local air quality, biodiversity and noise protection.

As part of the strategic sustainability goals 2020, Fraport AG is pursuing the ambitious goal of reducing its carbon dioxide emissions of nearly 3.6 kilograms per work load unit at the Frankfurt site (meaning per passenger or 100 kilograms of cargo) in 2005 by 30 percent up to the year 2020. Fraport AG is therefore aiming to emit no more CO_2 through the operations of its infrastructure facilities and vehicles than it did in 2005 despite the expansion of the airport.

This ambitious goal is to be achieved among others through the "eco-terminal" design of the planned Terminal 3 which puts energy efficiency center stage. The new terminal will e. g. obtain district heating from a cogeneration plant and take advantage of energy-saving effects.

Together with partners Fraport AG is also examining the development and utilization of environmental-friendly geothermal energy to supply the new terminal as well as existing facilities with energy and heat.

Along with these possibilities, Fraport AG is currently optimizing the building systems in the existing terminals as well as in the service and administrative buildings in an effort to reduce energy consumption.

The construction of the new Northwest Landing Runway will additionally balance operations on the ground and in the air – making holding patterns almost completely a thing of the past and saving on aircraft fuel consumption.

Also Fraport AG's vehicle fleet will help the Company achieve its ambitious environmental goals – among other initiatives, electric vehicles that run on certified eco-power are planned. After successful practical tests, Fraport is aiming to make 60 percent of its vehicle fleet electric by 2020.

When it comes to noise protection, the stated goal of reducing aircraft noise in the region through active noise reduction measures is in 2009 high on the agenda. The aircraft noise index compiled in cooperation with Forum Flughafen and Region has become a transparent tool which allows us to track future developments in aircraft noise in the region.

The aircraft noise index will also be used to document and clearly demonstrate the success of active noise reduction measures. The Frankfurt Aircraft Noise Index will play a central role in discussions on aircraft noise in the region.

SUSTAINABILITY BOARD

	SUSTAINABILITY BOARD						
Compliance	Values Management	Corporate Strategy	Environmental Management	Human Resources	Sponsoring	Legal Affairs	Sponsoring / Public Affairs
	Sustainability activities within the Fraport units						

SOCIAL: ADDED VALUE FOR EMPLOYMENT AND SOCIETY

Fraport is using the growth in global air traffic to create additional competitive – and therefore viable – jobs. Socially responsible working conditions along with the safety and health of those employed are of utmost importance to Fraport AG.

At the same time, the Company offers every employee personal development opportunities in line with their individual talents, abilities and interests. As part of its social responsibility awareness, the Company also promotes social causes such as projects in the areas of education, sports, culture, health and the environment. Active dialog with our neighbors is an essential part of the Company's sustainability-driven corporate communications.

As part of our strategic sustainability goals 2020, Fraport AG wants to continue to provide more training than is actually needed. The Company is also committed to continually reducing the number of occupational accidents. Increasing the health index and continuing social commitments are just some further goals on Fraport AG's social agenda.

More than €100 million are invested in re-forestation by Fraport, the Mönchbruch area is one of the projects.

In the Group management report, the Executive Board of Fraport AG sums up the past fiscal year and outlines the new organizational structure as well as the strategic alignment of the Group in the context of the Agenda 2015.

Starting on page 66, the risk and opportunity report along with the outlook focuses on the future development of the Group. Here the Executive Board looks ahead to the fiscal year 2010 and beyond.

GROUP MANAGEMENT REPORT

Group management report

THE FRAPORT GROUP

Operating activities and organization

The Fraport Group is a leading international airport company and owns and operates one of the world's most important air traffic hubs at Frankfurt Airport. The service range offered by the Fraport Group is not limited to the services surrounding flight and terminal operations, but the Group also is a reliable partner in the areas of retailing and real estate development. Together with partners, Fraport is developing Frankfurt Airport into "Frankfurt Airport City" – an outstanding mobility, shopping and real estate location. As a full service provider in the airport business, Fraport, by means of either direct or indirect investments, is active on four continents. The Company's headquarters are located in Frankfurt am Main.

The operating activities of the Fraport Group are represented by the four segments: Aviation, Retail & Real Estate, Ground Handling and External Activities & Services. The strategic business units of Fraport at the Frankfurt site are clearly assigned to the Aviation, Retail & Real Estate and Ground Handling segments. In addition, these segments include investments integrated in the business processes at the Frankfurt site. Every segment is assigned directly to a member of Fraport AG's Executive Board. Even the service and central units are assigned to Executive Board members.

The strategic business unit "Traffic and Terminal Operations, Airport Expansion" is part of the **Aviation** segment and comprises the flight and terminal operations at the Frankfurt site and the airport's expansion operations. The Aviation segment also encompasses the strategic business unit "Airport Security Management", which combines the core tasks of providing airport and aviation security in accordance with Sections 5 and 8 (gates) of the Aviation Security Act at the Frankfurt site.

The strategic business unit Retail and Properties, which mainly handles retailing activities, parking facility management as well as renting and marketing real estate at the Frankfurt location, is assigned to the **Retail & Real Estate** segment. On January 1, 2009, the Retail & Real Estate segment was streamlined to exclude all activities no longer relating to that segment. The segment was subsequently renamed from "Retail & Properties" to "Retail & Real Estate". The internal service units "Information and Telecommunication" (IUK) and "Facility Management" (IFM), including their subsidiaries, were reorganized as Services within the renamed "External Activities & Services" segment (previously named "External Activities"). At the same time, the profit center, where all cost-related user fees are concentrated, was assigned to the Aviation segment. The effects of the organizational changes on the segments' income statements are described in the segment reporting section on page 52 et seq.

The **Ground Handling** segment combines the strategic business unit Ground Services and the investments involved in these operations at the Frankfurt site.

ORGANIZATIONAL STRUCTURE

	Dr. Stefan Schulte Chairman of the Executive Board	Herbert Mai Executive Director Labour Relations	Dr. Matthias Zieschang Executive Director Controlling and Finance	Peter Schmitz Executive Director Operations
Strategic Business Units	_Traffic and Terminal Management, Airport Expansion	_Retail and Properties		_Airport Security Management _Ground Services
Service Units			_Information and Telecommunication	_Facility Management
Central Units	_Legal Affairs _Internal Auditing _Corporate Development _Communications, Marketing and Lobbying	_Sustainability Management _Human Resources	_Global Investment and Management _Controlling _Finance and Investor Relations _Accounting _Central Purchasing, Construction Contracts	_Customer Relations

CHART 1

The “Global Investment and Management” central unit, which is responsible for airport services and airport management for Group investments that are not integrated into the business processes at the Frankfurt location, is assigned to the **External Activities & Services** segment. Since January 1, 2009, the segment also includes the previously mentioned IUK and IFM service units including their subsidiaries.

With regards to the **Executive Board**, Dr. Stefan Schulte, Fraport AG’s previous Vice Chairman of the Executive Board, became Chairman of the Executive Board on September 1, 2009, replacing the previous Chairman, Prof. Dr. Wilhelm Bender. At the same time, Dr. Schulte took over the responsibility for Corporate Governance. Next to this change, Peter Schmitz, the former senior executive vice president of Ground Services, was elected to the Executive Board for the newly created position of Executive Director Operations. Dr. Schulte and Mr. Schmitz terms in their respective positions last until August 31, 2014.

The change to the Executive Board as well as the new project Fitness@Fraport2011 resulted in the new organizational structure which took effect on January 1, 2010. SEE CHART 1

Group strategy and vision

The Fraport Group’s strategy is focused on the long-term development and market trends in worldwide air traffic and the specific situation of the Frankfurt site. Despite the drops in traffic seen in the last year, all signs are indicating that global air traffic will return to its long-term growth course in the 2010 financial year.
SEE CHART 2

Since September 1, 2009, the reordered Executive Board of Fraport AG, under Chairman Dr. Stefan Schulte, developed Agenda 2015 to take on the challenges facing the Company in the coming years. The plan was based on the Group’s strategy and vision that were approved in 2004. Agenda 2015 covers the strategic challenges that the Company faces for sustainable growth as well as the measures needed to overcome these issues. Agenda 2015 consists of the five following elements:

_ Manage capex
_ Strengthen profitability
_ Increase customer satisfaction
_ Secure sustainability
_ Use of growth potentials

1. THE FOUNDATION: MANAGE CAPEX!
Fraport will invest about €7 billion into modernizing and expanding the Frankfurt site from 2007 through 2015. The focus of the investment program for the years 2009 to 2011 is centered on realizing the new landing runway, the approval of which was upheld in the most recent court decisions. Along with the landing runway, additional essential investments for expanding the airport’s capacity and modernizing the existing facilities will be expedited respectively were realized.

FORECASTS FOR THE MEDIUM AND LONG-TERM DEVELOPMENT OF GLOBAL AIR TRAFFIC

Study	Growth per year	Reference figure	Period
Boeing	+4.9%	Revenue passenger kilometers (RPK)	2009 – 2028
Airbus	+4.7%	Revenue passenger kilometers (RPK)	2009 – 2028
ACI	+4.2%	Number of passengers	2007 – 2027
IATA	+4.8%	Revenue passenger kilometers (RPK)	2009 – 2015
Rolls-Royce	+5.0%	Revenue passenger kilometers (RPK)	2009 – 2028

Sources: Boeing: Current Market Outlook 2009 – 2028; Airbus: Global Market Forecast 2009 – 2028; ACI: Global Traffic Forecast 2008 – 2027, Edition 2009; IATA Economic Briefing: The impact of recession on air traffic volumes, December 2008; Rolls Royce: Market Outlook 2009

CHART 2

These include:

_ Pier A-Plus for 6 million additional passengers with 4 A380 gates – operational in 2012
_ Hall C and the CD-Link for 4 million additional passengers with 3 A380 gates – operational since 2008
_ Redesigning Terminal 1 B with 3 A380 gates – to be completed in 2011

Every investment measure will continue to be regularly checked for profitability and decisions on their implementation will be made accordingly to ensure the responsible use of Company resources. As part of this process, the gradual opening of the new Terminal 3 planned for 2013 has been delayed by about three years.

2. STRENGTHEN PROFITABILITY!

Due to the higher depreciation and interest expenses resulting from the intense capex program Fraport must improve its profitability in the very near future to retain its current earnings level and to be in a position to increase it in the medium-term. Measures to raise profitability relate to both the revenue and cost sides, including:

On the revenue side:
_ Traffic growth originating from the new landing runway
_ Increasing airport fees
_ Growth and income from retail space
_ Continued development of external business

On the cost side:
_ Internal solutions for Ground Services
_ Focusing on staff costs
_ Fitness@Fraport2011
_ Crisis Prevention

3. INCREASE CUSTOMER SATISFACTION!

The results of the Skytrax customer survey underscore that the quality improvement measures enacted in the past years at the Frankfurt site have been positively received by customers. Fraport looks to continue this trend in the coming years.

RESULTS SKYTRAX AIRPORT RANKING WORLDWIDE

Customer survey

2007	2008	2009
...	...	...
...	...	Rank 21 FRA
...	Rank 44 FRA	...
Rank 94 FRA	...	...
...	...	...

CHART 3

The improvements in the terminals that are already in effect, including those for connecting flights and services, will be supplemented by the following activities:

_ Optimizing service standards and introducing service guarantees
_ Implementing the Easy Pass test system (automated check point system)
_ Better availability of luggage wagons by implementing a deposit-refund system
_ Expanding children's play areas
_ Feedback sites, charging stations and improved internet access

Fraport sees increasing customer satisfaction as a goal for every division. Ground Services and the Aviation segment benefit from increased passenger satisfaction when passengers continue to regard Frankfurt Airport as their future airport of choice. Relaxed and satisfied passengers are an essential requirement for tapping the site's retail potential in the Retail & Real Estate segment.

4. SECURE SUSTAINABILITY!

Sustainability is a central long-term focus for Fraport and has a high priority in the Group's development moving forward. Fraport understands sustainability as consistently reconciling economic, environmental and social goals in the Company's long-term interests. In this context, Fraport approved the following ambitious sustainability goals for the year 2020 in the fiscal year 2008:

Economic goals:
_ Realizing profitable growth as the basis for the future viability of our Company
_ Continually increasing our Company's added value with the completion of expansion investments
_ Methodically implementing our values management system within the Group
_ Constantly adapting our existing compliance system throughout the entire Group to changing conditions

Environmental goals:
_ Reducing CO_2 emissions per work load unit (one passenger or 100 kilograms of cargo) by 30 percent
_ Avoiding the creation of any additional CO_2 emissions from our expansion projects
_ Building Terminal 3 as an "eco-terminal" and aiming to use innovative energy sources
_ Promoting environmental management at every site

Social goals:
_ Creating about 25,000 additional jobs at Frankfurt Airport through the airport's expansion. The expansion project as a whole will provide about 100,000 jobs according to expert estimates (including catalytic effects)
_ Striving to provide training beyond our demand
_ Increasing our health index
_ Continually reducing the number of workplace accidents
_ Consistently advancing our social commitment

In the future, the newly created division "sustainability management" will specify the measures and activities for achieving these goals and further increase the transparency of the Group's activities.

5. USE OF GROWTH POTENTIALS!

With the completion of the planned expansion program, the capacities at the Frankfurt site will be significantly increased. Qualified growth is needed to ensure quick and profitable utilization of the new capacities. Sales activities continue to focus on long-distance carriers from Asia's growth regions and North American traffic. Additionally Fraport sees three essential future growth drivers for the Group:

First growth driver: Retail business

Despite the economic crisis, retail business at Frankfurt Airport is continuing to grow. The expansion and modernization of the retail space in terminals is the central element of the growth plans for the retail business. Intelligent passenger traffic flow management ensures that these newly created facilities will be used by passengers. The following projects are to be implemented by 2012:

_ Terminal 1, Airport City Mall will have approximately 2,000 additional sqm by redesigning the ground floor – opens in 2010
_ Terminal 1, Pier B will have approximately 750 sqm additional by redesigning and expanding the air side's marketplace by 2011
_ Terminal 1, Pier A-Plus will bring more than 10,000 additional sqm – opens 2012

Second growth driver: External business

The External Activities & Services segment has been financially optimized after successfully streamlining its portfolio (selling off the ICTS subsidiary's low-margin security business and Frankfurt-Hahn Airport which was operating at a loss). Fraport's expertise is actively present on four different continents with the Company operating four airports as majority-owned investments with a share of 50 percent or more in addition to the Frankfurt site. Fraport is also involved in seven other airports as minority owners or through its involvement in management contracts. Thanks to the positive development of the existing investment portfolio, external business' profit contributions to Group profit will increase considerably over the next years. In addition, we continue to look for ways to further expand our external activities.

Third growth driver: Airport City

Around the world, hub airports are transforming themselves into airport cities. Fraport recognized this trend at an early stage and identified sites that were worth consideration from the perspective of real estate marketing. In addition to this, Fraport has put a greater emphasis than in the past on benefiting from the added value of property development originating from its own activities.

Value management

Since 2001, Fraport has been planning and managing the Group's development according to the principles of value management to ensure an increase in the Company's value. The central figure used to guide this strategy is reflected in the Fraport Value Added figure, which is calculated as the difference from the Company's EBIT and capital costs (Fraport assets x weighted average cost of capital):

CALCULATION OF THE FRAPORT VALUE ADDED

$$\text{EBIT} - \underbrace{\text{Fraport assets} \times \text{WACC Fraport}}_{\text{COST OF CAPITAL}} = \text{Value Added}$$

CHART 4

Components for calculating Fraport Value Added

WEIGHTED AVERAGE COST OF CAPITAL

The weighted average cost of capital (WACC) correlates to the minimum return on invested capital accepted on the capital market. Fraport calculates the figure as a weighted average of equity and debt capital costs according to the Capital Asset Pricing Model (CAPM). Given the continuously changing economic environment, interest rate levels and / or our risk and financing structure, we regularly review and adjust the Fraport WACC. The regular review resulted in an adjustment to Fraport's WACC before taxes from 10.0 percent to 9.5 percent as of January 1, 2009.

FRAPORT ASSETS

Fraport assets are defined as the average of the Company's interest-bearing capital required for operations, which is calculated as follows:

CALCULATION OF FRAPORT ASSETS

	Goodwill
+	Other intangible assets at cost / 2
+	Investments in airport operating projects at cost / 2
+	Property, plant and equipment at cost / 2
−	Construction in progress at cost / 2
+	Inventories
+	Trade accounts receivable
−	Current trade accounts payable
=	Fraport assets

CHART 5

To avoid value creation coming solely from depreciation and the misallocation of scarce funds in calculating its value added figure, Fraport's depreciable assets are generally recognized at half of their historical acquisition / manufacturing costs (at cost / 2) and not at residual carrying amounts. Goodwill is an exception in this context and is recognized at its corresponding residual carrying amount in accordance with IFRS regulations. Contrary to the calculation of Fraport Value Added at the Group and segment level, calculating value added for the External Activities & Services segment is expanded to include the results of at equity and other investments assigned to the segment as well as the investments' corresponding assets. These measures allow Fraport to include its minority owned investments into the Group's value management.

RETURN ON FRAPORT ASSETS (ROFRA)

Fraport has expanded its Group and segment value added item with the Return on Fraport assets (ROFRA) control factor to simplify comparisons between business units of varying size. ROFRA is determined by relating EBIT to Fraport assets and shows whether the division creates value (ROFRA > WACC) or not (ROFRA < WACC).

DEVELOPMENT OF FRAPORTS VALUE ADDED IN 2009

	Fraport Group		Aviation		Retail & Real Estate		Ground Handling		External Activities & Services*	
€ million	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
EBIT	290.4	359.2	40.1	92.5	221.7	228.2	– 38.5	18.8	70.8	4.6
Fraport assets	3,705.6	3,419.1	1,218.1	1,151.1	1,258.3	1,154.3	458.6	444.8	882.0	780.1
Capital costs before taxes	352.0	341.9	115.7	115.1	119.5	115.4	43.6	44.5	83.8	78.0
Value added before taxes	– 61.6	17.2	– 75.6	– 22.6	102.2	112.8	– 82.1	– 25.7	– 13.0	– 73.4
ROFRA	7.8 %	10.5 %	3.3 %	8.0 %	17.6 %	19.8 %	– 8.4 %	4.2 %	8.0 %	0.6 %

*EBIT and Fraport assets are adjusted for investments accounted for using the equity method and financial investments.
Due to the adjustments on segment level, differences are possible when summing up to the Group level.

CHART 6

VALUE ADDED IN 2009

Due to the intense, future-oriented investment activities at the Frankfurt site, the Fraport Group's value added figure for the past year totaled € – 61.6 million. This represented the first time since 2004 that the figure dropped into negative territory. Along with the investment activities in Frankfurt, this negative value added was particularly affected by the decline in EBIT from € 359.2 million to € 290.4 million. The segments most dependent on traffic developments, Aviation and Ground Handling, were mainly responsible for this decline. Positive contributing factors to the development of Group value added include the rise in EBIT in the External Activities & Services segment. This effect originated mainly from the positive developments taking place at the investments in Lima and Antalya as well as from the omission of impairments on the at equity investment Hanover-Langenhagen and the Frankfurt-Hahn investment regonized in the previous year.

For a detailed explanation of the Fraport Group and its segments' business development, please see the revenue and earnings section as well as segment reporting starting on page 50.

Statement on Corporate Governance in accordance with section 289a of the German Commercial Code (HGB)

Acting for itself and the Supervisory Board, the Executive Board issues a statement on Corporate Governance in accordance with Section 289a of the German Commercial Code (HGB). This statement on Corporate Governance is available on our corporate website www.fraport.com within the Corporate Governance category under Investor Relations as well as in the chapter further information in this Annual Report.

Remuneration of the Executive Board and Supervisory Board

Until the German Act on the Appropriateness of Management Board Remuneration (VorstAG) became effective on August 5, 2009, the executive committee of the Supervisory Board was responsible for determining the remuneration of Executive Board members. Since then, the Supervisory Board's full session determines the total remuneration for individual Executive Board members based on the recommendations put forward by the executive committee. The remuneration consists of the following fixed and performance-related components:

_ Fixed annual gross salary and compensation in kind
_ Growth-, earnings- and performance-related bonus and long-term incentive elements

In addition, Executive Board members received endowments to pension benefits. Tighter restrictions for Executive Board remuneration were set this year as the German Act on the Appropriateness of Management Board Remuneration (VorstAG) came into effect on August 5, 2009. Remuneration should be in proportion to the tasks of the position and the Company's situation and also in line with a more transparent and sustainable corporate governance approach which focuses on the long-term. The Executive Board members' contracts were revised accordingly on January 1, 2010. The following variable-, growth-, earnings- and performance-related types of remuneration are included in the total remuneration on top of a fixed annual salary:

_ Management bonus
_ Long-term strategy award (LSA)
_ Long-term incentive program (LTIP)

For further details on the Executive Board's remuneration, see note 54 in the notes to the financial statements as well as the statement on corporate governance pursuant to Section 289a of the German Commercial Code (HGB) on the homepage www.fraport.com or starting on page 179 in this report. The members of the Supervisory Board receive only a fixed remuneration (for details, see also note 54 in the notes to the financial statements or the statement on corporate governance).

Notes pursuant to Section 315 (4) of the German Commercial Code (HGB)

Fraport AG's capital stock consists of 91,858,729 no par value bearer shares amounting to €918,587,290.00 (as of December 31, 2009). There are no different share classes.

The total voting rights held by the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH in Fraport AG calculated in accordance with Section 22 (2) of the German Securities Trading Act (WpHG) amounted to 51.65 percent as of December 31, 2009. At that time, they were attributed as follows: State of Hesse 31.52 percent and Stadtwerke Frankfurt am Main Holding GmbH 20.13 percent. 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 report in accordance with the German Securities Trading Act (WpHG) or disclosures from individual shareholders, the remaining voting rights in Fraport AG were assigned as follows (as of December 31, 2009): Artio Global Investors 10.33 percent, Deutsche Lufthansa AG 9.93 percent, Taube Hodson Stonex Partners LLP 3.58 percent, Arnhold and S. Bleichroeder Holdings, Inc. 2.98 percent and Morgan Stanley 2.94 percent. The relative ownership interest was adjusted to the current total number of shares existing as of the balance sheet date, and may therefore differ from the figures given at the time of reporting or from 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 (Sections 84, 85 AktG). Amendments to the Company Statutes comply with Section 179 of the German Stock Corporation Act (AktG). Pursuant to Section 179 (1) sentence 2 of the German Stock Corporation Act (AktG) in conjunction with Section 11 (3) of the Company Statutes, the Supervisory Board is entitled to amend the wording of the Company Statutes only. Other amendments to the Company Statutes require the resolution of the Annual General Meeting, which, according to Section 18 (1) of the Company Statutes, must be passed by a simple majority of the votes cast and shareholders represented at the time of the resolution. If, by way of exception, law requires a higher controlling interest (e. g. when changing the purpose of a company as stated in the Company Statutes, Section 179 (2) sentence 2 of the German Stock Corporation Act (AktG), or when issuing contingent capital, Section 193 (1) sentence 1 of the German Stock Corporation Act (AktG), the resolution of the Annual General Meeting has to be passed by a three-quarter majority of the represented shareholders.

Pursuant to Sections 202 et seq. of the German Stock Corporation Act (AktG), the Executive Board is authorized, by resolution of the Annual General Meeting held on June 1, 2005, to increase the capital stock once or several times by up to €9.5 million until May 31, 2010, upon the approval of the Supervisory Board. The statutory subscription rights of the shareholders may be excluded. In 2009, a total of €1,450,750 of the authorized capital was used for issuing shares within the scope of the employee investment plan. At the Annual General Meeting on May 27, 2009, the existing authorized capital was annulled and a new authorized capital of €5.5 million issued. The new authorized capital entitles the Executive Board to increase capital stock by up to €5.5 million by issuing new shares in return for cash on one or more occasions until May 26, 2014, upon the approval of the Supervisory Board. Therefore, authorized capital amounted to €5.5 million as of December 31, 2009. This sum can be used for the purpose of issuing shares to the employees of the Company and selected affiliated companies. For further details see note 34 in the notes to the financial statements.

A contingent capital increase of €13.9 million was approved under Sections 192 et seq. of the German Stock Corporation Act (AktG) at the Annual General Meeting held on March 14, 2001. The purpose of contingent capital was expanded at the Annual General Meeting on June 1, 2005. In addition to fulfilling subscription rights issued but not yet exercised under the Fraport Management Stock Options Plan (MSOP 2001) adopted at the Annual General Meeting on March 14, 2001, the contingent capital increase also serves to fulfill subscription rights under the adopted Fraport Management Stock Options Plan 2005 (MSOP 2005). The Executive Board and Supervisory Board were authorized to issue up to 1,515,000 stock options to beneficiaries entitled to subscribe until August 31, 2009, in accordance with the conditions regulating the allocation of stock options. The authorization to grant subscription rights in accordance with

MSOP 2001 was cancelled at the Annual General Meeting on June 1, 2005. Some of the shares which were issued as part of performance-related remuneration to members of the Executive Board are subject to a vesting period of 12 or 24 months.

The contingent capital totaled € 5.7 million as of December 31, 2009 (originally € 13.9 million). A total of € 0.1 million (4,200 options) of the subscription rights under the MSOP 2001 were exercised in 2009. Thus all options of the MSOP 2001 were exercised.

The Company is entitled, upon resolution of the Annual General Meeting 2009, to purchase treasury shares of up to a total of 3 percent of the capital stock available at the time of the Annual General Meeting 2009. The Executive Board may only use treasury shares for fulfilling subscription rights under the 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 2009 based on these granted authorizations.

The provisions set out under Section 315 (4) of the German Commercial Code (HGB) are rules usually applied by similar listed companies and are not intended to hinder any takeover attempts.

Dependency report

Due to the interest of 31.52 percent (2008: 31.57 percent) held by the State of Hesse and 20.13 percent (2008: 20.16 percent) held by Stadtwerke Frankfurt am Main Holding GmbH as well as the consortium agreement concluded between these shareholders on April 18 / 23, 2001, Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main (FRAPORT AG), is a dependent public enterprise. No control or profit transfer agreements exist.

The Executive Board of Fraport AG therefore compiles a report on the relationships to affiliated companies in accordance with Section 312 of the German Stock Corporation Act (AktG). At the end of the report, the Executive Board of Fraport AG 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 and other transactions conducted. No action was taken or not taken at the request or in the interests of the State of Hesse and the municipal authority of Frankfurt and companies affiliated with them in the year under review."

BUSINESS DEVELOPMENT 2009

Development of economic conditions

Development of the global economy

Last year, the global economy faced one of the most intense financial and economic crises so far. With a decline in excess of 10 percent, global trade experienced a strong downturn, with industrial nations being disproportionally affected by the crisis (Gross Domestic Product [GDP] for industrial nations roughly decreased a cumulative 3.5 percent). Against this backdrop, even the considerable decline of prices in commodities markets failed to rectify the situation – despite crude oil dropping to about US $ 62 per barrel compared to last year's average price of approximately US $ 100 per barrel. Thanks to continuing growth in India and China, global economic performance for the year only dipped about 1 percent.

GROSS DOMESTIC PRODUCT (GDP) / WORLD TRADE

Real changes compared to the previous year in %	2009	2008
Germany	– 5.0	1.3
Euro zone	– 4.0	0.6
United Kingdom	– 4.6	0.6
Central and Eastern Europe / Africa	– 5.5	4.3
USA	– 2.5	0.4
Japan	– 5.3	– 1.2
China	8.7	9.6
India	5.6	7.3
World	– 0.8	3.0
World trade	**– 12.3**	**2.8**

Sources: Deutsche Bank, February 4, 2010, OECD, November 2009, IMF, January 26, 2010, DekaBank, January 15, 2010 and Federal Statistical Office, January 13, 2010 / February 9, 2010

CHART 7

The economy in Germany

Germany's GDP was unable to insulate itself against the negative effects of the economic downturn that started back in the second quarter of 2008. With a 5 percent drop in GDP, the German economy posted its largest decline in economic performance since the founding of the Federal Republic of Germany. The declines seen in German exports (– 18.4 percent) and equipment investments (about – 20 percent) played a particularly large role in bringing the overall economic development into negative territory.

Development of air traffic

The recession was also reflected in the traffic figures seen at airports around the world. According to initial estimates from the Airports Council International (ACI, February 2, 2010), passenger volume at European airports declined by 5.6 percent, while the worldwide figure dropped by 2.6 percent. Airfreight was also strongly affected with a 12.6 percent drop seen in Europe and a decline of 8.0 percent for the world. The figures from the German Airport Association (ADV) show passenger traffic at German airports declining by 4.6 percent while cargo (airfreight and airmail) dropped by 6.2 percent and movements by 7.1 percent.

Development of Fraport Group airports

About 73.7 million passengers traveled through the Fraport Group's five **majority owned airports** in the past fiscal year. This is a 2.6 percent decrease on 2008. With 2.1 million tons, cargo tonnage declined by 9.7 percent compared to 2008, while movements were down 2.5 percent with a total of 674,982 for the year. The year's development was characterized by severe declines in the first half of the year – especially in cargo tonnage and passengers. This was primarily due to the global economic crisis. However, we have been seeing a recovery in every traffic category since September 2009.

The total number of passengers served by the Fraport Group's airports (**majority, minority-owned and airports under management contracts**) posted a gain of 2.1 percent year-on-year with 133.6 million passengers (previous year's figure adjusted). The airports in Delhi and Xi'an contributed greatly to this result with their disproportionate growth rates. The traffic figures of the sold Frankfurt-Hahn investment are no longer included in the 2009 Group figures.

Development at the Frankfurt site

With 50.9 million **passengers**, about 2.5 million less travelers were served in 2009 than in 2008 (–4.7 percent). While the decline in passenger figures at Frankfurt was especially strong in the first quarter (–10.9 percent), a substantial recovery was seen over the course of the year in traffic developments. This was somewhat helped by the weaker figures seen at the start of the financial crisis towards the end of the previous year.
SEE CHART 8

Boosted by pricing promotions from airlines, **private travel** experienced positive development – posting an increase during the reporting period. However, this growth was not enough to cancel out the declines encountered in **business travel**. Shrinking global economic performance and the ensuing corporate cost-cutting initiatives resulted in extensive business trip cancellations or consolidations. Business travel figures only recovered slowly up to the end of the reporting period.

With a drop of 6.2 percent, **domestic traffic** showed the weakest figures in the reporting year. This was mainly due to its heavy dependence on business travel which has been considerably affected by the crisis. Extensive flight service expansions for both incoming and outgoing traffic to and from Hamburg were among others major reasons for a recovery in domestic passenger numbers at the beginning of the winter season. On the other hand, **intercontinental traffic** was back to providing its usual positive influence on Frankfurt's traffic figures by

PASSENGER DEVELOPMENT 2009

Percent change versus 2008

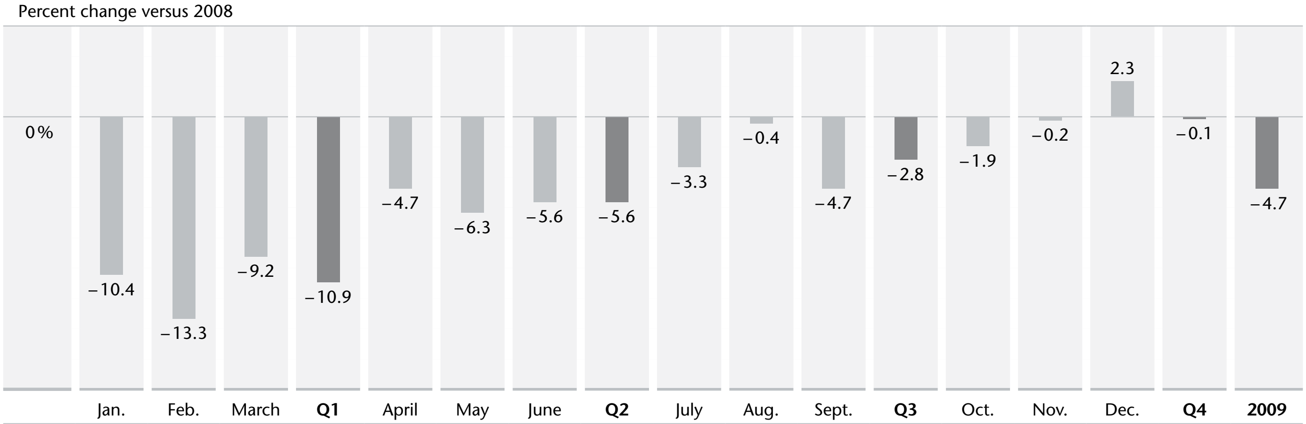


CHART 8

CARGO DEVELOPMENT 2009

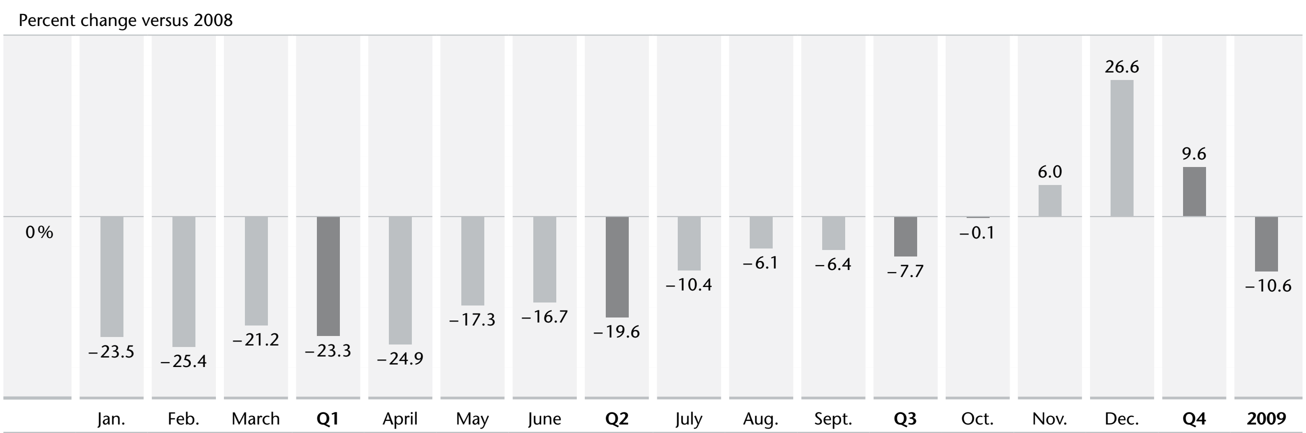


CHART 9

the third quarter. Traffic outside of Europe experienced much more stable development in 2009 (–3.9 percent) than domestic and **European traffic** (European traffic: –5.5 percent). The high-volume Far East markets, in particular China and India, are returning to phases of growth: While the relocation of the Air India's European hub from London-Heathrow to Frankfurt is having increasingly positive effects on the Indian side, the advance of the economy as well as base-year effects from the previous year (visa restrictions due to the Olympic Summer Games) provided positive results on the Chinese side. Intercontinental traffic was also helped by the expansion of flight services to the Central African (+16.3 percent) and Middle Eastern (+2.2 percent) markets. The **transfer share** remained the same as the previous year (52 percent) despite the decline in connection-heavy business travel. In 2009, Frankfurt was once again the third-busiest European airport according to passenger figures, following London-Heathrow and Paris-Charles de Gaulle.

The global economic crisis had an even greater negative effect on **cargo** traffic than passenger traffic. Following the trends seen in global trade and German exports, cargo volume at Frankfurt (airfreight and airmail) decreased 10.6 percent to a total of 1,887,718 registered tons. Declines were mainly driven by severely impacted globalized markets bearing the brunt of the economic crisis: Cargo throughput with North America decreased by about 16 percent (–74,000 tons), while Far East traffic was also strongly impacted, declining by around 12 percent (–114,000 tons). Also comparably low-volume regions, such as the Middle East, Latin America and Africa as well as the domestic market were unable to offer any growth contributions.

Much like passenger development, the declines in transported cargo slowed on the back of base-year effects from the previous year. The rates of change returned to positive terrain in the fourth quarter, but this was not enough to compensate for the declines experienced up to this point. SEE CHART 9

The drop in airmail was at the same time due to the suspension of overnight airmail flights from the beginning of July 2009 along with a decline in foreign airmail.

Corresponding to the changes in passenger and cargo traffic development, the number of **movements** was also lower this past fiscal year, dropping 4.7 percent to a total of 463,111. Despite the difficult market environment, Frankfurt Airport was able to maintain its market position in the essential intercontinental flights sector in 2009. With a decrease of about 700 flights (–0.7 percent), the decline in intercontinental passenger traffic was quite moderate, while the average size of the aircraft in this segment increased slightly at the same time. On the other hand, disproportionate declines were seen in cargo flights (–11.7 percent), European passenger flights (–5.6 percent) and non-commercial flights (–14.9 percent).

Development of investment airports

Passenger traffic at **Antalya** increased by 5.2 percent to over 11 million passengers in 2009. The restraint seen in international passenger traffic during the usual vacation months (June to October) due to the worldwide economic crisis was compensated for by the positive developments in domestic traffic experienced throughout the entire year. The availability of cheap flights within the country led to a shift in traffic from the road to the skies. While domestic traffic posted a gain of 22 percent year-on-year, there was a lack of passengers traveling from some of Turkey's most important countries, Germany, the Netherlands and Russia, during peak season. Despite this dip in tourist business, aircraft movements posted an increase of 3.6 percent for the year.

In the full year's results, our **Lima** investment posted the highest growth rate of all of our majority-owned investments with a gain of 6.1 percent in passenger numbers year-on-year. This positive development was generated from international as well as domestic traffic. The Lima site continued to develop into an important South American hub. Declines in passengers traveling to and from the USA were more than compensated for by growth in traffic to / from Brazil, Chile and Argentina. The airport served a total of about 8.8 million passengers in 2009.

Passenger traffic decreased sharply at the **Burgas** and **Varna** airports, showing declines of 12.0 percent and 15.6 percent respectively. The Bulgarian airports saw a significant drop in the number of tourists traveling from Western and Northern Europe as a consequence of the global economic crisis, preferring the cheaper south of the black sea coast. Passenger volume totaled about 1.7 million in Burgas and 1.2 million in Varna.

Air traffic has recovered considerably over the last six months at our minority-investment airport in **Delhi**. A noticeable positive economic outlook gave new life to demand which also was felt in air traffic. The year ended with about 25.3 million passengers being served by the airport (a gain of 8.6 percent). Both domestic and international traffic were able to post growth rates for the year with domestic showing more growth than international traffic with 10.7 percent. International traffic increased by 4.5 percent year-on-year.

Due to continuing growth in GDP as well as assistance measures from the Chinese central government for domestic consumption and national airlines, the Chinese air traffic market experienced an average growth of 18 percent in passenger volume for the fiscal year 2009. The investment in central China, **Xi'an**, was able to substantially exceed that impressive national average, posting an increase of 28.3 percent. Targeted measures for expanding and reinforcing the hub function of the airport and concentrating on strong airlines contributed to the considerable increase of aircraft stationed at Xi'an Airport.

Although the airport in **Cairo** was in the grip of the economic crisis during the first few months of 2009, it was able to experience a reversal in this trend in April thanks to Easter vacation travel. Although May and June still posted declines averaging 2.7 percent, these were much lighter than the negative figures from the first quarter (–5.2 percent). Despite negative external influences, the airport in Cairo was able to post a slight gain of 0.1 percent for the year, serving about 14.4 million passengers.

In contrast, the airport in **Hanover** saw passenger volume decrease 11.8 percent year-on-year with about 5 million passengers passing through its gates in 2009. Passenger numbers were in the double-digit negative figures almost every month up until October. The monthly figures for November and December showed better numbers with declines of 4.6 percent and 4.8 percent respectively, but this is due in part to base effects from the weak figures seen at the end of 2008.

The traffic figures for **Riyadh** and **Jeddah** (management contracts) were not available until the publication of the Annual Report. — SEE CHARTS 10 AND 11

FULLY AND PROPORTIONATELY CONSOLIDATED AIRPORTS

		Passengers[1]		Cargo (airfreight and airmail in t)		Movements	
	Share in the airport in %	2009	% change over 2008	2009	% change over 2008	2009	% change over 2008
Frankfurt	100.00	50,932,840	–4.7%	1,887,718	–10.6%	463,111	–4.7%
Antalya[2]	51.00/50.00	11,012,854	5.2%	n.a.	n.a.	78,572	3.6%
Lima	70.01	8,786,973	6.1%	232,374	–2.8%	104,966	6.3%
Burgas	60.00	1,704,634	–12.0%	2,710	85.0%	15,634	–7.8%
Varna	60.00	1,220,181	–15.6%	87	–17.5%	12,699	–15.2%
Group		**73,657,482**	**–2.6%**	**2,122,889**	**–9.7%**	**674,982**	**–2.5%**

[1] Commercial traffic only in + out + transit
[2] Since September 23, 2009 including all terminals (basis 2008 adjusted)

CHART 10

MINORITY OWNED AIRPORTS AND MANAGEMENT CONTRACTS

		Passengers[1]		Cargo (airfreight and airmail in t)		Movements	
	Share in the airport in %	2009	% change over 2008	2009	% change over 2008	2009	% change over 2008
Delhi	10.00	25,251,379	8.6%	473,217	8.4%	244,795	3.0%
Xi'an	24.50	15,296,003	28.3%	128,448	8.7%	143,676	21.1%
Cairo	0.00	14,378,842	0.1%	285,839	2.6%	142,356	3.7%
Hanover	30.00	4,969,799	–11.8%	11,397	–34.5%	77,735	–10.4%
Total		**59,896,023**	**8.6%**	**898,901**	**5.7%**	**608,562**	**4.8%**

[1] Commercial traffic only in + out + transit

CHART 11

Significant events and operational highlights

By purchasing a 50 percent stake in the Turkish company IC-U, Fraport increased its equity share in the Antalya concession operating company from 34 percent to 50 percent, effective January 5, 2009. The effects of this share purchase on Fraport's consolidated income statement and on the consolidated financial position are disclosed in the notes of this report, or in the chapter "Result of operations".

On February 2, 2009, Fraport sold all its shares in Flughafen Frankfurt-Hahn GmbH to the State of Rhineland-Palatinate for the price of €1, retroactively effective January 1, 2009. The transaction marked the end of all existing substantial commercial obligations Fraport AG had to Flughafen Frankfurt-Hahn GmbH, particularly those relating to offsetting losses. The profit and loss transfer agreement was terminated effective February 28, 2009. In keeping with the terminated agreement, the loss of approximately €5.6 million generated by Frankfurt-Hahn Airport in the first two months of 2009 was booked by Fraport AG as accounts receivable from the State of Rhineland-Palatinate and recorded under other operating income. By this measure the investment remained without any significant effect on the Group's net profit for the year.

On February 26, 2009, representatives of the German Federal Ministry of the Interior (BMI), Fraport, and Deutsche Lufthansa AG signed a general agreement on future aviation security checks at Frankfurt Airport. This paves the way for competition to be gradually established in aviation security checks from 2010 onwards. The market will be opened up gradually, offering a socially responsible solution for the areas that cannot be covered by currently available Fraport AG and FraSec aviation security personnel in the future. The Company's FraSec subsidiary can also take part in the future tendering processes. As part of the first tendering process of aviation security checks by the German Federal Ministry of the Interior, the contract for check points in Terminal 2 at Frankfurt Airport was awarded to a competitor for a period of six years starting January 1, 2010.

After the Administrative Court of Hesse in Kassel rejected all expedited motions for prohibiting immediate enforceability of the zoning approval for Frankfurt Airport's expansion with resolutions on January 2, 2009, and January 15, 2009, it also confirmed the plans for expansion in eleven test cases in its final ruling on August 21, 2009. As far as the court objected parts of the night flight regulations, these objections must be remedied by implementing additional amendments to the approval subject to the final decision of the Federal Administrative Court. These objections refer to the approval of 17 flights in the period between 11 p.m. and 5 a.m. as well as the fact that the remaining night flights of 150 are refered to be an average value for the calendar year. The groundbreaking ceremony for the Northwest Landing Runway was on May 8, 2009, it is planned to start operations in time for the winter timetable 2011 / 2012.

Dr. Stefan Schulte, Fraport AG's previous Vice Chairman of the Executive Board, was appointed Chairman of the Executive Board on September 1, 2009. Dr. Schulte took over from Prof. Dr. Wilhelm Bender. At the same time, Peter Schmitz, the former Senior Vice President Ground Services at the Frankfurt site, was elected to the Executive Board for the newly created position Executive Director Operations. Dr. Schulte and Mr. Schmitz were appointed in their respective positions until August 31, 2014.

On the same day, September 1, 2009, the foundation stone was laid for the new Pier A-Plus at Frankfurt Airport. Once it is completed in 2012, the 790 meter long pier will offer additional terminal capacity for approximately six million passengers. The future connection between the new Pier A-Plus and the existing Pier A, "Marketplace A", will strengthen high-margin retail business with its substantial retail space.

Fraport successfully placed a bond of over € 800 million on September 10, 2009, for the additional financing of capital expenditure at Frankfurt Airport. The ten-year bond was offered with 5.25 percent interest and oversubscribed three and a half times. Along with the bond, a private placement totaling over € 150 million with 5.875 percent interest and a maturity of 20 years was also issued. With the issue of the bond and private placement and other measures for financing reserves, Fraport AG succeeded in securing the debt capital for its investment projects planned for the upcoming years well in advance.

Fraport IC Ictas Havalimani Terminal Yatirim ve Isletmeciligi (Fraport IC Ictas), a Fraport AG joint venture, took over the responsibility for operating the second international terminal at Antalya Airport from the former operator Celebi IC Antalya Havalimani Terminal Yatirim ve Isletme A. S. on September 23, 2009. Approximately 60 percent of all international passenger traffic at Antalya Airport has been served here since the terminal started operations in 2005. With this takeover, Fraport IC Ictas is now the sole operator of the two international terminals as well as the domestic and VIP terminals. A total of about 19 million passengers passed through all Antalya terminals in 2009. The concession contract for the operation of the terminals ends in 2024.

The public private partnership contract for the development, modernization and operation of Pulkovo Airport in St. Petersburg from 2010 to 2040 was signed on October 30, 2009. With 6.8 million passengers, Pulkovo Airport was the fourth largest airport (by passenger volumes) in Russia in 2009. The three larger airports are located in Moscow. The contract parties are the Northern Capital Gateway Consortium consisting of Fraport (35.5 percent), VTB Bank plc. (57.5 percent), Horizon Air Investments S. A. (7.0 percent) and the City of St. Petersburg. The public private partnership contract includes several conditions precedent that must be fulfilled before the takeover of airport operations by the project company at the end of April 2010.

In December 2009, Fraport and airline representatives agreed on aviation fees for 2010 and 2011 for Frankfurt Airport. The fees will be raised by four percent on July 1, 2010, and by three percent on October 1, 2010. On April 1, 2011, they will increase by an additional three percent and another two and a half percent on October 1, 2011. An additional agreement was reached for the aviation fees between 2012 and 2015 on February 19, 2010. Based on the expected traffic development at Frankfurt Airport the agreement contains an annual increase in fees of 2.9 percent. If the actual passenger development is higher or lower than forecast, the contract provides for a bonus-malus approach. Adjusting airport fees at Frankfurt Airport is an important factor in financing the large investments into securing the future viability of the airport. The agreements provide the best possible planning reliability for all involved parties.

ADJUSTING REVENUE AND EARNINGS FIGURES

€ million	Segment	Revenue	Total revenue	Personnel expenses	Non-staff costs	EBITDA	EBIT
2009							
Reported revenue and earnings		**1,972.6**	**2,057.9**	**866.9**	**638.1**	**552.9**	**290.4**
Adjustments:							
Adjustments for the positive effects from the higher proportionate consolidation of our subsidiary in Antalya	External Activities & Services	–15.1	–15.1	–1.3	–2.5	–11.3	–2.9
Adjustment for the booked account receivable for the loss compensation of Frankfurt-Hahn GmbH	External Activities & Services	0.0	–5.6	0.0	0.0	–5.6	–5.6
Adjusted revenue and earnings		**1,957.5**	**2,037.2**	**865.6**	**635.6**	**536.0**	**281.9**
2008							
Reported revenue and earnings		**2,101.6**	**2,201.9**	**925.6**	**675.6**	**600.7**	**359.2**
Adjustments:							
Adjustments for revenue and costs in the subsidiary ICTS sold in Q1 2008	External Activities & Services	–67.3	–67.6	–60.9	–6.8	0.1	0.7
Adjustments for revenue and costs from the sold subsidiary Flughafen Frankfurt-Hahn GmbH from March 1, 2008 onwards	External Activities & Services	–39.1	–43.3	–13.7	–20.6	–9.0	–0.8
Proceeds from the settlement with DB Station & Service AG	Retail & Real Estate	0.0	–10.0	0.0	0.0	–10.0	–10.0
Impairment resulting from Flughafen Frankfurt-Hahn GmbH	External Activities & Services	0.0	0.0	0.0	0.0	0.0	22.9
Adjusted revenue and earnings		**1,995.2**	**2,081.0**	**851.0**	**648.2**	**581.8**	**372.0**

CHART 12

RESULTS OF OPERATIONS

Adjusting revenue and earnings figures

Due to the retrospective application of IAS 23 (capitalization of borrowing costs), we provided an adjustment of previous year's values in the Group notes of this Annual Report. In addition an adjustment of serveral special and one-off effects for this and last year has been made for comparison puposes.

SEE CHART 12

Below the level of the Group EBIT the financial result in 2008 was positively impacted by the tax-free one-off payment of €41.9 million received under the German federal government's investment guarantee for capital investments outside Germany in connection with the Manila engagement.

Revenue and earnings development

The Fraport Group generated **revenue** of €1,972.6 million in the fiscal year 2009, a decline of €129.0 million or 6.1 percent compared to the previous year. Around €106 million of this decrease was due to the sale of the Group investments ICTS and Frankfurt-Hahn. Adjusted for the effects of the acquisition and sale of investment shares (consolidation effects – see chart 12), revenue for the Fraport Group came in at €1,957.5 million, around €38 million (1.9 percent) down on the comparable figure from the previous year. The fall in this adjusted figure was particularly due to the declining traffic volume at the Frankfurt site (4.7 percent drop in the number of passengers), which led to a revenue decrease of around €55 million compared to the previous year. Revenue was also negatively impacted by a price reduction in ground handling at the Frankfurt site. On the plus side, Frankfurt was able to achieve a 2.3 percent revenue growth on average on the back of the increase in aviation fees from January 1, 2009 onwards (€+11.4 million). On top of that, there was also a positive revenue effect from the energy supply services provided by the Energy Air subsidiary (€+4.9

million) and the first-time full year consolidation of the services for passengers with reduced mobility (€ + 10.0 million). As these two services were essentially billed without a markup (energy supply services and services for passengers with reduced mobility), this had no material impact on Group EBITDA and Group profit. Other positive effects affecting earnings resulted almost exclusively from Fraport Group's activities abroad. When it comes to our investments overseas, revenue and earnings were particularly positively influenced by business activities at the Lima and Antalya investments as well as the management agreement signed in Saudi Arabia in 2008 (Riyadh and Jeddah).

Other income amounted to € 85.3 million, falling € 15.0 million short of the previous year's total (– 15.0 percent). The major reason for this decline was the settlement reached with DB Station & Service AG in the previous year, which led to one-off income of € 10 million. In the year under review, the losses covered by the State of Rhineland-Palatinate for the investment in Frankfurt-Hahn Airport sold on February 2, 2009, led to other income totaling € 5.6 million. As a result of the assumption of the losses incurred at Frankfurt-Hahn Airport up to the termination of the profit and loss transfer agreement, the investment which was retroactively sold on January 1, 2009 had no material effects on Group profit in 2009. **Total revenue** for the Fraport Group amounted to € 2,057.9 million in 2009, representing a € 144.0 million decline year-on-year (– 6.5 percent). Adjusted for special and consolidation effects, this decline was just under € 44 million (– 2.1 percent).

Personnel expenses decreased in the reporting period from € 925.6 million to € 866.9 million. Adjusted for consolidation effects, this figure rose from € 851.0 million to € 865.6 million (+1.7 percent) due to additional costs from the collective pay agreement signed in 2008 (negative effect of around € 20 million in the year under review). Expenses were however reduced by crisis prevention measures, which stop falling revenue from the crisis hitting operating Group profit to a similar extent. These measures included adjusting the number of personnel to the lower traffic figures as well as improving the permanent staff personnel mix. A stronger counterbalancing development was recorded in **non-staff** costs (materials and other operating expenses). On an adjusted basis, these costs for the reporting period were down € 12.6 million on the previous year's figure, decreasing from € 648.2 million to € 635.6 million (– 1.9 percent). That came despite higher expenses from our investment in Lima (€ + 10.1 million), energy costs at the Frankfurt site (€ + 6.8 million) as well as the first-time full year effect of services for passengers with restricted mobility. Major contributing factors to the falling expenses were lower expenses from non-capitalizable capital expenditure measures (€ – 19.1 million) and an adjustment in the amount of external personnel employed. **Total operating expenses** decreased by € 96.2 million in the fiscal year 2009, down from € 1,601.2 million in 2008 to € 1,505.0 million in the year under review. After adjusting for consolidation effects, this figure rose by € 2.0 million to € 1,501.2 million (+ 0.1 percent) due to additional personnel expenses.

Group EBITDA amounted to € 552.9 million, falling around € 47.8 million short of the previous year's mark (– 8.0 percent). This was particularly due to the negative effects from the reduction in traffic volume at the Frankfurt site. Adjusted for special and consolidation effects, EBITDA came in at € 536.0 million, down € 45.8 million on the comparable figure from the previous year (– 7.9 percent). The unadjusted **EBITDA margin** fell slightly from 28.6 percent to 28.0 percent. **Depreciation and amortization** rose from € 241.5 million to € 262.5 million in the reporting period due to ongoing capital spending at Frankfurt Airport. The impairment of Frankfurt-Hahn Airport in 2008 (€ 22.9 million) was offset in the year under review by an impairment in the Ground Handling segment totaling € 20.0 million as well as an increase in depreciation and amortization due to the higher pro rata consolidation of the Antalya investment. As a result, **EBIT** dropped substantially by € 68.8 million to € 290.4 million (– 19.2 percent). Adjusted for special effects, EBIT was down around 24 percent to € 281.9 million.

The **financial result** fell by € 27.4 million, from € – 61.8 million to € – 89.2 million compared to the previous year value which was adjusted according to IAS 23. The decline in the financial result was largely caused by the one-off payment of € 41.9 million received under the German federal government's investment guarantee for capital investments outside Germany in connection with our investment in Manila. Without taking this one-off payment into account, the financial result would have improved by € 14.5 million. This positive development in the comparable financial result was particularly due to the partial payment made in advance to Celanese AG / Ticona GmbH as well as the planned reduction in interest cost compounded on outstanding financial liabilities to Celanese AG / Ticona GmbH. These effects had a positive impact on the development of the financial result totaling € 33.2 million. However, interest expenses rose due in part to the higher pro rata consolidation of the Antalya investment (total effect of the Antalya investment on interest expenses € + 17.0 million). A change in the anticipated business development of Airrail KG led to an impairment on financial assets totaling €7.2 million. In the previous year, an impairment on Hanover-Langenhagen Airport had an extraordinary negative impact on the result at equity of €16.6 million.

The **tax rate** fell from 33.8 percent to 21.8 percent, largely as a result of the previous year's impairment of Frankfurt-Hahn Airport not effective for tax purposes as well as tax audit related special effects in the year under review. Due to the negative operating development and one-off payment in the financial result relating to the investment in Manila in 2008, **Group profit** came in at €157.3 million, falling €39.6 million short of the previous year figure of €196.9 million (–20.1 percent). **Basic earnings per share** therefore slipped from €2.07 to €1.64.

KEY REVENUE AND EARNINGS FIGURES

€ million	2009	2008	Change	Change in %
Revenue	1,972.6	2,101.6	–129.0	–6.1
EBITDA	552.9	600.7	–47.8	–8.0
EBIT	290.4	359.2	–68.8	–19.2
EBT	201.2	297.4	–96.2	–32.3
Group profit	157.3	196.9	–39.6	–20.1
Profit attributable to shareholders of Fraport AG	150.0	189.7	–39.7	–20.9

CHART 13

SEGMENT REPORTING

Adjusting revenue and earnings development

The changes in the segment structure described in the chapter operating activities and organization as well as the capitalization of borrowing costs in line with IAS 23 last year had serveral effects on segment profits and losses in the comparison year 2008. SEE CHART 14

Segment reporting

The Aviation segment once again accounted for the largest share of Group revenue in the 2009 fiscal year with a revenue portion of 34.6 percent. Despite the decline in revenue in the Aviation, Retail & Real Estate and Ground Handling segments in the past year, the contribution of Frankfurt-based segments to overall Group revenue increased slightly by between 0.7 and 0.9 percentage points. The slight rise in this share was due to the substantial decrease in revenue in the External Activities & Services segment as a result of the sale of the ICTS and Frankfurt-Hahn Airport investments. However, this had no material impact on Group EBITDA due to the low margins of the sold investments and the substantially positive operative development of the segment. In the fiscal year 2009, the segment significantly increased its contribution to Group EBITDA, up 8.9 percentage points to 25.6 percent. While the Aviation and Ground Handling segments delivered lower contributions to Group EBITDA due to negative cost development, the Retail & Real Estate segment remained the driving force behind earnings at the Fraport Group with a share of 50.6 percent. SEE CHARTS 15 AND 16

ADJUSTING REVENUE AND EARNINGS ON SEGMENT LEVEL 2008

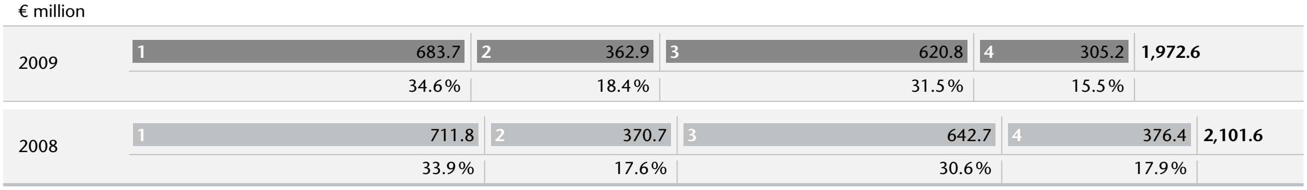
€ million	2008 reported	2008 adjusted	Change
Aviation			
Revenue	698.4	711.8	13.4
Personnel expenses	259.6	260.0	0.4
EBITDA	124.9	161.4	36.5
Depreciation and amortization	66.9	68.9	2.0
EBIT	58.0	92.5	34.5
Retail & Real Estate			
Revenue	433.5	370.7	– 62.8
Personnel expenses	153.2	40.0	– 113.2
EBITDA	367.9	286.7	– 81.2
Depreciation and amortization	82.0	58.5	– 23.5
EBIT	285.9	228.2	– 57.7

€ million	2008 reported	2008 adjusted	Change
Ground Handling			
Revenue	642.7	642.7	0.0
Personnel expenses	378.7	378.7	0.0
EBITDA	52.0	52.1	0.1
Depreciation and amortization	33.0	33.3	0.3
EBIT	19.0	18.8	– 0.2
External Activities & Services			
Revenue	327.0	376.4	49.4
Personnel expenses	134.1	246.9	112.8
EBITDA	55.9	100.5	44.6
Depreciation and amortization	58.1	80.8	22.7
EBIT	– 2.2	19.7	21.9

CHART 14

SEGMENT SHARE IN GROUP REVENUE

€ million

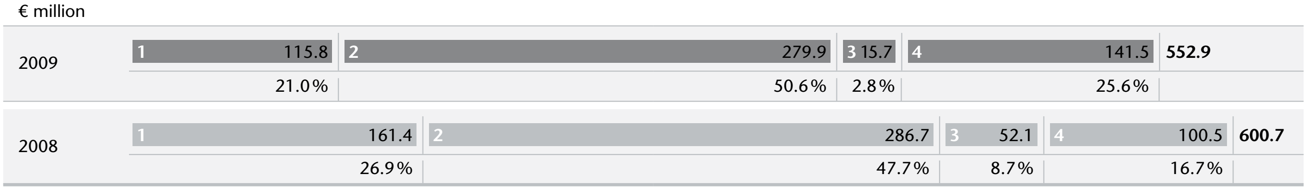


1 Aviation **2** Retail & Real Estate **3** Ground Handling **4** External Activities & Services

CHART 15

SEGMENT SHARE IN GROUP EBITDA

€ million



1 Aviation **2** Retail & Real Estate **3** Ground Handling **4** External Activities & Services

CHART 16

AVIATION

€ million	2009	2008	Change	Change in %
Revenue	683.7	711.8	– 28.1	– 3.9
EBITDA	115.8	161.4	– 45.6	– 28.3
EBIT	40.1	92.5	– 52.4	– 56.6
Employees	6,315	6,674	– 359	– 5.4

CHART 17

RETAIL & REAL ESTATE

€ million	2009	2008	Change	Change in %
Revenue	362.9	370.7	– 7.8	– 2.1
EBITDA	279.9	286.7	– 6.8	– 2.4
EBIT	221.7	228.2	– 6.5	– 2.8
Employees	604	594	10	1.7

CHART 18

Aviation

Revenue in the Aviation segment totaled € 683.7 million in the year under review, falling around € 28 million short of the mark from the previous year (– 3.9 percent). This decline was particularly due to the fall in traffic volumes at the Frankfurt site, which had a negative impact of around € 35 million on segment revenue in 2009. However, the increase in aviation fees at the beginning of the fiscal year by an average of 2.3 percent had a positive effect of € 11.4 million within the same timeframe. Expenses grew on the back of increases in the pay structure, higher costs for winter services as well as energy costs. However, positive effects which reduced expenses were also achieved including adjustments in headcount as part of crisis prevention measures and a reduction in non-capitalizable expenses for capital expenditures.

As a result of the revenue decline and negative cost development, segment EBITDA came in at € 115.8 million, around € 46 million or 28.3 percent down the previous year's level. Rising depreciation and amortization relating to the ongoing expansion and modernization work led to a relatively stronger decline in segment EBIT. It came in at € 40.1 million, around € 52 million below the previous year's value, representing a decline of 56.6 percent. However, the start to construction work on the new landing runway and the agreement on the future organization of aviation fees have laid important foundations for increasing the value of the Aviation segment in the future.

Retail & Real Estate

Despite the falling passenger figures at the Frankfurt site, revenue for the Retail & Real Estate segment came in at € 362.9 million, only slightly below the previous year mark of € 370.7 million (– 2.1 percent). The moderate fall in revenue can be attributed to the increased sale of real estate at the Mönchhof site in the previous year, which led to higher revenue of € 8.4 million in the fiscal year 2008 and without which organic growth of € 0.6 million would have been recorded. Increased revenue resulted from the weather-related rise in energy and heating services (€ + 4.9 million) as well as higher parking proceeds (€ + 4.5 million). Due to the below-average fall in retail business (€ – 7.1 million or € – 6.1 million respectively – 4.0 percent on a like-for-like basis) compared to the decrease in passenger numbers, net retail revenue per passenger increased from € 2.84 to € 2.86 (+ 0.7 percent). Other income in the previous year included the one-off settlement reached with DB Station&Service AG totaling € 10 million. In terms of expenses, lower, non-capitalizable investment costs led to a reduction in operating expenses.

Segment EBITDA was down from € 286.7 million in the previous year to € 279.9 million in the year under review (– 2.4 percent). This was particularly due to the one-off proceeds from the settlement with DB Station&Service AG in 2008. Adjusted for this one-off effect, the segment EBITDA was up € 3.2 million on the 2008 level (+ 1.2 percent), despite the fall in passenger numbers. Amortization and depreciation were slightly lower, which resulted in a segment EBIT figure of € 221.7 million, representing a rise of 1.6 percent adjusted for the one-off incomes from the previous year. With 77.1 percent and 61.1 percent respectively, the segment continued to achieve high EBITDA and EBIT margin levels.

GROUND HANDLING

€ million	2009	2008	Change	Change in %
Revenue	620.8	642.7	– 21.9	– 3.4
EBITDA	15.7	52.1	– 36.4	– 69.9
EBIT	– 38.5	18.8	– 57.3	–
Employees	8,276	8,443	– 167	– 2.0

CHART 19

EXTERNAL ACTIVITIES & SERVICES

€ million	2009	2008	Change	Change in %
Revenue	305.2	376.4	– 71.2	– 18.9
EBITDA	141.5	100.5	41.0	40.8
EBIT	67.1	19.7	47.4	> 100
Employees	4,775	7,368	– 2,593	– 35.2

CHART 20

Ground Handling

Besides the Aviation segment, the Ground Handling segment was the other segment that was affected by the negative traffic development at the Frankfurt site to a certain extent. Segment revenue came in at € 620.8 million in 2009, down € 21.9 million on the previous year. In addition to the fall in revenue from the decline in traffic volume (a negative effect of around € 20 million), the price reductions in ground handling also had a negative impact on revenue. One of the only positive influences on the revenue figure was the first-time full year consolidation of services for passengers with reduced mobility in infrastructure fees (€ + 10.0 million). However, as these services were billed without an impact on profit or loss, there is no positive impact on segment results. In terms of expenses, the Company succeeded in almost completely offsetting the negative effect from the increase in the pay structure (€ + 9.3 million) with counterbalancing measures, such as adjusting headcount to the negative traffic development. However, a significant increase in expenses was caused by accounting for provisions relating to a partial retirement agreement totaling around € 14 million on the back of the new regulations of the “Pact for the Future 2018”.

Segment EBITDA amounted to € 15.7 million, substantially down on the previous year’s mark of € 52.1 million (– 69.9 percent). There was a comparatively significant decrease in segment EBIT due to an impairment on Ground Handling services totaling € 20.0 million as well as the sustained costs of depreciation on new investments. This figure came in at € – 38.5 million, down € 57.3 million on the 2008 mark.

External Activities & Services

In the External Activities & Services segment, comparisons with the previous year are earmarked by the acquisition and sale of shares in investments. Compared with the 2008 fiscal year, the proceeds and expenses from the ICTS investment (deconsolidation as of March 31, 2008) and the Frankfurt-Hahn investment (deconsolidation as of February 28, 2009) are missing. In addition to that, the acquisition of further shares in the Antalya concession operating company (increasing the share from 34 percent to 50 percent with corresponding consolidation effects) in January 2009 increased the reported revenue and earnings in the fiscal year 2009.

The reported segment revenue came in at € 305.2 million, down € 71.2 million on the previous year (– 18.9 percent) due to the discontinuation of proceeds from the ICTS and Frankfurt-Hahn investments. Adjusted for the effects of the acquisition and sale of investment shares, revenue in the segment was up around 8 percent from € 267.8 million in the previous year (2008 figure minus proceeds from the ICTS and Hahn investments) to € 290.1 million (2009 figure minus the 16 percent increase in the consolidated share of the Antalya investment, figures can differ from Group figures due to internal cost allocation). This was especially driven by the upbeat traffic development at the airports in Lima and Antalya. The revenue increase was also boosted by the management contract signed last year in Saudi Arabia (Riyadh and Jeddah). In contrast, the fall in traffic at the Bulgarian airports in Varna and Burgas led to a € 5.2 million decline in revenue, however this was almost completely offset by cost cutting efforts.

Despite the growth in revenue, the segment was able to reduce its operating expenses during the year under review by around € 5 million (– 1.1 percent) compared to 2008 on a like-for-like basis. The reduction in operating expenses was mainly attributable to cost cutting in “services”, IT and facility management services as well as disclosed extraordinary expenses in the previous year that were discontinued in 2009.

DEVELOPMENT IN KEY INVESTMENTS PRE-CONSOLIDATION

	Fraport share	Revenue 2009	Revenue 2008	Revenue Change in %	EBITDA 2009	EBITDA 2008	EBITDA Change in %	EBIT 2009	EBIT 2008	EBIT Change in %
Lima [1]	70.01 %	109.9	93.2	17.9	30.4	24.3	25.1	22.0	18.2	20.9
Antalya [2]	51 % / 50 %	94.4	79.3	19.0	69.3	57.9	19.7	17.0	22.3	– 23.8
Twin Star	60 %	35.4	40.6	– 12.8	13.3	13.9	– 4.3	8.8	10.0	– 12.0

[1] Up to and including May 29, 2008, fully consolidated with equity share of 100 %, since May 30, 2008, fully consolidated with equity share of 70.01 %
[2] Up to and including January 4, 2009, proportionate consolidation with 51 % voting interest and equity share of 34 %, since January 5, 2009, proportionate consolidation with 51 % voting interest and equity share of 50 %, values correspond to 100 % of the values before proportionate consolidation.

CHART 21

As a result of the low margins at the sold investments, the segment EBITDA was virtually unaffected by the sale of the ICTS and Frankfurt-Hahn investments. In fact, it came in at € 141.5 million, a substantial increase compared to the previous year due to the positive revenue development in 2009. The EBITDA figure was positively influenced by the increased share in the investment in Antalya (positive consolidation effect of around € 11 million) and the receivables on the losses incurred on the sold share in Frankfurt-Hahn Airport totaling € 5.6 million. The receivable offsets the losses in the Fraport AG consolidated income statement incurred up to the date that the share in the investment was sold. This means that the investment overall had no material impact on Fraport Group's earnings in 2009. Adjusted for this special effect and consolidation effects, the segment EBITDA was € 124.6 million, up 31.7 percent or € 30.0 million on the comparable figure in the previous year (€ 94.6 million).

Segment EBIT amounted to € 67.1 million, an increase of € 47.4 million on the previous year's mark of € 19.7 million. In the previous year, an impairment on the Frankfurt-Hahn investment led to an extraordinary cost of € 22.9 million. Adjusted for special and consolidation effects, the EBIT was up from € 45.5 million to € 58.6 million – organic growth of 28.8 percent. The unadjusted EBITDA margin improved considerably from 26.7 percent to 46.4 percent due to the discontinuation of investments with weaker margins (adjusted increase from 35.3 percent to 43.0 percent). The segment's figures do not include the results from associated companies and the results of investments accounted for using the equity method.

Key investments

The above table shows the **pre-consolidation** business development for Fraport's key investments outside Frankfurt.

Revenue at the investment in **Lima** rose from € 93.2 million to € 109.9 million in the year under review thanks to positive traffic development at the site as well as the extension of the passenger terminal. Despite a rise in expenses, largely due to higher revenue-related concession charges, EBITDA at the investment climbed from € 24.3 million to € 30.4 million. Increased depreciation and amortization on the extended terminal resulted in an EBIT figure of € 22.0 million, up € 3.8 million year-on-year.

In addition to the growth in traffic volume, the takeover of the second international terminal in September 2009 also positively impacted revenue and earnings development at the investment in **Antalya**. Revenue came in at € 94.4 million, up € 15.1 million on the 2008 mark. EBITDA increased from € 57.9 million to € 69.3 million, largely as a result of the takeover of the second international terminal. However, the takeover also impacted depreciation and amortization, which rose by around € 16.8 million. As a result EBIT came in at € 17.0 million, down slightly on the previous year (€ – 5.3 million).

Revenue at the **Fraport Twin Star Airport Management AD** investment in Bulgaria fell due to the declining traffic development at both locations in Varna and Burgas, down from € 40.6 million to € 35.4 million. However, costs were adjusted at the investment to bring them in line with the declining traffic volumes which meant that the fall in revenue was almost completely offset in the EBITDA figure. It came in at € 13.3 million, which represents a fall of just € 0.6 million. The previous year's investment program resulted in increased depreciation and amortization and therefore an EBIT of € 8.8 million, down € 1.2 million on the previous year's figure.

ASSET AND FINANCIAL SITUATION

Capital expenditures

The **Fraport Group** invested a total of € 1,438.3 million this past fiscal year. Compared with the previous year, this represents an increase of about € 680 million (previous year's figure adjusted for capitalized borrowing costs in accordance with IAS 23). Factors involved in this rise in investment activities include the intensified investment activities at the Frankfurt site, additional investments in financial assets as well as the capitalization of additional shares acquired as part of the Antalya operating concession.

The major portion of the investment volume (about € 905 million) was put into **Frankfurt Airport**, the Fraport Group's home base, as was the case in previous years. Almost € 330 million was invested into the expansion of the location, a good € 40 million of which derived from capitalizing borrowing costs in line with IAS 23. Additional investment focal points in the year under review included the continuing measures for expanding and modernizing the existing terminal equipment as part of the so-called FRA North projects. As part of these projects, a total of € 90 million was invested into adapting the terminals to the clearance of the Airbus A380, € 70 million went towards the new construction of Pier A-Plus (formerly A-West) while the expansion of Hall C accounted for € 50 million. In connection with the advance partial payment made to Celanese AG / Ticona GmbH, about € 20 million went towards the previously agreed acquisition of properties. Due to the acquisition of further shares of the Antalya operating company a goodwill of € 17.3 million was capitalized.

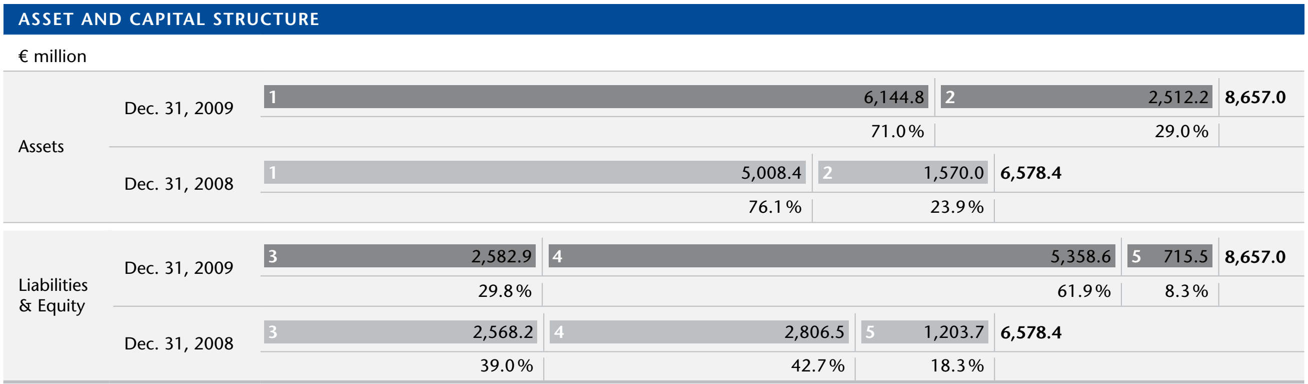
Along with the capital expenditures made at the Frankfurt site, an investment volume of about € 155 million was put towards Fraport AG's **investment holdings**. The previously mentioned acquisition of further shares in the Antalya operating company accounted for the lion's share of this amount, which resulted in an increase in the proportional consolidation from 34 percent to 50 percent. Capital expenditures for long-term **financial assets** totaled about € 360 million in the reporting period. The main portion of this amount was used for acquiring long-term cash investments in securities (about € 185 million) and promissory note loans (about € 165 million) as part of financial asset management. The Fraport Group's **investment ratio** for the fiscal year 2009 was therefore at about 73 percent – 37 percentage points higher than the previous year's figure.

Asset and capital structure

Compared with the previous year, Fraport Group's **total assets** increased from € 6,578.4 million to € 8,657.0 million in the reporting period, representing a rise of 32 percent (previous year's figure adjusted for capitalized borrowing costs in accordance with IAS 23). The cause for this considerable increase was the increase in non-current and current assets as well as the increase in non-current financial liabilities.

The rise in **non-current assets** from € 5,008.4 million to € 6,144.8 million was mainly due to increases in the "Property, plant and equipment" (€ + 517.8 million), "Investments in airport operating projects (€ + 304.7 million) and "Other financial assets" (€ + 269.3 million) items. While the "Property, plant and equipment" item increased mainly as a result of capital expenditures at the Frankfurt site, growth in the item "Investments in airport operating projects" was primarily due to the purchase of additional shares

ASSET AND CAPITAL STRUCTURE



1 Non-current assets **2** Current assets **3** Shareholders' equity **4** Non-current liabilities **5** Current liabilities

CHART 22

in the Antalya operating concession and the increase in recognized proportional consolidation of the concession and concession liabilities from 34 percent to 50 percent. On the other hand, the rise seen in “Other financial assets” can be traced back to the investment in long-term cash for the reserve financing of expansion and modernizing activities at Frankfurt Airport. The increase in the “Goodwill” item was due to the goodwill capitalization following the acquisition of additional shares in the operating company of the Antalya concession. The sale of our shares in Frankfurt-Hahn Airport resulted in a € 150.9 million decrease in Fraport’s non-current assets.

The Fraport Group’s **current assets** increased by about € 942 million to € 2,512.2 million during the same period – representing an increase of 60.0 percent. Cash and cash equivalents as well as the liquidity of the Fraport Group gained the most from the reserve financing for the expansion and modernization measures (cash and cash equivalents rose from € 1,154.8 million to € 1,802.3 million; liquidity, cash and cash equivalents minus restricted cash plus short-term realizable assets, rose from € 1,349.4 million to € 2,601.3 million). The advance partial payment to Celanese AG / Ticona GmbH booked in the first quarter led to a cash outflow of € 322.1 million.

Fraport Group **equity** totaled € 2,582.9 million in 2009. This represented a € 14.7 million increase year-on-year (+ 0.6 percent). The reason for the slight rise in equity can be mainly traced to the allocation of some of Fraport AG’s net income into revenue reserves rather than dividends. The sale of our shares in Frankfurt-Hahn Airport resulted in a decrease in minority interests presented within equity. Excluding retained earnings and minority interests, 39.7 percent of non-current assets were covered by equity (previous year’s ratio: 48.0 percent). The **equity ratio** was 8 percentage points below 2008’s figure, totaling 28.2 percent at the end of the year.

Non-current liabilities increased from € 2,806.5 million to € 5,358.6 million (+ 90.9 percent) in the period under review. This was mainly due to reserve financing measures including the issue of a bond of over € 800 million, the issue of a private placement valued over € 150 million, the issue of a promissory note loan worth over € 368 million as well as loans from two infrastructure banks totaling over € 980 million during the past year. The increase in other liabilities (€ + 177.3 million) primarily resulted from the purchase of additional shares in the Antalya operating concession. The decline in trade accounts payable (€ – 78.2 million) was mainly due to the partial payment made to Celanese AG / Ticona GmbH.

Current liabilities decreased by € 488 million year-on-year, totaling € 715.5 million for the year. Along with the advance partial payment to Celanese AG / Ticona GmbH, which was reflected in a decrease in trade accounts payable, the use of short-term loans and overnight deposits have decreased and their impact is seen in the substantial decline in current liabilities (€ – 436.6 million). The sale of Frankfurt-Hahn Airport led to a € 163.2 million reduction in non-current and current liabilities. The Fraport Group’s **gross financial debt** correspondingly amounted to € 4,245.8 million on the balance sheet date. Less the liquitiy of € 2,601.3 million resulted in a **net financial debt** totaling € 1,644.5 million – about € 750 million more than one year ago (previous year adjusted by restricted cash). The **gearing ratio** amounted to 67.3 percent at the end of the fiscal year (adjusted previous year’s figure: 37.1 percent).

Contingent liabilities do currently not reflect any major impact on future net assets.

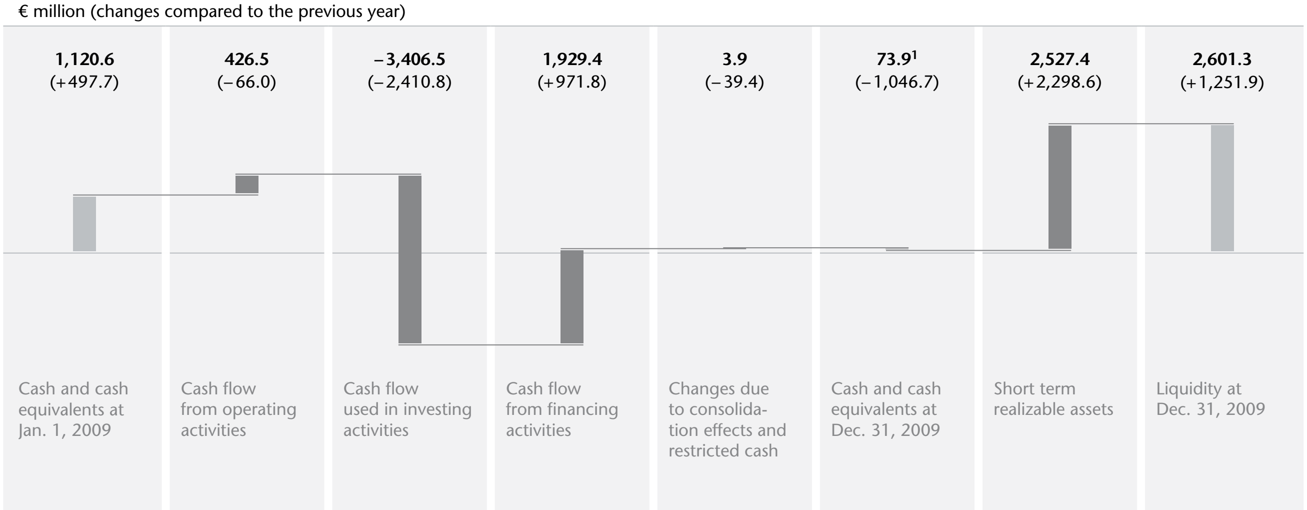
Cash flow statement

In fiscal year 2009, the **cash flow from operating activities** totaled € 426.5 million – falling € 66.0 million below the previous year’s figure of € 492.5 million (– 13.4 percent). Reasons for this drop were the decrease in net profit, lower interest income and higher tax payments.

Cash flow used in investing activities totaled € 3,406.5 million in 2009 representing a € 2,410.8 million increase against the previous year. This substantial rise was caused by a number of effects: On the one hand, the advanced partial payment to Celanese AG / Ticona GmbH as well as the intensified investing activities at the Frankfurt site increased capital expenditures in property, plant and equipment by about € 285 million. On the other hand, capital expenditures in current and non-current financial assets within the scope of the financial asset management led to an increased cash flow of about € 2,103.5 million during the reporting period. Due to the maturity of the assets within the financial asset management of more than three months, they have to be classified as “investments” within the cash flow statement, rather than cash and cash equivalents. Since these assets can be realized at any time and don’t undergo significant fair value changes, Fraport considers these items in its liquidity. Cash flows from the sale of the ICTS investment as well as the sale of financial assets had a positive impact on the cash flow statement within the scope of investment activities in the fiscal year 2008.

CHANGE IN CASH AND CASH EQUIVALENTS

€ million (changes compared to the previous year)



[1] Difference to balance sheet results from cash and cash equivalents with a maturity of more than three months within the financial asset management, and restricted cash of € 30.0 million

CHART 23

Cash flow from financing activities reached € 1,929.4 million for the reporting period, a substantial increase over last year's figure of € 957.6 million. The reason for this growth was due in particular to the reserve financing measures for the expansion and modernization in Frankfurt, which led to the considerably increased incoming payments from the issuance of long-term debt. Current financial debt could be cut down thanks to the long-term financing of investment activities.

The decline in **cash and cash equivalents** from € 1,120.6 million to € 73.9 million is almost exclusively due to the higher cash flow used in investing activities in the scope of the financial asset management. Cash and cash equivalents including short-term realizable assets, the **liquidity** of the Fraport Group, totaled € 2,601.3 million as of December 31, 2009. In connection with financing the concession to operate Antalya, € 30.0 million cash in banks is subject to drawing restriction. SEE CHART 23

Free cash flow dropped from € – 370.7 million in 2008 to € – 711.4 million in the period under review due to the considerable increase in investment activities.

Finance management

Fraport's finance management operates in line with its strategic goals of securing liquidity, limiting financial risks, improving profitability and ensuring flexibility. Especially with the current investment activities at the Frankfurt site, the top prioritized goal is securing liquidity followed by limiting financial risk and then improving profitability and ensuring flexibility.

Fraport will invest about € 7 billion into modernizing and expanding the Frankfurt site from 2007 through 2015 according to its investment plans. At the end of the fiscal year 2009, a total of about € 2.5 billion had already been invested with another approximately € 4.5 billion allocated for use by 2015. Investment volumes have not decreased despite the delayed opening of Terminal 3 (postponed from 2013 to the period from 2016 onwards), due to moving other projects forward to an earlier date (such as the realization of Pier C).

The most important goal, **securing liquidity**, is secured using both internal and external sources. In the before mentioned investment period, the portion of internally raised funds from the cumulative operating cash flow amounts to about € 3 billion. All other funds raised come through external financing in the form of loans and bonds. Fraport succeeded in securing the needed debt capital in the past fiscal year. In addition to the loans from the European Investment Bank (EIB) as well as the Landestreuhandstelle Hessen (LTH – Bank for Public Infrastructure) amounting to € 980 million that were agreed upon in 2008 and paid out in 2009, additional funds of about € 1.3 billion were borrowed.

In this scope a promissory note loan totaling € 368 million was successfully placed at the start of May.

At the end of the first half year of 2009, there were signs of a recovery on the bond market, prompting Fraport to consider an additional broad placement of a stock market listed benchmark bond, a bond with an issue volume of at least €500 million, with a maturity of 10 years. In accordance with the financing strategy to this point, Fraport succeeded in issuing this bond without an external rating. In the interest of better marketing for its issue, Fraport informed potential investors about the business model, strategy and the main applications of the funds during a one-week roadshow in Germany, France, Switzerland and Austria. The interest that was expected for the bond at the beginning was significantly reduced thanks to a three and a half times over-subscription and ended up with a spread of 180 basis points over midswap. The issue volume amounted to €800 million. The successful placement has proven that Fraport can convince on the capital market even in difficult times without a rating. In addition to that a private placement amounting to €150 million with a maturity of 20 years was also agreed on with an international major investor. The spread was set at 200 basis points above midswap.

As of the balance sheet date, total capital borrowings stood at €4.25 billion, while the annual average interest expenses totaled about 4 percent and the average maturity was about 9 years.

Acquiring funds was not the only challenge presented to Fraport from the financial market crisis in 2009, **limiting financial risk** also became much tougher as a result. This objective required heightened attention in the past year in two respects: On the one hand, capital markets were still in a very volatile situation during the first half of the year in particular. While on the other hand, the additional funds acquired by the successful financing activities had to be temporary reinvested. Fraport succeeded in investing the funds secured at a relatively good interest rate (see profitability).

As part of its third objective **profitability**, Fraport seeks to minimize the interest expenses including transaction costs when borrowing funds as well as optimizing performance by limiting financial risks when investing. On both the investment and financing sides, Fraport succeeded in realizing attractive interest rates.

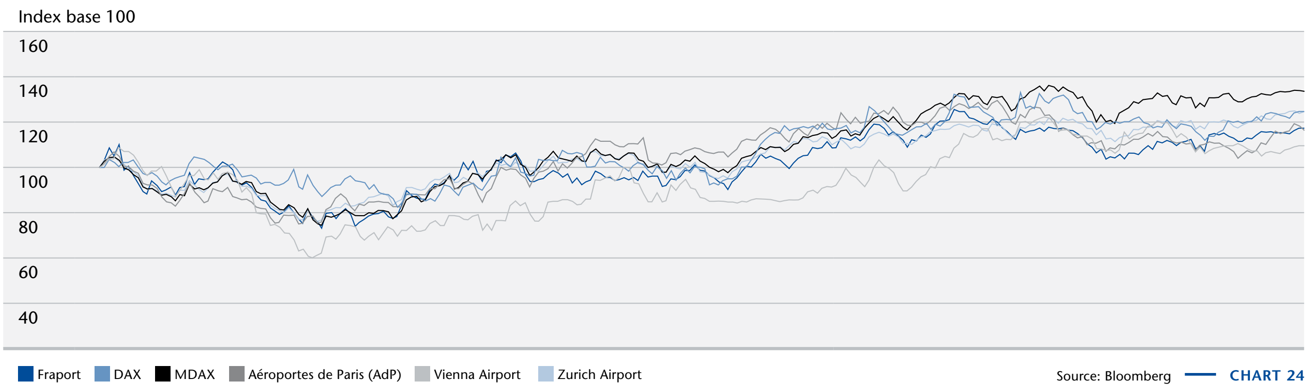
The fourth objective, **flexibility**, safeguards that a sufficient amount of loans or lines of credit as well as liquid funds are available. This objective was also further improved and secured during the year through various financing measures.

THE FRAPORT SHARE AND INVESTOR RELATIONS

Similar to the DAX and MDAX indices, the Fraport Share also saw a generally positive development in 2009. While the share did get off to a difficult start in 2009, reaching its low for the year in March at €22.46, it was able to make a robust recovery and closed the year with a share price of €36.28 – a 17.4 percent increase against the year's opening price. The Fraport Share therefore nearly kept pace with the development of the DAX (+23.9 percent), but fell short of the development of the MDAX (+34.0 percent). While the Fraport Share developed in line with the MDAX in the first quarter of the year, it failed to keep up with the index's development in the following months. The reason for this was mainly due to other shares with a higher weighting making above average strides to regain lost ground. These shares were generally subject to higher volatility. However, the Fraport Share showed similar developments to its European competitors: Vienna Airport gained 9.6 percent, Unique, the operator of Zurich Airport, posted gains of 24.8 percent and the shares of AdP, the owners of the three airports in Paris, Charles de Gaulle, Orly and Le Bourget, increased by 16.4 percent. The Fraport share's average daily trading volume amounted to 163,070 shares, which represented a 44.9 percent decrease against the previous year's figure of about 296,000. At the end of the year, Fraport AG's market capitalization totaled about €3.3 billion. SEE CHART 24

In 2009, the Fraport share was also once again listed in the leading sustainability indices, the DJSI STOXX, DJSI World and FTSE4Good. These indices only list companies that show exemplary corporate sustainability performance in the criteria economy, ecology and socialy.

DEVELOPMENT OF THE FRAPORT SHARE COMPARED TO THE DAX, MDAX AND ITS EUROPEAN COMPETITORS



Source: Bloomberg CHART 24

The following table gives you the most important information on our Share in the past fiscal year: SEE CHART 25

KEY FIGURES ABOUT THE FRAPORT SHARE

ISIN	DE 000 577 330 3
Security identification number (WKN)	577330
Reuters ticker code	FRAG.DE
Bloomberg ticker code	FRA GR

		2009	2008
Fraport capital stock (in accordance with IFRS)	€ million	917.7	916.1
Total number of shares on Dec. 31	number	91,858,729	91,709,454
Number of floating shares [1] on Dec. 31	number	91,774,500	91,612,759
Number of floating shares (weighted average of period under review)	number	91,710,554	91,540,376
Absolute share of capital stock	per share, €	10.00	10.00
Year-end price	€	36.28	30.91
Highest price [2]	€	38.80	54.34
Lowest price [3]	€	22.46	23.67
Annual performance (including dividend)	%	21.1	–40.4
Beta relative to the MDAX		0.99	0.73
Market capitalization	€ million	3,333	2,835
Average trading volume per day	number	163,070	296,704
Earnings per share (diluted)	€	1.63	2.05
Earnings per share (basic)	€	1.64	2.07
Price-earnings ratio		22.1	14.9
Dividend per share [4]	€	1.15	1.15
Total dividend payment	€ million	106.2	105.6
Dividend yield on Dec. 31	%	3.2	3.7

[1] Total number of shares on the balance sheet date, minus treasury shares
[2] Closing price on January 2, 2008 and September 16, 2009 respectively
[3] Closing price on October 23, 2008 and March 9, 2009 respectively
[4] Proposed dividend (2009)

CHART 25

NOTIFICATION OF VOTING RIGHTS ACCORDING TO SECURITIES TRADING ACT

Shareholder	Date of notification	Date of event	Reason for notification	New voting rights in Fraport AG
Taube Hodson Stonex Partners Limited	March 10, 2009	March 31, 2008	Shortfall of the 3 percent threshold due to organizational changes	0.00 %
Taube Hodson Stonex Partners LLP	March 10, 2009	March 31, 2008	Exceeding of the 3 percent threshold due to organizational changes	3.59 %
Artio International Equity Fund [1]	May 5, 2009	April 30, 2009	Shortfall of the 3 percent threshold	2.996 %
Artisan Partners Limited Partnership	June 12, 2009	June 12, 2009	Shortfall of the 3 percent threshold due to organizational changes	0.00 %
Artisan Partners Holdings LP	June 12, 2009	June 12, 2009	Exceeding of the 3 percent threshold due to organizational changes	3.42 %
Morgan Stanley	June 16, 2009	May 27, 2009	Exceeding of the 5 percent threshold	5.71 %
Morgan Stanley	June 16, 2009	May 29, 2009	Shortfall of the 3 percent threshold	2.94 %
Artisan Partners Holdings LP	July 9, 2009	July 7, 2009	Shortfall of the 3 percent threshold	2.99 %
Arnhold and S. Bleichroeder Holdings, Inc.	September 23, 2009	September 22, 2009	Shortfall of the 3 percent threshold	2.98 %
Julius Bär Holding AG [2]	September 29, 2009	September 24, 2009	Shortfall of the 3 percent threshold due to organizational changes	0.04 %

[1] Subgroup of Julius Bär Holding AG / Artio Global Investors Inc.
[2] Due to the IPO of Artio Global Investors Inc., the share of 10.33 percent is to be assigned to Artio Global Investors Inc.

CHART 26

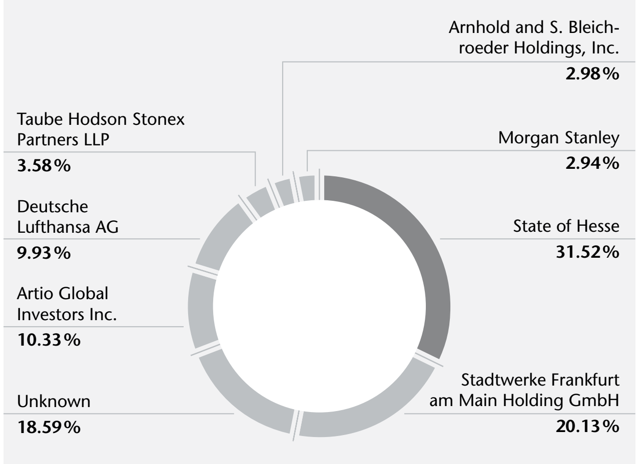
Shareholder structure

Changes in Fraport's shareholder structure in 2009 were as follows. SEE CHART 26

The shareholder structure as of the balance sheet date therefore is as follows:

SHAREHOLDER STRUCTURE AS AT DECEMBER 31, 2009*

in %



* Ownership interest as disclosed with the last official notification required under the Securities Trading Act or as disclosed by the respective shareholder. The relative ownership interest of the individual shareholders was adjusted to the current total number of shares as at December 31, 2009, and therefore may differ from the figures given at the time of reporting an excess / shortfall of the threshold or from the respective shareholders' own disclosures.

CHART 27

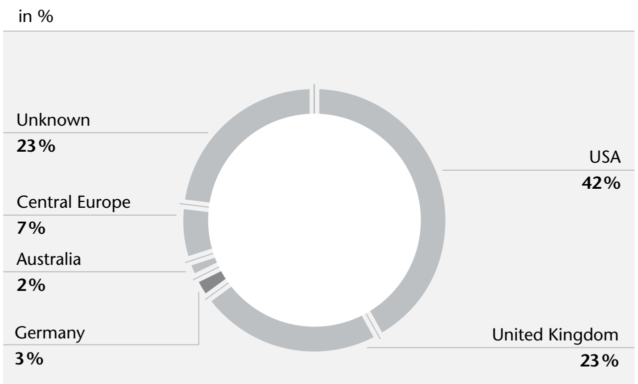
Dividend distribution

The Supervisory Board and Executive Board of Fraport AG will propose a dividend of € 1.15 per share to the Annual General Meeting 2010. This is the same amount as in the previous year. The dividend payout ratio would then equate to 60.4 percent of the parent company's (Fraport AG) profit for the year of € 175.7 million and 70.8 percent of Group profit for the year of € 150.0 million attributable to the shareholders of Fraport AG. The comparative figures for the previous year were 63.7 percent and 55.7 percent respectively.

Investor Relations

Fraport's Investor Relations activities support the corporate strategy aimed at sustainably increasing the company value by applying a four-pillar communications strategy to address all capital market participants. Reliability, transparency, interactivity and consistency are the cornerstones of our communications activities. The comprehensive dialog that the Investor Relations team and the management are engaging in with investors and analysts is seen in the more than 400 one-on-ones that took place at roadshows, conferences and at Fraport AG last year. Events for private investors, the Annual General Meeting, four conference calls on the publication dates as well as up-to-date reporting on the IR page www.meet-ir.com complete

FREE FLOAT ACCORDING TO COUNTRIES AND REGIONS



* Without the shares of the State of Hesse, Stadtwerke Frankfurt and Deutsche Lufthansa

CHART 28

IR ONE-ON-ONES ACCORDING TO COMPANY HEADQUARTERS

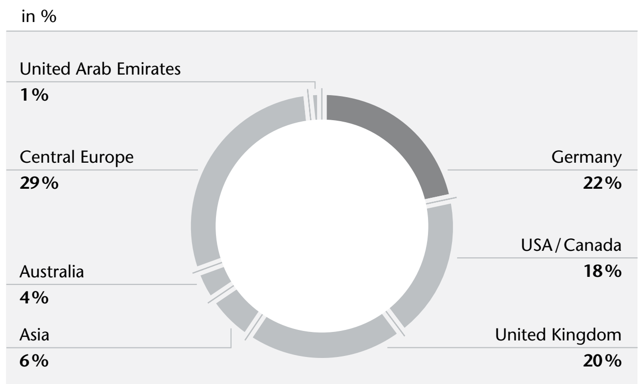


CHART 29

the range of activities carried out by the Investor Relations team this past year. The IR department received recognition in various categories for its wide-ranging activities in 2009.

For 2010, Fraport is planning to further intensify its open and timely IR communications with shareholders and interested parties as well as increasing quality in the areas of service and communications.

NON-FINANCIAL PERFORMANCE INDICATORS

Employment structure

The average number of employees (excluding apprentices and employees relieved from normal duties) totaled 19,970 for the Fraport Group this past year. This represented a decrease of 3,109 compared to 2008's figure. The reason for this considerable decline was mainly the sale of the personnel intensive subsidiary ICTS on April 1, 2008, as well as the sale of Frankfurt-Hahn Airport on February 2, 2009. The number of employees as of December 31, 2009, was 19,427 – 949 below the previous year's figure and mainly due to the above mentioned sale of Frankfurt-Hahn Airport as well as a lower number of employees at our Bulgarian airports. The number of apprentices at the parent company was on par with last year's figures, holding steady at 300. The number of women working at Fraport also equaled last year's level at 23.1 percent.

The following table shows how the workforce breaks down according to segment and location:

EMPLOYMENT STRUCTURE

Average number of employees	2009	2008	Change	Change in %
Aviation segment	6,315	6,674	– 359	– 5.4
Retail & Real Estate segment	604	594	10	1.7
Ground Handling segment	8,276	8,443	– 167	– 2.0
External Activities & Services segment	4,775	7,368	– 2,593	– 35.2
Group total	**19,970**	**23,079**	**– 3,109**	**– 13.5**
in Frankfurt	17,441	17,996	– 555	– 3.1
in Investments	8,664	11,522	– 2,858	– 24.8

CHART 30

While the number of those employed in the Retail & Real Estate segment basically remained constant compared to the previous year, the decline in those employed in the Aviation and Ground Handling segments can be mainly traced back to the declining traffic numbers at the Frankfurt site as well as adjustments to headcount. The considerable dip in the employee figure in the External Activities & Services segment is primarily due to the sale of the ICTS and Frankfurt-Hahn Airport investments. Increasing employment figures were seen mainly in our FraCareS and FPS investments at the Frankfurt site as well as in the Antalya investment when looking at external business. Apprentices and Group employees relieved from normal duties are not included in the before mentioned figures.

Sustainability

As a leading international airport operator, Fraport is well aware of its social, environmental and economic responsibility. Fraport is firmly convinced that it can only provide secure jobs for its employees and attractive dividends for its shareholders with sustainable growth. Therefore, Fraport's sustainability efforts focus on the target groups "customers", "region" and "employees". Fraport bolstered and pooled its efforts from this field in the year under review by creating the "Sustainability Management" central unit.

In an effort to achieve the sustainability targets included in the Group strategy, Fraport realized or continued exemplary on the following projects in the past year:

Economic goals:

_ Beginning construction work on the new Northwest Landing Runway and Pier A-Plus laid an important cornerstone for the future viability of the Frankfurt site and Fraport Group in general. The expansion and modernization measures in Frankfurt will allow Fraport to benefit considerably more from the growth in the air traffic market. The anticipated medium-term rise in earnings will also enable Fraport to secure jobs and offer shareholders attractive dividends.
_ By creating the Sustainability Management central unit, Fraport Group succeeded in realigning the compliance system in the year under review. The new centralized management approach is designed to ensure that the system is constantly adjusted to the changing operating conditions.
_ In the year under review, Fraport rolled out an electronic reporting system as an additional channel of information in its efforts to prevent corruption. Employees as well as customers and business partners can report unprofessional business behavior using this web-based system. This represents a further step towards implementing preventive anti-corruption measures, particularly with a view to the impending construction works associated with the expansion of Frankfurt Airport, in allowing third parties to access the system. The system was also implemented at the investments in Bulgaria in October 2009, with rollout at the other investments planned for 2010.

Environmental goals:

_ Fraport made a large step towards balancing flight operations in Frankfurt by beginning construction work on the new landing runway. Unnecessary holding patterns and fuel consumption in the air and on the ground will be avoided when the runway begins operations for the winter timetable 2011/2012.
_ The aircraft noise index compiled in cooperation with "Forum Flughafen und Region" has become a tool which will allow us to transparently track future developments in aircraft noise in the region. The aircraft noise index will also be used to document and clearly demonstrate the success of active noise reduction measures. The Frankfurt Aircraft Noise Index will play a central role in discussions on aircraft noise in the region.
_ On August 18, 2009, the first field tests of electric vehicles began at Frankfurt Airport. Following successful practical tests, Fraport is aiming to make more than 60 percent of its vehicle fleet "sustainable" by 2020.
_ The new fire station 4 on the new Northwest Landing Runway, which will be completed by 2011, is the first Group building that goes above and beyond Frankfurt Airport's strict safety regulations and that is completely carbon neutral in its operations. As a passive building, the structure will require over 90 percent less heating and cooling energy than conventional fire stations. Heating and cooling energy is produced by geothermal pumps which make use of so-called near-surface geothermal energy. The electricity required to power the system is drawn from renewable energy sources.
_ Fraport continues to work closely with energy industry partners in investigating to tap and use environmentally-friendly deep geothermal energy for supplying the planned environmentally-friendly Terminal 3 with electricity and heating as well as the existing buildings.

Social goals:

_ The number of accidents at work fell at Fraport AG from 846 in 2008 to 723 in 2009. Fraport AG's health index (excluding long-term illnesses and employees who went home sick during the working day) came in at 93.8 percent in the year under review (2008: 94.5 percent).
_ In the fiscal year 2009, Fraport paved the way for 110 apprentices to start their careers at the Frankfurt site. Fraport currently employs around 300 apprentices spread over an average of three years of the apprenticeship program. This shows that we are continuing to train more young people than we require as a company and in doing so are providing high quality apprenticeship opportunities for high school alumni.
_ Fraport also covers its requirements for the next generation of employees with its personnel and executive development work. As part of these measures, Fraport identified around 80 candidates at the executive conference to take over specific specialist and executive functions in the future. Together with the candidates identified in the fiscal year 2008, Fraport therefore has over 160 potential successors for internal executive and specialist positions. On top of that, Fraport continued its

trainee program in the year under review, which is also aimed at covering our demand for talented young personnel. In the year under review, the trainee program trained 15 new trainees for specific target positions.

_ Despite the economic crisis, Fraport is planning to continue pushing the local scheme "Active for the region" (aimed at promoting art and culture, sport, social programs as well as environmentally friendly projects in the area around Frankfurt Airport) in 2010.

Further information regarding sustainability and our sustainability goals can be found in the strategy chapter on page 40 as well as in the company's sustainability report and on our homepage www.fraport.com.

Innovation and idea management

For an internationally operating airport operator such as Fraport, measures to retain and improve profitability and flexibility are absolutely indispensable. Fraport considers collecting, evaluating and implementing its employees' ideas and suggestions as a major component in retaining and improving its competitive edge. With clearly defined responsibilities and exact procedures, Fraport's idea management is a managed process that is supported by software and internet tools.

In the context of our idea management 669 ideas have been submitted in the last year, creating a benefit (less costs) of around € 700,000. Employee involvement in idea management has remained at a high level over the years and confirms the high level of acceptance and importance of the medium.

Innovations are also gaining importance at Fraport. For years, employees have worked to create a better working environment through their own ideas. In fact, a few marketable and competitive products have come about as a result of these ideas in the past year. Innovation management also stimulates continuous process optimization, which benefits operating business segments and promotes the improvement of service quality. On January 1, 2010, innovation management was integrated into the corporate development central unit to incorporate trend-setting topics and projects even more effectively into the continued development of the Company. The innovation process will be newly organized and implemented Company-wide from this new function.

Remuneration system and company pension plan

The TVöD civil service collective agreement is in effect at Fraport AG due to the collective pay agreement. The implementation of a performance-related payment is a key element of the TVöD Law on Collective Bargaining. At Fraport, this yearly perfomance-based one-off payment is based on a systematic performance appraisal of every employee that is in some cases supplemented by achieving set targets. Negotiations with the works council and unions on retaining the viability of Ground Services at the Frankfurt location were successfully concluded in November of the past year. The "Pact for the Future 2018" enables Fraport AG to retain the business segment as well as the jobs it provides in the parent company. Some prerequisites for this however are savings in benefits and changed conditions of employment for new employees hired from 2010. Protective agreements ensure that the discontinuation of certain benefits will not lead to a direct reduction in pay for employees.

In accordance with the collective agreement's guidelines, Fraport AG also offers a company pension plan. For this purpose the Company is a member of the Supplementary Pension Fund Wiesbaden (ZVK) – a pension fund that directly fulfills employees' requirements for benefit services. The ZVK company pension is augmented with the offer of a voluntary supplemental insurance based on deferred compensation which can also be handled by two different providers. A supplemental pension plan based on a company-based direct pension scheme is available for exempt employees.

Differing employment conditions can be in effect throughout the Group's companies depending on location and industry association but most are regulated by a collective agreement. Fraport AG advises investment companies on issues relating to collective agreements and is involved in the development and negotiation of collective agreements.

Employee investment plan

Since Fraport AG's initial public offering (IPO) in 2001, employees have had the option of subscribing for shares in the Company as all or part of an annual one-off payment under an employee investment plan. Fraport AG buys back the shares for this program, making partial use of the authorized capital after a capital increase in return for cash contributions, and then passes them on to its employees. In 2009, a total of 6,428 employees participated in one of the offered share models and subscribed for 145,075 new shares. With about 55 percent of employees taking part, participation remained at the same level as last year. Fraport employees have purchased a total of 1,243,457 shares since the employee program began. The issue price for the shares, which was calculated from the average Xetra closing price in the period from April 2 to April 17, 2009, minus an allowance of €1.50, amounted to €26.31 this year. Apart from Fraport AG, nine subsidiaries participated in the employee investment plan and offered their employees Fraport shares at a preferential price.

RISK AND OPPORTUNITY REPORT

Fraport has a comprehensive risk management system. It ensures that significant risks are identified, constantly monitored and, as far as possible, limited to an acceptable level.

Risk policy principles

Fraport actively seeks out opportunities and seizes them whenever the potential benefits of doing so are in an acceptable balance to the risks involved. Controlled risk exposure is the primary objective of our risk management system.

This objective is the basis for the following risk policy principles:

_ The risk strategy is coordinated with the corporate strategy and is required to be consistent with it, as the strategy specifies to what extent the Company's operations are exposed to risks.
_ Risk management is integrated into ongoing business processes.
_ Risks are managed primarily by the organizational units which operate locally.
_ The aim of the risk management process is to ensure that significant risks are identified, constantly monitored and limited to an acceptable level.
_ Actively and openly communicating risks is a major success factor in the risk management system.
_ All of Fraport AG's employees are expected to actively participate in risk management in their area of responsibility.

The risk management system

The Executive Board has approved the risk management system of Fraport AG, its risk policy principles and the risk strategy for the entire Company. 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 and ad hoc reports in the risk management system of relevance to the Company as a whole.

The Risk Management Committee is the top body in the risk management system below the Executive Board. It is made up of division managers from the Company's divisions. It is responsible for implementing the central risk management system, developing it in line with business processes and reporting to the Executive Board. The RMC set up a committee office to provide support in executing its tasks.

Risks are managed primarily by the organizational units which operate locally. Division managers are responsible for the accuracy of the information received from their divisions, which is processed in the risk management system. They are obliged to constantly monitor and control risk areas and to submit a report to the RMC about all risks in their particular area of responsibility on a quarterly basis. Material new risks must be reported on an ad hoc basis outside regular reporting. This ensures early risk recognition.

One key component of Fraport AG's risk management system is assessing financial risks with a risk management process that monitors and manages the representation of financial instruments overall and particularly hedging transactions in accounting. This process is described in the financial risks section ("Risk management report"). At Fraport AG, this process represents a subsection of the accounting-related internal control system.

The risk management system is documented in writing in a separate guideline. It conforms to the requirements of Section 91 (2) of the German Stock Corporation Act. The proper operation of the risk management system is verified regularly by the internal auditing department.

Risk transfer by concluding insurance contracts is controlled by the subsidiary Airport Assekuranz Vermittlungs-GmbH (AAV).

Evaluation of risks

Risk evaluation determines the scope of the risks which have been identified, i. e. it makes an assessment of the extent to which the individual risks may jeopardize Fraport AG in achieving its corporate objectives. The magnitude of the risk and the probability of its occurrence are determined in this context. The risk evaluation is always conservative, i. e. the greatest possible damage is ascertained (worst-case scenario).

The RMC collects the risk reports from the divisions and evaluates the risk situation Fraport AG faces at Company level on the basis of a "risk map". Risks are reported to the Executive Board when they are classified as material according to systematic evaluation standards used throughout the Group. Risks which jeopardize the Company as an ongoing concern and exceed defined thresholds in the potential damage they may cause and in the probability of their occurrence are considered to be "material". A distinction is made here between gross assessment and net assessment – after appropriate countermeasures have been taken into account.

Risk management with investments

The guideline for the Fraport AG risk management system also includes rules for Fraport AG investments, which are incorporated in the risk management system to a varying extent depending on their importance. The separate guideline used for investments specifies the organizational structure and process of the risk management system and commits the investments to ongoing reporting about material risks.

Accounting-related internal control system in accordance with Section 315 (2) No 5 of the German Commercial Code (HGB)

The Fraport AG accounting system consists of methods for recording and processing business transactions, records as proof of existing assets and liabilities. It also encompasses processes for recording required information for consolidation in the separate financial statements from the parent company and subsidiaries and disclosure 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 AG designed to conform to the so-called COSO standards, in an effort to ensure that the recognition, measurement and proof of assets and liabilities is in line with the legal guidelines and internally defined principles of compliant accounting.

Group accounting at Fraport AG is basically organized decentrally. The consolidation of the local individual financial statements from parent companies and subsidiaries (trade balance sheet I) to the corporate accounting standards income statement (trade balance sheet II) is done decentrally at the respective companies. To ensure a consistent Group-wide accounting and evaluation Fraport AG has developed a guideline on IFRS accounting principles, on the basis of which the companies included in the Group financial statements conduct the consolidation from trade balance sheet I to trade balance sheet II. The efficiency and correctness of the Group accounting process is confirmed by the companies included in the Group financial statements in the framework of an internal completeness statement.

For the accounting related Group reporting between the companies included in the Group financial statements, the system SAP BPC is used primarily. The accounts to be consolidated are recognized here as well as required information for accrued and deferred taxes in the Group notes. The awarding and administration of access authorization on the level of the companies consolidated is done by Fraport on the basis of a user authorization concept. Group reporting in SAP BPC is adapted regularly to the changes in legal accounting policies by the Group accounting. A Group chart of accounts in the SAP BPC system is set up and administrated by the Group accounting.

Accounting related internal controls are, if possible, carried out in 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 process in the Group accounting.

For complex balance sheet issues or basic questions, also at local companies included in the group financial statements, quality management is ensured by Fraport Group accounting.

The consolidated financial statements are prepared by Fraport AG Group Accounting. The reporting process for the consolidated financial statements of Fraport AG 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 consolidated companies 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 recorded in detail.

Liabilities, expenses and income are consolidated and information relevant to segment reporting processed in the SAP BPC system. Prior to consolidating liabilities, internal balances are reconciled. Acquisition accounting, the elimination of intercompany profits and losses and the preparation of the cash flow statement as well as the statement of changes in equity are mostly carried out manually with the help of the system.

Acquisition accounting are entered in SAP BPC after the system supported manual implementation. Deferred taxes are always calculated and recognized by the Group tax department. Group guidelines, which are available to all consolidated companies, ensure that consolidation processes and the reconciliation of internal balances are carried out properly.

Assets and liabilities from the acquisition or sale of shares in companies are always measured on the basis of external value analyses prepared by experts (e.g. calculation of acquisition costs or purchase price allocation).

Group Accounting compiles the Group notes while preparing the consolidated financial statements. Disclosures in the Group notes are verified by the relevant departments of the Group and the consolidated companies where required.

The Investor Relations department is responsible for preparing the Group management report in which the information provided by the relevant departments is compiled. The same departments also carry out subsequent checks of the consolidated result.

The Internal Auditing department regularly assessed the effectiveness and compliance of the Group accounting processes, including internal controls, even for the consolidated companies.

The parent company Fraport AG prepares its own individual financial statements in accordance with the German Commercial Code (Handelsgesetzbuch – HGB) and also IFRS as adopted by the EU, which are applicable to the consolidated financial statements.

Accounting at Fraport AG is kept largely decentralized through sub-ledgers (for creditors, debtors, asset accounting, treasury, accounts of local departments). During the preparation of the consolidated financial statements, Group Accounting creates any closing entries in the general ledger which cannot be entered by local departments. It also controls important local accounting processes.

Fraport AG uses the SAP R3 system for preparing its accounts. Internal controls of the accounting processes are carried out where possible with the help of the SAP R3 system. Manual application and monitoring controls are carried out during the operational accounting processes in the local departments and also during the preparation of the consolidated financial statements by Group Accounting.

Functions in the departments involved in the accounting process are separated on a system, personnel and organizational level. The SAP authorization concept is used for issuing and administering access authorizations for accounting-related systems.

The aim of the controls carried out during the accounting process is to ensure that assets and liabilities, and items in the income statement are measured and recognized completely and correctly, as well as ascertaining their actual existence and ownership.

During the preparation of the consolidated financial statements by Group Accounting, subsequent and mainly manual controls are carried out for the purpose of ensuring the completeness and correctness of items recognized in sub-ledgers.

Preventative, system-aided controls and a system of checks and balances are implemented as subsequent controls of all closing entries in order to achieve the purposes of the controls mentioned above.

Fraport AG has compiled its accounting policies in an IFRS accounting guideline to ensure that all accounting processes are carried out properly and in accordance with applicable laws. Group Accounting has also specified an accounting system, which must be used throughout the Group.

Important operational processes in the local departments and Group Accounting have been standardized so that all processes are carried out in the same way (among others policies, process descriptions, manuals, guidelines). The effectiveness and compliance of the accounting processes in the local departments is verified by the responsible departments, who issue an internal declaration of completeness.

In order to ensure that all financial statements are complete, 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, Fraport AG's risk management system is classed as part of the accounting system to ensure that issues identified during the risk management process are assessed for their effect on the financial statements and reported, if applicable. The contract management and risk management processes are both regulated in a separate guideline. A special process monitors risks from the recognition of financial instruments, particularly hedging transactions.

The reporting process for the financial statements of Fraport AG is laid down in a schedule detailing each individual step, including deadlines and responsibilities. Group Accounting monitors the progress and schedule with the help of the system.

The preparation of the individual financial statements, including the measurement of liabilities, i. e. write-downs, on the liabilities-side, and the reconciliation of liabilities through the verification of balances on the asset-side are major steps of the reporting process. The asset accounts of individual departments include depeciations 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.

Once the individual financial statements have been prepared, Fraport AG's Group Accounting department then carries out the necessary closing entries and also implements subsequent manual controls, mainly for other provisions and personnel provisions, financial assets and instruments, equity and deferred expenses, and revenue. The tax department calculates and recognizes taxes.

During the preparation of the annual financial statements, Fraport AG regularly uses external service providers for measuring provisions, mainly personnel provisions, and financial instruments and assets.

The Internal Auditing department regularly assesses the effectiveness and compliance of the accounting processes, including internal controls.

Business risks

An explanation is given below of the risks that might have a material impact on the business operations of the Fraport Group.

General economic risks

Economic fluctuations can have a considerable impact on the economic development of air traffic and the development of Fraport. According to calculations made by a variety of economic institutes, the world economy (real gross domestic product) fell by around 1 percent in 2009. The ACI has reported in preliminary figures that passenger volumes at European airports fell by around 6 percent in the full year 2009, while global passenger numbers decreased by approximately 3 percent. Airfreight also fell, down around 13 percent in Europe and 8 percent worldwide. Figures from the German Airports Association (ADV) quote a decrease of approximately 4.6 percent in the number of passengers at German airports on the back of the financial and worldwide economic crisis and a 6.2 percent fall in cargo volumes.

The surge in prices for oil and kerosene has led to ticket price surcharges since 2004 that will not necessarily be reduced even if energy prices fall. With the onset of the economic downturn, a significant moderation of price development was recorded in crude oil markets (price of crude oil was around US $ 62 in 2009 compared to around US $ 100 in 2008 on an annual average). However, crude oil prices rose again to around US $ 80 at the end of 2009. In times of crisis and war, we face the direct threat of flight cancellations and route shutdowns. Limiting risk to demand is only possible to a certain extent. As an international air traffic hub, Frankfurt Airport benefited in the past from the fact that airlines concentrate their business on hubs in times of crisis. This explains why we have been able to compensate for the effects of crises within a relatively short period of time up to now.

However, the current crisis is still causing major uncertainty as far as its lasting effects are concerned.

Structural changes in business travel (reduction in the number of business trips, use of economy class instead of business class etc.) could have a direct or indirect impact on our business. Exchange rate fluctuations, unemployment and changes in consumer behavior which influence passengers' shopping habits can impact our earnings development, particularly in our retail business. The buildings and space we currently let are mainly used by airlines or companies whose business largely depends on the development of air traffic at Frankfurt Airport. This section of the real estate business is therefore not directly tied to general property developments. If we develop and market commercial areas more intensively in the future, as planned, the management of these areas will be based more closely on the general market conditions.

Fraport has taken the effects of the recession into account in its current medium-term planning figures. Fraport is currently anticipating that the general economic situation will continue to recover during 2010. However, global economic growth of around 3 to 4 percent and the expected 1.5 to 2 percent recovery of the German economy will not yet be enough to completely offset all of the effects of the slump. However, route shutdowns and the reduced frequency of flights are set to be gradually and selectively reversed over time. This will cater for the resurgence in demand which is already underway.

However, renewed slides in the world economy could still lead to route shutdowns and the reduced frequency of flights, which could in turn negatively impact the asset, financial and earnings situation of Fraport. As a result, the Company permanently monitors demand development, allowing it to introduce countermeasures if required.

Market risks

The business relationship with our main customer Lufthansa and its Star Alliance partners makes a substantial contribution to revenue development. A deterioration of this business relationship would have significant adverse impacts on Fraport AG.

The low-cost segment continues to increase the competitive and cost pressure on traditional carriers and their hub systems on the back of its above-average growth rates in continental traffic. On the other hand, Lufthansa successfully stimulated European traffic in Frankfurt with its inexpensive special offers. If these special fares were to be limited or cancelled, however, passenger traffic could suffer.

After the crisis, domestic traffic in Frankfurt is likely to suffer from the increasing number of intercontinental direct flights again in the medium-term, which would reduce the number of connecting flights. Due to the new EU emissions regulations, there is a risk that airlines will increasingly use alternative locations and routes outside of the EU and therefore away from Frankfurt in the medium-term. Moreover, the creation of new hub systems in the Middle East may lead to a shift in the global flows of transfer passengers. This risk would increase even further, if the airport expansion were to be delayed any more. The capacity bottleneck in Frankfurt is a major reason why Frankfurt is unable to participate in air traffic growth phases to the maximum possible extent.

Some airlines remain in a difficult financial situation. Acute weaknesses could force individual airlines to partly or completely discontinue their flight operations or to merge with others and in doing so realign their flight offers to other airports. The slots that would then be freed up at the Frankfurt site could however be made available to other potential customers who we are unable to offer free capacity to at the present time.

The EU is sticking to its planned liberalization of ground handling services that it announced in 2002. On December 4, 2009, the EU Commission launched a public consultation on a possible revision to ground handling services guidelines. The EU Commission is attempting to gain an impression of the views of all stakeholders on the status quo and identify any possible desired changes to ground handling services. Based on the results, which are expected in May 2010 at the latest, decisions will be made on the necessity for regulatory measures and therefore possible revisions to the existing EU guideline. It is currently difficult to predict when the next step in the liberalization process will be made. In the previous year, we reported on the preparations for spinning off the unregulated part of ground handling with the aim of ensuring lasting positive earnings development in ground handling services. We entered into negotiations on the matter with the workers' council and parties involved in the collective pay settlement. We successfully achieved the basis for ensuring this earnings development while at the same time keeping the respective ground handling services in Fraport AG's hands. Having to spin off this part of our ground handling services was therefore avoided.

In the past, we have reported that not insignificant financial impact for Fraport could occour in connection with the implementation of the amendments to the Aircraft Noise Act at the Frankfurt site. Currently, the designation of noise protection areas, made by the state of Hesse, is in the final phase. The designation is subject to be completed in 2010.

Risks in connection with the planned expansion of the airport

The construction of the Northwest Landing Runway, which began at the start of 2009, and the planned third passenger terminal represent the opportunity for Frankfurt Airport to maintain and bolster its status as an international hub airport in the future. The expansion of the airport is one of the main prerequisites for Fraport's participation in the long-term growth of global air traffic.

The expansion plans continue to meet with considerable opposition from various pressure groups in the region. However, the Administrative Court of Hesse in Kassel rejected several test cases against the planned expansion by an overwhelming majority on August 21, 2009. Previously, the court rejected the motions for prohibiting immediate enforceability of the zoning approval with resolutions on January 2, 2009, and January 15, 2009. At this point, Fraport started work on the Northwest Landing Runway. However, a portion of the test cases which focused on fighting individual night flight regulations were successful, particularly the authorization of an average of 17 flights in the so-called "mediation night" (11 p.m. to 5 a.m.). It was stated that the special considerations for avoiding noise disturbance during the night were only delivered on insufficiently. An appeal has been made to the Federal Administrative Court against the decisions, both with regards to the approval of the zoning resolution and over doubts about the legality of the night flight regulations. The Court will make the final ruling.

Given the framework agreement signed with Celanese AG / Ticona GmbH in June 2007, under which Celanese AG / Ticona GmbH obligated itself irrevocably to close the Ticona production plant in Kelsterbach by June 30, 2011, or by December 31, 2011, at the latest, Celanese AG / Ticona GmbH withdrew any complaints and action against the existence and expansion of Frankfurt Airport in summer 2007. This eliminated a major risk that the planned start of operations on the Northwest Landing Runway could be delayed.

The total amount of capital expenditure already capitalized in connection with the airport expansion rose to €1,459.8 million in 2009 as of December 31, 2009. The total amount of capitalized interests relating to the expansion investment totaled €110.7 million on the balance sheet date. If the airport expansion was not feasible or significantly delayed due to the remaining legal risks, most of the capital expenditure already capitalized would be significantly impaired.

Financial risks

"RISK MANAGEMENT REPORT" ACCORDING TO SECTION 315 (2) NO 2 OF THE GERMAN COMMERCIAL CODE (HGB)

With regard to its balance sheet accounts and planned transactions, Fraport is subject in particular to credit risks, interest rate and foreign exchange risks as well as other price risks. We cover interest and foreign exchange rate risks to a large extent 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 business transactions. The scope, responsibilities and controls for the use of derivatives are specified in binding internal guidelines. The existence of a risk which needs to be hedged is the prerequisite for using derivatives.

To check the risk situation, simulations are regularly carried out by Risk Controlling using various worst-case and market scenarios. The Executive Board is regularly informed about the results. The Treasury department is responsible for efficient market risk management. Generally, only risks which affect the Company's cash flows are managed. There can only be open derivative positions in connection with hedging transactions in which the hedged items are cancelled or have not been carried out contrary to planning. In this case, negative fair values are accounted for by provisions for contingent liabilities. Interest rate derivatives are used exclusively to optimize loan terms and to limit risks of changes in interest rates in the context of financing strategies. Derivatives are not used for trading or speculative purposes.

Interest rate risks arise in particular from the capital requirements for the planned capacity expansion and from variable-interest rate financial liabilities. Within the scope of our interest rate risk management policy, we have used and continue to use interest rate derivatives to hedge the interest rate risk in view of the medium-term capital requirements and to take advantage of the interest rates prevailing on the market at that given time. Following the commitment to these interest rate hedging positions, there is the risk that the market interest rate level will decrease with a negative fair value of the interest rate hedging instruments as a result.

Foreign currency risks arise in particular from revenue planned in foreign currencies that is not covered by expenses in matching currencies. We hedge such risk exposure by entering into currency forward transactions.

Credit risks arise mainly from primary financial assets and the positive fair values of derivative financial instruments. We respond to this risk exposure by only closing investments and derivative transactions with credit institutions in the European Union or a country within the OECD with an irreproachable credit standing (at least A– from Standard & Poor's or A3 from Moody's) or with deposit guarantee institutions. The issuers' and issues credit ratings of banks and financial assets are regularly monitored, as are their CDS-spreads.

Other price risks result from the fair value measurement of investments. Most of the investments are assumed to be subject to temporary market fluctuations reversing automatically by the end of the products' maturities, since a repayment in the full nominal amount invested is expected.

Other financial risks

Risks for Fraport's net assets, financial position and results may arise from the current financial market crisis and its effects on the overall economy, and particularly on liquidity and future bank lending practices. As a countermeasure, Fraport has already secured a major portion of the planned "pre-financing" borrowing for future capital expenditures through external financing in the last few years, most recently in the third quarter 2009.

On the back of the banking crisis, there is also a deferred default risk from commercial banks which hold Fraport's deposits. These risks have been reduced by the measures introduced by the EU for stabilizing the capital markets. By the same token, Fraport has initiated various additional measures to curb risks. One measure introduced was a monitoring process for keeping track of the current situation on capital markets. On top of that, financial assets were regrouped under risk considerations.

The difficult economic situation of some airlines might lead to defaults. We deal with this risk as far as possible through active receivables management and by recognizing allowances.

Legal risks

MANILA PROJECT

The investment in Manila, the capital of the Philippines, to build and operate an airport terminal was written-off completely in the financial statements for the year that ended on December 31, 2002. The major ongoing risks and legal disputes in connection with the project are outlined below.

As we already reported in the previous year, Fraport AG applied with the International Centre for Settlement of Investment Disputes (ICSID) to revoke the arbitral award from August 16, 2007, which the ICSID arbitration court expressed by majority vote was not within its jurisdiction. The award focused on Fraport AG's right to damages or compensation from the Republic of the Philippines on the basis of the German-Philippine investment protection treaty. Verbal negotiations took place in the annulment proceedings from August 24, 2009, until August 26, 2009, in Washington D.C. As the ICSID convention only revokes the arbitral award in very few cases, the outcome of these annulment proceedings is still unknown. If Fraport succeeds with this petition, it could again claim damages and compensation in front of a reconstituted ICSID Arbitration Court.

The suit brought by the Philippine Government against PIATCO in 2004 for expropriating the terminal again failed to make any significant progress in 2009.

At the beginning of 2003, the shareholders and directors of PIATCO decided – against the votes of Fraport AG and the PIATCO directors it appointed – to prepare legal action for damages against Fraport AG and its directors because of alleged improper and harmful action against the company. Fraport AG rejects these accusations. It is also disputed whether these resolutions are legally valid. PIATCO has not pursued the claims asserted further as yet.

As already reported, a Philippine law firm as well as a former minister have brought legal action for damages amounting in each case to PHP 100 million (about €1.6 million) against Fraport AG, two board members and two Philippine lawyers of Fraport AG because of alleged defamation. Motions to seize Fraport AG assets on the Philippines were initially granted. As already reported, to avoid the seizure, Fraport AG deposited guarantees as collateral, upon which the responsible court revoked the seizure. All attempts by the plaintiffs to have this decision overturned have been unsuccessful. The principle proceedings remain pending. For the same reason, the plaintiffs filed a complaint leading to public charges in three proceedings. The court has already rejected two of the three charges, in one of these cases in the court of appeal. These decisions were contested by the respective complainants in second and third instance, no final decision has yet been made on corresponding legal action. Fraport AG rejects these accusations.

As we already reported in previous years, various criminal proceedings and investigations have also been initiated against former board members and employees of Fraport AG in the Philippines, in which Fraport AG, in the majority of the cases, is not a directly involved or affected party. There has also not yet been any decision made on a possible arraignment in the suit against a number of individuals from the Fraport AG organization due to a suspected violation of the so-called "Anti-Dummy Law". The outcome of these proceedings and investigations could influence the ICSID arbitration proceedings and / or question the legality of Fraport AG's capital expenditures on the Philippines and could, in the case of a conviction, serve as the basis for proceedings to seize Fraport AG assets in the Philippines. With reference to the accusations made in the proceedings, that the Company is aware of, Fraport AG is still of the opinion that these accusations are false.

In addition, cases relating to the Manila Project are pending in Germany.

OTHER LEGAL RISKS

There is the risk of tax back payments in connection with tax audits that are still to be carried out as well as ongoing actions.

Risks from capital expenditure projects

Fraport AG's investment program is subject to a range of risks. Increases in construction costs, suppliers going out of business, or changes to planning figures could all lead to extra costs.

Due to the increasing market and competitive pressures, future capital costs from the investment programs may only be partially covered by recoverable fees.

Risks attributable to investments and projects

There are general political, economic and company specific risks as well as market risks at individual locations outside Germany.

On February 26, 2009, representatives of the Federal Ministry of the Interior, Fraport AG and Deutsche Lufthansa AG signed a general agreement on aviation security checks at Frankfurt Airport in the future. This paves the way for competition to be gradually established in aviation security checks from 2010 onwards.

Our FraSec GmbH subsidiary can also take part in the tendering processes. A loss of contracts as part of the planned tendering would make significant effects on FraSec GmbH likely.

Other risks

There is a risk of significant increases in contributions to the pay-as-you-go Company pension plan covering Fraport AG employees as a result of turnover induced changes in the number of employees at Fraport AG.

In connection with the outbreak of the so-called swine flu (H1N1 virus), there is the risk of noticeable slumps in air traffic. An emergency plan was prepared to ensure stable operating processes at Frankfurt Airport.

Our business operations in Frankfurt could be adversely affected by events such as accidents, terrorist attacks, fire or technical problems. Fraport AG's insurance coverage covers the normal risks airport companies face. It especially includes occurrences of damage that lead to the loss or harming of property, including any consequential business interruption costs as well as claims for damages by third parties arising from Fraport AG's corporate liability risks. Since January 2003, the risk in connection with liability claims by third parties attributable to war and terrorist attacks has been covered by private insurance companies up to a maximum of US$1 billion. This also applies to Fraport AG's majority-owned investments in Germany and abroad which are covered by the Fraport corporate liability insurance policy. The Company is also covered against risks of environmental damage from accidents for up to €32 million.

All of the IT systems of critical importance to the Company are always installed on a redundant basis and are optionally housed at separate locations. It goes without saying that residual risks resulting from the architecture and operation of the IT facilities cannot be completely eliminated.

Due to the ongoing development of new technologies and the expansion program, there is an underlying risk potential for IT systems. Fraport AG takes account of this situation by applying an active IT security management policy. The requirements for IT security are specified in the IT security policy and security guidelines which must be followed company-wide. Compliance with these guidelines is verified regularly. Insurance coverage is obtained for damage claims relating to residual risks wherever possible and appropriate.

Overall risk evaluation

The overall evaluation of the risk situation revealed that the continued existence of Fraport is not at risk as far as its assets and liquidity are concerned and that no risks which might jeopardize the Company's existence are apparent for the foreseeable future. However, if the airport expansion was not feasible or considerably delayed due to the remaining legal risks, most of the capital expenditure already capitalized would be impaired and Frankfurt would be weakened in its market position as an international hub in the long-term.

Business opportunities

Opportunities from the development of the general economic situation

Economic expectations around the world have picked up significantly since summer 2009, and the situation in the real economy is improving every month.

There is also light at the end of the tunnel when it comes to air traffic: Around the world, the worst appears to be over both in terms of the downturn in passenger volume and airfreight tonnage, which serves as an early indicator of general economic development. Since first quarter 2009, declines in traffic have not been as severe as in the previous year at airports worldwide. Moderate growth even seems possible for 2010, albeit at a low level in absolute terms. Despite the experiences gained in the last year, which was dominated by the crisis, all signs continue to point towards global air traffic return to its long-term growth track in the current year.

Structurally, and largely independent of the economic situation, the international integration of the globalized world economy continues to increase. There is no foreseeable change in the trend of distributing purchasing, production and sales around the globe. We are also continuing to see the trend that global companies are increasing their workforce worldwide and that many of these employees have to commute between their home countries and workplaces around the globe. Global air traffic is a key infrastructural basis for continuing the internationalization process.

This trend is supported by the dynamic development of numerous emerging nations (e.g. the so-called BRIC countries), in which new boom markets are being established. The rise in the standard of living in these countries is key to the growth of air travel, not least because 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 financial and worldwide economic crises, if at all.

Experience with the growth cycles of the past has shown us that market fluctuations can interrupt the upward development of world air travel in general, but not halt it sustainably and send it downward.

Opportunities in corporate strategy

Capacities at the Frankfurt site will substantially increase when the planned expansion program is completed. Qualified growth is essential if these new capacities are to be utilized rapidly and in a way which fully exploits their intrinsic value. Dynamic development in passenger numbers forms the basis for positive development at the site – something that is made possible by the new Northwest Landing Runway. Our sales activities therefore continue to focus on North American traffic and long-distance carriers from the Asian growth region.

On top of that, we have identified three main growth drivers for the Fraport Group in the future:

AIRPORT RETAILING

Airport retailing at the Frankfurt site remains on its growth track despite the economic crisis. Extending and modernizing retail space in the terminals continues to be an integral part of our growth plans for retail business. Appropriate passenger flow management also ensures that the new retail opportunities are utilized by passengers.

EXTERNAL BUSINESS

The External Activities & Services segment is now perfectly positioned after successfully streamlining its portfolio (selling the low-margin security business of the ICTS subsidiary and Frankfurt-Hahn Airport, which operated at a loss). We are now represented on four continents. In addition to Frankfurt, Fraport owns or runs four other airports with a 50 percent share or more. On top of that, the Company has a minority share or management contracts in seven additional airports. The profit contribution of external business to the overall profit of the Fraport Group is set to substantially rise in the next few years on the back of positive development in the existing investment portfolio. In addition, we will continue to pursue our aim of expanding our external activities.

AIRPORT CITY

Around the globe, hub airports are turning into airport cities. Fraport picked up on this trend and identified locations for possible real estate marketing. In addition, the Company is aiming to benefit more than previously from in-house efforts towards creating added value in property developments as part of selected projects.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After Fraport and airline representatives agreed on the aviation fees for 2010 and 2011 for Frankfurt Airport in December 2009, they were also able to reach agreement on aviation fees between 2012 and 2015 on February 19, 2010. While the agreement concluded in December plans a staggered increase in fees (increasing by 4 percent on July 1, 2010, another 3 percent on October 1, 2010, a further 3 percent on April 1, 2011 and another 2.5 percent on October 1, 2011), the agreement for the years 2012 to 2015 is based on the current traffic development projections for Frankfurt Airport – planning an annual increase in fees of 2.9 percent. If actual passenger development is higher or lower than forecast, then the contract provides for a bonus-malus approach. Adjusting the airport fees at Frankfurt Airport is an important factor in financing the large capital expenditures made in securing the future viability of the airport. The agreements provide the best possible planning reliability for all involved parties.

Beyond that there have been no further significant events after the balance sheet date.

OUTLOOK

Our assumptions regarding future developments assume that international air traffic will not be influenced by external shocks like terrorist attacks, wars, epidemics or new turbulences on the capital markets. All statements regarding future revenue and earnings development are based on accounting principles valid today and from January 1, 2010 onwards.

Outlook 2010

Development of the economic environment

Although it is widely believed that the worst of the economic downturn is now behind us, there is still a lot of uncertainty in forecasting due to current developments in the general economic environment in connection with the ongoing after-effects of the financial market and economic crisis. The lasting structural impacts of the economic downturn can still only be roughly estimated, both in their scope and duration. Nevertheless, economic forecasts for 2009 / 2010 have been continually revised upward since summer 2009. Leading national and international economic research institutes and banks are currently forecasting growth of 3 to 4 percent for the global economy in 2010.

This will include above-average growth for the Asian emerging markets, Middle East and Africa as well as parts of Latin America. However, this will not be able to completely balance out the negative impacts of the crisis just yet. With expected growth of 2.7 to 3.5 percent, the U. S. are set to once again be the driving force among industrialized countries, for which growth of around 2 percent is forecast overall. Economists are also predicting slightly above-average growth of 1.5 to 2 percent for the German gross domestic product in the coming year compared to the rest of the eurozone. Global trade is likely to significantly increase again but not quite return to pre-crisis levels. No further price hikes are expected on the crude oil market (start of January 2010 at around US $ 80, anticipated annual average for 2010 at US $ 76 per barrel of crude oil) (Sources: Deutsche Bank, January 8, 2010, OECD, November 2009, IMF, October 2009, DekaBank, January 15, 2010).

General legal environment for German aviation

At the beginning of 2007, the European Commission launched a legislative initiative to create a uniform legal framework for airport fees in European air traffic. The directive came into effect in March 2009 and has to be implemented in national law until

March 2011. A full implementation would, among others, include the free choice of the business model (single till or dual till), as well as the possibility to pre-finance capital expenditures used for expansion measures. The Federal Ministry of Transport, Building and Urban Development currently is working on the legal implementation. We will have to wait and see in how far the European directive will be implemented in national law.

In 2007, the European Commission published a note on the current implementation of the directive on the liberalization of ground handling services at European airports. The European Parliament reacted on that with an initiative report and claimed not to liberalize the market further unless an impact assessment was done. The study commissioned by the European Commission on this behalf was published in April 2009. Despite the fact, that there is no new draft on the revision of the directive, the topic is continued to be discussed. The European Commission started a public consultation on this behalf in December 2009. As we do not know how this situation will develop, it is impossible to foresee the resulting effects.

In July 2008, the EU Parliament approved the inclusion of air traffic in EU emissions trading. This means that starting in 2012, every flight originating or landing at an EU airport will be included in the EU emissions trading system. The total amount of certificates to be distributed will amount to 97 percent of the average amount of emissions from 2004 to 2006. A further reduction to 95 percent is planned for the years 2013 to 2020. In addition, 15 percent of the apportioned emission rights will be assigned through auctions. Currently, each of the member states is working to implement these objectives in their respective national laws. Germany will likely have completed its initial draft in 2010. The inclusion of air traffic in the greenhouse gas emission trading system affects airlines first and foremost. Airports only play a minor role in the emission of greenhouse gases. Overall, these measures will lead to an additional burden for the entire air traffic industry as from 2012.

In September 2009, the European Commission formally resolved to include airports and flights / air traffic control as well. The European Aviation Safety Agency (EASA) will have, as the top European aviation authority, greater influence on airports from 2013 as a result of this resolution. All regional legislation and regulations regarding the operation and approval of airports, air traffic management and air traffic controlling services will therefore be replaced by unified European legislation and regulations. Due to ongoing legislative proceedings, the resulting effects of this development cannot yet be fully ascertained.

Overall, the emerging changes in Fraport AG's legal environment could have an impact on the German aviation industry in general and therefore also affect Fraport AG.

Development of air traffic

While the IATA and ICAO have forecast growth of between 3 and 5 percent for airlines in passenger kilometers in the fiscal year 2010, the ACI anticipates a somewhat more moderate recovery of 2.5 percent in passenger numbers at airports for 2010 (IATA and ICAO, December 2009, ACI, November 2009).

Frankfurt Airport will also be able to benefit from the upturn in worldwide air traffic. A moderate gain in passenger numbers of between 1 and 2 percent is therefore anticipated for 2010. Due to the very low base level from the previous year, we expect tangible catch-up growth in the first two quarters of the year which is likely to level off slightly in the rest of the year due to the recovery in the second half of 2009. However, this will still be unlikely to fully offset the impact the crisis has had on traffic. Strong growth is expected in cargo volumes. Fraport remains optimistic for the medium-term period after the current crisis. The Company has made a clear statement by starting work on the new Landing Runway and in doing so has also enhanced airlines' planning reliability. The project will preserve the future viability of Frankfurt Airport and allow Fraport to make the most of the usual post-crisis catch-up growth when the new Landing Runway is completed in time for the winter schedule 2011 / 2012.

International vacation travel patterns for 2010 are currently difficult to forecast. Slides like those recorded in 2009 for foreign passengers in **Antalya**, **Varna** and **Burgas** are not likely to be repeated, especially as the key source countries for these airports are likely to experience tangible economic growth again in 2010.

Traffic growth is again expected for the airport in **Lima**. The South American continent is anticipated to keep pace with worldwide economic development, with forecast growth of 3 to 4 percent. This will keep regional demand for air travel on its growth track. Even North American traffic, which is important for Peruvian tourism but has recently been on the wane, could show more favorable development again in keeping with the overall economic recovery in the U.S.

A significant rise in **cargo tonnage** is anticipated on the back of the global economic turnaround and the growth in freight traffic established a few months ago. Frankfurt Airport will be able to latch onto this development, as will our other airports (Sources: Deutsche Bank, January 21, 2010, OECD, November 2009, IMF, January 2010, DekaBank, January 15, 2010).

Revenue and earnings development

On the back of the anticipated growth in air traffic, an increase in Fraport **Group's revenue** is envisaged in the fiscal year 2010. On top of the expected recovery in traffic figures, revenue should also be positively influenced by the gradual increase in airport fees from July 1, 2010, and October 1, 2010, as well as rising parking proceeds in the Retail & Real Estate segment. Away from the Frankfurt site, the investment in Antalya is set to benefit from the first-time full year consolidation of the second international terminal. In addition, the changed accounting standards for IFRIC 12 are having a positive impact on the reported revenue figures from the investments in Lima, Bulgaria and Antalya. In contrast, Group revenue will be negatively hit by the expected fall in proceeds from ground handling service fees in connection with the changed charging of the cabin interior cleaning as well as the loss the contract for providing air security services at Frankfurt's Terminal 2 in line with Section 5 of the Aviation Security Act.

Given the rise in Group revenue, **Group EBITDA** will also increase again in the coming fiscal year and will likely reach at least € 600 million.

Higher interest expenses and a decline in the financial result will lead to a fall in **Group profit** compared to the fiscal year 2009.

In keeping with the planned dividend continuity and the positive prospects for earnings in the long-term, the Executive Board aims to keep **dividends** per share at the same level as the 2009 fiscal year.

Development in the Fraport segments

Despite the gradual increase in airport fees from July 1, 2010, and October 1, 2010, and the recovery in traffic figures, Fraport is expecting revenue in the **Aviation** segment to be on a par with the previous year in 2010. This is due in part to the loss of the contract for providing air security services at Frankfurt's Terminal 2 in line with Section 5 of the Aviation Security Act. Segment EBITDA is also likely to remain at around the same level as 2009, as expenses will not change. Increasing depreciation and amortization from capital expenditures will result in a decline in segment EBIT in 2010.

Rising proceeds from the retail and parking business will drive an increase in revenue in the **Retail & Real Estate** segment compared to the 2009 fiscal year. The continued heavy capital expenditure, higher energy costs and costs for the Mönchhof-site development will lead to a rise in terms of expenses. All in all, segment EBITDA is therefore expected to be below the 2009 figure. Increasing depreciation and amortization will lead to a decline in EBIT in the coming fiscal year.

Fraport is currently anticipating slightly negative revenue development in the **Ground Handling** segment in 2010. The increase in infrastructural fees will play a major role in increasing revenue. However, this will probably be cancelled out by a fall in proceeds from ground handling service fees in connection with the changed charging of the cabin interior cleaning. The "Pact for the Future 2018" is likely to result in a stabilization in expenses in 2010. All in all, EBITDA is expected to maintain 2009 levels. Segment EBIT will remain negative despite the impairment loss of € 20 million recognized in 2009.

The business development of the **External Activities & Services** segment is likely to be influenced by two positive effects in 2010: On the one hand, the first-time full year consolidation of the second international terminal at the Antalya investment will lead to a substantial increase in revenue and earnings. On the other, the changed accounting standards for IFRIC 12 are having a positive impact on revenue and earnings at the investments in Lima, Bulgaria, and Antalya. On the back of these effects, the fiscal year 2010 is likely to see a substantial increase in segment revenue, EBITDA and EBIT.

Asset and financial situation

The Fraport Group's **capital expenditure** situation will continue to be driven by sustained high investments in the expansion and modernization of the Frankfurt site. Lower capital expenditure on financial assets is however likely to result in a reduction in investment volume compared to 2009.

The Fraport Group's capital expenditure is also reflected in the **cash flow statement** and **balance sheet** of the group. **Total assets** are again expected to rise in 2010 as a result of the ongoing capital expenditure and the capitalization of concessions payable at our Group investments in connection with the changed accounting standards for IFRIC 12.

Operating cash flow is therefore likely to exceed the 2009 figure in line with the anticipated increase in revenue. Due to the continued high cash outflows for capital expenditure, the amount of **liquid funds** will substantially fall in the fiscal year 2010. **Free cash flow** will continue to post negative figures in 2010.

As a result, **net financial debt** and the **gearing ratio** will probably increase in 2010 to € 2.5 billion or 110 percent.

Preview 2011

Given the continued economic recovery, Fraport is expecting **Group revenue**, **Group EBITDA** and **Group profit** to grow in 2011 compared to the 2010 fiscal year, although Group profit will be below 2009's level due to higher depreciation and an ongoing negative financial result. On top of the anticipated recovery in global air travel, other key drivers of revenue growth in 2011 are expected to be the gradual increase in airport fees on April 1, 2011, and October 1, 2011, as well as the launch of the new Northwest Landing Runway in time for the winter timetable 2011 / 2012. The Executive Board aims to keep **dividends** per share at the same level as in 2010.

On the back of the anticipated recovery in the world economy, Fraport AG is anticipating a rebound in the development of passenger numbers in 2011. This should in turn boost revenue in the **Aviation** segment. On top of the rise in passenger numbers, other key drivers of revenue growth in 2011 are expected to be the gradual increase in airport fees on April 1, 2011, and October 1, 2011, as well as the launch of the new Northwest Landing Runway in time for the winter timetable 2011 / 2012. A below-average increase in expenses will lead to growth in segment EBITDA. Despite the continued impacts of amortization and depreciation for capital expenditure, segment EBIT for 2011 is expected to come in higher than 2010.

In 2011, the **Retail & Real Estate** segment is likely to see a rise in revenue and EBITDA compared to 2010 from increasing passenger numbers and the expansion of Retail & Real Estate activities at the Frankfurt site. Despite increased depreciation and amortization, the segment EBIT is also set to exceed that of 2010.

In the fiscal year 2011, the recovering traffic figures are likely to positively influence revenue in the **Ground Handling** segment. In terms of expenses, the "Pact for the Future 2018" will continue to be a positive factor, contributing to a rise in segment EBITDA compared to 2010. The continuing impacts of depreciation and amortization will mean that segment EBIT remains negative.

We are also anticipating overall positive development in the **External Activities & Services** segment in the fiscal year 2011. Despite the expected growth in traffic, revenue in 2011 will fall short of 2010 levels due to a reduction in capital expenditure at the majority-owned investments and the resulting decline in reported revenue from long-term service concessions – in connection with the IFRIC 12 accounting regulation. At the same time, expenses are set to fall, leading to a further rise in segment EBITDA and segment EBIT.

General statement on the outlook report

The positive overall outlook for the Fraport Group remains unchanged.

Due to the wide-ranging, forward-looking capital expenditures at the Frankfurt site, a temporary reduction in Group profit (compared with the fiscal year 2009) is expected for the coming years, as is an increase in net debt. However, Group profit should remain in the three-digit million range despite increasing costs from depreciation and amortization and higher interest expenses.

In the coming years, the recovery in air traffic and increase in airport fees are likely to have a positive impact on revenue and earnings development at the Frankfurt site. The planned launch of the new Landing Runway at Frankfurt Airport in time for the winter timetable 2011 / 2012 will allow both Frankfurt Airport and the Fraport Group as a whole to make the most of the growth in the global aviation industry.

When it comes to external business, the first-time full year consolidation of the second international terminal at the Antalya investment in 2010 in particular will considerably boost earnings development in the Group. Growth away from the Frankfurt site will continue to ensure that Fraport is able to participate in other global growth markets.

Thanks to active finance management, we see no further risks to the financing of our investing requirements at the Frankfurt site or in our external business despite the temporary increase in net debt.

Frankfurt am Main, March 1, 2010
Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte	Mai
Schmitz	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 not only but among other things the competitive environment in liberalized markets, regulatory changes, the success of business operations, as well as considerably adverse general economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its investments operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.

Consolidated financial statement

CONSOLIDATED FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT

€ million	Notes	2009	2008 adjusted
Revenue	(5)	**1,972.6**	**2,101.6**
Change in work-in-process	(6)	0.9	0.4
Other internal work capitalized	(7)	39.1	33.8
Other operating income	(8)	45.3	66.1
Total revenue		**2,057.9**	**2,201.9**
Cost of materials	(9)	–450.7	–471.1
Personnel expenses	(10)	–866.9	–925.6
Depreciation and amortization	(11)	–262.5	–241.5
Other operating expenses	(12)	–187.4	–204.5
Operating profit		**290.4**	**359.2**
Interest income	(13)	40.6	49.2
Interest expenses	(13)	–123.1	–120.2
Share of profit / loss of investments accounted for using the equity method	(14)	4.3	–15.1
Write-downs on financial assets	(15)	–7.2	0.0
Income from investments	(16)	0.1	0.1
Other financial results	(17)	–3.9	24.2
Financial result		**–89.2**	**–61.8**
EBT (Result from ordinary operations)		**201.2**	**297.4**
Taxes on income	(18)	–43.9	–100.5
Group profit		**157.3**	**196.9**
Profit attributable to equity holders of Fraport AG		**7.3**	**7.2**
Profit attributable to minority interests		**150.0**	**189.7**
Earnings per € 10 share in €	(19)		
basic		1.64	2.07
diluted		1.63	2.05
EBIT (= Operating profit)		**290.4**	**359.2**
EBITDA (= EBIT + depreciation and amortization)		**552.9**	**600.7**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	2009	2008 adjusted
Group profit for the year	157.3	196.9
Fair value changes of derivatives		
Changes directly recognized in equity	–41.5	–84.4
thereof realized gains (+) / losses (–)	–18.5	2.7
	–23.0	**–87.1**
Deferred taxes related to those items	6.8	25.8
Fair value changes of financial instruments held for sale		
Changes directly recognized in equity	10.4	–35.3
thereof realized gains (+) / losses (–)	0.0	0.7
	10.4	**–36.0**
Deferred taxes related to those items	0.3	11.0
Foreign currency translation of subsidiaries	–5.0	4.3
Deferred taxes on income and expenses recognized in equity	7.1	36.8
Total income and expenses recognized in equity	**–10.5**	**–82.0**
Comprehensive income	**146.8**	**114.9**
thereof attributable to minority interests	7.3	7.2
thereof attributable to shareholders of Fraport AG	139.5	107.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

€ million	Notes	Balance at Dec. 31, 2009	Balance at Dec. 31, 2008	Jan. 1, 2008 adjusted
Non-current assets				
Goodwill	(20)	40.0	22.7	22.7
Other intangible assets	(21)	34.0	33.3	43.9
Investments in airport operating projects	(22)	902.3	597.6	570.3
Property, plant and equipment	(23)	4,486.4	3,968.6	3,628.6
Investment property	(24)	34.7	9.0	10.1
Investments accounted for using the equity method	(25)	72.9	72.4	37.1
Other financial assets	(26)	474.7	205.4	252.2
Other receivables and other assets	(27)	20.0	42.4	58.5
Income tax receivable	(28)	23.6	26.6	33.5
Deferred tax assets	(29)	56.2	30.4	7.2
		6,144.8	**5,008.4**	**4,664.1**
Current assets				
Inventories	(30)	54.0	47.4	39.5
Trade accounts receivable	(31)	158.4	154.9	154.6
Other receivables and other assets	(27)	492.2	205.1	76.6
Income tax receivable	(28)	5.3	7.8	13.2
Cash and cash equivalents	(32)	1,802.3	1,154.8	651.3
		2,512.2	**1,570.0**	**935.2**
Non-current assets held for sale	(33)	0.0	0.0	165.6
		2,512.2	**1,570.0**	**1,100.8**
		8,657.0	**6,578.4**	**5,764.9**

LIABILITIES AND EQUITY

€ million	Notes	Balance at Dec. 31, 2009	Balance at Dec. 31, 2008	Jan. 1, 2008 adjusted
Shareholders' equity				
Issued capital	(34)	917.7	916.1	914.6
Capital reserves	(34)	578.3	573.1	565.2
Revenue reserves	(34)	946.4	913.2	916.7
Group retained earnings	(34)	106.2	105.6	105.3
Issued capital and reserves attributable to equity holders of Fraport AG	(34)	2,548.6	2,508.0	2,501.8
Minority interests, presented within equity	(35)	34.3	60.2	33.0
		2,582.9	**2,568.2**	**2,534.8**
Non-current liabilities				
Financial liabilities	(36)	4,126.9	1,685.3	830.6
Trade accounts payable	(37)	114.7	192.9	365.6
Other liabilities	(38)	692.1	514.8	451.7
Deferred tax liabilities	(39)	139.7	123.5	108.3
Provisions for pensions and similar obligations	(40)	20.3	19.0	19.4
Provisions for income taxes	(41)	135.0	170.0	163.0
Other provisions	(42)	129.9	101.0	136.2
		5,358.6	**2,806.5**	**2,074.8**
Current liabilities				
Financial liabilities	(36)	118.9	555.5	367.8
Trade accounts payable	(37)	219.8	393.8	441.5
Other liabilities	(38)	131.2	63.6	75.7
Provisions for income taxes	(41)	6.7	1.9	14.2
Other provisions	(42)	238.9	188.9	185.3
		715.5	**1,203.7**	**1,084.5**
Liabilities in the context of assets held for sale	(33)	0.0	0.0	70.8
		715.5	**1,203.7**	**1,155.3**
		8,657.0	**6,578.4**	**5,764.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	Notes	2009	2008 adjusted
Profit attributable to equity holders of Fraport AG	(34)	**150.0**	**189.7**
Profit attributable to minority interests		7.3	7.2
Adjustments for			
Taxes on income	(18)	43.9	100.5
Depreciation and write-downs on financial assets	(11) (15)	269.7	241.5
Interest result	(13)	82.5	71.0
Income from investments	(16)	–0.1	–0.1
Gains/losses from disposals of non-current assets		11.9	35.1
Others		1.5	–8.2
Changes in investments accounted for using the equity method	(14)	–4.3	15.1
Changes in inventories	(30)	–6.6	–7.9
Changes in receivables and other financial assets	(27)	–40.9	20.1
Changes in liabilities	(38)	33.6	–45.9
Changes in provisions	(42)	17.1	–15.5
Operational activities		**565.6**	**602.6**
Financial activities			
Interest paid		–65.4	–66.1
Interest received		29.9	47.7
Dividends received		0.1	0.1
Taxes on income paid		–103.7	–91.8
Cash flow from operating activities	(45)	**426.5**	**492.5**
Capital expenditures for other intangible assets	(21)	–6.1	–6.2
Investments in airport operating projects	(22)	–53.4	–90.6
Capital expenditures for property, plant and equipment	(23)	–1,051.8	–766.3
Investment property	(24)	–26.6	–0.1
Capital expenditures for investments accounted for using the equity method	(25)	–0.4	–45.6
Other financial investments (long-term)	(26)	–352.3	–95.7
Other financial investments (short-term)		–228.6	–80.1
Change in cash and cash equivalents (with a duration of more than 3 months)	(32)	–1,698.4	–
Advanced payments in future investments	(2)	–	–62.6
Acquisition of consolidated companies	(2)	–0.5	–
Disposal of consolidated companies		–0.8	61.7
Proceeds from disposals of non-current assets		10.5	2.7
Proceeds from disposals of other financial assets		1.9	87.1
Cash flow used in investing activities	(45)	**–3,406.5**	**–995.7**
Dividends paid to shareholders of Fraport AG	(34)	–105.4	–105.2
Dividends paid to minority shareholders		–1.2	–1.1
Capital increase	(34)	6.8	13.0
Cash inflow from long-term financial liabilities	(36)	2,530.0	922.7
Repayment of long-term financial liabilities		–61.6	–146.7
Changes in short-term financial liabilities		–439.2	274.9
Cash flow from financing activities	(45)	**1,929.4**	**957.6**
Consolidation effects on cash and cash equivalents		–0.3	38.4
Restricted cash	(32)	–30.0	–34.2
Change in cash and cash equivalents		**–1,080.9**	**458.6**
Cash and cash equivalents on January 1		1,120.6	622.9
Foreign currency translation effect on cash and cash equivalents		0.0	10.7
Restricted cash previous year		34.2	28.4
Cash and cash equivalents on December 31	(32) (45)	**73.9**	**1,120.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Notes	Issued capital	Capital reserves	Revenue reserves				Group retained earnings	Equity attributable to shareholders of Fraport AG	Equity attributable to minority interests	Total
				Legal reserves	Revenue reserves	Foreign currency reserves	Revaluation reserves				
Balance at January 1, 2008 (adjusted)		**914.6**	**565.2**	**36.5**	**851.6**	**–5.6**	**34.2**	**105.3**	**2,501.8**	**33.0**	**2,534.8**
Foreign currency translation differences		–	–	–	–	4.3	–	–	4.3	–1.0	3.3
Fair value changes of financial assets held for sale		–	–	–	–	–	–25.0	–	–25.0	–	–25.0
Fair value changes of derivatives		–	–	–	–	–	–61.3	–	–61.3	–	–61.3
Net gain (+) / Net costs (–) directly included in equity		0.0	0.0	0.0	0.0	4.3	–86.3	0.0	–82.0	–1.0	–83.0
Capital increase Frankfurt-Hahn Airport / FraCareS		–	–	–	–	–	–	–	0.0	6.9	6.9
Sale of shares LAP		–	–	–	–	–	–	–	0.0	12.3	12.3
Issue of shares for employee investment plan		1.0	3.5	–	–	–	–	–	4.5	–	4.5
Transfer of treasury shares		0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management Stock Options Plan											
Capital increase for exercise of options		0.4	1.2	–	–	–	–	–	1.6	–	1.6
Value of performed services (fair value)		–	3.1	–	–	–	–	–	3.1	–	3.1
Distribution		–	–	–	–	–	–	–105.2	–105.2	–1.1	–106.3
Group profit for the year		–	–	–	84.1	–	–	105.6	189.7	7.2	196.9
Consolidation activity / other changes		–	–	–	–5.6	–	–	–0.1	–5.7	2.9	–2.8
Balance at December 31, 2008	(34) (35)	**916.1**	**573.1**	**36.5**	**930.1**	**–1.3**	**–52.1**	**105.6**	**2,508.0**	**60.2**	**2,568.2**
Balance at January 1, 2009		**916.1**	**573.1**	**36.5**	**930.1**	**–1.3**	**–52.1**	**105.6**	**2,508.0**	**60.2**	**2,568.2**
Foreign currency translation differences		–	–	–	–	–5.0	–	–	–5.0	1.5	–3.5
Fair value of financial assets held for sale		–	–	–	–	–	10.7	–	10.7	–	10.7
Fair value changes of derivatives		–	–	–	–	–	–16.2	–	–16.2	–	–16.2
Net gain (+) / Net costs (–) directly included in equity		0.0	0.0	0.0	0.0	–5.0	–5.5	0.0	–10.5	1.5	–9.0
Deconsolidation of Frankfurt-Hahn		–	–	–	–	–	–	–	0.0	–33.7	–33.7
Capital increase FPS		–	–	–	–	–	–	–	0.0	0.2	0.2
Issue of shares for employee investment plan		1.4	2.4	–	–	–	–	–	3.8	–	3.8
Transfer of treasury shares		0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management Stock Options Plan											
Capital increase for exercise of options		0.1	0.1	–	–	–	–	–	0.2	–	0.2
Value of performed services (fair value)		–	2.6	–	–	–	–	–	2.6	–	2.6
Distribution		–	–	–	–	–	–	–105.4	–105.4	–1.2	–106.6
Group profit for the year		–	–	–	43.8	–	–	106.2	150.0	7.3	157.3
Consolidation activity / other changes		–	–	–	–1.8	–	1.7	–0.2	–0.3	–	–0.3
Balance at December 31, 2009	(34) (35)	**917.7**	**578.3**	**36.5**	**972.1**	**–6.3**	**–55.9**	**106.2**	**2,548.6**	**34.3**	**2,582.9**

CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS

€ million	Goodwill	Other intangible assets	Investments in airport operating projects	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, operating and office equipment	Construction in progress
Acquisition / production costs							
Balance at Jan.1, 2009	**128.2**	**116.9**	**642.1**	**3,912.8**	**1,719.7**	**388.9**	**1,249.2**
Changes due to foreign currency differences		–0.1	–6.1			–0.3	
Additions	17.3	7.3	139.9	303.0	73.2	20.5	493.2
Disposals		–0.8		–24.1	–28.1	–22.0	–12.4
Changes in consolidation		–0.7	203.5	–144.2	–65.4	–27.2	–5.9
Reclassifications		1.9	6.5	109.6	12.9	6.1	–129.2
Balance at Dec. 31, 2009	**145.5**	**124.5**	**985.9**	**4,157.1**	**1,712.3**	**366.0**	**1,594.9**
Accumulated depreciation							
Balance at Jan. 1, 2009	**105.5**	**83.6**	**44.5**	**1,739.1**	**1,321.0**	**240.8**	**1.1**
Changes due to foreign currency differences			–1.1			–0.2	
Impairment losses in acc. with IAS 36					0.2	19.8	
Additions		7.9	40.6	111.3	53.7	28.9	
Disposals		–0.7	0.0	–22.6	–27.0	–21.0	
Changes in consolidation		–0.3	–0.4	–49.1	–34.1	–18.0	
Reclassifications				–1.1	–1.4	2.5	
Write-ups							
Balance at Dec. 31, 2009	**105.5**	**90.5**	**83.6**	**1,777.6**	**1,312.4**	**252.8**	**1.1**
Net book values							
Balance at Dec. 31, 2009	**40.0**	**34.0**	**902.3**	**2,379.5**	**399.9**	**113.2**	**1,593.8**
Acquisition / production costs							
Balance at Jan.1, 2008 adjusted	**128.2**	**128.0**	**589.4**	**3,526.4**	**1,604.9**	**358.9**	**1,348.8**
Changes due to foreign currency differences		–0.1	7.7			0.2	
Additions		6.2	42.8	225.2	75.0	46.1	220.0
Disposals		–17.6		–76.5	–18.1	–21.8	–8.2
Reclassifications		0.4	2.2	237.7	57.9	5.5	–311.4
Balance at Dec. 31, 2008	**128.2**	**116.9**	**642.1**	**3,912.8**	**1,719.7**	**388.9**	**1,249.2**
Accumulated depreciation							
Balance at Jan. 1, 2008 adjusted	**105.5**	**84.1**	**19.1**	**1,700.8**	**1,278.2**	**230.3**	**1.1**
Changes due to foreign currency differences		–0.1	6.7				
Impairment losses in acc. with IAS 36				14.6	6.2	2.1	
Additions		9.7	18.7	101.0	54.7	28.9	
Disposals		–10.1		–74.0	–18.1	–20.5	
Reclassifications				–3.3			
Write-ups							
Balance at Dec. 31, 2008	**105.5**	**83.6**	**44.5**	**1,739.1**	**1,321.0**	**240.8**	**1.1**
Net book values							
Balance at Dec. 31, 2008 (adjusted)	**22.7**	**33.3**	**597.6**	**2,173.7**	**398.7**	**148.1**	**1,248.1**

* This relates to subsidiaries, joint ventures, associated companies and investments

	Property, plant and equipment (total)	Investment property	Investments accounted for using the equity method	Other investments	Available-for-sale securities	At-fair-value securities	Loan to investments*	Other loans	Other financial assets (total)
	7,270.6	18.9	143.1	53.2	101.9	50.9	69.5	16.4	291.9
	−0.3		−1.8						
	889.9	26.6	5.0		183.1		2.4	166.8	352.3
	−86.6	−0.2	−2.7	−0.8	−0.1			−1.1	−2.0
	−242.7	−7.8							
	−0.6	3.4			−55.0	−30.0			−85.0
	7,830.3	40.9	143.6	52.4	229.9	20.9	71.9	182.1	557.2
	3,302.0	9.9	70.7	12.5	0.6	2.4	67.5	3.5	86.5
	−0.2								
	20.0							7.2	7.2
	193.9	0.1					0.6		0.6
	−70.6				−0.1				−0.1
	−101.2	−3.8							
	0.0					−1.2			−1.2
	0.0				−9.7	−0.8			−10.5
	3,343.9	6.2	70.7	12.5	−9.2	0.4	68.1	10.7	82.5
	4,486.4	34.7	72.9	39.9	239.1	20.5	3.8	171.4	474.7
	6,839.0	11.1	91.2	17.5	61.9	150.9	67.6	13.0	310.9
	0.2		6.0						
	566.3	0.1	48.6	35.7	55.0		0.5	4.5	95.7
	−124.6		−2.7		−15.0	−100.0	−1.6	−1.1	−117.7
	−10.3	7.7					3.0		3.0
	7,270.6	18.9	143.1	53.2	101.9	50.9	69.5	16.4	291.9
	3,210.4	1.0	54.1	12.5	−30.4	5.5	67.5	3.6	58.7
	0.0								
	22.9	5.1	16.6						
	184.6	0.5							
	−112.6				0.9	−25.8			−24.9
	−3.3	3.3							
	0.0				30.1	22.7		−0.1	52.7
	3,302.0	9.9	70.7	12.5	0.6	2.4	67.5	3.5	86.5
	3,968.6	9.0	72.4	40.7	101.3	48.5	2.0	12.9	205.4

SEGMENT REPORTING

(Note 44)

SEGMENT REPORTING

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Adjust-ments	Group
Revenue	2009	683.7	362.9	620.8	305.2	–	1,972.6
	2008	711.8	370.7	642.7	376.4	–	2,101.6
Other income	2009	34.1	13.1	17.3	20.8	–	85.3
	2008	43.6	26.2	11.6	18.8	–	100.3
Third-party revenue	**2009**	**717.8**	**376.0**	**638.1**	**326.0**	**–**	**2,057.9**
	2008	**755.4**	**396.9**	**654.3**	**395.3**	**–**	**2,201.9**
Inter-segment revenue	2009	43.6	235.4	21.9	293.9	– 594.8	–
	2008	41.4	217.0	20.4	292.1	– 570.9	–
Total revenue	2009	761.4	611.4	660.0	619.9	– 594.8	2,057.9
	2008	796.8	613.9	674.7	687.4	– 570.9	2,201.9
Segment result (EBIT)	**2009**	**40.1**	**221.7**	**– 38.5**	**67.1**	**0.0**	**290.4**
	2008	**92.5**	**228.2**	**18.8**	**19.7**	**0.0**	**359.2**
Depreciation and amortization of segment assets	2009	75.7	58.2	54.2	74.4	–	262.5
	2008	68.9	58.5	33.3	80.8	–	241.5
EBITDA	**2009**	**115.8**	**279.9**	**15.7**	**141.5**	**–**	**552.9**
	2008	**161.4**	**286.7**	**52.1**	**100.5**	**–**	**600.7**
Share of results of investments accounted for using the equity method	2009	0.0	0.3	0.4	3.6	–	4.3
	2008	0.0	– 1.0	0.9	– 15.0	–	– 15.1
Income from investments	2009	0.0	0.0	0.1	0.0	–	0.1
	2008	0.0	0.0	0.1	0.0	–	0.1
Book values of segment assets	2009	3,986.6	2,314.5	736.9	1,533.9	85.1	8,657.0
	2008	2,969.5	1,684.9	591.4	1,267.8	64.8	6,578.4
Segment liabilities	2009	2,369.7	1,595.3	566.5	1,261.2	281.4	6,074.1
	2008	1,547.6	902.1	306.7	958.4	295.4	4,010.2
Acquisition cost of additions to property, plant and equipment, investments in airport operator projects, goodwill, intangible assets and investment property	2009	517.7	285.6	56.1	221.6	–	1,081.0
	2008	271.9	140.8	95.2	107.5	–	615.4
Other significant non-cash expenses	2009	129.5	49.0	16.5	10.7	–	205.7
	2008	51.4	40.9	12.4	14.5	–	119.2
Acquisitions of investments accounted for using the equity method	2009	0.0	0.0	1.4	71.5	–	72.9
	2008	0.0	0.0	1.8	70.6	–	72.4

GEOGRAPHICAL INFORMATION

€ million		Germany	Rest of Europe	Asia	Rest of World	Adjust-ments	Group
Revenue	2009	1,737.5	56.0	59.9	119.2	–	1,972.6
	2008	1,841.2	122.9	35.4	102.1	–	2,101.6
Other income	2009	83.0	0.5	1.6	0.2	–	85.3
	2008	95.5	1.7	2.4	0.7	–	100.3
Third-party revenue	**2009**	**1,820.5**	**56.5**	**61.5**	**119.4**	**–**	**2,057.9**
	2008	**1,936.7**	**124.6**	**37.8**	**102.8**	**–**	**2,201.9**
Book values of segment assets	2009	7,402.5	74.7	888.3	206.4	85.1	8,657.0
	2008	5,667.2	54.2	600.6	191.6	64.8	6,578.4
Acquisition cost of additions to property, plant and equipment, investments in airport operator projects, goodwill, intangible assets and investment property	2009	915.2	9.1	144.3	12.4	–	1,081.0
	2008	558.1	13.7	5.9	37.7	–	615.4

GROUP NOTES 2009

Notes to the consolidated and accounting policies

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BASIC PRINCIPLES FOLLOWED IN PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Fraport AG Frankfurt Airport Services Worldwide, Frankfurt am Main (hereinafter referred to as Fraport AG) prepared its consolidated financial statements as of December 31, 2009, 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 Interpretations Committee (IFRIC) as adopted in the EU, in force on the balance sheet date completely and without any restrictions in recognition, measurement and disclosure in the 2009 consolidated financial statements. Pursuant to Section 315 a (1) of the German Commercial Code (HGB) the supplementary disclosures in the notes to the financial statements were provided applying Sections 313, 314 HGB.

As the capital market-oriented parent company of the Fraport Group, Fraport AG must prepare its consolidated financial statements in accordance with IFRS pursuant to Directive (EC) No. 1606/2002 of the European Parliament and the Council dated July 19, 2002 (new version dated April 9, 2008) regarding the application of international financial reporting standards. The Accounting Law Reform Act (BilReG) incorporated the regulations of the EU directive in German commercial law within Section 315 a of the German Commercial Code (HGB).

As in previous years, the income statement has been prepared according to the nature of expense method.

The consolidated financial statements are prepared in euros. All figures are in € million unless stated otherwise.

The business activities and organization of the Fraport Group are presented in the management report.

The consolidated financial statements of Fraport AG for the fiscal year 2009 were approved for publication by the Executive Board on March 1, 2010.

Please refer to note 52 on the agreement regarding aviation fees until 2015 for events after the balance sheet date. There were no other significant events after the balance sheet date.

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COMPANIES INCLUDED IN CONSOLIDATION AND BALANCE SHEET DATE

Companies included in consolidation and balance sheet date

The consolidated financial statements include Fraport AG as well as all subsidiaries (in full) and joint ventures (on a proportionate basis). Investments in associated companies are accounted for using the equity method in the consolidated financial statements.

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 fiscal year 2009:

COMPANIES INCLUDED IN CONSOLIDATION

	Germany	Other countries	Total
Fraport AG	1	0	1
Fully consolidated subsidiaries			
Dec. 31, 2008	21	17	38
Additions	0	0	0
Disposals	–2	–2	–4
Dec. 31, 2009	**19**	**15**	**34**
Joint ventures using proportionate consolidation			
Dec. 31, 2008	5	5	10
Additions	0	1	1
Disposals	0	0	0
Dec. 31, 2009	**5**	**6**	**11**
Companies consolidated excluding associates at Dec. 31, 2008	**27**	**22**	**49**
Companies consolidated excluding associates at Dec. 31, 2009	**25**	**21**	**46**
Investments in associates using the equity method for accounting			
Dec. 31, 2008	6	2	8
Additions	0	1	1
Disposals	–1	0	–1
Dec. 31, 2009	**5**	**3**	**8**
Group companies including associates at Dec. 31, 2008	**33**	**24**	**57**
Group companies including associates at Dec. 31, 2009	**30**	**24**	**54**

The disposals of fully consolidated subsidiaries refer to Flughafen Frankfurt-Hahn GmbH, Lautzenhausen, Hahn Campus Management GmbH, Lautzenhausen, Alterra Lima Holdings Ltd., Cayman Islands, and Decision Support Technologies, Inc., Florida, USA.

On February 2, 2009, Fraport AG disposed of its shares in Flughafen Frankfurt-Hahn GmbH (FFHG) to the State of Rhineland-Palatinate for the price of €1, with substantial effect from January 1, 2009. The transfer of the shares as well as the deconsolidation of the company did not become effective before February 28, 2009, after the occurrence of certain conditions precedent. Deconsolidation of FFHG yielded a gain on investment sales of €0.3 million.

The other subsidiaries, Alterra Lima Holdings Ltd., Cayman Islands, and Decision Support Technologies, Inc., Florida, USA, were deconsolidated from the Fraport Group as they were liquidated. This had no significant impact on consolidated accounts.

The addition of a joint venture refers to IC Ictas Uluslararasi Insaat ve Ticaret Anonim Sirketi, Ankara (IC-U). As it was contractually agreed to jointly manage and control the company, it was included in the consolidated financial statements at 50 percent.

The company Thalita Trading Ltd. was added as an associate. The disposal refers to ZIV-Zentrum für integrierte Verkehrssysteme GmbH, Darmstadt. On June 17, 2009, Fraport AG sold 16.25 percent (nominal value: €7,700.00) of its shares in the company's issued capital for €1. As from that point the company will not have any significant influence any more, it will no longer be included in the consolidated financial statements at equity. The deconsolidation of the company from the Fraport Group had no significant impact on consolidated accounts. Fraport AG intends to sell the remaining 16.25 percent share in 2010.

The companies GCS and FSG, in which Fraport AG holds 40 percent and 33.33 percent respectively, have been included in the consolidated financial statements as associates. Due to contractual stipulations, Fraport AG has actual control and dominates these companies.

Fraport AG holds 52 percent shares in the equity of the company NICE. This company is consolidated on a proportionate basis of only 52 percent due to the joint management and control, which were contractually agreed.

The complete list of the Group's shareholdings in accordance with Section 313 (2) and (3) HGB and Section 285 No. 11 and No. 11a will be published in the electronic Federal Gazette as an appendix to the notes to the annual financial statements of Fraport AG.

The **changes in the companies included in consolidation** have the following impact on the consolidated financial position (before consolidation adjustments):

CHANGES IN THE COMPANIES INCLUDED IN CONSOLIDATION

	Dec. 31, 2009		Dec. 31, 2008	
€ million	Additions	Disposals	Additions	Disposals
Non-current assets	215.7	–150.9	0.0	0.0
Current assets	3.6	–11.2	0.7	–165.6
thereof non-current assets held for sale	0.0	0.0	0.0	–165.4
Cash and cash equivalents	0.5	–0.8	0.6	–0.2
Non-current liabilities	230.6	–127.9	0.0	0.0
Current liabilities	1.7	–35.3	1.1	–66.5
thereof liabilities in connection with assets held for sale	0.0	0.0	0.0	–66.2

The changes in the companies included in consolidation during the fiscal year are mainly due to the acquisition of Antalya and the disposal of Hahn. The changes in the consolidated group in the previous year mainly relate to the sale of ICTS. These changes affected the result for the year before consolidation adjustments by generating a loss of around €12 million (previous year: a profit of €0.3 million).

The **joint ventures** have the following proportionate impact on the consolidated financial position and the consolidated income statement (before consolidation adjustments):

JOINT VENTURES

€ million	2009	2008
Non-current assets	696.3	462.3
Current assets	34.1	16.5
Shareholders' equity	–74.6	–21.4
Non-current liabilities	740.2	494.2
Current liabilities	64.8	6.0
Income	77.7	50.7
Expenses	112.9	77.3

Interests acquired and new companies established

IC ICTAS ULUSLARARASI INSAAT VE TICARET ANONIM SIRKETI (IC-U)

On December 16, 2008, Fraport AG, together with its Turkish IC Group partners, signed an agreement concerning the purchase of IC Ictas Uluslararasi Insaat ve Ticaret Anonim Sirketi, Ankara (IC-U). Transfer of ownership did not become effective before January 5, 2009, when all associated conditions were fulfilled. Effective the same date, the joint venture was included for the first time in the Fraport consolidated financial statements. The purchase price for Fraport's 50 percent stake was €63.0 million. Through this acquisition, Fraport AG's equity share in the entire Antalya operator consortium has risen to 50 percent. Consequently, proportional consolidation of both the Antalya financing company and the Antalya operating company was raised from 34 percent to 50 percent.

The purchase price allocation resulted in the following adjustments to assets and liabilities:

ACQUIRED NET ASSETS

€ million	Book value	Adjustments	Net fair value
Investments in airport operating projects	204.0	86.5	290.5
Goodwill		17.3	17.3
Other non-current assets	4.9		4.9
Current assets and cash and cash equivalents	4.1		4.1
Other liabilities in connection with the Antalya Concession liabilities	–159.1		–159.1
Financial liabilities	–75.7		–75.7
Deferred tax liabilities		–17.3	–17.3
Current liabilities	–1.7		–1.7
Acquired net assets*	**–23.5**	**86.5**	**63.0**
* thereof purchase price adjustments due to contractual fixings			0.4

As the companies merged on January 5, 2009, revenue and earnings of the consolidated companies for the entire reporting period are included in the consolidated financial statements.

In accordance with an agreement between Fraport AG and Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anonim Sirketi, Antalya (Antalya old), 35.5 percent of capital shares in IC Ictas Uluslararasi Insaat ve Ticaret Anonim Sirketi, Ankara (IC-U) were sold to Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anonim Sirketi, Antalya (Antalya old) for €47.6 million in October 2009. The transfer of shares within the Group has no impact on the consolidated financial statements.

FPS FRANKFURT PASSENGER SERVICES GMBH

In March 2009, Fraport AG and AHS Aviation Handling Services GmbH, Hamburg, agreed to check in all passengers of Condor Flugdienste GmbH flights in Frankfurt am Main. For this purpose, a new company agreement was concluded for the existing subsidiary Fraport Sicherheitsprojekt GmbH and the company was renamed to FPS Frankfurt Passenger Services GmbH. Fraport AG holds 51.0 percent (€25.5 thousand) and AHS 49.0 percent (€24.5 thousand) capital shares in the new company. As in previous years, the company is being fully consolidated.

THALITA TRADING LTD.

In October 2009, Fraport AG and the partners of the project company Northern Capital Gateway LLC, Moscow, Russia, signed the public private partnership contract for developing, modernizing and operating the Russian airport Pulokovo in St. Petersburg. The concession has a term of 30 years. The public private partnership contract includes several conditions precedent that must be fulfilled before the takeover of airport operations by the project company at the end of April 2010. Fraport AG holds 35.5 percent of the shares in the holding company of Thalita Trading Limited Lakatamia, Cyprus, which owns all shares in Northern Capital Gateway LLC. The shares in the company were acquired in July 2008 for

US$3,290, including transaction fees, in the course of the tender process. Since the conclusion of the public private partnership contract, Thalita Trading Ltd. is included as an associate in the consolidated financial statements of the Fraport Group.

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CONSOLIDATION PRINCIPLES

Acquisition accounting of all business combinations uses the purchase method. Under the provisions of IFRS 3, the identified assets, liabilities and contingent liabilities of the company acquired are measured at the fair value at the time of acquisition and compared with the purchase price of the acquirer including expenses of acquisition.

If companies are acquired in several tranches, the acquisition costs for each transaction are offset against the percentage share in the fair value of acquired identifiable assets, liabilities and contingent liabilities of the acquired company. Hidden reserves are fully disclosed according to the values applicable at that time. In addition, goodwill is calculated independently for each new acquisition based on the pro rata fair values at the time of the transaction.

Goodwill is recognized for the excess of the cost of the investment over the identifiable assets and liabilities recognized at fair value. Any excess of fair value over cost is recognized in profit or loss. Goodwill is annually tested for impairment. If goodwill is impaired, write-downs are made to the recoverable amount.

We have included our share of the assets, liabilities and shareholders' equity (after consolidation) and the income and expense items of joint ventures using proportionate consolidation in the consolidated financial statements.

Initial measurement of associates is carried out at fair value at the time of acquisition, similar to acquisition accounting for subsidiaries and joint ventures. Later changes in the shareholders' equity of the associates and adjustment of the difference from initial measurement change the amount accounted for at equity.

Intercompany profits and losses on deliveries between companies included in the consolidated financial statements were minimal. Elimination thereof had only an insignificant impact on the assets and earnings of the Group.

Loans, receivables and liabilities, contingent liabilities and other financial commitments 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. A distinction has to be made in this context between economically independent and economically dependent companies.

The assets and liabilities of the consolidated companies are translated at the exchange rate on the balance sheet date, and equity at the historical exchange rate, whereas 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 shareholders' equity.

The following exchange rates were used for currency translation purposes:

EXCHANGE RATES

Unit / currency in €	Exchange rate on Dec. 31, 2009	Average exchange rate 2009	Exchange rate on Dec. 31, 2008	Average exchange rate 2008
1 US Dollar (US$)	0.6942	0.7169	0.7185	0.6799
1 Turkish New Lira (TRY)	0.4641	0.4623	0.4654	0.5245
1 Yuan Renminbi (CNY)	0.1017	0.1050	0.1035	0.0976
1 Hong Kong dollar (HKD)	0.0895	0.0925	0.0927	0.0873
1 New Sol (PEN)	0.2416	0.2387	0.2286	0.2330
100 Philippine Peso (PHP)	1.5036	1.5074	1.5168	1.5344

Business transactions in foreign currencies are valued at the exchange rate on the date of the business transaction. Valuation on the balance sheet date takes place at the exchange rate on the balance sheet date. Translation differences are generally recorded through profit or loss.

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ACCOUNTING POLICIES

Accounting policies

The financial statements of the Fraport Group are based on accounting policies that are applied consistently throughout the Group.

Recognition of income and expense

Revenue and other income is recognized in accordance with IAS 18, when the goods have been delivered or the services 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 risks and rewards must have been transferred to the buyer.

Income and expenses from the same transactions and/or events are recognized in the same period. Traffic fees for the provision of the airport infrastructure are divided into those subject to regulation (according to Section 43a [1] of the German Air Transport Authorization Regulations [LuftVZO]), which include landing and takeoff charges, parking charges, passenger and security charges, and other fees not subject to authorization, such as ground handling services and ground handling service infrastructure.

In addition, the Fraport Group mainly generates revenue from revenue-based payments, renting, car parking, and security services.

Judgment and uncertainty of estimates

The presentation of net assets, financial position, and results of operations in the consolidated financial statements depends on accounting and valuation methods as well as assumptions and estimates. Actual amounts may deviate from the estimates.

The listed material estimates and corresponding assumptions as well as the uncertainties associated with the selected accounting and valuation methods are essential in order to understand the underlying financial reporting risks, as well as the impact these estimates, assumptions, and uncertainties may have on the consolidated financial statements.

These assumptions and estimates relate, amongst other things, to accounting policies and the measurement of provisions. Material parameters for the measurement of provisions for pensions and similar obligations are the anticipated return on plan assets and discount factor.

Further assumptions and estimates relate to assumptions concerning future cash flows (forecasts and discounting) as part of impairment testing of goodwill.

Deferred tax assets are recognized if it is probable that future tax benefits can be realized. The actual tax on earnings 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.

In addition, material estimates and assumptions are each presented in relation to the accounting and valuation methods for specific end-of-year items listed below.

Goodwill

Goodwill is measured at its cost at the acquisition date (IFRS 3, 2004). After initial recognition, goodwill is measured at acquisition cost less any accumulated impairment losses. To this end, all goodwill items are therefore tested for impairment once a year in accordance with IAS 36.80 – 99.

Intangible assets

Acquired intangible assets (IAS 38) are recognized at cost. They are amortized over their useful lives using the straight line method. Impairment losses are recognized in accordance with IAS 36 where necessary.

Investment in airport operating projects

To allow for better transparency, the investments in airport operating projects are recognized separately. These are mainly concession charges and capital expenditure for airport-related infrastructural measures taken on the occasion of the airport operating projects in Turkey, Bulgaria and Peru.

Capital expenditure for infrastructure is generally recognized at cost. In the case of finance leases under IAS 17, the concession charges are recognized at their present value reduced by straight-line amortization over the duration of the concession agreements. Impairment losses are recognized in accordance with IAS 36 where necessary.

Property, plant and equipment

Property, plant and equipment (IAS 16) are recognized at cost less straight-line depreciation and any impairment losses under IAS 36 where applicable. Subsequent cost is capitalized. Costs of conversion essentially include all direct costs including appropriate overhead. As from January 1, 2009, the borrowing costs of all qualifying assets produced after January 1, 2000 (see IAS 23 “Borrowing Costs”), are recognized.

Within the scope of the acquisition of built-upon land, including buildings that are in temporary use, the cost of the buildings is determined using the income capitalization approach and an annual interest rate of 5.0 percent, the same as in the previous year.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is measured and depreciated separately considering 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 (IAS 20).

Investment property

Investment property (IAS 40) includes property held to earn rentals or held for long-term 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 cost. Subsequent measurements are carried out at cost less depreciation and impairment losses under IAS 36, where applicable. As from January 1, 2009, the borrowing costs of all qualifying assets produced after January 1, 2000 (see IAS 23 "Borrowing Costs"), are recognized.

Borrowing costs

Effective January 1, 2009, borrowing costs that relate to the acquisition, construction or production of a qualifying asset are required to be capitalized as part of the cost of such assets. Qualifying assets whose production began after January 1, 2000 are recognized. Due to the scope of Fraport AG's capital expenditures, qualifying assets are determined on the basis of planned investment measures. If the volume of the planned measures 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. Fraport AG includes interest, finance charges in respect to finance leases and exchange differences in borrowing costs to the extent that they are regarded as an adjustment to interest costs.

Relevant effects on the financial position, income statement, statement of cash flows, statement of changes in equity and relevant disclosures in the notes to the consolidated financial statements are stated in the lines marked as "adjusted".

Depreciation

Depreciation is determined by the straight-line method on the basis of the following useful lives, which apply throughout the Group:

DEPRECIATION

	Years
Other intangible assets	3–25
Investments in airport operating projects	17–35
Buildings (structural parts)	30–80
Technical buildings	20–50
Building equipment	12–38
Ground equipment	5–50
Take off / landing runways	20
Aprons	50
Taxiways	20
Other technical equipment and machinery	3–33
Vehicles	4–20
Other equipment, operating and office equipment	3–25

Impairment of assets pursuant to IAS 36

An impairment loss is recognized for assets on the balance sheet date when 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 flows of funds from the use and subsequent disposal of the asset.

Regardless of indicators for possible impairment losses, assets are subject to an annual impairment test pursuant to IAS 36.

Since it is not generally possible in the Fraport Group to allocate cash flows to individual assets, cash-generating units are recognized. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Airport Operations, Ramp / Passenger Services and Investment Property each form a cash generating unit for the annual impairment test. The Group companies and investments accounted for using the equity method each form an independent cash-generating unit.

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 whether economic ownership is assigned to the lessor (operating lease) or the lessee (finance lease) is made based on which party bears the risks and opportunities associated with the respective leased asset.

FINANCE LEASE

If economic ownership can be attributed to the Fraport Group as lessee, the lease is recognized 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. The asset is depreciated on a linear basis 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 this role, lease payments are considered on a linear basis over the lease term. If Fraport assumes the role of the lessor, leased assets are recognized at cost and amortized accordingly. Lease revenue is generally recognized on a linear basis over the lease term.

Investments accounted for using the equity method

Investments accounted for using the equity method are recognized at the pro-rata share of equity plus goodwill.

Other financial assets

Other financial assets include securities in non-current assets, loans and other investments. Other financial assets are recognized at fair value at the settlement date, i. e. at the time the asset is created or transferred. Non-current low-interest or interest-free loans are recognized at their present value.

The subsequent measurement of financial assets depends on the respective category pursuant to IAS 39 (see note 43).

Loans are assigned to the "loans and receivables" category. These financial instruments are measured at amortized cost according to the effective interest method.

Other investments are assigned to the "available-for-sale" category on the balance sheet date. Due to the lack of an active market, and the fact that their fair value cannot be reliably determined, they are measured at cost.

Hybrid instruments with inseparable embedded derivatives are designated as at fair value through profit or loss. Their measurement is based on fair value. Gains or losses are recorded through profit or loss.

Other securities are assigned to the "available-for-sale" category. Subsequent measurement is at fair value, taking into account the effective interest method, and gains or losses are included directly in equity without affecting profit or loss.

Inventories

In addition to finished and unfinished goods and work in process, raw materials and supplies, the inventories include the land held for sale within the normal operating cycle of some 10 years.

Finished and unfinished goods and work in process, raw materials and supplies are measured at the lower of cost or net realizable value. Cost is generally calculated using the average cost method. Manufacturing cost includes direct costs and production overheads.

Property held for sale within the ordinary course of business is also measured at the lower of cost or net realizable value.

The subsequent cost required for land development is estimated for the entire marketable net building land on the basis of specific cost unit rates for individual development measures. Depending on the land sales recognized in the respective year under review, the development costs are offset pro rata temporis per square meter with the areas still to be sold. Net realizable value is the estimated selling price less the costs incurred until the time of sale, discounted over the planned selling period.

The opinion of an external expert regarding the fair value of the land being sold, as well as information about prior land sales, forms the basis for the calculation of the estimated selling price.

As from January 1, 2009, the borrowing costs of all qualifying assets produced after January 1, 2000 (see IAS 23 "Borrowing Costs"), are recognized.

If a write-down made in previous periods is no longer necessary, the write-down is reversed (IAS 2).

Receivables and other assets

Receivables and other assets mainly consist of trade accounts receivable, receivables from banks, other receivables, derivatives, and marketable securities. These assets are recognized at cost, which usually is the same as fair value, at the settlement date, i.e. at the time the asset is created or economic ownership is transferred. Non-current low-interest or non-interest bearing receivables are recognized at their present value at the time of origination or acquisition.

Trade accounts receivable, receivables from banks, and all other 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, based on the effective interest method. Receivables in foreign currencies are translated at the exchange rate at the balance sheet date.

Securities are assigned to the "available-for-sale" category. They are measured at fair value according to the effective interest method. Gains or losses are included directly in equity without affecting profit or loss.

Hybrid instruments with inseparable embedded derivatives are designated as at fair value through profit or loss. They are measured at fair value. Gains or losses are recorded through profit or loss.

Impairment of financial assets

On each balance sheet date, the carrying amounts of the financial assets that 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, highly probable insolvency proceedings against the debtor, a permanent decline of the fair value below amortized cost) that the asset may be impaired.

In general, impairment losses are recognized by reducing the value of the receivable or the financial asset.

The impairment of trade accounts receivable is recognized in an item-by-item allowance account with effect on profit or loss. If there is an indication in subsequent periods that the reasons for an impairment loss no longer exist, a reversal is recognized with effect on profit or loss. If a receivable already impaired is designated as non-recoverable, the asset is derecognized.

Cash and cash equivalents

Cash and cash equivalents basically include cash, cash accounts and short-term cash investments with banks maturing in three months or less. Cash and cash equivalents with a term to maturity 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 the risk of incurring losses. Cash and cash equivalents are recognized at nominal value. Cash in foreign currencies is translated at the exchange rate at the balance sheet date.

Equity instruments

Repurchased treasury shares are deducted from the subscribed capital and the capital reserves (IAS 32).

Deferred taxes

Deferred taxes are accounted for under IAS 12 using the liability method based on temporary differences. Deferred taxes are recognized for temporary differences between the IFRS balances sheets of the single entities and their tax bases and differences arising from consolidation adjustments.

If the carrying amount of an asset in the IFRS financial position exceeds its tax base (e.g. non-current assets depreciated or amortized on a linear basis) and if the difference is temporary, a deferred tax liability is recognized. Under IFRS deferred tax assets are recognized for financial position differences and for the carry forward 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.

Any effects from changes in tax rates and tax law already decided at the balance sheet date, are generally taken to profit or loss. Deferred taxes not affecting profit or loss are recognized in the revaluation reserves to the extent the underlying transaction was recorded without affecting profit or loss.

Provisions for pensions and similar obligations

Provisions for pensions relate to performance-based plans and have been calculated in accordance with IAS 19 under the application of actuarial methods and an annual interest rate of 5.0 percent (previous year 6.0 percent). Actuarial gains or losses are recognized in profit or loss. The calculations did not include salary increases for the active members of the Executive Board. As far as former members of the Executive Board are concerned, pension increase assumptions are based on German legislation about the adjustment of salary and pension payments by the federal and state governments for 2003 / 2004 (BBVAnpG). The calculation of provisions for pensions was based on the 2005G mortality tables of Professor Heubeck. A description of the plan is found in note 54.

Tax provisions

Provisions for current tax are recognized for tax expected to be payable in the year under review and / or previous years taking into account anticipated risks.

Other provisions and accruals

Other provisions and accruals are recognized in the amount required to settle the obligations. They are recognized to the extent that there is a current commitment to third parties. It is also required that they are the result of a past event and that an outflow of resources is more likely than not to be needed to settle the obligation (IAS 37).

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 effect of the time value of money is material.

Liabilities

Liabilities are recognized in the amount of the consideration received. Liabilities in foreign currencies are translated at the exchange rate at the balance sheet date. Non-current low-interest or non-interest bearing liabilities are carried at their present value at the time of addition.

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 is based on the effective interest method at amortized cost.

Derivative financial instruments, hedging transactions

The Fraport Group uses derivative financial instruments to hedge existing and future interest and exchange rate risks as well as raw material price risks (diesel). Derivative financial instruments with positive or negative market values are measured at fair value in accordance with IAS 39. Gains or losses on cash flow hedges are recorded in the revaluation reserves without affecting profit or loss. Corresponding to this, deferred taxes on the fair value of cash flow hedges are also included directly in shareholders' equity. The effectiveness of the cash flow hedges is assessed on a regular basis. Ineffective cash flow hedges are recorded through profit or loss.

If the criteria for a cash flow hedge are not met, the derivative financial instruments are designated as held for trading. In this case, the changes in the fair value and the related deferred taxes are recognized in profit or loss.

Derivative financial instruments are recognized at the trade date.

Share options

The options 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 payments is based on fair value on the date the option is granted. The cost of the payment is allocated over the period during which employees have an unrestricted claim to the instruments.

Other

Fraport AG operates its own electricity supply system. On July 19, 2007, the Hessian Ministry of Economics, Transport, and Regional Development (HMWVL) confirmed that Fraport AG's electricity supply system complies with the requirements for a spot network in accordance with Section 110 (1) No. 1 of the New German Energy Industry Act (EnWG). As the spot network ruling is still valid and the authorities have not revoked it, Fraport AG does not have to comply with extensive regulations under EnWG when preparing the annual financial statements or in its corporate governance.

Any potential future obligation to comply with the EnWG regulations during the preparation of the annual financial statements would result in additional but not significant expenses.

New standards, interpretations, and changes

The IASB published IFRS 8 "Operating Segments" on November 30, 2006. IFRS 8 replaces IAS 14 and adjusts the provisions to those of SFAS 131. IFRS 8 takes the management approach as a basis for segment reporting. The disclosures in the notes were extended. IFRS 8 applies to fiscal years beginning on or after January 1, 2009. We have applied IFRS 8 for the first time in the year under review. The application of this standard does not have any major impact on the asset, financial and earnings situation of the Fraport Group.

The revised standard IAS 23 "Borrowing Costs" was published on March 29, 2007. Effective January 1, 2009, borrowing costs that relate to the acquisition, construction or production of a qualifying asset must be capitalized as part of the cost of such assets. Fraport Group recognizes qualifying assets whose production began after January 1, 2000. Interest capitalized until December 31, 2008, due to the retrospective application of the revised Standard, amounted to € 83.8 million for property, plant and equipment and to € 2.0 million for land and property for sale (inventories).

The following table shows the effects of the application of the revised IAS 23 on the financial position and consolidated income statement:

IAS 23 ADJUSTMENTS

€ million	Dec. 31, 2008	Dec. 31, 2008 adjusted	Adjustment	Dec. 31, 2007	Dec. 31, 2007 adjusted	Adjustment
Adjustments to financial position						
Property, plant and equipment	3,886.3	3,968.6	82.3	3,569.3	3,628.6	59.3
Inventories	45.4	47.4	2.0	38.6	39.5	0.9
Deferred tax liabilities	97.4	123.5	26.1	89.6	108.3	18.7

€ million	2008	2008 adjusted	Adjustment	2007	2007 adjusted	Adjustment
Adjustments to income statement						
Depreciation and amortization	240.0	241.5	1.5	245.1	245.2	0.1
Interest expenses	145.8	120.2	–25.6	76.7	55.5	–21.2
Income taxes	93.1	100.5	7.4	83.9	90.5	6.6
Group profit	180.2	196.9	16.7	213.7	228.2	14.5

On September 6, 2007, the IASB issued a revision to IAS 1 “Presentation of Financial Statements”. The material changes to IAS 1 include the presentation of non-equity holder related changes, the requirement to prepare an opening financial position for the earliest comparative period (3rd financial position), the disclosure of income tax effects for individual items of other comprehensive income, the disclosure of adjustments due to reclassifications of each item of other comprehensive income, and the replacement of the terms balance sheet and income statement by statement of financial position and statement of comprehensive income. One of the main changes is the requirement that an entity must present all income and expenses, including income and expense recognized in equity, in a statement of comprehensive income. The revision also requires additional information on income and expenses recognized in equity (other comprehensive income). The revised IAS 1 applies to fiscal years beginning on or after January 1, 2009. The consolidated financial statements 2009 of Fraport AG comply with the new provisions of IAS 1.

The IASB published changes to IFRS 2 “Share-based Payment” on January 17, 2008. The changes mainly relate to the definition of vesting conditions and rules for the cancellation of a covenant by a party other than the company. The amended rules apply retrospectively to fiscal years beginning on or after January 1, 2009. The application of the revised IFRIC 2 has had no major impact on the net assets, financial position and results of operations of the Fraport Group.

On February 14, 2008, the IASB published changes to IAS 32 and IAS 1 in the document “Puttable Financial Instruments and Obligations Arising on Liquidation”. These changes mainly relate to rules for the classification of equity and debt. The revised version of the standard allows callable instruments to be classified as equity under certain conditions. The amended rules apply to fiscal years beginning on or after January 1, 2009. The application of the revised IAS 32 and IAS 1 has had no major impact on the net assets, financial position and results of operations of the Fraport Group.

On May 22, 2008, the IASB published changes to IFRS 1 and IAS 27 in the document “Cost of an Investment in a Subsidiary, Jointly Controlled Entity, or Associate”. Among other things, the changes relate to recording the acquisition cost of an investment upon the initial application of IFRS and the distribution of earnings prior to the acquisition of a subsidiary. The amended rules apply prospectively to fiscal years beginning on or after January 1, 2009. The application of the revised Standards has had no impact on the net assets, financial position and results of operations of the Fraport Group.

On May 22, 2008, the IASB approved a number of smaller changes to various standards as part of the first “annual improvement project”. In addition to changes to the wording of standards, this document also contains amendments that affect financial reporting, recognition, and measurement. Most of the changes become mandatory for fiscal years beginning on or after January 1, 2009. The changes have had no major impact on the net assets, financial position and results of operations of the Fraport Group.

On October 13, 2008, the IASB approved changes to IAS 39 and IFRS 7. These changes were in response to the financial market crisis and allow companies to reclassify financial instruments under certain circumstances. These changes regarding reclassification were allowed to be applied retrospectively to July 1, 2008. On November 27, 2008, the IASB published changes to IAS 39 regarding the application of the reclassification rules. This publication clarifies the application date of the changes published on October 13, 2008. The Fraport Group did not reclassify any of the applicable financial instruments.

IFRIC 13, “Customer Loyalty Programs” was published on June 28, 2007. This interpretation deals with the reporting and valuation of customer loyalty programs. IFRIC 13 applies to fiscal years beginning on or after July 1, 2008. In accordance with EU directive 1262 / 2008 from December 17, 2008, IFRIC 13 has to be applied to fiscal years beginning after December 31, 2008. The application of IFRIC 13 has no impact on the net assets, financial position, and results of operations of the Fraport Group.

IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements, and their Interaction” was published on July 4, 2007. In particular, the interpretation indicates how to determine the limit according to IAS 19 “Employee Benefits” for a surplus that can be recognized as a defined benefit asset and which effects the legal requirement to pay a minimum contribution has on the measurement of assets and liabilities from defined benefit plans. The interpretation applies to fiscal years beginning on or after January 1, 2008. In accordance with EU directive 1263 / 2008 from December 17, 2008, IFRIC 14 has to be applied to fiscal years beginning after December 31, 2008. The application of IFRIC 14 has no impact on the net assets, financial position, and results of operations of the Fraport Group.

On January 11, 2008, the IASB published revised versions of IFRS 3 “Business Combinations” and IAS 27 ”Consolidated and Separate Financial Statements”. Among other things, the comprehensive changes to these Standards affect: The establishment of a choice in the valuation of minority interests (either at fair value including applicable goodwill or at the pro-rata share of identifiable net assets); in case of the step-by-step acquisition of shares, recording differences between the carrying amount and fair value of the shares already held through profit or loss; recognizing incidental acquisition costs as expenses.

IFRS 3 applies prospectively to mergers for which the date of acquisition is on or after the beginning of the first reporting period starting on or after July 1, 2009. Earlier application is permitted for fiscal years beginning on or after June 30, 2007. Depending on the scope of mergers, the future application of the revised Standards will have a corresponding impact on the net assets, financial position, and results of operations of the Fraport Group.

The acquisition of shares in Antalya on January 5, 2009 (see note 2), was recognized in accordance with IFRS 3 (2004).

On July 31, 2008, the IASB published amendments to IAS 39 in the document “Eligible Hedged Items – Amendment to IAS 39 Financial Instruments: Recognition and Measurement”. This document specifies the conditions under which hedging transactions can be used to hedge inflation risk as an underlying transaction as well as the use of options as hedging instruments to hedge one-sided risks. Application of the changes to IAS 39 is mandatory for fiscal years beginning on or after July 1, 2009. Earlier application is permitted. The future application of the changes will have no major impact on the net assets, financial position and results of operations of the Fraport Group.

On November 30, 2006, the IFRIC published the interpretation IFRIC 12 “Service Concession Arrangements”. IFRIC 12 provides guidance on the accounting for service arrangements by companies rendering public services for government bodies. IFRIC 12 applies to fiscal years beginning on or after January 1, 2008. However, in the EU directive 254 / 2009 from March 26, 2009, the application date intended by the IASB was changed. In accordance with Section 2 of the directive, IFRIC 12 must be applied at the latest to the first fiscal year beginning after March 29, 2009. The effects of IFRIC 12 are still under review. From today’s perspective, this interpretation will have a material impact on both the net assets and results of operations of the Fraport Group.

The interpretations IFRIC 15 “Agreements for the Construction of Real Estate” and IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” were published on July 3, 2008. IFRIC 15 defines criteria for the application of IAS 11 “Construction Contracts” or IAS 18 “Revenue” by a company involved in the construction of real estate. The interpretation applies to fiscal years beginning on or after January 1, 2010. The application of this interpretation does not have any major impact on the net assets, financial position and results of operations of the Fraport Group.

The objective of IFRIC 16 is to clarify circumstances in IAS 21 “The Effects of Changes in Foreign Exchange Rates” and IAS 39 “Financial Instruments: Recognition and Measurement” related to accounting for hedges of foreign currency risks within a company and its foreign subsidiaries. The interpretation is effective for fiscal years beginning on or after October 1, 2008. In accordance with the EU directive 460 / 2009 from June 5, 2009, on the adoption of IFRIC 16, it is mandatory to apply this interpretation at the latest to the first fiscal year beginning after June 30, 2009. The future application of the interpretation will have no major impact on the net assets, financial position and results of operations of the Fraport Group.

IFRIC 17 “Distributions of Non-cash Assets to Owners” was published on November 27, 2008. It deals with the valuation of non-cash assets distributed to owners as dividends. IFRIC 17 applies to fiscal years beginning on or after July 1, 2009. An earlier application is permitted. The future application of the interpretation will have no major impact on the net assets, financial position and results of operations of the Fraport Group.

The IFRIC published IFRIC 18 “Transfers of Assets from Customers” on January 29, 2009. The interpretation applies for agreements in which an entity receives an item of property, plant, and equipment from a customer that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services IFRIC 18 must be applied prospectively to transfers of assets from customers received on or after July 1, 2009. An early application is permitted under certain circumstances. In accordance with the EU directive 1164 / 2009 from December 1, 2009, it is mandatory to apply IFRIC 18 to the first fiscal year beginning after October 31, 2009. The future application of the interpretation will have no major impact on the net assets, financial position and results of operations of the Fraport Group.

On March 5, 2009, the IASB published the amendments to IFRS 7 “Financial Instruments: Disclosure” on enhancing disclosures about fair value and liquidity risk. The changes must be applied to fiscal years beginning on or after January 1, 2009. The enhanced disclosures do not have to include a year-on-year comparison at first-time adoption. We have applied the amended IFRS 7 in the year under review. The disclosures can be found in the chapter on financial instruments and risk management.

The IASB published the amendments to IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments” on March 12, 2009. The changes clarify the accounting methods for embedded derivatives in the case of reclassifications of financial instruments. The amended rules apply at the latest to the first fiscal year beginning on or after December 31, 2008. The application of the changes has had no major impact on the net assets, financial position, and results of operations of the Fraport Group.

The IASB published the revised IAS 32 “Financial Instruments: Presentation” on October 8, 2009. The amendment provides rules on the classification of rights issues in currencies other than the functional currency. The changes must be applied to fiscal years beginning on or after February 1, 2010. An earlier application is permitted. The future application of the Standard will have no major impact on the net assets, financial position, and results of operations of the Fraport Group.

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

On April 16, 2009, the IASB published the so-called “Improvements to IFRSs” collective standard for minor changes to IFRSs. The majority of the changes must be applied retrospectively for the first time for fiscal years beginning on or after January 1, 2010. An earlier application is permitted. The future application of the changes will have no major impact on the net assets, financial position, and results of operations of the Fraport Group.

On June 18, 2009, the IASB published amendments to IFRS 2 “Share-based Payment” which clarify the accounting methods for intercompany cash-settled share-based payment transactions. The amendments apply to reporting periods beginning on or after January 1, 2010. An earlier application is permitted. The future application of the changes will have no major impact on the net assets, financial position, and results of operations of the Fraport Group.

On November 4, 2009, the IASB published the revised IAS 24 “Related Party Disclosures”. The changes focus on simplifying the disclosure requirements for companies controlled or significantly influenced by the state (state-controlled entities). The definition of related party was also completely revised. The revised IAS 24 must be applied for the first time to fiscal years beginning on or after January 1, 2011. An earlier application is permitted. The Fraport Group will adjust the scope of its disclosures on related parties to comply with the new version of IAS 24.

The IASB published IFRS 9 “Financial Instruments: Classification and Measurement” on November 12, 2009. The new Standard is part of a project for replacing the existing Standard IAS 39. IFRS 9 fundamentally changes the rules on classifying and measuring financial instruments.

According to the IASB, the changes must be applied to fiscal years beginning on or after January 1, 2013. An earlier application is permitted. The EU has currently adjourned the endorsement procedures. The future application of IFRS 9 will have an impact on the net assets, financial position, and results of operations of the Fraport Group.

The IASB published an amendment to IFRIC 14 ”The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction” on November 26, 2009. The amendment becomes relevant when a benefit plan includes a minimum funding requirement and the company is making voluntary prepaid contributions. In such a case, the benefit from these prepayments is recognized as an asset. The amendment of IFRIC 14 applies to reporting periods beginning on or after January 1, 2011. An earlier application is permitted. The future application of the interpretation will have no major impact on the net assets, financial position, and results of operations of the Fraport Group.

On November 26, 2009, the IFRIC published IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”. The interpretation becomes relevant when a company settles a financial liability by issuing shares or other equity instruments. IFRIC 19 applies to fiscal years beginning on or after July 1, 2010. An earlier application is permitted. The future application of the interpretation will have no major impact on the net assets, financial position, and results of operations of the Fraport Group.

Notes to the consolidated income statement

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REVENUE

REVENUE

€ million	2009	2008
Aviation		
Airport fees	527.1	538.5
Security services	117.2	132.6
Other revenue	39.4	40.7
	683.7	**711.8**
Retail & Real Estate		
Real Estate	152.9	150.4
Retail	137.4	144.5
Parking	62.2	57.7
Other revenue	10.4	18.1
	362.9	**370.7**
Ground Handling		
Ground Handling services	390.6	410.9
Infrastructure fees	217.4	219.1
Other revenue	12.8	12.7
	620.8	**642.7**
External Activities & Services	**305.2**	**376.4**
	1,972.6	**2,101.6**

For information on revenue and changes to the segment structure please refer to the management report under “Revenue and earnings development” as well as the segment reporting (see note 44).

The segment Retail & Real Estate includes proceeds from operating leases. The revenue-related surface rentals recognized in the fiscal year amount to €114.8 million (previous year €121.6 million).

The operating leases mainly relate to the leasing of buildings, land, terminal areas, and offices. The contract periods end in 2022 or earlier. No purchase option has been agreed. The residual term of hereditary building rights contracts is 46 years on average. No purchase options exist for them, either.

The cost of the leased buildings and land amounts to €525.2 million. Accumulated depreciation amounting to €347.5 million was carried out and the depreciation charges amounted to €8.5 million for the fiscal year (previous year: €9.3 million).

The total amount of future income from minimum lease payments arising from non-cancelable leases is as follows:

MINIMUM LEASE PAYMENTS

			Remaining term	Total
€ million	< 1 year	1–5 years	> 5 years	2009
Minimum lease payments	50.6	116.0	493.7	660.3

			Remaining term	Total
€ million	< 1 year	1–5 years	> 5 years	2008
Minimum lease payments	52.3	113.4	499.3	665.0

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CHANGE IN WORK-IN-PROCESS

CHANGE IN WORK-IN-PROCESS

€ million	2009	2008
Change in work-in-process	0.9	0.4

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OTHER INTERNAL WORK CAPITALIZED

OTHER INTERNAL WORK CAPITALIZED

€ million	2009	2008
Other internal work capitalized	39.1	33.8

The other internal work capitalized primarily relates to engineering, planning and construction services, procured services of employees and services of commercial project managers, as well as other associated services. The other internal work capitalized was incurred essentially in connection with the extension, remodeling, and modernization of the terminal buildings at Frankfurt Airport and their fire protection systems. Other internal work also related to the airport expansion program and the expansion of the airport infrastructure at Frankfurt Airport.

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OTHER OPERATING INCOME

OTHER OPERATING INCOME

€ million	2009	2008
Release of provisions	15.1	25.3
Income from loss compensation for Hahn airport	5.6	0.0
Charging of liabilities	1.9	10.0
Gains from disposal of non-current assets	1.3	1.5
Income from compensation payments	1.5	5.3
Release of special items for investment grants	2.2	1.0
Release of write-downs	4.1	5.1
Income from deconsolidation	0.3	1.1
Other items	13.3	16.8
	45.3	**66.1**

The release of provisions mainly relates to current provisions for rebates and refunds as well as human resource provisions.

In connection with the sale of Fraport AG's shares in Flughafen Frankfurt-Hahn GmbH to the State of Rhineland-Palatinate, the existing profit and loss transfer agreement was terminated with effect from February 28, 2009. In accordance with the acquisition contract, all losses accrued until this date are transferred to the State of Rhineland-Palatinate. Income from the transfer of € 5.6 million was recognized correspondingly.

The derecognition of € 10 million liabilities in 2008 is the result of a settlement between Fraport AG and DB Station & Service AG in relation to the superstructure of the long-distance train station in Frankfurt Airport.

_9 COST OF MATERIALS

COST OF MATERIALS

€ million	2009	2008
Cost of raw materials, consumables, supplies	–77.8	–90.3
Cost of purchased services	–372.9	–380.8
	–450.7	**–471.1**

The cost of purchased services includes revenue-related concession charges in the amount of € 67.2 million (previous year € 59.4 million) related to the concession agreements for the operation of the Lima, Varna, and Burgas airports (see note 52).

_10 PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

PERSONNEL EXPENSES

€ million	2009	2008
Wages and salaries	–699.9	–754.3
Social security and welfare expenses	–127.0	–138.0
Pension expenses	–40.0	–33.3
	–866.9	**–925.6**

AVERAGE NUMBER OF EMPLOYEES

Number	2009	2008
Permanent staff	18,824	21,719
Temporaray staff (interns, students)	1,146	1,360
	19,970	**23,079**

The average number of staff employed during the fiscal year (excluding apprentices and employees exempted from normal duties) was 19,475 in the fully consolidated companies (previous year 22,758) and 495 (previous year 321) in the companies using the proportionate consolidation.

One of the reasons for the reduction in personnel expenses and number of employees is the disposal of Flughafen Frankfurt-Hahn GmbH on February 28, 2009. In addition, the consolidated financial statements for 2008 included the company ICTS until the date of its derecognition on April 1, 2008 with € 60.9 million personnel expenses and an average 2,336 employees.

Fraport AG’s personnel expenses rose by € 12.7 million compared to the previous year. This is primarily due to the salary increases of 2.8 percent plus a one-off payment of € 225 per employee under the TVöD civil service collective agreement, effective January 2009. This was offset by the termination of 189 (yearly average) permanent employment contracts. Pension expenses went up as a result of interest rates dropping from 6.0 percent per year to 5.0 percent per year for the valuation of pensions.

Additions to pension provisions and obligations arising from time-account models are included in personnel expenses. Transfers to partial retirement obligations are the result of new partial retirement rules under the Pact for the Future 2018. The new rules stipulate that employees of the Ground Handling segment who were born in 1958 or later will still be able to take partial retirement under the same conditions as before.

The interest cost of the additions to pension provisions is included in the personnel expenses.

Employer's contribution to statutory pension insurance amounted to € 49.9 million (previous year € 47.0 million) for Fraport AG in the fiscal year 2009.

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DEPRECIATION AND AMORTIZATION

DEPRECIATION AND AMORTIZATION		
€ million	2009	2008 adjusted
Amortization of intangible assets, the depreciation of property, plant and equipment, and impairment of investment property and investments in airport operating projects	– 262.5	– 241.5

Depreciation

As a result of the retrospective application of IAS 23 (see note 4), depreciation in 2008 increased by € 1.5 million.

The useful life of investment property is identical to the useful life of real estate in property, plant and equipment.

Useful lives were re-estimated in the year under review resulting in reduced net depreciation charges of € 0.3 million (previous year € 10.5 million).

Impairment of assets pursuant to IAS 36

Total depreciation and amortization includes impairment losses in accordance with IAS 36 of € 20.0 million (previous year € 22.9 million) on property, plant and equipment. In addition, impairment losses on investment property of € 5.1 million were recorded in the previous year. Other impairment losses in accordance with IAS 36 relate to financial assets. An impairment loss of € 7.2 million, relating to AIRRAIL KG, was required because of the expectation of negative earnings (see note 15).

The measurement of assets reflects future earnings expectations. The recoverable amount is the higher of the value in use or the fair value less cost to sell. Only the value in use was applied in the reporting year. The value in use is determined by the entity applying the discounted cash flow method, as the fair value less cost to sell cannot be reliably determined.

Determination of the future cash flows of the cash-generating units is based on the planning figures. The value in use is generally determined on the future cash flows estimated on the basis of the planning figures for the years between 2010 to 2015 and approved by the Executive Board and valid at the time the impairment tests are made, and on the basis of the current long-term plans until 2020 or over the respective contractual periods in the case of investments in airport operating projects. These forecasts are based on past experiences and the market performance expected. A growth rate (of between 0.0 percent and 1.0 percent) based on the planning assumptions is taken into account in the perpetual annuity. The discount factor was a country-specific, weighted average capital cost (WACC) of between 5.96 percent and 8.52 percent (previous year 6.2 percent and 8.95 percent).

The impairment loss on property, plant and equipment in the amount of € 20.0 million relates to the Ground Handling segment and was required because of the expectation of negative earnings. The impairment loss on property, plant, and equipment in 2008 in the amount of € 22.9 million relates to the External Activities & Services segment of Flughafen Frankfurt-Hahn GmbH.

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OTHER OPERATING EXPENSES

OTHER OPERATING EXPENSES

€ million	2009	2008
Rental and lease expenses	–23.8	–24.6
Insurance premiums	–23.9	–22.7
Consulting, legal and auditing expenses	–21.8	–19.7
Advertising costs	–16.3	–16.3
Losses from disposals of non-current assets	–10.9	–14.8
Other taxes	–6.6	–7.3
Write-downs of trade accounts receivable	–1.2	–3.7
Other items	–82.9	–95.4
	–187.4	**–204.5**

Rental and lease expenses include minimum lease payments in the amount of €17.5 million (previous year €20.8 million) as well as conditional lease payments in the amount of €2.4 million (previous year €2.5 million).

Among other things, other operating expenses include: Travel costs, office supplies, course and seminar fees, entertainment expenses, administration fees, postage, and costs for additions to various provisions.

The consulting, legal, and audit expenses include Group auditor fees (disclosed in accordance with Section 314 [1] No. 9 of the German Commercial Code [HGB]) amounting to €2.6 million (previous year €2.5 million). They are comprised as follows:

GROUP AUDITOR FEES

€ million	Fraport AG	Consolidated companies
Audit	1.0	0.3
Other certification or valuation services	0.5	0.0
Tax audit fees	0.5	0.0
Other services	0.3	0.0
	2.3	**0.3**

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INTEREST INCOME AND INTEREST EXPENSES

INTEREST INCOME AND INTEREST EXPENSES

€ million	2009	2008 adjusted
Other interest and similar income	40.6	49.2
Interest and similar expenses	–123.1	–120.2

Of which relate to financial assets and liabilities:

INTEREST INCOME AND INTEREST EXPENSES FROM FINANCIAL INSTRUMENTS

€ million	2009	2008 adjusted
Interest income from financial instruments	38.6	46.7
Interest expense from financial instruments	–118.8	–112.5

As a result of the retrospective application of IAS 23 “Borrowing Costs” (see note 4), interest expenses in 2008 decreased by €25.6 million.

Interest income and expenses include interest paid on non-current loans and term money as well as interest expenses from interest cost added back on non-current liabilities. The net interest payments of derivative financial instruments and interest income from securities are recorded as interest income and expense.

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SHARE OF PROFIT / LOSS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The results from investments accounted for using the equity method can be broken down as follows:

SHARE OF PROFIT / LOSS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

€ million	2009	2008
Hanover Airport		
Proportionate result	0.3	2.1
Impairment losses in acc. with IAS 36	0.0	– 16.6
ASG	0.4	0.8
ACF	0.0	0.1
Gateway Gardens	0.3	– 1.0
Tradeport Hong Kong	– 0.6	– 0.5
Xi’an	3.9	0.0
	4.3	**– 15.1**

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WRITE-DOWN ON FINANCIAL ASSETS

WRITE-DOWN ON FINANCIAL ASSETS

€ million	2009	2008
AIRRAIL	– 7.2	0.0

The write-down relate to shares in and borrowings to AIRRAIL KG. A write-down of € 7.2 million was required because of the expectation of negative earnings.

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INCOME FROM INVESTMENTS

The income from investments can be broken down as follows:

INCOME FROM INVESTMENTS

€ million	2009	2008
Perishable-Center GmbH & Co. KG	0.1	0.1

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OTHER FINANCIAL RESULTS

The other financial results can be broken down as follows:

OTHER FINANCIAL RESULTS

€ million	2009	2008
Income		
Payment received under the German federal government’s investment guarantee for capital investments outside Germany (Manila project)	0.5	41.9
Income from securities and loans	2.7	7.3
Foreign currency gains, unrealized	2.0	14.9
Foreign currency gains, realized	0.1	2.6
Measurement of derivatives	0.0	0.4
Fair value measurement of securities in financial assets	1.6	0.8
	6.9	**67.9**
Expenses		
Foreign currency losses, unrealized	– 0.5	– 6.7
Foreign currency losses, realized	– 0.2	– 4.5
Other expenses in financial result	– 0.2	– 2.3
Expenses from AIRRAIL project	– 8.0	0.0
Measurement of derivatives	– 1.9	– 8.3
Fair value measurement of securities in financial assets	0.0	– 21.9
	– 10.8	**– 43.7**
Total other financial results	**– 3.9**	**24.2**

For information on the AIRRAIL project, please refer to note 15.

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TAXES ON INCOME

Income tax expense can be broken down as follows:

TAXES ON INCOME

€ million	2009	2008 adjusted
Current taxes on income	– 63.9	– 67.6
Deferred taxes on income	20.0	– 32.9
	– 43.9	**– 100.5**

As a result of the retrospective application of IAS 23 “Borrowing Costs” (see note 4), deferred taxes on income in 2008 were adjusted by € 7.4 million.

The income taxes at Fraport result from current taxes and effects from tax auditing. Relating to previous years, these special tax auditing effects had a positive effect on the overall taxes in 2009 of € 20.5 million.

Deferred tax income was incurred in the year under review due to the increase of deductible temporary differences between the IFRS and tax financial positions and the resulting increase in deferred tax assets from single entities. The increase of deferred tax liabilities, on the other hand, is mainly due to effects from the acquisition of an interest in the year under review, which does not affect tax expenses.

The tax expenses include the corporation and trade income taxes of the companies in Germany as well as comparable taxes on income at the companies outside Germany. The current taxes result from the taxable profits or losses of the fiscal year to which the local tax rates of the respective Group company are applied.

Deferred taxes are generally measured on the basis of the tax rate applicable in the country concerned. A combined income tax rate of around 31 percent including trade tax has been applied to German companies.

Deferred taxes are recognized for all temporary differences between the IFRS financial statements and their tax bases and for the carry forward of unused tax losses. The Fraport Group had tax losses carried forward in the amount of some € 68.3 million (previous year € 48.1 million) as of December 31, 2009, which from today’s point of view could not be used. Taking into account minimum taxation under current law, losses may be carried forward in Germany for an unlimited period. The use of tax losses outside Germany is governed by the respective national laws. Of the losses carried forward that have not been applied, € 53.6 million can be carried forward three to five years and € 4.1 million can be carried forward 13 to 18 years. The other losses carried forward that have not been applied can be carried forward for an unlimited term. The recoverability of deferred tax assets depends essentially on the probability of the future use of the losses carried forward. This depends on whether future taxable profit will be available in the periods in which the carry forward of unused tax losses can be utilized.

In addition, deferred tax results from consolidation adjustments, too. No deferred tax is determined for goodwill recognized and any impairment of goodwill in accordance with IAS 12.

Deferred taxes resulting from temporary differences between tax bases and assets / liabilities reported according to IFRS are assigned to the following financial position items:

DEFERRED TAXES ACCORDING TO FINANCIAL POSITION

	2009		2008	
€ million	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment incl. investments in airport operating projects	4.5	– 258.7	5.6	– 225.2
Financial assets	0.0	– 0.3	10.7	–
Receiveables and other assets	6.1	– 0.6	3.1	– 9.2
Prepaid expenses	32.3	0.0	25.8	– 0.2
Pension provisions	0.2	– 2.0	0.1	– 1.5
Other provisions	17.2	– 3.0	6.4	– 3.4
Liabilities	129.4	– 24.0	92.6	– 20.4
Other financial position items	31.8	0.0	24.0	0.0
Losses carried forward	0.1	–	0.2	–
Total individual financial statements	**221.6**	**– 288.6**	**168.5**	**– 259.9**
Offsetting	– 165.4	165.4	– 136.7	136.7
Consolidation adjustments	0.0	– 16.5	– 1.4	– 0.3
Consolidated financial position	**56.2**	**– 139.7**	**30.4**	**– 123.5**

The item “Other financial position items” in the amount of € 31.8 million (previous year € 24.0 million) consists entirely of deferred taxes on financial derivatives.

In the fiscal year, deferred taxes increasing equity in the amount of € 7.1 million (previous year € 36.8 million) from the change in the fair values of financial derivatives and securities were recognized in equity without affecting profit or loss.

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

TAX RECONCILATION

€ million	2009	2008
Earnings before taxes on income	201.2	297.4
Expected tax income / expense [1]	**– 62.4**	**– 92.2**
Tax effects in differences in tax rates outside Germany	– 1.8	1.9
Taxes on non-deductible expenses	– 0.8	– 1.2
Taxes relating to previous years	28.2	9.2
Permanent differences including non-deductible tax audit provisions	– 6.5	– 20.4
Tax effects on consolidation adjustments that affect earnings	– 1.3	– 1.8
Tax effects on tax-free and taxable income from other periods	5.1	12.4
Losses carried forward not effective for tax purposes	– 3.6	– 5.4
Trade tax and other effects from local taxes	– 2.2	– 2.6
Others	1.4	– 0.4
Taxes on income according to the income statement	**– 43.9**	**– 100.5**

[1] Expected tax income / expense around 31 % for corporation tax 15.0 % plus solidarity surcharge 5.5 % and trade tax of around 15.5 %

The tax rate for the Group was 21.8 percent in the fiscal year (previous year 33.8 percent adjusted).

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EARNINGS PER SHARE

EARNINGS PER SHARE

	2009		Reported in 2008		2008 adjusted	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
Profit for the year attributable to shareholders of Fraport AG (€ million)	150.0	150.0	173.0	173.0	189.7	189.7
Weighted average number of shares	91,710,554	92,260,554	91,540,376	92,383,252	91,540,376	92,383,252
Earnings per € 10 share in €	1.64	1.63	1.89	1.87	2.07	2.05

The basic earnings per share for the fiscal year 2009 are calculated using the weighted average number of issued shares corresponding to € 10 of share capital each. Due to the capital increases as well as the transfer of treasury shares, the number of shares outstanding during the period rose from 91,612,759 to 91,774,500 on December 31, 2009. With a weighted average number of 91,710,554 outstanding shares, the basic earnings per € 10 share amounted to € 1.64.

As a result of the rights granted to employees to buy shares (authorized capital) within the scope of the employee investment plan and of the issue of subscription rights in connection with the share option plan (contingent capital), the diluted number of shares amounts to 92,260,554 (weighted average) and the diluted earnings per € 10 share are therefore € 1.63.

Notes to the consolidated statement of financial position

A breakdown and the development of the individual non-current asset items can be found in the consolidated statement of changes in non-current assets.

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GOODWILL

Goodwill arising on consolidation developed as follows in the fiscal year:

GOODWILL

€ million	Carrying amount Dec. 31, 2009	Carrying amount Dec. 31, 2008
Antalya / IC-U	17.3	0.0
FraSec	22.4	22.4
Media	0.3	0.3
	40.0	**22.7**

Additions to goodwill relate to the acquisition of IC-U in January 2009 (see note 2). For the impairment test, goodwill was allocated to the cash-generating unit of Antalya Group as from the time of acquisition. For more information on impairment test, please refer to notes 4 and 11.

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OTHER INTANGIBLE ASSETS

OTHER INTANGIBLE ASSETS

€ million	Dec. 31, 2009	Dec. 31, 2008
Other intangible assets	34.0	33.3

Other intangible assets essentially relate to IT programs.

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INVESTMENTS IN AIRPORT OPERATING PROJECTS

INVESTMENTS IN AIRPORT OPERATING PROJECTS

€ million	Dec. 31, 2009	Dec. 31, 2009
Investments in airport operating projects	902.3	597.6

The investments in airport operating projects relate to recognized concessions paid for the terminal operation at Antalya Airport (€ 738.4 million) and capital expenditure incurred for the airport infrastructure of the concession airports in Lima (€ 149.2 million) as well as Varna and Burgas (€ 14.7 million). The increase mainly resulted from the inclusion of a further 16 percent of the shares in the operator consortium for the operation of terminals at Antalya Airport.

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PROPERTY, PLANT, AND EQUIPMENT

PROPERTY, PLANT, AND EQUIPMENT

€ million	Dec. 31, 2009	Dec. 31, 2008 adjusted
Land, land rights and buildings, including buildings on leased property	2,379.5	2,173.7
Technical equipment and machinery	399.9	398.7
Other equipment, operating and office equipment	113.2	148.1
Construction in progress	1,593.8	1,248.1
	4,486.4	**3,968.6**

Borrowing costs were capitalized retrospectively. As a result, the carrying amount of property, plant and equipment increased by € 82.3 million in 2008.

In the year under review, borrowing costs of € 41.9 million were recognized. The main part (€ 40.1 million) was for items whose finance could not be clearly classified for the purpose of creating a qualifying asset. The average debt for general project finance amounted to around € 418 million, the average carrying amount of the qualifying assets to around € 998 million. Borrowing costs were mainly incurred by projects relating to the expansion of Frankfurt Airport. The cost of debt for general project finance was approximately 4 percent.

Specific project finance was obtained for measures in connection with the expansion of Pier A-Plus. An average of € 38 million debt was taken on for this project, and the average cost of debt was 2.7 percent. Borrowing costs totaling € 1.6 million were recognized.

A loan of € 9.7 million with an interest rate of 3.9 percent was taken out for financing the Domestic Terminal in Antalya. In the year under review, € 0.2 million borrowing costs were capitalized.

Additions to property, plant and equipment amounted to € 889.9 million, of which € 493.2 million was from unfinished items of property, plant and equipment, which could not be written down, particularly items connected with the expansion of Frankfurt Airport, including environmental compensation measures and obligations as well as services for modernizing and expanding the terminals and their fire safety systems. Environmental compensation obligations of € 100.1 million (the amount of the discounted fair value) were recognized in liabilities and stated in property, plant and equipment under construction in progress.

Individual buildings carry mortgages of around € 20.0 million.

Finance lease assets amounting to € 40.0 million (previous year € 21.4 million) are recognized in property, plant, and equipment in the year under review.

FINANCE LEASE ASSETS

€ million	Carrying amount Jan. 1, 2009	Additions	Disposals	Depreciation	Carrying amount Dec. 31, 2009
Other intangible assets	0.0	1.2	0.0	0.2	1.0
Land, land rights and buildings, including buildings on leased property	17.8	0.0	0.0	1.5	16.3
Technical equipment and machinery	0.9	24.6	0.7	2.7	22.1
Other equipment, operating and office equipment	2.7	0.0	2.0	0.1	0.6
	21.4	**25.8**	**2.7**	**4.5**	**40.0**

€ million	Carrying amount Jan. 1, 2008	Additions	Disposals	Depreciation	Carrying amount Dec. 31, 2008
Land, land rights and buildings, including buildings on leased property	9.1	10.0	0.0	1.3	17.8
Technical equipment and machinery	1.1	0.0	0.0	0.2	0.9
Other equipment, operating and office equipment	4.7	0.0	0.7	1.3	2.7
	14.9	**10.0**	**0.7**	**2.8**	**21.4**

Additions to other intangible assets relate to an agreement on the use of software licenses, which will become Fraport AG's property after the contract has expired in 2013.

Land, land rights and buildings, including buildings on third-party property, includes an energy plant located on the premises of Fraport AG. Given the exclusive use by Fraport AG and the existence of a special lease, Fraport AG is considered to be the beneficial owner of the plant. The underlying contract ends in 2015.

This item also includes a cargo handling and office building leased from Fraport Cargo Services to the end of 2024. Since virtually all economic rights and obligations have been transferred and the contract term exceeds the material portion of the useful life, economic ownership of the building is assigned to the lessee.

Additions to technical equipment and machinery essentially relate to an IT service agreement between the company and operational services GmbH & Co. KG for the provision of an IT structure on the Frankfurt Airport site and all related services. As the network is located on the premises of Fraport AG and is of no commercial use to any other party, Fraport AG is considered to be the beneficial owner. The contract expires in 2015.

Most of the other leases have been signed for special vehicles. They expire in or before 2015 (see note 37).

_24 INVESTMENT PROPERTY

INVESTMENT PROPERTY

€ million	Dec. 31, 2009	Dec. 31, 2008
Investment property	34.7	9.0

Investment property relates to land and buildings held to earn rentals or for any other as yet unspecified purpose. This mainly consists of parts of the Ticona site and the Gateway Gardens, as well as parts of the Mönchhof site, which are neither intended for sale nor used by the company. Real estate held by Frankfurt-Hahn Airport was derecognized after the sale of the company.

As part of the framework agreement between Fraport AG and Celanese AG / Ticona GmbH, Fraport AG has agreed to acquire built-upon land. The company has not yet decided on the use of this land. In the year under review, Fraport made payments of € 322.1 million to Ticona GmbH. These include advance payments for built-upon land, whose deeds will be transferred in 2011 (€ 19.2 million). The value of the land was determined on the basis of an external market value opinion from 2008. As a result of payment being made prior to its due date, the amount is discounted at the interest rate corresponding to the term to maturity. Real estate transfer tax due for the acquisition of the Ticona site was transferred from property, plant and equipment (€ 3.4 million) in the year under review. Under the framework agreement, Fraport AG will receive further real estate at fair value until 2013.

Parts of the previous Gateway Gardens were recognized at cost and entered as an addition of € 7.2 million.

No borrowing costs were capitalized as none of the investment property met the requirements for a qualifying asset (see note 4 "Borrowing costs").

Expected restrictions on the salability of the Mönchhof site continue to apply. The land will be exposed to a variety of risks after the construction of the landing runway due to airport operations. Some of these risks also apply to parts of the Ticona site. There are no material risks in regards to the salability of other investment property.

The fair value of investment property essentially corresponds to the carrying amount at the balance sheet date. Neither write-downs nor write-ups were carried out in the year under review.

During the course of the fiscal year, only insignificant rental income and operating expenses were incurred from leased real estate. No costs were incurred for maintenance of unused real estate.

_25 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

€ million	Dec. 31, 2009	Dec. 31, 2008
Hanover Airport	17.4	19.0
Xi'an	53.8	51.6
ASG	0.4	0.8
Thalita Trading Ltd.	0.3	0.0
ACF	1.0	1.0
	72.9	**72.4**

The additions in the statement of changes in non-current assets include not only shareholdings acquired but also earnings; the disposals include dividends (this year: Hanover Airport with € 1.9 million and ASG with € 0.8 million).

Additional summarized information for associated companies is contained in the following table as well as the overview of significant subsidiary companies, joint ventures, and associated companies.

SUMMARIZED INFORMATION FOR ASSOCIATED COMPANIES

€ million	Dec. 31, 2009	Dec. 31, 2008
Assets	714.6	682.3
Shareholders' equity	353.8	341.4
Liabilities	360.8	340.9
Total income	262.6	233.1
Result of the accounting period	17.6	1.7

_26 OTHER FINANCIAL ASSETS

OTHER FINANCIAL ASSETS		
€ million	Dec. 31, 2009	Dec. 31, 2008
Financial assets available for sale		
Securities in non-current assets	239.1	101.3
Other investments	39.9	40.7
Fair value option		
Promissory notes	20.5	48.5
Loan notes		
Loans to investments	3.8	2.0
Other loans	171.4	12.9
	474.7	**205.4**

Financial investments in securities of € 183.4 million, which were classified as available for sale, were carried out in the year under review. Other changes resulted from reclassifications due to securities of € 55.0 million maturing in 2010 and changes in the fair value of € 9.5 million.

Capital repayments amounting to € 0.8 million were the reason for the change in other investments.

Securities in the fair value option category mainly included two promissory notes with contractually guaranteed capital repayments. One of these promissory notes matures in 2010 and for this reason was reclassified as current other receivables and financial assets (see note 27). The fair value measurements of both promissory notes generated profits of € 1.6 million (previous year: losses of € 2.0 million).

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

The maximum credit risk for all financial instruments to which the fair value option is applied amounts to € 50.1 million on the balance sheet date (previous year € 48.5 million). The credit risk includes € 29.6 million from current financial assets (see note 27).

Additions to other loans mainly consist of financial investments in promissory notes of € 166.3 million. In addition, the carrying amount of the investment AIRRAIL Center Frankfurt Verwaltungsgesellschaft mbH & Co. Vermietungs KG (AIRRAIL) of € 2.3 million and the shareholder loans of € 4.9 million issued up to that point to AIRRAIL were adjusted in order to reflect currently estimated construction costs and marketing situation.

Shareholder loans granted to at-equity subsidiaries were written up by € 0.5 million based on at-equity valuation. Other changes in loans to investments comprise an issued shareholder loan of € 1.3 million.

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NON-CURRENT AND CURRENT OTHER RECEIVABLES AND FINANCIAL ASSETS

NON-CURRENT AND CURRENT OTHER RECEIVABLES AND FINANCIAL ASSETS

	Remaining term		Total	Remaining term		Total
€ million	≤ 1 year	> 1 year	Dec. 31, 2009	≤ 1 year	> 1 year	Dec. 31, 2008
From associated companies	0.8	–	0.8	1.1	–	1.1
From other investments	5.2	–	5.2	1.7	–	1.7
Financial assets “fair value option”	29.6	–	29.6	–	–	–
Financial assets “available for sale”	344.4	–	344.4	80.1	–	80.1
Other assets	99.4	1.6	101.0	109.4	4.1	113.5
Prepaid expenses	12.8	18.4	31.2	12.8	38.3	51.1
	492.2	**20.0**	**512.2**	**205.1**	**42.4**	**247.5**

Prepaid expenses essentially relate to grants given for building costs.

At Fraport AG, grants for building costs are mainly awarded to suppliers installing equipment to meet specialized requirements of Fraport AG. The suppliers own the equipment.

The addition to financial assets in the “fair value option” category is the result of the reclassification of a promissory note due in 2010, which in the previous year had been recognized in other financial investments (see note 26).

Changes in “available for sale” financial assets resulted from additions and reclassifications of some of these items from non-current to current financial investments in securities amounting to € 344.4 million and disposals of securities maturing in the year under review of € 80.0 million.

Where applicable, the appropriate allowance was recognized for other receivables and financial assets as of the reporting date. There are no other essential items past due.

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INCOME TAX RECEIVABLES

INCOME TAX RECEIVABLES

	Remaining term		Total	Remaining term		Total
€ million	≤ 1 year	> 1 year	Dec. 31, 2009	≤ 1 year	> 1 year	Dec. 31, 2008
Income tax receivables	5.3	23.6	28.9	7.8	26.6	34.4

The major item in income tax receivable relates to the corporation tax credit recognized in the fiscal year 2006.

On December 12, 2006, the revised Section 37 of the German Corporation Tax Act (KStG) became legally effective in connection with the amendments based upon the departmental draft of SE-Introductory Legislation (SEStEG).

According to Section 37 (4) of the Corporate Tax Act (KStG) (new version), the corporation tax credit of Fraport AG last had to be established on December 31, 2006. In accordance with Section 37 (5) of the Corporate Tax Act (KStG) (new version), Fraport AG is entitled to a refund of its corporation tax credit in ten equal annual installments during the payout period from 2008 to 2017. The refund claim generally accrues after the end of December 2006 and is non-interest bearing. The first installment will be refunded in 2008 and is payable on September 30 of each year.

The corporation tax credit totaled some € 32.2 million on December 31, 2009, discounted at an interest rate of 3.75 percent due to its long-term nature. The present value of the claim to tax refund amounts to about € 27.6 million as of the balance sheet date (previous year € 30.5 million). This refund claim is substantially an overpayment in the meaning of IAS 12.12.

_29 DEFERRED TAX ASSETS

DEFERRED TAX ASSETS

€ million	Dec. 31, 2009	Dec. 31, 2008
Deferred tax assets	56.2	30.4

Deferred tax assets are recognized in accordance with IAS 12. Further explanations are given in the “Taxes on income” section (see note 18).

_30 INVENTORIES

INVENTORIES

€ million	Dec. 31, 2009	Dec. 31, 2008 adjusted
Land and buildings for sale	41.9	29.7
Raw materials, consumables and supplies	9.8	15.7
Work in process	2.2	1.7
Finished goods	0.0	0.1
Other	0.1	0.2
	54.0	**47.4**

Borrowing costs were capitalized retrospectively. As a result, the carrying amount of land and buildings for sale increased by € 2.0 million in 2008.

Two logistics buildings are included for the first time in land and buildings. They are due to be sold in 2010. € 9.2 million in costs had been accrued for these buildings as of the balance sheet date, of which € 0.4 million were transferred from property, plant and equipment. In addition, € 4.0 million were recognized in the year under review for the advanced development of those parts of the Mönchhof site, which are held for sale, including € 0.6 million capitalized borrowing costs for general project finance (see note 23). Carrying amount reductions in the amount of € 1.0 million are the result of three property sales transactions.

The logistics buildings’ selling prices are either contractually stipulated or they are determined on the basis of similar recent transactions. When calculating the net selling prices, they were not discounted as the properties will be sold soon in 2010. However, discounts for sales-related risks were taken into account. The logistics buildings’ net selling prices exceed their carrying amounts and costs incurred until the time of sale. As a result, no impairment loss had to be recognized.

The net selling price of the parts of the Mönchhof site that are held for sale was calculated on the basis of an external market value opinion using the DCF method over the remaining planned selling period of seven years, with a discount factor of 5 percent, adequate for the risk and related to the term. In addition to the risks accounted for in the report, other discounts, particularly for unknown environmental and selling risks, were recognized. Additional costs incurred up to the date of sale mainly relate to expenditures for the further development of the property held for sale. The net selling price exceeds the carrying amount. As a result, no impairment loss had to be recognized.

Parts of the Mönchhof site with a carrying amount of approximately € 2.1 million shall be sold in 2010.

Expenditures for the maintenance of real estate inventories during the fiscal year were minor. Selling costs mainly consist of personnel expenses incurred by Fraport Immo.

Raw materials, consumables, and supplies mainly relate to consumables for the airport operation.

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TRADE ACCOUNTS RECEIVABLE

TRADE ACCOUNTS RECEIVABLE

€ million	Dec. 31, 2009	Dec. 31, 2008
Third parties	158.4	154.9

The maximum default risk equaled the carrying amount of € 158.4 million as of the reporting date. The following table provides information on the extent of the credit risk.

CREDIT RISK ANALYSIS

€ million	Dec. 31, 2009	Dec. 31, 2008
Carrying amount	158.4	154.9
thereof not overdue or impaired	78.2	68.5
thereof in stated term overdue and not impaired		
< 30 days	40.9	52.6
30 – 180 days	17.1	11.9
> 180 days	15.9	1.3

As regards the trade accounts receivable, which are neither impaired nor in default, there is no indication as of the reporting date that the debtors will not meet their payment obligations. There is no risk concentration of open trade accounts receivable.

Cash security in the amount of € 5.1 million (previous year € 4.9 million) and non-cash security (mainly suretyships) in the nominal amount of € 13.5 million (previous year € 13.0 million) was accepted as collateral for unsettled trade accounts receivable. The collateral received by the reporting date was neither sold nor passed on as security and will be returned to the respective debtor after termination of the business relationship. The collateral received will be used only in the event of the debtor's default.

As of the balance sheet date, trade accounts receivable to the amount of € 3.7 million (previous year: € 0.0 million) were pledged as securities for financial liabilities.

Allowances for trade accounts receivable are composed as follows:

ALLOWANCES

€ million	2009	2008
Balance at January 1	**19.0**	**21.4**
Net allocations	– 1.2	0.7
Availments	0.2	3.1
Changes of the companies included in consolidation	– 0.7	0.0
Balance at December 31	**16.9**	**19.0**

Net additions include expenses from allowances amounting to € 1.2 million (previous year € 3.7 million) recognized in other operating expenses as well as revenue-reducing individual allowances and reversals.

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CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS

€ million	Dec. 31, 2009	Dec. 31, 2008
Cash and cash equivalents	1,802.3	1,154.8

The bank balances mainly include short-term deposits. The other credit balances are essentially overnight deposits. The increase in cash and cash equivalents is mainly the result of taking out loans with banks and issuing a promissory note and two bonds for increasing reserve financing provisions to cover future capital expenditure requirements.

Cash and cash equivalents include term money of €1,698.4 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 without the risk of incurring losses.

In connection with financing the concession to operate Antalya, some €30.0 million cash in banks is subject to drawing restriction.

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NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES IN THE CONTEXT OF ASSETS HELD FOR SALE

The non-current assets and liabilities held for sale which are recognized in the opening balance on January 1, 2008 relate to ICTS.

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EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF FRAPORT AG

EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF FRAPORT AG

€ million	Dec. 31, 2009	Dec. 31, 2008 adjusted
Issued capital	917.7	916.1
Capital reserves	578.3	573.1
Revenue reserves	946.4	913.2
Group retained earnings	106.2	105.6
	2,548.6	**2,508.0**

Issued capital

Issued capital increased by €1.6 million in the fiscal year and is fully paid up as of the balance sheet date.

Of this amount €1.5 million relates to the use of some of the authorized capital after the capital increase in return for the injection of cash to issue shares in connection with the employee investment plan.

Furthermore, shares of €42 thousand were contingently issued to service the share options under the Fraport Management Stock Options Plan 2001 (MSOP 2001). The issued capital increased by a further €0.1 million as a result of the transfer of treasury shares.

Number of floating shares and treasury shares

The issued capital consists of 91,858,729 (previous year 91,709,454) bearer shares with no par value, each of which accounts for € 10.00 of the capital stock.

FLOATING AND TREASURY SHARE MOVEMENTS IN ACCORDANCE WITH SECTION 160 OF THE STOCK CORPORATION ACT (AKTG)

			Treasury shares		
	Subscribed capital Number	Floating shares Number	Number	Amount of capital stock In €	Share in capital stock In %
Balance at January 1, 2009	**91,709,454**	**91,612,759**	**96,695**	**966,950**	**0.105**
Employee investment plan: Capital increase (May 29, 2009)	145,075	145,075			
Management Stock Options Plan (MSOP):					
Capital increases MSOP 2001	4,200	4,200			
Executive Board remuneration: Transfer of shares to Board members		12,466	– 12,466	– 124,660	– 0.014
Balance at December 31, 2009	**91,858,729**	**91,774,500**	**84,229**	**842,290**	**0.092**

			Treasury shares		
	Subscribed capital Number	Floating shares Number	Number	Amount of capital stock In €	Share in capital stock In %
Balance at January 1, 2008	**91,561,272**	**91,456,593**	**104,679**	**1,046,790**	**0.114**
Employee investment plan: Capital increase (May 30, 2008)	99,332	99,332			
Management Stock Options Plan (MSOP):					
Capital increases MSOP 2001	4,150	4,150			
Capital increases MSOP 2005	44,700	44,700			
Executive Board remuneration: Transfer of shares to Board members		7,984	– 7,984	– 79,840	– 0.009
Balance at December 31, 2008	**91,709,454**	**91,612,759**	**96,695**	**966,950**	**0.105**

The new shares created under the employee investment plan were transferred on May 29, 2009, to employees for € 26.31 each. The shares that form part of the contractual compensation paid to the Executive Board members were then transferred on the basis of a value of € 23.81.

Authorized capital

By resolution at the Annual General Meeting held on June 1, 2005, the Executive Board, upon the approval of the Supervisory Board, is authorized to increase the capital stock by up to € 9.5 million until May 31, 2010.

Of this authorized capital € 1,450,750 was used for the issue of shares within the scope of the employee investment plan.

CHANGE IN AUTHORIZED CAPITAL

	Number of shares	Value per share in €
Authorized capital as at December 31, 2008	697,376	10.0
Use of authorized capital Employee investment plan	– 145,075	10.0
Remaining authorized capital as at December 31, 2009	552,301	10.0

At the Annual General Meeting on May 27, 2009, the existing authorized capital was cancelled and a new authorized capital of € 5.5 million created. The new authorized capital entitles the Executive Board, with the approval of the Supervisory Board, to increase the company's capital stock once or several times by up to € 5.5 million until May 26, 2014, by issuing new shares in return for cash.

As of December 31, 2009, € 5.5 million authorized capital therefore remained, which can be used for issuing shares to employees of Fraport AG and companies controlled by the company. The subscription rights of the shareholders may be excluded.

Contingent capital

At the Annual General Meeting held on March 14, 2001, a contingent capital increase in the amount of € 13.9 million was approved. The purpose of the contingent capital was expanded at the Annual General Meeting on June 1, 2005. In addition to fulfilling subscription rights issued but not yet exercised under MSOP 2001 adopted at the Annual General Meeting on March 14, 2001, the contingent capital increase also serves to fulfill subscription rights under the adopted Fraport Management Stock Options Plan 2005 (MSOP 2005). The Executive Board and Supervisory Board was authorized to issue up to 1,515,000 stock options to beneficiaries entitled to subscribe by August 31, 2009, in accordance with the conditions regulating the allocation of stock options. The authorization to grant subscription rights in accordance with MSOP 2001 was cancelled at the Annual General Meeting on June 1, 2005.

The contingent capital totaled € 5.7 million as of December 31, 2009 (originally € 13.9 million). A total of € 0.1 million (4,200 options) of the subscription rights under the MSOP 2001 were exercised in 2009, meaning that all unexpired share options under MSOP 2001 have now been exercised.

The capital increase to satisfy subscription rights within the framework of the 2001 stock option plan is only being made to the extent that the holders of subscription rights (members of the Executive Board and managers of Fraport AG deployed in Germany as well as the directors and managers of Fraport AG's affiliated companies) exercise their subscription rights and the company does not satisfy the share options with treasury shares or by transfer of shares by third parties.

The capital increase to satisfy subscription rights within the framework of the Management Stock Options Plan 2005 is only being carried to the extent that the holders of subscription rights exercised their subscription rights granted in the Management Stock Options Plan 2005 on the basis of the authorization referred to above, the company satisfied the stock options without using treasury shares, the transfer of shares by a third party or a cash payment.

A total of 2,016,150 stock options were issued from the MSOP 2001 and 2005 by the balance sheet date.

Capital reserves

The change in the capital reserve resulted from an increase of € 2.4 million from the excess in the issue amount (€ 16.31 per share) of new shares issued under the employee investment plan (total 145,075). Furthermore, the change resulted from the excess in the issue amount of € 0.1 million (4th tranche MSOP 2001) of shares issued from conditional capital in exchange for stock options (a total of 4,200 shares).

The capital reserve increased by a further € 0.2 million (€ 12.35 per share) as a result of the transfer of treasury shares.

Personnel expenses amounting to € 2.6 million (previous year € 3.1 million) were incurred in the year under review under the stock option program. This amount was recognized in the capital reserve.

Revenue reserves

Borrowing costs were capitalized retrospectively. As a result, revenue reserves were adjusted by € 41.5 million as of January 1, 2008, and by € 58.2 million as of December 31, 2008.

The revenue reserves consist not only of the reserves of Fraport AG (including the statutory reserves of €36.5 million), but also the revenue reserves and retained earnings of the subsidiaries incorporated in the consolidated financial statements as well as effects of consolidation adjustments.

The currency translation differences total €–6.3 million (previous year €–1.3 million). This figure includes currency translation differences of €–9.2 million from accounting for the Philippine companies at equity, which are not charged to Group earnings until the companies are disposed of in accordance with IAS 21. The reserve for the measurement of derivatives amounts to €–64.8 million (previous year €–48.6 million), including consolidation effects (€–1.7 million): €–63.1 million (previous year €–48.6 million). The reserve for the fair value measurement of available-for-sale financial assets totals €+5.2 million (previous year €–5.5 million). Additionally €2.0 million were recognized in the revaluation reserves in 2006, due to the revaluation of Lima shares. The substantially higher value recognized for the other revenue reserves compared to the financial statements of Fraport AG is due mainly to the higher measurement of property, plant, and equipment.

Group retained earnings

Group retained earnings correspond to the retained earnings of Fraport AG. The proposed dividend is €1.15 per share (previous year €1.15 per share).

_35 MINORITY INTERESTS, PRESENTED WITHIN EQUITY

MINORITY INTERESTS, PRESENTED WITHIN EQUITY

€ million	Dec. 31, 2009	Dec. 31, 2008
Equity attributable to minority interests (excluding the attributable profit for the year)	27.0	53.0
Profit for the year attributable to minority interests	7.3	7.2
	34.3	**60.2**

The minority interests relate to the interests in the shareholders' equity and earnings of Fraport Twin Star, FraCareS, Fraport Peru, FSG, FPS, Media, and LAP.

_36 NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

	Remaining term		Total	Remaining term		Total
€ million	≤ 1 year	> 1 year	Dec. 31, 2009	≤ 1 year	> 1 year	Dec. 31, 2008
Financial liabilities	118.9	4,126.9	4,245.8	555.5	1,685.3	2,240.8

Fraport AG placed a bond of €800 million in 2009 for increasing its reserve financing provisions further. The bond was given a coupon of 5.25 percent per year and has a maturity of 10 years. The issue price was 99.832 percent. During the fiscal year, a second bond was also issued as part of a private placement totaling €150 million. The bond was given a coupon of 5.875 percent per year and has a maturity of 20 years. The issue price was 98.566 percent. In addition, a loan note of €368 million was issued and development loans were taken out with two Infrastrukturbanks to the amount of €980 million.

There are the following major individual loans:

MAJOR INDIVIDUAL LOANS

Term from-to	Currency[4]	Interest rate in %	Dec. 31, 2009 € million	Dec. 31, 2008 € million
Fixed interest loans				
1998–2010	€	4.83	35.8	35.8
1999–2028	€	3.85	25.1	26.4
1999–2028	€	3.85	25.1	26.4
1999–2011	€	4.72	25.6	25.6
2004–2014	€	4.21	50.0	50.0
2006–2016	€	4.52	30.0	30.0
2006–2016	€	4.54	25.0	25.0
2006–2016	€	4.59	25.0	25.0
2007–2019	€	7.28	187.9	120.7
2007–2022	USD	6.88	110.9	107.3
2008–2018	€	4.52	30.0	30.0
2008–2018	€	5.05	50.0	50.0
2008–2015[1]	€	4.64	75.0	75.0
2008–2017[1]	€	5.22	25.0	25.0
2009–2019	€	6.74	40.0	
2009–2019	€	5.96	25.0	
2009–2019	€	6.22	30.0	
2009–2019	€	6.76	25.0	
2009–2019	€	6.53	40.0	
2009–2014[1]	€	4.83	65.5	
2009–2016[3]	€	5.35	100.0	
2009–2019[3]	€	4.58	40.0	
2009–2019[2]	€	5.25	800.0	
2009–2029[2]	€	5.88	150.0	
Variable-interest loans				
2006–2016	CHF	1.25	49.1	49.1
2007–2019	€	3.59	66.6	33.6
2008–2015[1]	€	1.65	388.0	388.0
2008–2017[1]	€	1.72	232.0	232.0
2009–2014[1]	€	3.10	145.5	
2009–2017[1]	€	3.50	73.0	
2009–2019[1]	€	3.70	25.0	
2009–2014[1]	€	3.10	45.0	
2009–2019[3]	€	1.51	190.0	
2009–2019[3]	€	1.38	230.0	
2009–2016[3]	€	2.16	100.0	
2009–2018[3]	€	1.56	320.0	

[1] Promissory notes
[2] Bond
[3] Subsidized loans
[4] Translated at the rate applicable on the respective balance sheet date

There is a general interest rate risk for fixed-interest loans that are extended on expiry.

The fixed-rate loans include also those variable-interest rate loans whose interest rate was fixed by contracting an interest rate hedge.

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TRADE ACCOUNTS PAYABLE

TRADE ACCOUNTS PAYABLE

€ million	Remaining term ≤ 1 year	Remaining term > 1 year	Total Dec. 31, 2009	Remaining term ≤ 1 year	Remaining term > 1 year	Total Dec. 31, 2008
To third parties	219.8	73.1	292.9	196.2	38.3	234.5
To Celanese / Ticona	0.0	41.6	41.6	197.6	154.6	352.2
	219.8	**114.7**	**334.5**	**393.8**	**192.9**	**586.7**

Third-party liabilities include a liability under a finance lease in the amount of € 7.2 million (previous year: € 8.2 million).

On February 5, 2009, a partial payment of € 322.1 million was made in advance under the framework agreement with Celanese AG / Ticona GmbH. € 302.9 million of this partial payment were for liabilities that had already been accounted for in previous years and € 19.2 million for the acquisition of real estate whose deeds will be transferred to Fraport AG in 2011. The liability of € 312.3 million was derecognized upon payment. The difference between the recognized liabilities and partial payment was stated as interest income.

Liabilities of € 40.0 million for environmental and forest ecological compensation measures in connection with the expansion of Frankfurt Airport existed as of the balance sheet date (see note 23).

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NON-CURRENT AND CURRENT OTHER LIABILITIES

NON-CURRENT AND CURRENT OTHER LIABILITIES

€ million	Remaining term ≤ 1 year	Remaining term > 1 year	Total Dec. 31, 2009	Remaining term ≤ 1 year	Remaining term > 1 year	Total Dec. 31, 2008
Prepayments for orders	1.3	–	1.3	0.8	–	0.8
To joint ventures	3.3	–	3.3	2.5	–	2.5
To associated companies	4.6	–	4.6	0.2	–	0.2
To investments	3.6	–	3.6	4.8	–	4.8
Grants for assets	–	20.9	20.9	–	29.8	29.8
Other deferred income	11.8	47.0	58.8	9.6	65.8	75.4
In connection with concession obligations in Antalya	50.2	434.0	484.2	–	307.2	307.2
Negative fair value of derivative financial instruments	0.9	111.1	112.0	1.6	80.2	81.8
Other liabilities	55.5	79.1	134.6	44.1	31.8	75.9
	131.2	**692.1**	**823.3**	**63.6**	**514.8**	**578.4**

The other liabilities consist essentially of lease liabilities, wage and church tax, unpaid social security contributions, liabilities from accrued interest and liabilities to company employees.

Grants for non-current assets include government grants in the amount of € 13.4 million (previous year € 22.8 million) and from other grantors in the amount of € 7.5 million (previous year € 7.0 million). The government grants relate in particular to capital expenditures incurred for baggage controls at Frankfurt Airport. Special items are released according to the useful life of the subsidized assets using linear amortization.

Prepaid expenses are income received and relating to future accounting periods.

The other liabilities include lease liabilities of € 516.9 million (previous year € 320.7 million) (see notes 22 and 23). The increase is mainly due to lease liabilities related to investments in the airport operating project in Antalya (see note 22). Another liability from a financing lease is reported under trade accounts payable (see note 37).

The following lease payments are due from the leases:

REMAINING TERMS OF LEASE PAYMENTS

€ million	< 1 year	1–5 years	> 5 years	Total Dec. 31, 2009
			Remaining term	
Lease payments	57.7	229.2	520.1	807.0
Discount amounts	2.3	37.4	243.1	282.8
Present value	**55.4**	**191.8**	**276.9**	**524.1**

€ million	< 1 year	1–5 years	> 5 years	Total Dec. 31, 2008
			Remaining term	
Lease payments	3.8	148.0	398.7	550.5
Discount amounts	0.7	23.6	194.9	219.2
Present value	**3.1**	**124.4**	**203.8**	**331.3**

The discount rates are between 5.8 percent and 7.2 percent, which is the same as in the previous year. The longest leases end in 2024. The lease payments disclosed are minimum lease payments.

_39 DEFERRED TAX LIABILITIES

DEFERRED TAX LIABILITIES

€ million	Dec. 31, 2009	Dec. 31, 2008 adjusted
Deferred tax liabilities	139.7	123.5

Borrowing costs were capitalized retrospectively. As a result, deferred tax liabilities were adjusted by € 26.1 million as of December 31, 2008.

Deferred tax liabilities are recognized in compliance with IAS 12 using the temporary concept. Further explanations of deferred tax liabilities can be found in note 18 “Taxes on income”.

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PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Reconciliation of the assets and liabilities recognized in the financial position:

PENSION OBLIGATIONS

€ million	2009	2008	2007	2006	2005
Present value of the obligation as of January 1	26.5[1]	27.6	29.1	29.9	25.5
Interest cost	1.5	1.4	1.4	1.1	1.2
Current service cost	1.5	1.5	2.1	1.8	2.1
Past service cost	0.9	0.1	0.0	0.0	0.0
Benefits paid	–1.8	–1.5	–1.8	–1.3	–1.2
Actuarial loss / (gain)	4.0	–1.8	–3.2	–2.4	2.3
Present value of the obligation as of December 31	**32.6**	**27.3**	**27.6**	**29.1**	**29.9**
Fair value of plan assets (qualifying insurance policy) as of December 31	**13.8**	**12.4**	**11.6**	**10.6**	**10.0**
Offsetting					
Reconciliation to assets and liabilities recognized in the financial position					
The following amounts were recognized in the financial position:					
Present value of funded financial obligations	12.3	8.3	8.2	8.5	8.5
Fair value of plan assets	–13.8	–12.4	–11.6	–10.6	–10.0
Excess cover	**–1.5**	**–4.1**	**–3.4**	**–2.1**	**–1.5**
Present value of unfunded financial obligations	20.3	19.0	19.4	20.6	21.4
Unrecognized actuarial gains / losses	0.0	0.0	0.0	0.0	0.0
Unrecognized past service cost	0.0	0.0	0.0	0.0	0.0
(Net) liabilities recognized in the financial position	**20.3**	**19.0**	**19.4**	**20.6**	**21.4**
Amounts recognized in the income statement					
Current service cost	1.5	1.5	2.1	1.8	2.1
Interest cost	1.5	1.4	1.4	1.1	1.2
Income expected from plan assets	–0.3	–0.2	–0.3	–0.3	0.0
Net actuarial loss / (gain) from pension provision recognized in the current year	4.0	–1.8	–3.2	–2.4	2.3
(Gain) / loss on plan assets	0.1	0.2	0.1	0.0	0.0
Past service cost	0.9	0.1	0.0	0.0	0.0
Expense recognized in the income statement	**7.7**	**1.2**	**0.1**	**0.2**	**5.6**
Reconciliation of recognized net liabilities in the period					
Net liabilities at the beginning of the year	**18.3[1]**	**19.4**	**20.6**	**21.4**	**25.5**
Change in excess cover	–2.7	0.7	1.3	0.7	1.5
Expenses recognized in the income statement	7.7	1.2	0.1	0.2	5.6
Benefits paid	–1.8	–1.5	–1.8	–1.3	–1.2
Asset value of insurance policy paid	–1.2	–0.8	–0.8	–0.4	–10.0
Changes in the Group – Transfer Antalya	0.0	0.0	0.0	–1.9	0.0
Changes in the Group – Addition Twin Star	0.0	0.0	0.0	1.9	0.0
Net liabilities at the end of the year	**20.3**	**19.0**	**19.4**	**20.6**	**21.4**
Reconciliation development of plan assets					
Fair value of plan assets (qualifying insurance policy) at the beginning of the year	12.4	11.6	10.6	9.9	0.0
Income expected from plan assets	0.3	–0.2	0.3	0.3	0.0
(Gain) / loss on plan assets	–0.1	0.2	–0.1	0.0	–0.1
Asset value of insurance policy paid	1.2	0.8	0.8	0.4	10.0
Fair value of plan assets (qualifying insurance policy) as of December 31	**13.8**	**12.4**	**11.6**	**10.6**	**9.9**

[1] The opening financial position has changed compared to the previous year as a result of the deconsolidation of Flughafen Frankfurt-Hahn GmbH.

The pension obligations essentially include 19 vested pension benefits promised in individual agreements to the members of the Fraport AG Executive Board and their dependants. A total of 235 further benefits (140 of them non-vested) become payable to senior executives and employees not covered by collective agreements in connection with the Fraport AG company benefit plan. The present value (PBO) of the non-vested benefits amounts to €0.8 million.

In 2010, reinsurance policy contributions of around €1.2 million will be paid.

Measurement is based on the provisions under IAS 19. The pension obligations on December 31, 2009, have been calculated on the basis of actuarial opinions of January 5, 2010, and December 16, 2009. The calculations are based on Professor Dr. Klaus Heubeck's fundamental biometric data (RT 2005 G).

There are commitments to employee-financed pension benefits of €2.2 million for senior executives (14 vested rights) of Fraport AG. The calculation is based on an actuarial opinion dated December 16, 2009.

In 2005 already, a reinsurance policy was concluded to reduce actuarial risks and to protect pension obligations for the former and current members of the Executive Board against insolvency. The reinsurance claims are recognized at the asset value the insurance company reported (€13.8 million, previous year €12.4 million). Of this amount the present value of the defined benefit obligation attributable to the members of the Executive Board has been set off against the asset of the reinsurance policy. The anticipated return on the reinsurance claims for the next fiscal year amounts to approximately 2.54 percent. This amount corresponds to the current interest rate in the year under review.

A sensitivity analysis with variations in the discount rates of +/– 0.5 percent on the pension obligation of Fraport AG shows an increase in the obligation by €1.8 million (4.5 percent) or a lower obligation of €1.6 million (5.5 percent), respectively.

Fraport AG has insured its employees for 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 will be collected based on a pay-as-you-go model. The contribution rate of the ZVK Wiesbaden is 6.2 percent; of which the employer pays 5.7 percent, with the contribution paid by the employee amounting to 0.5 percent. In addition, a tax-free restructuring charge of 1.4 percent is levied by the employer in accordance with Section 63 of the ZVK Bylaws (ZVKS). The restructuring charge will increase by 0.9 percent to 2.3 percent as from January 2010. An additional contribution of 9 percent is paid for some employees included in the statutory social security insurance scheme (generally employees in partial retirement and senior managers) for the consideration subject to ZVK that, according to Section 38 ATV-K, exceeds the upper limit defined in the collective agreement. Consideration subject to pay-as-you-go contributions totaled €437.0 million in 2009.

This plan is a multi-employer plan (IAS 19.7), since the companies involved share the risk of the investment and also the biometric risk.

The ZVK insurance policy is classified as a defined benefit plan (IAS 19.27). Since the plan is a defined benefit plan, the company has to account for its proportionate share of its benefit obligations in the total obligations and for the exact share in the total assets of ZVK under IAS 19.29.

If there is no sufficient information on the plan and a company also covers the risks of other insured companies (IAS 19.32b), the plan is accounted for as if it were a defined contribution plan.

For this reason, Fraport AG has treated this plan as a defined contribution plan.

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NON-CURRENT AND CURRENT INCOME TAX PROVISIONS

NON-CURRENT AND CURRENT INCOME TAX PROVISIONS

€ million	Remaining term ≤ 1 year	Remaining term > 1 year	Total Dec. 31, 2009	Remaining term ≤ 1 year	Remaining term > 1 year	Total Dec. 31, 2008
Income tax provisions	6.7	135.0	141.7	1.9	170.0	171.9

Tax provisions changed mainly because the external audit of Fraport AG's financial statements for the years 1999 to 2002 has now been partly completed.

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NON-CURRENT AND CURRENT OTHER PROVISIONS

The movements in the non-current and current provisions are shown in the following tables.

PERSONNEL-RELATED PROVISIONS

€ million	Jan. 1, 2009	Use	Release	Addition	Interest effect	Dec. 31, 2009
Personnel	149.8	–74.2	–10.4	63.4	0.4	129.0
of which non-current	69.1					62.1
of which current	80.7					66.9

A large part of the personnel-related provisions were recognized for partial retirement obligations, collectively agreed performance pay schemes (former LEA), other incentive systems for the employees of Fraport AG, overtime credits, vacation not yet taken, and for expected severance payments.

OTHER PROVISIONS

€ million	Jan. 1, 2009	Use	Release	Addition	Interest effect	Dec. 31, 2009
Environment	37.2	–8.1	0.0	3.6	0.6	33.3
Others	102.9	–25.7	–4.7	134.0		206.5
	140.1	**–33.8**	**–4.7**	**137.6**	**0.6**	**239.8**
of which non-current	31.9					67.8
of which current	108.2					172.0

The environmental provisions have been formed essentially for probable restoration costs for the elimination of groundwater contamination on the Frankfurt Airport site, as well as for environmental pollution in the southern section of the airport.

The other provisions include the provision of €6.7 million (previous year €11.3 million) recognized in 2003 for the refinancing of the passive noise abatement program at Fraport AG.

Forest clearing works on the South side of Frankfurt Airport and near the Northwest Runway, required for the airport expansion, were concluded in the fiscal year, leaving Fraport AG with the obligation of implementing environmental compensation measures. These were recognized at €58.7 million.

A provision of €29.8 million was also set aside for land acquisitions, for which Fraport AG received authorization during the fiscal year under an assignment of ownership issued by Darmstadt regional administrative authority in connection with the expansion.

As in the previous year, other provisions were mainly established for rebates and refunds, legal disputes, and damage claims.

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FINANCIAL INSTRUMENTS

Disclosures on carrying amounts and fair values

The following tables present the carrying amounts and fair values of the financial instruments as of December 31, 2009 and 2008.

FINANCIAL INSTRUMENTS AS OF DEC. 31, 2009

		Measurement at historical costs		Fair value measurement					Dec. 31, 2009
				Measurement affecting net profit					
Measurement category according to IAS 39	Nominal volume	Loans and receivables		Fair value option	Held for trading	Available-for-sale		Hedging derivative	Total fair value
€ million	Liquid funds	Carrying amount	Fair Value	Carrying amount[1]	Carrying amount[1]	Carrying amount[1]		Carrying amount[1]	
Assets									
Cash and cash equivalents	1,802.3								1,802.3
Trade accounts receivable		158.4	158.4						158.4
Other receivables and financial assets		67.5	67.5	29.6		344.4			411.9
Other financial investments									
Securities				20.5		239.1			259.6
Other investments						39.9			39.9
Loans to investments		3.8	3.8						3.8
Other loans		171.4	171.4						171.4
Derivative financial assets									
Hedging derivatives								0.3	0.3
Other derivatives									0.0
Total assets	**1,802.3**	**401.1**	**401.1**	**50.1**	**0.0**	**623.4**		**0.3**	**2,847.6**

		Other financial liabilities		Fair value option	Held for trading	IAS 17 liability		Hedging derivative	Total fair value
		Carrying amount	Fair value	Carrying amount[1]	Carrying amount[1]	Carrying amount[1]	Fair value	Carrying amount[1]	
Liabilities & equity									
Trade accounts payable		327.3	327.3						327.3
Other financial liabilities		41.3	41.3						41.3
Financial liabilities		4,245.8	4,100.5						4,100.5
Liabilities from finance leases						524.1	529.8		529.8
Derivative financial liabilities									
Hedging derivatives								107.4	107.4
Other derivatives					8.9				8.9
Total liabilities & equity		**4,614.4**	**4,469.1**		**8.9**	**524.1**	**529.8**	**107.4**	**5,115.2**

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

FINANCIAL INSTRUMENTS AS OF DEC. 31, 2008

Measurement category according to IAS 39	Nominal volume	Measurement at historical costs: Loans and receivables		Fair value measurement: Measurement affecting net profit: Fair value option	Held for trading	Available-for-sale		Hedging derivative	Dec. 31, 2008: Total fair value
€ million	Liquid funds	Carrying amount	Fair value	Carrying amount[1]	Carrying amount[1]	Carrying amount[1]		Carrying amount[1]	
Assets									
Cash and cash equivalents	1,154.8								1,154.8
Trade accounts receivable		154.9	154.9						154.9
Other receivables and financial assets		12.6	12.6			80.1			92.7
Other financial investments									
Securities				48.5		101.3			149.8
Other investments						40.7			40.7
Loans to investments		2.0	2.0						2.0
Other loans		12.9	12.9						12.9
Derivative financial assets									
Hedging derivatives									0.0
Other derivatives									0.0
Total assets	**1,154.8**	**182.4**	**182.4**	**48.5**	**0.0**	**222.1**		**0.0**	**1,607.8**

		Other financial liabilities		Fair value option	Held for trading	IAS 17 liability		Hedging derivative	Total fair value
		Carrying amount	Fair value	Carrying amount[1]	Carrying amount[1]	Carrying amount[1]	Fair value	Carrying amount[1]	
Liabilities and equity									
Trade accounts payable		578.5	578.5						578.5
Other financial liabilities		28.6	28.6						28.6
Financial liabilities		2,240.8	2,148.1						2,148.1
Liabilities from finance leases						328.9	335.9		335.9
Derivative financial liabilities									
Hedging derivatives								74.6	74.6
Other derivatives					7.2				7.2
Total liabilities and equity		**2,847.9**	**2,755.2**		**7.2**	**328.9**	**335.9**	**74.6**	**3,172.9**

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

Given the short maturities for cash, trade accounts receivables, and other financial receivables and assets, the carrying amounts as of the reporting date are a reasonable approximation of fair value.

The measurement of unlisted securities is based on market data applicable at the measurement date using reliable and specialized sources and data providers. The values are determined using established valuation techniques (e. g. Monte-Carlo simulation).

Derivative financial instruments essentially relate to interest hedges. The fair values of these financial instruments are determined on the basis of discounted, future anticipated cash flows, using market interest rates corresponding to the terms to maturity.

For calculating the fair values of financial liabilities, the future anticipated cash flows are determined and discounted on the basis of the yield curve applicable on the balance sheet date. The risk premium for each borrower, in line with the market and corresponding to the terms to maturity, is added to the cash flows.

The fair values of listed securities are identical to the stock market prices on the reporting date.

There is no price quotation or market price for shares in partnerships and other unlisted investments as there is no active market for them. The carrying amount is assumed to equal the present value, since the fair value cannot be determined reliably. These assets are not intended for sale as of the balance sheet date.

The carrying amounts of other loans and loans to investments 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 measurement for their fair values. Another part of the other loans is reported at present value on the balance sheet date. Here, it is also assumed that the present value corresponds to the fair value. Other loans are fixed-interest loan notes received during the year under review. As the market interest rate of the loan notes has only changed insignificantly since their addition, no information is available on the risk premiums of their issuers due to the lack of an active market, and their remaining terms to maturity are less than two years, their carrying amounts were used as a reliable measurement for their fair values. Fraport AG did not intend selling these loan notes as of the balance sheet date.

Most of the trade accounts payable and other financial liabilities have short-term maturities. The fair values correspond to the respective carrying amounts. Non-current trade accounts payable are recognized at their present value. Interest rates with similar terms are used as a basis for discounting future cash outflows. The present value corresponds to the fair value.

The financial instruments recognized at fair value in the financial position belong to the following input levels of the hierarchy within the meaning of IFRS 7.27A:

MEASUREMENT CATEGORIES ACC. TO IFRS 7.27A

	Dec. 31, 2009	Level 1 Quoted price	Level 2 Derived price	Level 3 Prices that are not derivable
Assets				
Other financial receivables and financial assets				
available for sale	344.4	344.4	0.0	0.0
fair value option	29.6	0.0	29.6	0.0
Other financial assets				
Securities available for sale	239.1	239.1	0.0	0.0
Securities fair value option	20.6	0.0	20.6	0.0
Other investments	0.0	0.0	0.0	0.0
Derivative financial assets				
derivatives without hedging	0.0	0.0	0.0	0.0
derivatives with hedging	0.3	0.0	0.3	0.0
Total assets	**634.0**	**583.5**	**50.5**	**0.0**
Liabilities and equity				
Derivative financial liabilities				
derivatives without hedging	8.9	0.0	8.9	0.0
derivatives with hedging	107.4	0.0	107.4	0.0
Total liabilities and equity	**116.3**	**0.0**	**116.3**	**0.0**

Net gains and losses of the measurement categories

NET GAINS AND LOSSES OF THE MEASUREMENT CATEGORIES

€ million	2009	2008
Financial assets		
Loans and receivables	4.3	12.9
Fair value option	1.6	–17.3
Held for trading	0.0	0.0
Available-for-sale	11.9	13.9
Financial liabilities		
At amortised cost	0.3	–6.2
Held for trading	–1.8	–8.1

Net gains and losses consist of changes in fair value, impairment losses and reversals recognized in profit or loss, foreign currency changes, and gains and losses on disposals.

Interest and dividend income to which the fair value option applies, or which are available-for-sale, are also included in the computation of net gains and losses. Interest and dividend income of the other categories are not included in the net gains and losses disclosed. These are included in interest income and expenses.

Gains from the valuation at fair value of financial instruments in the "available-for-sale" category in the amount of € 10.5 million were recorded directly in equity without affecting profit or loss during the fiscal year (previous year: losses in the amount of € 33.7 million). The payment of € 0.5 million received under the German federal government's investment guarantee for capital investments was recognized in profit or loss and included in the net result of this category (previous year: foreign currency gains of € 3.5 million).

Derivative financial instruments

With regard to its financial position accounts and planned transactions, the Fraport Group is mainly subject to interest rate and currency exchange risks as well as raw materials prices. We cover 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. Derivatives are not used for trading or speculative purposes.

Interest rate risks arise in particular from the capital requirements for the capacity expansion and from existing variable-interest rate financial liabilities. As part of the interest rate risk management policy, interest rate derivates were and are being concluded on an ongoing basis in order to limit the interest rate risk arising from financial instruments with variable interest rates, assure planning security, and optimize credit conditions.

Within the Fraport Group, foreign currency risks mainly arise from sales in foreign currencies, which are not covered by expenses in matching currencies. This results to a cash flow risk between foreign currency revenue and the functional currency. We hedge such risks by entering into currency forwards.

Raw materials price risks in the Fraport Group mainly arise from the business operations of ground services. Price fluctuations, especially for diesel fuel, cannot be passed on to customers in terms of a naturally integrated position. This results in a cash flow risk that is hedged by concluding diesel fuel swaps for planned future diesel fuel purchases.

There are 50 interest rate swaps that had been entered into in previous years. Furthermore, options were sold on five (previous year: four) interest rate swaps in order to optimize financing costs. The value is included in the market value of the interest rate swaps. There are also 11 (previous year: 38) forward currency contracts and 10 (previous year: 12) diesel fuel swaps.

DERIVATIVE FINANCIAL INSTRUMENTS

	Nominal volume		Market value		Credit risk	
€ million	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Interest rate swaps	1,447.9	1,438.7	– 114.7	– 78.1	0.0	0.0
Diesel swaps	19,690 mt [1]	26,520 mt	– 1.4	– 3.7	0.2	0.0
Currency forwards	3.90	9.04	0.10	– 0.02	0.10	0.00

[1] 19,690 mt equal 23.3 million liters.

The total market value of diesel fuel swaps, amounting to € – 1.4 million, includes € – 0.1 million (volume: 730 mt) diesel price hedges, which still had to be settled in December 2009.

A credit risk (counterparty risk) arises from positive fair values of derivative transactions that have been concluded. The total of all the positive fair values of the derivatives corresponds to the maximum default risk of these business transactions. In accordance with the interest rate and foreign currency risk management rules, derivative contracts are only concluded with banks that have an excellent credit rating in order to minimize the default and credit risks.

The fair values of the derivative financial instruments are recognized as follows in the financial position:

FAIR VALUES OF THE DERIVATE FINANCIAL INSTRUMENTS

	Other assets		Other liabilities	
€ million	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2008
Interest rate swaps – cash flow hedges	0.0	0.0	105.8	70.9
Interest rate swaps – trading	0.0	0.0	8.9	7.2
Diesel fuel swaps	0.2	0.0	1.6	3.7
Currency forwards – cash flow hedges	0.1	0.0	0.00	0.02

45 of the interest rate swaps are already assigned to existing variable-interest-bearing liabilities. Five of the interest swaps were concluded to hedge the interest rate level for part of the future cash requirements and thus to reduce the risk of changes in interest rates arising from these positions.

A total of 45 interest rate swaps and forward interest rate swaps, the currency forwards, and the diesel fuel swaps are accounted for as cash flow hedges according to IAS 39. Changes in the fair value of these instruments are included in the revaluation reserves and recognized in equity without affecting profit or loss, as long as the hedging relationship is effective. The effectiveness of these cash flow hedges has been verified and is confirmed and documented at regular intervals. Five interest rate swaps are classified as “held for trading”. All gains or losses resulting from this classification are recognized in 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

Beginning of term	End of term	Nominal volume € million	Fair value incl. accrued interest € million
2005	2014	60.0	–3.8
2006	2016	70.0	–5.2
2007	2017	60.0	–5.1
2007	2019	187.9	–19.8
2008	2018	115.0	–7.8
2009	2015	45.0	–4.1
2009	2016	100.0	–7.0
2009	2017	25.0	–2.2
2009	2019	220.0	–20.1
2010	2015	85.0	–6.6
2010	2017	100.0	–8.0
2010	2020	185.0	–13.8
2011	2015	70.0	–2.3
		1,322.9	**–105.8**

CURRENCY FORWARDS

Maturing date	Nominal volume € million	Nominal volume € million
2010	3.9	0.10

DIESEL FUEL SWAPS

Hedging year	Hedging volume in mt	Fair value € million
2010	6,960	–0.8
2011	8,400	–0.6
2012	3,600	0.1
	18,960	**–1.3**

In the fiscal year € 23.0 million, net, of unrealized losses were recognized in equity from the change in fair value (previous year: losses of € 87.2 million). Losses of € 16.9 million (previous year: gains of € 2.2 million) were transferred from equity to the financial result and € 1.6 million (previous year: € 0.0 million) to the operating result. In addition, the ineffectiveness of diesel fuel and interest rate swaps amounting to € 1.1 million was recognized in profit and loss (previous year € 0.0 million).

Notes to segment reporting

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NOTES TO SEGMENT REPORTING

The IASB published IFRS 8 "Operating Segments" on November 2006. IFRS 8 replaces IAS 14 and adjusts the provisions to those of SFAS 131. IFRS 8 takes the management approach as a basis for segment reporting. Fraport AG applied IFRS 8 for the first time in the year under review (see note 4). Fraport Group's segment reporting according to IAS 14 was based on internal reporting to the Executive Board. The application of IFRS 8 therefore does not materially affect the segment reporting of Fraport Group. Additional disclosures in the notes are the only change.

Until now, the business activities of the Fraport Group were divided into four segments: Aviation, Retail & Properties, Ground Handling, and External Activities. As of January 1, 2009, a new segment structure came into effect. The Retail & Properties segment was adjusted for all activities that objectively were no longer attributable to the segment and was renamed as "Retail & Real Estate". The internal service units Facility Management and Information and Telecommunication, including their subsidiaries, were organized as "Services" within the newly named segment "External Activities & Services". In addition, the profit center, into which cost-related user fees are pooled, was assigned to the "Aviation" segment.

Since January 1, 2009, Fraport Group capitalizes borrowing costs pursuant to the revised IAS 23 "Borrowing costs". Qualifying assets produced after January 1, 2000, are recognized (see note 4).

To allow for a better comparison, previous year's figures were adjusted in line with the new structure and the revised IAS 23.

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 investments integrated in the business processes at the Frankfurt site. At Fraport AG, the internal service units Information and Telecommunication and Facility Management were assigned to the External Activities & Services segment. The segment also includes the investments, which carry out their business operations outside Frankfurt or are not involved in the business processes at the Frankfurt site.

The strategic business units "Traffic and Terminal Management, Airport Expansion" are part of the Aviation segment. The Aviation segment also encompasses the strategic business unit Airport Security Management combining the airport and aviation security at Frankfurt.

The newly named Retail & Real Estate segment consists of the strategic business unit Retail and Properties, comprising our retailing activities, parking facility management, as well as the rental and marketing of real estate at the Frankfurt site.

The Ground Handling segment combines the strategic business unit Ground Services and the investments involved in these operations at the Frankfurt site.

Corporate data at Fraport AG are divided up on the one hand into market-oriented business and service divisions and on the other hand into central divisions. All the business and service divisions are allocated clearly to one segment each. An appropriate key is used for the central divisions.

The data about the investments that are not integrated in the processes at the Frankfurt site and investments that carry out their business operations outside Frankfurt are allocated to the External Activities & Services segment during the reporting process. The investments that are integrated in the processes at the Frankfurt site are allocated to the relevant segment according to their business operations.

Inter-segment income is generated essentially by Fraport AG's intercompany charge of rent for land, buildings, and space as well as of maintenance services and energy / associated services. The corresponding segment 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 income also reflects income that has been generated between the companies included from different segments.

Goodwill from acquisition accounting and the appropriate impairment losses, where applicable, have been allocated clearly to the segments according to our structure.

The reconciliation of segment assets / segment liabilities column includes the income tax assets / liabilities (including the deferred tax assets / liabilities) of the Group.

Allocation in the additional disclosures "Information on geographical areas" is according to the current main areas of operation: Germany, the rest of Europe, Asia, and the rest of the world. The figures shown under Asia relate mainly to Turkey and the People's Republic of China.

The figures shown under the rest of the world relate essentially to the USA and Peru.

Depreciation and amortization relating to the segment assets includes € 20.0 million impairment losses in accordance with IAS 36 recognized for property, plant, and equipment. These are charged to the Ground Handling segment.

By applying IAS 23 with retrospective effect, depreciation and amortization in 2008 increased by € 1.5 million, of which € 0.6 million was for the Aviation segment, € 0.6 million for Retail & Real Estate, € 0.2 million for Ground Handling, and € 0.1 million for External Activities & Services.

Segment assets of the Retail & Real Estate segment include real estate inventories of € 41.9 million (previous year € 27.7 million).

Given the significant effects from the above-mentioned structural changes and the capitalization of borrowing costs in accordance with IAS 23, we listed the effects on the previous year's revenue, EBITDA, EBIT and assets in the following table.

SEGMENT ADJUSTMENTS 2008

€ million		Aviation	Retail & Real Estate	Ground Handling	External Aktivities & Services	Reconcilia-tion	Group
	Adjusted 2008	711.8	370.7	642.7	376.4		2,101.6
	Reported in 2008	698.4	433.5	642.7	327.0		2,101.6
Revenue	**Change**	**13.4**	**–62.8**	**0.0**	**49.4**		**0.0**
	Adjusted 2008	161.4	286.7	52.1	100.5		600.7
	Reported in 2008	124.9	367.9	52.0	55.9		600.7
EBITDA	**Change**	**36.5**	**–81.2**	**0.1**	**44.6**		**0.0**
	Adjusted 2008	92.5	228.2	18.8	19.7		359.2
	Reported in 2008	58.0	285.9	19.0	–2.2		360.7
EBIT	**Change**	**34.5**	**–57.7**	**–0.2**	**21.9**		**–1.5**
	Adjusted 2008	2,969.5	1,684.9	591.4	1,267.8	64.8	6,578.4
	Reported in 2008	2,988.6	1,813.3	590.7	1,036.7	64.8	6,494.1
Segment assets	**Change**	**–19.1**	**–128.4**	**0.7**	**231.1**		**84.3**

In fiscal year 2009, Fraport AG received revenue of € 657.8 million in all four segments from one customer.

Further explanations about segment reporting can be found in the management report.

Notes to the consolidated statement of cash flows

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NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flow from operating activities

Cash flow from operating activities (€ 426.5 million) is the balance of cash inflows of € 565.6 million (previous year € 602.6 million) from operational activities. They are balanced with cash outflows of € 35.4 million (previous year € 18.3 million) from financing activities and € 103.7 million (previous year € 91.8 million) relating to income tax. Total cash flow from operating activities was € 66.0 million lower than in the previous year, mainly due to low profits for the year, decreasing interest income and higher tax payments.

Cash flow used in investing activities

Capital expenditure for investments in airport operating projects, other intangible assets, and property, plant, and equipment rose significantly year on year by € 248.2 million.

The investments in airport operating projects relate to expenses incurred for the concessions to operate the terminals and the airports respectively in Antalya, Lima, Varna, and Burgas.

As in the previous year, cash paid to acquire property, plant, and equipment mainly relates to the airport expansion program and the extension projects at Frankfurt Airport. Among other things, the capital expenditures on property, plant, and equipment include payments to Celanese AG / Ticona GmbH in the amount of € 322.1 million.

Non-current and current financial investments relate to the investment of proceeds from loans for increasing reserve financing provisions for the expansion of Frankfurt Airport.

The disposal of consolidated subsidiaries consists of the sale of Frankfurt-Hahn Airport.

The acquisition of consolidated joint ventures pertains to the purchase of further shares in the terminal operator consortium in Antalya.

NOTES ABOUT THE DISPOSAL OF CONSOLIDATED SUBSIDIARIES

€ million	2009
Cash and cash equivalents	0.8
Current assets	11.2
Non-current assets	150.9
Current liabilities	– 35.3
Non-current liabilities	– 127.9
Gain on disposal	0.3
Total selling price	**0.0**
Less disposed cash and cash equivalents	– 0.8
Cash flow from the disposal of consolidated subsidiaries	**– 0.8**

NOTES ABOUT THE ACQUISITION OF CONSOLIDATED JOINT VENTURES

€ million	2009
Cash and cash equivalents	0.5
Current assets	3.6
Goodwill	17.3
Non-current assets	295.4
Current liabilities	– 1.7
Non-current liabilities	– 252.1
Total acquisition price	**63.0**
Less purchase price adjustment due to contractual regulations	– 0.4
Acquisition price paid with cash and cash equivalents	62.6
Less advanced payments in 2008	– 62.6
Less acquired cash and cash equivalents	– 0.5
Cash flow used in the acquisition of joint ventures	**– 0.5**

Cash flow from financing activities

Total cash flow from financing activities amounted to € 1,929.4 million. Cash inflow was generated mainly by issuing bonds and loans from infrastructure measures with the European Investment Bank and LTH Bank in tranches. The change in current liabilities is mainly related to repaying existing term money.

CASH AND CASH EQUIVALENTS

€ million	Dec. 31, 2009	Dec. 31, 2008
Cash and cash equivalents according to cash flow statement	73.9	1,120.6
Cash and cash equivalents with a duration of more than three months	1,698.4	0.0
Restricted cash	30.0	34.2
Cash and cash equivalents according to financial position	**1,802.3**	**1,154.8**

The significant decrease in cash and cash equivalents was due to the restructuring of these funds as cash and cash equivalents with a remaining term of more than three months in 2009.

Other disclosures

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CONTINGENT LIABILITIES

CONTINGENT LIABILITIES		
€ million	Dec. 31, 2009	Dec. 31, 2008
Guarantees	5.2	5.1
Warranty contracts	210.5	209.7
thereof performance guarantees	145.9	148.0
Others	40.3	16.1
	256.0	**230.9**

The performance guarantees include a joint and several liability to the Hong Kong airport authority in connection with the Tradeport Hong Kong Ltd. investment project amounting to € 27.8 million (US$40.0 million), for which there is a recourse claim on the other guarantors in the amount of € 13.2 million (US$19.0 million).

A performance guarantee was signed between GMR Holdings Private Ltd., Fraport AG and ICICI Bank Ltd. in the amount of € 44.7 million (INR 3,000 million) to modernize, expand, and operate the Delhi Airport excluding a recourse to Fraport AG. If, however, the party to the contract GMR Holdings Private Ltd. fails to perform under the contract, liability of Fraport AG may not be excluded – given the fact that Fraport AG is party to the contract.

In the context of operating the airports in Varna and Burgas Fraport AG guaranteed contractual performance of its subsidiary Fraport Twin Star Airport Management AD, established in 2006, over the amount of € 9.0 million.

The existing contract performance guarantee related to the concession agreement for the operation of the airport in Lima, Peru amounts to € 8.8 million (US$10.2 million) on the balance sheet date.

In connection with the terminal operation at Antalya Airport Fraport AG assumed a guaranteed contractual performance of € 35.7 million for the newly established Antalya operating company investment.

The other warranties mainly include guarantees assumed by Fraport AG in connection with the contractual financing arrangements signed by the Antalya operating company. Thus, contingent liabilities arose for the Fraport Group in the amount of € 49.2 million.

Fraport AG is held liable in the amount of € 13.5 million for rentals payable by Lufthansa Cargo Aktiengesellschaft to Tectum 26. Vermögensverwaltungs GmbH, if Lufthansa Cargo Aktiengesellschaft exercises an extraordinary right to terminate the contract.

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OTHER FINANCIAL COMMITMENTS

ORDER COMMITMENTS		
€ million	Dec. 31, 2009	Dec. 31, 2008
Orders for capital expenditure on property, plant and equipment, intangible assets and investment property / others	780.4	638.0
Orders for energy supply	97.0	96.0
	877.4	**734.0**

Operating leases

FINANCIAL COMMITMENTS FROM OPERATING LEASING		
€ million	Dec. 31, 2009	Dec. 31, 2008
Rental and leasing contracts		
up to one year	28.3	29.4
one to five years	76.7	78.8
more than five years	356.4	379.6
	461.4	**487.8**

In view of their substance, the leases qualify as operating leases, i.e., the leased asset is attributable to the lessor.

Most of the future lease payments results from payment obligations arising from the concession agreements concluded in connection with the operation of the airports in Varna and Burgas, Bulgaria (lease term until 2041) as well as Lima, Peru (minimum lease term until 2031).

In addition, the rental agreements and leases relate to building rental agreements and the lease of equipment. The equipment leases generally end in 2011. The building rental agreements can be terminated at short notice.

Other commitments

Apart from the minimum payments to be made under the concession agreements, revenue-related concession charges and other investment obligations as yet undefined in terms of amount in relation to the airport infrastructure have been agreed (see note 52).

There are additional obligations as of the balance sheet date in the amount of €112.4 million. These mainly consist of a capital contribution obligation to finance capital expenditures for the Delhi Indira Gandhi International Airport in India, as well as a long-term heat supply agreement.

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STOCK OPTION

Management Stock Options Plan 2001

The Fraport AG Annual General Meeting passed a resolution about the main points of a stock option plan on March 14, 2001. Stock options are granted to members of the Executive Board of Fraport AG, directors of affiliated companies, and other Fraport AG managers employed in Germany on the basis of this plan.

The authorization to issue a total volume of 1,395,000 subscription rights covers the period until August 31, 2005, and the rights were issued in annual tranches of no more than 25 percent of the total volume. The approval of the Supervisory Board and the Executive Board was required before rights were issued. Every subscription right entitles the holder to subscribe to one share representing €10.00 of the capital stock.

In accordance with the above-mentioned resolution, the subscription rights can be satisfied either by issuing restricted authorized shares or with treasury shares, or with shares bought from third parties.

New shares issued on the basis of restricted authorized capital participate in the profits generated by the company from the beginning of the fiscal year for which the Annual General Meeting has not yet passed a resolution about the appropriation of retained earnings at the time when the subscription right is exercised.

The requirements to exercise the last remaining tranche were met in the previous year already. 4,200 stock options were exercised in the current fiscal year. Therefore all options under this plan have now been exercised.

Fraport Management Stock Options Plan 2005

In order to meet the requirements for variable remuneration paid to managers, the Supervisory Board and the Executive Board resolved during fiscal year 2005, to submit a proposal to the Annual General Meeting of Fraport AG for a new Fraport Management Stock Options Plan 2005 (MSOP) with modified option conditions.

On June 1, 2005, the Annual General Meeting of Fraport AG passed a resolution to adopt the main points of the MSOP 2005 proposal and the necessary capital measures to implement the plan. On the whole, it was possible to issue a total volume not exceeding 1,515,000 stock options to all entitled employees up until August 31, 2009, within the scope of the Fraport MSOP 2005.

The stock options can be granted to beneficiaries once a year in up to five annual tranches. The prerequisite for participation in the MSOP is the direct investment in shares by employees entitled to participate (blocked deposit).

In accordance with the above-mentioned resolution, the subscription rights can be satisfied either with shares issued on the basis of restricted authorized capital or with treasury shares or by cash settlement.

The option rights for the MSOP 2005 can only be exercised after a vesting period of three years within a further period of two years.

The stock options under the MSOP 2005 can only be exercised if the closing price of the Fraport share on the trading day that immediately precedes the day of exercise (“measurement day”) exceeds the original exercise price by at least 20 percent.

In contrast to the previous plan, the new plan not only includes an absolute exercise limit, but also a limit linked to the relative exercise that is linked to the performance of a specific stock basket. The resulting profit attributable to the beneficiary arising from the exercise of stock options is also limited. Thus, 150 percent of the original exercise price for each stock option must not be exceeded.

The conditions to exercise the 1st tranche of the MSOP 2005 were first met in the fiscal year 2008. The 4,800 options of this tranche expired in fiscal year 2009. They could no longer be exercised due to the exercise limit being reached. Therefore 136,500 stock options remain in the 1st tranche MSOP 2005, which is approximately 68.8 percent of the originally issued options.

The vesting period for the 2nd tranche MSOP 2005 ended on April 18, 2009. However, the requirements for exercising this tranche were not met, also as a result of the exercise limit. As a total of 37,000 options have already expired, only 179,400 remain, around 82.9 percent of the originally issued options.

Fraport AG issued 258,500 option rights for the entire fiscal year 2009 in accordance with the regulations of the new stock option plan.

Further explanations relating to contingent capital are included in note 34.

Development of the subscription rights issued:

DEVELOPMENT OF THE SUBSCRIPTION RIGHTS ISSUED

	Total	Weighted average of exercise price	Executive Board	Directors of affiliated companies	Senior managers of Fraport AG
Rights issued on January 1, 2009	**770,700**	**56.84**	**234,000**	**91,350**	**445,350**
Issued in 2009	258,500	24.38	74,000	46,600	137,900
Exercised in 2009	– 4,200	23.10	0	–500	– 3,700
Expired in 2009	– 61,800	38.35	– 40,000	– 11,000	– 10,800
Total rights issued on Dec. 31, 2009	**963,200**	**46.34**	**268,000**	**126,450**	**568,750**

None of the outstanding options (previous year 145,500) could be exercised until the end of the year. If the absolute exercise limit had been reached, it would have been possible to exercise 136,500 options in the 1st tranche MSOP 2005 and 179,400 options in the 2nd tranche MSOP 2005. The weighted average share price of the fiscal year was € 31.35 (previous year € 41.14). The key data for the tranches issued in the years 2001 to 2009 are shown in the table below:

KEY DATA FOR THE MSOP TRANCHES

	Grant date	End of vesting period	End of exercise period	Exercise threshold in €	Exercise price in €	Fair value[2] in €
MSOP 2001:						
Tranche 2001	June 11, 2001	June 11, 2003	June 11, 2006	36.28	31.55	5.95
Tranche 2002	May 15, 2002	May 15, 2004	May 15, 2007	29.49	25.64	4.22
Tranche 2003	May 16, 2003	May 16, 2005	May 16, 2008	21.49	18.69	5.82
Tranche 2004	April 16, 2004	April 16, 2006	April 16, 2009	26.57	23.10	6.20
MSOP 2005:						
Tranche 2005	June 6, 2005	June 6, 2008	March 25, 2010	39.49	32.91[1]	10.96
Tranche 2006	April 18, 2006	April 18, 2009	March 26, 2011	75.60	63.00[1]	19.27
Tranche 2007	April 17, 2007	April 17, 2010	March 24, 2012	66.12	55.10[1]	18.42
Tranche 2008	June 3, 2008	June 3, 2011	June 3, 2013	54.30	45.25[1]	13.40
Tranche 2009	April 10, 2009	April 10, 2012	March 28, 2014	30.20	25.17[1]	8.55

[1] Original exercise price at the grant date, subject to an adjustment by the relative performance goal
[2] At the grant date

Personnel expenses amounting to € 2.6 million (previous year € 3.1 million) were incurred in the year under review under the stock option program. This amount was recognized in the capital reserve.

The recognition of the stock options in profit or loss is based on the fair value of each option of a tranche. To determine fair value a Monte-Carlo simulation is used. In the process, the log-normal distributed processes of the Fraport share price and the MSOP basket price are simulated to mirror the respective performance goals of the Fraport share and the comparative index, and the increase in the closing price of the Fraport share by at least 20 percent vs. the original exercise price.

The computation of whether the Fraport share outperforms or underperforms the index is made on the basis of a total shareholder return, i. e., on the basis of the respective share performance taking into account cash dividends, rights issues, capital adjustments, and other exceptional rights. In addition, the Monte-Carlo simulation allows for an early exercise taking into account blocked periods and the early exercise procedure for those entitled.

The fair value of all options to be measured in fiscal year 2009 was computed on the following basis:

INTEREST RATE

The basis of the computations at the measurement date was a continuous zero interest rate. The interest rates were computed from the interest rate structures of government bonds maturing between one and 10 years.

DIVIDENDS

Discreet dividends are used in the Monte-Carlo simulation. The computation basis for future dividend payments are public estimates made by 10 banks. The arithmetic mean of these estimates is taken to determine the dividends.

VOLATILITIES AND CORRELATION

To ensure an objective procedure, historic data is used to measure volatilities and correlations. They are determined on the basis of daily XETRA closing rates of the Fraport share and the daily rates of the MSOP basket index. The price history of the index was computed using the current weighting of the index per grant date and taking the historical closing rates of the index components.

The time frame for determining volatilities and correlations is the remaining maturity of the options.

The fair values at the time of issue are as follows:

FAIR VALUE OF THE MSOP TRANCHES

	Grant date	Fair value in €	Closing price in €
MSOP 2001:			
Tranche 2004	April 16, 2004	6.20	23.50
MSOP 2005:			
Tranche 2005	June 6, 2005	10.96	33.00
Tranche 2006	April 18, 2006	19.27	58.15
Tranche 2007	April 17, 2007	18.42	55.92
Tranche 2008	June 3, 2008	13.40	43.40
Tranche 2009	April 10, 2009	8.55	27.93

The following volatilities and correlations were used for the computation as of the respective issue date:

VOLATILITIES AND CORRELATION

	Grant date	Volatility Fraport	Volatility MSOP Basket	Correlation Fraport / MSOP Basket
MSOP 2001:				
Tranche 2004	April 16, 2004	43.06 %	n. a.	n. a.
MSOP 2005:				
Tranche 2005	June 6, 2005	34.04 %	22.55 %	0.2880
Tranche 2006	April 18, 2006	32.34 %	20.78 %	0.2925
Tranche 2007	April 17, 2007	29.69 %	21.18 %	0.3095
Tranche 2008	June 3, 2008	27.69 %	15.03 %	0.4215
Tranche 2009	April 10, 2009	33.75 %	20.38 %	0.5382

- The computation for measuring the 4th tranche MSOP 2001 was made using a continuous zero interest rate of 3.31 percent as of the issue date.
- The computation for measuring the 1st tranche MSOP 2005 was made using a continuous zero interest rate of 2.57 percent as of the issue date. Dividends were estimated to be €0.86 in 2006 and €0.94 in 2007.
- The computation for measuring the 2nd tranche MSOP 2005 was made using a continuous zero interest rate of 3.65 percent as of the issue date. Dividend estimates were €1.00 for 2007 and €1.10 for 2008.
- The computation for measuring the 3rd tranche MSOP 2005 was made using a continuous zero interest rate of 4.06 percent as of the issue date. Dividend estimates were €1.16 for 2008 and €1.17 for 2009.
- The computation for measuring the 4th tranche MSOP 2005 was made using a continuous zero interest rate of 4.25 percent as of the issue date. Dividend estimates were €1.14 for 2009 and €1.15 for 2010.
- The computation for measuring the 5th tranche MSOP 2005 was made using a continuous zero interest rate of 2.51 percent as of the issue date. Dividend estimates were €1.15 for 2010 and €1.18 for 2011.

An annual increase of €0.01 is expected for the next years to come.

_49 NOTES TO THE EVIDENCE OF INVESTMENTS IN ACCORDANCE WITH THE GERMAN SECURITIES TRADING ACT

The total voting rights held by the State of Hesse and Stadtwerke Frankfurt am Main Holding GmbH in Fraport AG calculated in accordance with Section 22 (2) of the German Securities Trading Act (WpHG) amount to 51.65 percent. They are attributed as follows: State of Hesse 31.52 percent and the Stadtwerke Frankfurt am Main Holding GmbH 20.13 percent.

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.

The relative ownership interest of the individual shareholders was adjusted to the current total number of shares existing as at December 31, 2009, and therefore may differ from the figures given at the time of reporting an excess / shortfall of the threshold or from the respective shareholders' own disclosures. The voting rights adjusted to the current total number of shares by the reporting date are to be allocated to the shareholders as follows: Artio Global Investors 10.33 percent, Deutsche Lufthansa AG 9.93 percent, Taube Hodson Stonex Partners LLP 3.58 percent, Arnhold and S. Bleichroeder Holdings, Inc. 2.98 percent and Morgan Stanley 2.94 percent. There are no reports for the remaining 18.59 percent.

_50 RISK MANAGEMENT

Fraport is exposed to market price risks due to changes in exchange rates, interest rates, and other prices. 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 limit these risks by current operating and finance-related activities. Depending on a risk assessment selected hedging instruments are used. In general, we hedge only those risks that affect the Group's cash flows. All derivative financial instruments are used as hedging instruments, i. e., they are not used for trading or other purposes. Without their use the Group would be exposed to higher financial risks.

Reporting to the Executive Board of updated risk positions is made once per quarter as part of the early risk recognition system. In addition, quarterly updated reporting of all material financial risk positions is provided in the monthly finance report to the Group Executive Board and in the monthly Treasury Committee Meeting (TCM) held between Treasury, Finance Controlling and the CFO.

Fraport AG has prepared internal guidelines that deal with the processes of risk control and regulate the use of financial instruments; they include the unambiguous segregation of functions in respect of operating financial activities, their settlement and accounting, and the control 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.

Credit risk

Fraport AG is subject to default risks from its operating business and certain financing operations. The default risks arising from financial positions are controlled by a broad diversification of counterparties and the regular verification of their credit ratings. It is the company's risk policy to hold investments with counterparties that are externally rated A– (S&P / Fitch) / A3 (Moody's) or better.

The maximum credit risk on the balance sheet date is mainly reflected by the carrying amounts of the assets reported on the financial position (see note 26 for the credit risk on financial instruments in the "fair value option" category). The credit risk on securities in non-current and current assets is equal to the amount of debt instruments. On the balance sheet date, the financial instruments were broken down as follows:

BREAKDOWN OF FINANCIAL INSTRUMENTS

€ million	Dec. 31, 2009	Dec. 31, 2008
Equity instruments	57.7	46.2
Debt instruments	771.1	183.6

Securities that represent debt instruments have the following long-term issuer ratings (Moody's):

ISSUER RATINGS, DEBT INSTRUMENTS

€ million	Dec. 31, 2009
Aaa	22.8
Aa1	135.0
Aa2	142.6
Aa3	172.5
A1	89.9
A2	54.8
A3	6.3
AAA (Fitch)	36.2
A– (Fitch)	30.0
AA (S&P)	15.1
BBB+ (S&P)	25.0
N / A	40.9
	771.1

In the previous year, the securities had the following issuer ratings (Fitch):

ISSUER RATINGS (PREVIOUS YEAR)

€ million	Dec. 31, 2008
AAA	135.1
A+	47.6
N/A	0.9
	183.6

The credit risk on liquid funds applies solely with regard to banks. Current cash investments are maintained with banks. The banks where liquid funds are deposited have the following short-term issuer ratings (Moody's):

ISSUER RATINGS, LIQUID FUNDS

€ million	Dec. 31, 2009
P–1	1,752.6
P–2	32.4
P–3	1.1
A–3 (S&P)	1.2
N/A	15.0
	1,802.3

In the previous year, the banks where liquid funds were deposited had the following issuer ratings (S&P):

ISSUER RATINGS, LIQUID FUNDS (PREVIOUS YEAR)

€ million	Dec. 31, 2008
A–1	1,115.8
A–2	4.3
A–3	1.7
N/A	1.2
P–2 (Moody's)	31.8
	1,154.8

Liquidity risk

Fraport AG 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.

The operating cash flows, the available liquid funds (including cash and cash equivalents and short-term realizable securities and other financial instruments) as well as short and long-term credit lines and loan commitments give us 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 liquidity.

The operating liquidity management comprises a cash concentration process, which combines daily the liquid funds of most of the German companies. This allows us to optimally control liquidity surpluses and requirements in line with the needs of individual 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 liabilities' cash flows as of December 31, 2009, influences the Group's liquidity.

MATURITY PROFILE AS OF DEC. 31, 2009

		2010		2011		2012–2016		2017–2021		2022 et seq.	
€ million	Total	Interest	Repay-ment	Interest	Repay-ment	Interest	Repay-ment	Interest	Repay-ment	Interest	Repay-ment
Original financial instruments											
Financial liabilities	5,354.7	125.8	90.1	126.4	52.5	558.9	1,610.6	244.3	2,295.7	73.4	177.0
Finance leases	806.9	2.3	55.4	5.3	52.2	65.0	212.3	118.4	136.9	91.8	67.3
Trade accounts payable	341.2	0	218.8	1.2	80.8	1.4	10.9	3.1	7.7	8.2	9.1
Loan commitments	8.0		8.0								
Derivative financial instruments											
Interest swaps	362.7	38.0		46.3		208.1		66.9		3.4	
Diesel fuel swaps	2.5		1.1		1.2		0.2				
Currency futures											
Incoming payments	3.7		3.7								
Outgoing payments	3.9		3.9								

As of December 31, 2008 the maturities were as follows:

MATURITY PROFILE AS OF DEC. 31, 2008

		2009		2010		2011–2015		2016–2020		2021 et seq.	
€ million	Total	Interest	Repay-ment	Interest	Repay-ment	Interest	Repay-ment	Interest	Repay-ment	Interest	Repay-ment
Original financial instruments											
Financial liabilities	2,841.9	80.5	543.1	67.3	66.0	305.0	759.1	79.1	825.8	69.5	46.5
Finance leases	550.5	0.7	3.1	2.9	34.8	43.1	140.4	81.1	94.7	91.4	58.3
Trade accounts payable	588.1	6.2	389.1	2.6	147.4	0.5	42.3				
Derivative financial instruments											
Interest swaps	103.9	4.6		8.7		55.9		34.7		1.7	
Diesel fuel swaps	6.9		2.2		1.9		2.8				
Currency futures											
Incoming payments	9.04		9.04								
Outgoing payments	9.04		9.04								

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. To determine the interest payments for primary variable rate financial liabilities and the net payments of derivative financial instruments, the current rate fixing was implied for the remaining time to maturity. For net payments in connection with derivative financial instruments beginning in the future, the agreed variable interest rate fixed on the balance sheet date was used. For payments in connection with diesel fuel swaps and currency futures, the corresponding fixed reference prices as on the financial position date were also used.

Financial liabilities of certain Group subsidiaries abroad with a nominal value of € 347.5 million include clauses stipulating that certain debt service coverage ratios and key figures for debt ratio and credit periods must be complied with. These financial liabilities however, result from independent project financing activities and do not include any recourse for the Fraport AG parent company as such.

Additionally there are contractually agreed clauses for specific earmarked respectively project-related subsidized loans taken out by Fraport AG to the amount of €980.0 million. These clauses relate to changes in the Company structure and control of the Company. If these have a proven effect on the borrowing capacity of Fraport AG, the creditors have the right to recall the loans early.

Foreign 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 risks. Only the transaction risks affecting cash flows are actively controlled. These are mainly between US$ and TRY and between US$ and PEN. Transaction risks originate in the operating business, if cash receipts from revenue do not compare with expenditures in matching currencies. To reduce the foreign currency effects in the operating business the transaction risk is regularly assessed 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 of Fraport AG. Hedging mainly involves the use of forward currency contracts.

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 rate in the period under review less or in addition to a standard deviation of the rates in the period under review. If we take these assumptions as a basis, the profit for the period would have been affected in the year under review as follows:

CURRENCY SENSITIVITY

	Dec. 31, 2009		Dec. 31, 2008	
Risk in € million	Gain	Loss	Gain	Loss
EUR/USD	0.00	0.00	0.09	0.07
USD/PEN	1.88	2.04	1.63	1.77
EUR/SAR	0.25	0.25	0.00	0.00
USD/TRY	0.33	0.36	1.22	1.53

In addition there are effects in the Group from the translation of foreign currency assets or liabilities in euros and/or from the consolidation of Group companies not accounted for in euros. These risks are met as best as possible by applying natural hedging.

Interest rate risk

The Fraport Group holds a variety of primary and derivative financial assets and liabilities exposed to interest rate risks. We generally refinance the transactions at matching maturities. The interest rate risk arising in the next twelve months is relevant for control. It is assessed every quarter and reported to the interest rate and currency committee. To determine the risk sensitivity analyses are prepared. These show the effects of changes in market interest rates on interest payments, interest income and expenses, other profit or loss portions, and 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 10-year swap rate in the past. The deviation in absolute terms is taken into consideration.

Interest rate risks also arise from future capital requirements. To limit the interest rate risks, derivative financial instruments such as interest rate swaps and swap options are used.

The sensitivity analyses are based on the following assumptions:

Changes in market rates of primary financial instruments with fixed interest rates affect profit or loss or equity only if the instruments are measured at fair value. The calculation rates on which the analyses are based are the result of the mean rate in the period under review less or in addition to a standard deviation of the rates in the period under review. As a result, the financial instruments measured at amortized cost with fixed interest rates do not affect profit or loss for the period or the equity of the Fraport Group.

Market rate changes in primary variable-rate financial instruments, which are not designated hedged items in a cash flow hedge of interest rate exposures, affect net interest income and expense and are therefore included in profit or loss-related sensitivities. The respective net financial position for each currency is taken into account in the process. The interest rate sensitivity analyses are based on the following assumptions: € – 3.25 percentage points, US$ – 4.75 percentage points, TRY –10.25 percentage points, CHF – 2.50 percentage points, PEN – 5.75 percentage points, SAR – 4.50 percentage points. The individual sensitivities are then aggregated to become one profit-or-loss related sensitivity in euros.

Changes in market rates of financial instruments which were designated as hedging instruments in an interest-rate related cash flow hedge, affect equity and are therefore included in the equity-related sensitivity computations. The maximum variability is taken to be a parallel shift of the yield curve by 169 basis points over a period of twelve months.

Changes in market rates of interest rate derivatives, which are not part of a hedging relationship under 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 yield curve by 169 basis points over a period of twelve months.

Taking the portfolios and the structure of the consolidated financial position as of as of December 31 2009, and the assumptions made, the profit-or-loss related sensitivity is at €17.7 million (previous year €8.4 million). The financial result would have therefore increased (dropped) hypothetically by €17.7 million. This hypothetical effect on profit or loss would result from the potential effects of interest rate derivatives of €9.7 million (previous year €9.5 million) and an increase (decrease) in the interest result from primary variable-rate net financial positions of €8.0 million (previous year €–1.1 million).

INTEREST SENSITIVITY

€ million	Dec. 31, 2009	Dec. 31, 2008
Interest sensitivity in € million	17.7	8.4
thereof derivative financial instruments	9.7	9.5
thereof original financial instruments	8.0	–1.1

The equity-related sensitivity amounts to €149.7 million (previous year €153.3 million). By applying the assumptions made an increase (decrease) in interest rates would result in an increase (decrease) in equity by €149.7 million.

Other price risks

The Fraport Group also has financial assets and diesel fuel swaps in its portfolio, which are subject to other price risks. Risk variables are share prices, commodity prices, and various indices. Changes in these risk variables initially result merely in a change in the market value of the financial instruments and do not affect cash flows. To quantify other price risks, sensitivity analyses are prepared. The calculation rates on which the analyses are based are the result of the mean rate in the period under review less or in addition to a standard deviation of the rates in the period under review.

Taking the portfolio in the consolidated financial position as of December 31, 2009, and the assumptions made, the profit-or-loss related sensitivity amounts to €0.6 million. This means, a change in the fair value measurement of the financial instruments would have increased or decreased the financial result hypothetically by this amount (previous year €1.3 million).

The equity-related sensitivity is €11.0 million (previous year: €15.1 million). When applying the assumptions made, a change in the fair value measurement of the financial assets and diesel fuel swaps would have resulted in a corresponding increase or decrease in equity of €11.0 million (previous year €15.1 million).

Capital management

The Group's objectives with a view to capital management are ensuring the Group's continued existence and a sustained increase in the company's value. As a capital market-oriented company with large capital expenditure requirements, the company monitors the development of its debt using financial ratios, which relate EBITDA to its net debt and / or interest expense. As long as the company remains within the margins listed below, there is sufficient access to debt capital sources at reasonable cost from today's point of view.

The components of the control indicators are defined as follows:

NET DEBT =
Current financial liabilities
+ Non-current financial liabilities
+ Restricted Cash
– Cash and cash equivalents
– Short-term realizable assets in "other financial investments"
and "other receivables and other financial assets"

EBITDA =
Operating profit + depreciation and amortization

INTEREST EXPENSE =
Interest expense

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

FINANCIAL RATIOS

Key figures	Corridor	Dec. 31, 2009	Dec. 31, 2008
Net debt / EBITDA	max. 4–6 x	2.9	1.4
EBITDA / Interest expense	min. 3–4 x	3.3	4.1

_51 RELATED PARTY DISCLOSURES

Under IAS 24 (Related Party Disclosures) Fraport must disclose relationships to related parties that have control over the Fraport Group or that Fraport Group controls, unless they are already included in the consolidated financial statements of Fraport AG. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. This is assumed if one shareholder owns more than half of the voting rights in Fraport AG or has this option by statute or contractual agreement.

The shareholdings of the State of Hesse and the Stadtwerke Frankfurt am Main Holding GmbH, and the consortium agreement signed between these shareholders mean, that Fraport AG is a company controlled by these shareholders.

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 relations are maintained are Mainova AG and Messe Frankfurt Venue GmbH & Co. KG.

Furthermore, the disclosure requirements according to IAS 24 extend to business transactions with associated companies as well as business transactions with persons exercising significant influence on the financial and business policies of Fraport AG, including close relatives or intermediate companies.

All transactions between the related parties have been concluded at conditions customary in the market as between unrelated third parties. The services rendered to authorities are generally based on cost prices. Prices are reviewed by Federal government authorities.

The following table shows the scope of the business relationships:

RELATED PARTY DISCLOSURES

€ million		Majority shareholders: State of Hesse	Majority shareholders: Stadtwerke Frankfurt am Main Holding GmbH	Joint ventures	Associated companies	Companies controlled by majority shareholders
Revenue	2009	2.1	0.2	2.8	3.7	7.6
	2008	1.7	0.1	3.3	3.8	7.5
Purchased goods and services	2009	1.5	7.4	5.7	27.5	68.3
	2008	2.4	9.8	7.5	28.8	64.5
Interest	2009	0.1	–	–	–	–
	2008	0.2	–	–0.1	–	–
Accounts receivable	2009	0.5	–	0.1	0.8	0.1
	2008	0.3	–	0.3	1.1	0.1
Accounts payable	2009	0.1	–	3.3	4.6	7.1
	2008	–	–	2.5	0.2	8.8

The second-tier managers (senior vice presidents and executive vice presidents) were granted total payments of €1,259 thousand (previous year €1,289 thousand).

With regard to relationships to members of the Executive Board and Supervisory Board, see notes 54, 55, and 56.

_52 SERVICE CONCESSIONS

The following 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

In agreement with the German Federal Minister of Transport, the Hessian Minister of Labor, Economics, and Transport approved passenger transport operations at Frankfurt Airport in accordance with Section 7 as amended on August 21, 1936 of the German Air Transport Law on December 20, 1957 and charged a non-recurring fee for this. The permit does not expire at any specific time.

The right to operate the airport is linked to various obligations that are specified in the permit. 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 protection systems that take account of the special operating conditions. In a supplement added on July 16, 1999, the restrictions on night flights that were initially made in 1971 and have been updated since as a supplement to the airport permit were tightened, and restrictions on the operation of “chapter 2 aircraft” at Frankfurt Airport for civil aviation purposes during the daytime were introduced. The operating permit was restricted and specified in communications of April 26, 2001, September 24, 2001, November 25, 2002, August 5, 2005, and April 5, 2006, to the effect that Fraport AG is required to take active and passive noise-abatement measures.

The expansion of Frankfurt Main Airport with the construction of the Northwest Landing Runway as its central measure was adopted in the zoning decision issued on December 18, 2007. Further restrictions on night flights and operations will become valid with the winter flight schedule 2009 / 10 and the time the capacity-effective operation of the Northwest Landing Runway will start.

The company charges the airlines that fly to Frankfurt Airport what are known as "traffic fees" for provision of the transport infrastructure. These traffic fees are divided up into airport fees that require approval and other fees that do not require approval.

_ The airport fees that require approval under Section 43a (1) of the German Air Transport Authorization Regulations (LuftVZO) are divided into landing and takeoff charges, including noise components and emission fees parking fees, passenger, and security fees. The amount of the fees is specified in a related fee table.
  The fee table applicable in 2009 and approved by the Hessian Ministry of Economics, Transport, and Regional Development (HMWVL) was published in the Air Transport Bulletin (NfL) on November 27, 2008 and came into force as of January 1, 2009. Airport fees accounted for 31.8 percent of Fraport AG's revenue in the year under review.
  Fraport AG and airline representatives agreed on the development of airport fees for 2010 and 2011 at Frankfurt Airport. The fees will be raised by four percent on July 1, 2010 and by three percent on October 1, 2010. On April 1, 2011, they will increase by an additional three percent and another two and a half percent on October 1, 2011. On February 19, 2010, an agreement was also reached on airport fees for 2012 to 2015. The contract is based on anticipated traffic development at Frankfurt Airport and stipulates an annual fee increase of 2.9 percent. If the passenger development exceeds or falls below forecast figures, the fees will be increased or decreased correspondingly.
_ As regards the other fees not requiring approval, a distinction is made between fees for central ground handling service infrastructure facilities and fees for ground handling services. 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. 19.7 percent of Fraport AG's revenue in 2009 was generated by Ground Services and 13.1 percent by infrastructure fees.

Above and beyond the traffic fees, Fraport AG generates revenue essentially from revenue-based payments, renting, parking, and security services. The proceeds from these operations – which do not require approval – accounted for 35.4 percent of Fraport AG's revenue in the year under review.

Fraport IC Ictas Antalya Airport Terminal Investment and Management Inc.

In April 2007, the consortium in which Fraport AG holds an interest, won the bidding procedure to operate the terminals at Antalya Airport for 17 years. The consortium and the Turkish airport authority DHMI signed the concession agreement on May 22, 2007. Since September 14, 2007, Fraport AG and IC Yatirim Holding A. S. have been jointly managing the international Terminal 1 as well as the domestic and CIP terminals previously managed by Fraport AG. On September 23, 2009, the Fraport consortium also took over operation of the second international terminal previously operated by IC Holding and Celebi Holding. The concession to operate all three terminals and use all assets listed in the concession agreement runs until the end of 2024. The new operating company pays a concession fee of €2.01 billion, net over the period of the concession.

The operating company is obliged in this context to provide the terminal services in compliance with the international standards as well as the procedures and principles specified in the concession contract. With respect to the assets left for use, the company, as the tenant of the terminals, will continue to carry out maintenance work and capacity expansions (when required).

When the term of the concession ends, the operating company is required to return all the assets specified in the concession contract to DHMI in a proper, fully operative condition.

In accordance with the concession agreement, the company deposited a performance bond amounting to € 142.8 million at the beginning of the concession period to the benefit of DHMI. This performance bond was issued by a Turkish bank, secured in part by corporate guarantees given by the shareholders. The proportion guaranteed to the bank by Fraport AG in the form of a corporate guarantee is € 35.7 million.

Fraport Twin Star Airport Management AD

Fraport Twin Star Airport Management AD and the Republic of Bulgaria, represented by its minister of transport, signed a concession agreement on September 10, 2006, on the operation and management of the Bulgarian airports in Varna and Burgas on the Black Sea.

According to the concession agreement, the franchisee is granted the right to use the existing infrastructure and 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 obliged to invest € 372.0 million in the expansion and a capacity increase of the airports in Varna and Burgas.

The concession agreement starts on November 10, 2006 and has a duration of 35 years.

The company undertakes to procure a performance bond to the franchisor, 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.

In addition to the regulated passenger, landing and parking fees, Fraport Twin Star generates revenue from non-regulated ground handling services and commercial activities.

In return, the company pays an annual concession charge of 19.2 percent of total revenue, at least 19.2 percent of BGN 57 million (€ 29.1 million) adjusted by increases or decreases in inflation rates since 2003 to the Bulgarian Government.

Fraport Twin Star paid an additional non-recurring concession charge in the amount of € 3.0 million to the franchisor after conclusion of the agreement.

Lima Airport Partners S.R.L.

On February 14, 2001, LAP and the Peruvian Government represented by its Minister of Transportation (MTC) signed the Concession Contract for Jorge Chavez International Airport on the operation, expansion, maintenance, and use of the international airport Jorge Chavez in Lima (Peru).

The company was granted the BOT concession over a period of 30 years. The contract may be renewed for another ten years. Further renewals are possible under certain circumstances; the overall concession term must not exceed 60 years, however.

The company undertakes vis-a-vis the franchisor to invest at least US $ 110 million for the remodeling of the airport and in particular the terminal, and to build a second landing runway. The contractual amount of US $ 110 million has been invested already. Construction work on the second landing runway has not yet begun.

In addition to the regulated passenger and landing fees, the company generates revenue from non-regulated services and commercial activities.

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 US CPI) or 46.511 percent of total revenue after deduction and transfer to Corpac (aviation regulatory authority) of 50 percent of landing fees and 20 percent of the international passenger fees (TUUA). In addition, a regulatory fee of 1 percent of the same assessment basis becomes due.

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STATEMENT ISSUED BY THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD OF FRAPORT AG IN ACCORDANCE WITH SECTION 161 AKTG

On December 14, 2009, 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 German Stock Corporation Act (AktG) and made it available to the public on a permanent basis on the company's web site.

Since the last statement of compliance from December 12, 2008, Fraport AG has complied with and will continue to comply with the recommendations of the Government Commission of the German Corporate Governance Code (Regierungskommission Deutscher Corporate Governance Kodex) as amended on June 18, 2009, except for the following exception:

"The remuneration for members of the Supervisory Board does not include a performance-oriented, variable element."

With regards to the current deviations from the recommendation to "establish a deductible for the Supervisory Board in a D&O insurance policy", a deductible will be established in accordance with the German Act on the Appropriateness of Management Board Remuneration (VorstAG) before July 1, 2010.

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NOTES TO THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

Personnel changes

Dr. Stefan Schulte, Fraport AG's previous Vice Chairman of the Executive Board, became the Chairman of the Executive Board on September 1, 2009. At the same time, Peter Schmitz was elected to the Executive Board for the newly created position of Vice President of Operations. Dr. Schulte and Mr. Schmitz are appointed until August 31, 2014, in their respective positions. The former Vice Chairman of the Executive Board, Prof. Dr. Wilhelm Bender, retired upon the expiration of his employment contract on August 31, 2009.

Remuneration report

Until the German Act on the Appropriateness of Management Board Remuneration (VorstAG) became effective on August 5, 2009, the executive committee of the Supervisory Board was responsible for determining the remuneration of Executive Board members. Since then, the Supervisory Board's full session determines the total remuneration for individual Executive Board members based on the recommendations put forward by the Compensation Committee.

The following presentation of the remuneration system for Executive Board members is based on the remuneration system applicable in fiscal year 2009. With effect from January 1, 2010, the remuneration system and remuneration of Executive Board members has been adjusted to comply with VorstAG.

The remuneration of Executive Board members consists of the following fixed elements and performance-related elements:

_ Fixed annual gross salary and compensation in kind,
_ A bonus related to growth, earnings, and performance and long-term incentive elements.

In addition, Executive Board members received endowments to pension benefit payments.

Fixed elements

During the term of their employment agreement (generally five years) the Executive Board members receive a fixed annual salary during the above-stated period.

In addition, the remuneration for Executive Board members includes compensation in kind and other remuneration. Compensation in kind is the pecuniary benefit subject to wage tax from using a company car with driver. This compensation in kind is generally available to all Executive Board members in the same way, the amount of the compensation depends on the personal situation.

Executive Board members also receive an employer's contribution toward their pension insurance, in the case of voluntary insurance half of the total contributions and in the case of statutory insurance half of the total statutory contributions.

Performance-related elements

Each year the budgeted Group revenue is achieved, each Executive Board member will be paid a bonus of 50 percent of his or her fixed salary. An additional bonus in the same amount will be paid to each Executive Board member if the budgeted Group EBITDA is also achieved. If the target is exceeded the bonuses are increased by 10 percent for each 1 percent of the excess. If the company fails to achieve its target the Supervisory Board may decide on a corresponding reduction of the respective bonuses. As regards Dr. Zieschang and Mr. Schmitz, the increase of the respective bonuses by 10 percent for each 1 percent of an excess is limited to 25 percent for each of the bonuses, if revenue and / or earnings for the year are exceeded.

50 percent of the bonus agreed for reaching the target is paid to the Executive Board members in monthly installments. The other bonuses become due within one month after the Supervisory Board has approved the respective annual results.

Part of the bonuses is paid out in the form of shares.

Dr. Schulte, Mr. Schmitz and Dr. Zieschang receive 30 percent of their bonuses due within one month after the Supervisory Board's approval of the respective annual results in the form of shares. Half of these shares are subject to a vesting period contractually stipulated to be twelve months, while the other half is subject to a vesting period of 24 months after payment.

As regards Prof. Dr. Bender and Mr. Mai, the portion paid out in shares was, or is computed as 10 percent of the respective basic salary and the bonus.

The amounts are calculated by taking the share's closing price on the day the respective annual financial statements are approved by the Supervisory Board. The payments are made on the day following the approval.

The vesting periods end upon the expiry of the employment contracts, unless these are renewed. The amounts are computed by taking the share's closing price on the day the respective annual financial statements are approved.

Stock options, which act as a long-term incentive, are granted in addition to the bonus within the scope of the stock option plan (see note 48).

Pension commitments

The Executive Board members are entitled to pension benefits and provision for surviving dependants. An Executive Board member is generally entitled to retirement benefits if he or she becomes permanently disabled or retires from office during the duration of, or upon expiry of, his or her employment agreement. If an Executive Board member dies, benefits are paid for his or her surviving dependants. These amount to 60 percent of the pension for the widower or widow; children receive 12 percent each. If no widow's pension is paid, the children each receive 20 percent of the pension.

Income from active employment and pension payments from earlier or later employments until completion of the age of 60, where applicable, will be deducted from the pensions due on retirement, if, without such deduction, the total of these emoluments and the pension would exceed 75 percent of the fixed salary (100 percent of the fixed salary if Fraport AG wishes the employment to be terminated or not be extended). Effective January 1 of each year, the pensions are adjusted as appears fair, taking into account the interests of the former Executive Board member and the company's performance. The adjustment obligation is deemed to be met if the adjustment does not fall below the increase in the cost of living index of all private households in Germany.

The pension of an Executive Board member is defined by the percentage of a contractually agreed basis of assessment, with the percentage rising annually by 1.5 percent or 2 percent up to a limit of 75 percent, dependent on the duration of time a member is appointed.

As of December 31, 2009, Dr. Schulte is entitled to 50.0 percent of his fixed annual gross salary. Mr. Mai is entitled to 51 percent of his contractually agreed basis of assessment as of December 31, 2009. As of December 31, 2009, Dr. Zieschang is entitled to 33.0 percent of his fixed annual gross salary.

Mr. Schmitz is entitled to 30 percent of his fixed annual gross salary as of December 31, 2009. The basic account commitment (guideline 2 of the Fraport capital account plan – Kapitalkontenplan Fraport – on the company benefit plan for senior executives, dated February 26, 2002), to which Mr. Schmitz is entitled under Fraport AG's company benefit plan, is deducted pro rata temporis from pension payments over a period of eight years after the employment contract has been terminated or expires.

Prof. Dr. Bender retired from active service with Fraport AG on the last day of August 2009. In the year under review, the pension plan of Prof. Dr. Bender, particularly its clauses on the benefits for surviving dependants, was stipulated in detail in an amendment and additional agreement to his employment contract. His pension amounts to 75 percent of the contractually agreed basis of assessment of 90 percent of his last fixed annual gross salary.

In case they become incapable of working, the pension as a proportion of their former salary for Dr. Schulte, Mr. Mai, Mr. Schmitz and Dr. Zieschang is at least 55 percent of their respective fixed annual gross salaries or the contractually agreed basis of assessment.

The claim to pensions of the former Executive Board members is also determined by a percentage of a contractually agreed fixed basis of assessment.

No other benefits have been promised to Executive Board members, in case they terminate their employment.

The fixed annual remuneration 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 percent of the shares (other Board functions at Group companies).

If an Executive Board member has such other Board functions at Group companies, the remuneration he or she receives from such investee is credited against the bonus. The emoluments paid to Dr. Zieschang for his activities as a member of the Supervisory Board of Flughafen Hannover-Langenhagen GmbH were credited to his bonus payments in 2009.

Remuneration of the Executive Board 2009

The following remuneration was paid to the members of the Executive Board:

REMUNERATION OF THE EXECUTIVE BOARD 2009

in € '000	Fixed payments	Remuneration in kind and others	Bonus 2009	Change in bonus provisions	Total
Dr. Stefan Schulte Chairman since Sep. 1, 2009	336.7	36.4	478.1	0.9	852.1
Herbert Mai	236.7	29.0	336.1	0.6	602.4
Peter Schmitz since Sep. 1, 2009	83.3	7.0	93.7	0.0	184.0
Dr. Matthias Zieschang	275.0	37.0	309.4	0.0	621.4
Prof. Dr. Wilhelm Bender Chairman until Aug. 31, 2009	233.3	43.3	331.3	0.9	608.8
Total	**1,165.0**	**152.7**	**1,548.6**	**2.4**	**2,868.7**

The bonus includes the payments on account for the fiscal year 2009 and the addition to the bonus provision in 2009. Additional expenses resulting from the bonus provision in 2008 being too low are included in changes to provisions.

The employment contract of Prof. Dr. Bender includes a two-year non-competition clause. In return, Fraport AG must pay Prof. Dr. Bender compensation within the meaning of Section 90a HGB of €58.3 thousand for 2009.

He also receives pension payments of €78.8 thousand. In accordance with the terms and conditions of the employment contract, the above-mentioned compensation is deducted from pension payments if this compensation plus other income exceeds 100 percent of the last fixed annual gross salary.

Pursuant to the additional agreement to the employment contract between Fraport AG and Prof. Dr. Bender, the payments of DM 200,000.00 granted on July 15, 1993 and on December 15, 1993, is credited to his bonus payment for fiscal year 2009.

The Supervisory Board will decide on the final bonus for 2009 in fiscal year 2010.

The following Executive Board members receive long-term incentive elements:

LONG-TERM INCENTIVE ELEMENTS

	MSOP 2005 1st tranche (2005) Number	MSOP 2005 2nd tranche (2006) Number	MSOP 2005 3rd tranche (2007) Number	MSOP 2005 4th tranche (2008) Number	MSOP 2005 5th tranche (2009) Number	Total portfolio Number	Expense in 2009 € '000
Dr. Stefan Schulte Chairman since Sep. 1, 2009	15,000	15,000	17,000	17,000	17,000	81,000	229.6
Herbert Mai	15,000	15,000	15,000	15,000	15,000	75,000	205.4
Peter Schmitz since Sep. 1, 2009	0	0	0	0	7,000	7,000	14.6
Dr. Matthias Zieschang	0	0	15,000	15,000	15,000	45,000	181.2
Prof. Dr. Wilhelm Bender Chairman until Aug. 31, 2009	20,000	20,000	20,000	20,000	20,000	100,000	144.0
Total	**50,000**	**50,000**	**67,000**	**67,000**	**74,000**	**308,000**	**774.8**

The expense has been incurred for stock options charged to income according to IFRS 2. This relates to the 2nd, 3rd, 4th and 5th tranches of the MSOP 2005 that are still held.

Prof. Dr. Bender's options in the 4th and 5th tranches have already expired, as they cannot be exercised.

Pension obligations

There are also future pension obligations of € 25,126.2 thousand. Of this amount, € 20,241.0 thousand consists of pension obligations to former members of the Executive Board and their dependants. Pension payments totaled € 1,685.1 thousand in 2009.

Transactions with Fraport AG stocks and options by members of the Executive Board and their spouses as well as first-degree relatives in the fiscal year 2009 were published according to Section 15a of the German Securities Trading Act (WpHG).

Other agreements

Prof. Dr. Bender is providing Fraport AG with consultancy services for two years after his retirement. For this and other tasks, Fraport AG is supplying Prof. Dr. Bender with offices, office equipment and supplies and an assistant for a period of two years. Fraport AG does not pay Prof. Dr. Bender any remuneration for his services. Travel costs are reimbursed according to the applicable company guidelines.

Remuneration of the Executive Board 2010

A tighter range for Executive Board remuneration was set this past year as the German Act on the Appropriateness of Management Board Remuneration (VorstAG) came into effect on August 5, 2009. Remuneration should be in proportion to the tasks of the position and the Company's situation and also in line with a long-term oriented, more transparent and sustainable corporate governance.

The Executive Board members' contracts were revised accordingly on January 1, 2010. The following variable, growth-earnings- and performance-related types of remuneration are included in the total remuneration on top of a fixed annual salary:

_ Management bonus
_ Long-term strategy award (LSA)
_ Long-term incentive program (LTIP)

Remuneration of the Supervisory Board 2009

The remuneration of the Supervisory Board was determined by the Annual General Meeting and is laid down in Section 12 of the Statutes of Fraport AG. Every member of the Supervisory Board receives €15,000 remuneration for a full-year period. The Chairman and the Chairman of the finance and audit committee receive twice that amount, the deputy Chairman and the Chairmen of committees receive one and a half times that amount. For their membership in a committee Supervisory Board members receive an additional, fixed remuneration of €3,750 for each full year. This amount does not increase by being a member in a number of committees. In addition to that, every member receives €400 for each meeting and the expenses they incur are refunded. Members of the finance and audit committee, on the other hand, receive €800 for every meeting they attend (see note 56).

All active members of the Supervisory Board received an aggregate remuneration of €527.3 thousand (previous year €511.7 thousand) in 2009.

Remuneration of the Economic Advisory Board 2009

Every member of the Economic Advisory Board receives a remuneration of €5,000 for every year of membership, with the Chairman receiving twice that amount. Travel expenses are compensated.

In the fiscal year 2009, remuneration of the Economic Advisory Board amounted to €108,000 (previous year €120,000).

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EXECUTIVE BOARD

Executive Board members and their membership in mandatory Supervisory Boards and comparable control bodies

CHAIRMAN (since September 1, 2009)

Dr. Stefan Schulte

VICE CHAIRMAN
TRAFFIC AND TERMINAL MANAGEMENT
AIRPORT EXPANSION
(until August 31, 2009)

Chairman of the Supervisory Board:

_ Flughafen Frankfurt-Hahn GmbH
(until February 28, 2009)

Member of the Supervisory Board:

_ Deutsche Post AG
(since April 21, 2009)
_ DELVAG Luftversicherungs AG
(until May 8, 2009)
_ DELVAG Rückversicherungs AG
(until May 8, 2009)

Member of the Administrative Board:

_ Frankfurter Sparkasse
(until June 30, 2009)

LABOR RELATIONS

Herbert Mai

Chairman of the Supervisory Board:

_ Fraport Cargo Services GmbH (FCS)

Member of the Supervisory Board:

_ Gateway Gardens Projektentwicklungs GmbH

Member of the Shareholders Committee:

_ MIRUS Grundstücks-Verwaltungsgesellschaft KG

OPERATIONS (since September 1, 2009)

Peter Schmitz

Chairman of the Supervisory Board:

_ ASG Airport Service GmbH, Frankfurt

Vice Chairman of the Supervisory Board:

_ Fraport Cargo Service GmbH (FCS)

Member of the shareholders' meeting:

_ ASG Airport Service GmbH, Frankfurt
_ Fraport Cargo Services GmbH (FCS)

CONTROLLING AND FINANCE

Dr. Matthias Zieschang

Vice Chairman of the Supervisory Board:

_ Fraport IC Antalya Airport Terminal Management
(until September 26, 2009)
_ Shanghai Frankfurt Airport Consulting Services

Member of the Supervisory Board:

_ Flughafen Frankfurt-Hahn GmbH
(until February 28, 2009)
_ Fraport IC Antalya Airport Terminal Management
(since September 27, 2009)
_ Flughafen Hannover-Langenhagen GmbH

Member of the shareholders' meeting:

_ Flughafen Hannover-Langenhagen GmbH

Member of the Administrative Board:

_ Frankfurter Sparkasse
(since July 1, 2009)

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SUPERVISORY BOARD

Supervisory Board members and their membership in mandatory Supervisory Boards and comparable control bodies

CHAIRMAN (until August 31, 2009)

Prof. Dr. Wilhelm Bender

Member of the Supervisory Board:
_ Deutscher Ring Krankenversicherungsverein a. G. (since March 25, 2009)
_ Lufthansa Cargo AG
_ SIGNAL IDUNA Allgemeine Versicherung AG
_ Thyssen Krupp Services AG
_ MTU Aero Engines Holding AG
_ Live Holding AG
_ FrankfurtRheinMain GmbH International Marketing of the Region

CHAIRMAN

Karlheinz Weimar
FINANCE MINISTER OF THE STATE OF HESSE
(Remuneration 2009: € 37,750
2008: € 38,150)

Chairman of the Supervisory Board:
_ Flughafen GmbH Kassel, Calden

Vice Chairman of the Administrative Board:
_ Landesbank Hessen-Thüringen Girozentrale

Member of the Economic and Infrastructure bank committee:
_ Wirtschafts- und Infrastrukturbank Hessen

Member of the Supervisory Board:
_ FIZ Frankfurter Innovationszentrum Biotechnologie GmbH
_ Future Capital AG, Hessen Life Sciences Chemie
_ HA Hessen Agentur GmbH
_ Messe Frankfurt GmbH

Advisory Board member with the duties of a Supervisory Board:
_ Höchster Porzellan-Manufaktur GmbH

VICE CHAIRMAN

Gerold Schaub
DEPUTY REGIONAL DIRECTOR TRAFFIC VER. DI HESSE
(Remuneration 2009: € 32,650
2008: € 33,050)

Vice Chairman of the Supervisory Board:
_ LSG Lufthansa Service Holding GmbH

Member of the Supervisory Board:
_ LSG Sky Chefs Deutschland GmbH

Ismail Aydin

MEMBER OF THE WORKS COUNCIL
(Remuneration 2009: € 22,350
2008: € 13,737.50)

Dr. Manfred Bischoff

CHAIRMAN OF THE SUPERVISORY BOARD
DAIMLER AG
(Remuneration 2009: € 21,550
2008: € 21,550)

Chairman of the Supervisory Board:
_ Daimler AG
_ SMS GmbH

Member of the Board or Supervisory Board:
_ Royal KPN N. V.
_ Nortel Networks Corporation and
Nortel Networks Limited (until March 31, 2009)
_ Unicredit S. p. a.
_ Voith AG

Jörg-Uwe Hahn

MINISTER OF JUSTICE OF THE STATE OF HESSE
(Remuneration 2009: € 31,450
2008: € 32,250)

Vice Chairman of the Supervisory Board:
_ K. L. Schmidt Consulting & Projektbau AG

Member of the Supervisory Board:
_ Flughafen Frankfurt-Hahn GmbH (until February 28, 2009)
_ TaunusFilm GmbH
_ HA Hessen Agentur GmbH (since April 20, 2009)

Member of the Advisory Board:
_ ÖD-Beirat DBV-Winterthur (since January 22, 2009)

Member of the Broadcasting Corporation Board:
_ Hessischer Rundfunk (until March 2, 2009)

Erdal Kina

MEMBER OF THE WORKS COUNCIL
(Remuneration 2009: € 22,350
2008: € 14,137,50)

Lothar Klemm

FORMER HESSIAN STATE MINISTER
(Remuneration 2009: € 29,150
2008: € 27,150)

Chairman of the Supervisory Board:
_ ZIV-Zentrum für integrierte Verkehrssysteme GmbH
_ REA Mobile AG
_ Dietz AG (since July 17, 2009)

Member of the Supervisory Board:
_ IQB Career Services AG

Wolfgang Mayrhuber

CHAIRMAN OF THE EXECUTIVE BOARD
DEUTSCHE LUFTHANSA AG
(Remuneration 2009: € 16,200
2008: € 17,400)

Member of the Supervisory Board:
_ BMW AG
_ Münchener Rückversicherungs-Gesellschaft AG
_ Lufthansa Technik AG
_ Austrian Airlines (since July 14, 2009)
_ HEICO Corporation, Miami, Florida

Member of the Administrative Board:
_ Swiss International Air Lines AG (until October 19, 2009)

Member of the Board of Directors:
_ SN Brussels (since June 24, 2009)

Klaus-Peter Müller

CHAIRMAN OF THE SUPERVISORY BOARD COMMERZBANK AG
(Remuneration 2009: € 16,200
2008: € 10,750)

Chairman of the Supervisory Board:
_ Commerzbank AG

Member of the Supervisory Board:
_ Fresenius SE
_ Linde AG
_ Steigenberger Hotels AG (until July 31, 2009)

Member of the Administrative Board:
_ Assicurazioni Generali S. p.A.

_ KfW Kreditanstalt für Wiederaufbau (until March 23, 2009)
_ Liquiditäts-Konsortialbank GmbH (until March 23, 2009)
_ Landwirtschaftliche Rentenbank (since July 16, 2009)

Member of the Board of Directors:
_ Parker Hannifin Corporation

Arno Prangenberg
AUDITOR, TAX CONSULTANT
(Remuneration 2009: € 25,150
2008: € 14,537.50)

Matthias von Randow
EXECUTIVE BOARD REPRESENTATIVE FOR POLICY AND TRANSPORT RIGHTS AT AIR BERLIN
(Remuneration 2009: € 24,750
2008: € 12,937.50)

Gabriele Rieken
MEMBER OF THE WORKS COUNCIL
(Remuneration 2009: € 23,950
2008: € 24,350)

Petra Rossbrey
EXECUTIVE VICE PRESIDENT GCS, RESPONSIBLE FOR FINANCE AND ADMINISTRATION
(Remuneration 2009: € 25,150
2008: € 23,550)

Member of the Advisory Board:
_ Energy Air

Dr. h.c. Petra Roth
MAYOR OF FRANKFURT / MAIN
(Remuneration 2009: € 23,950
2008: € 23,150)

Chairperson of the Supervisory Board:
_ Frankfurter Aufbau AG (Group mandate)
_ Mainova AG (Group mandate)
_ ABG Frankfurt Holding Wohnungsbau- und Beteiligungsgesellschaft mbH (Group mandate)
_ Messe Frankfurt GmbH (Group mandate)
_ Stadtwerke Frankfurt am Main Holding GmbH (Group mandate)
_ Stadtwerke Verkehrsgesellschaft Frankfurt am Main GmbH (Group mandate)
_ Thüga Holding GmbH & Co. KGaA (since December 2, 2009, Group mandate)

Member of voluntary corporate control bodies:
_ Alte Oper Frankfurt Konzert- und Kongresszentrum GmbH
_ Dom Römer GmbH (since July 31, 2009)
_ FrankfurtRheinMain GmbH International Marketing of the Region (February 5, 2009 – May 7, 2009)
_ Gas-Union GmbH
_ Rhein-Main-Verkehrsverbund GmbH
_ Rhein-Main-Verkehrsverbund Service GmbH
_ FIZ Frankfurter Innovationszentrum Biotechnologie GmbH
_ Städtische Bühnen Frankfurt am Main GmbH
_ The Forsythe Company gGmbH
_ Tourismus- und Congress GmbH Frankfurt am Main (February 5, 2009 – May 7, 2009)

Member of the Administrative Board:
_ Landesbank Hessen-Thüringen Girozentrale

Member of the Support Commission:
_ Nassauische Sparkasse

Member of the Advisory Board:
_ E.ON Ruhrgas AG
_ THÜGA AG (until December 1, 2009)

Hans-Jürgen Schmidt
VICE CHAIRMAN
KOMBA GEWERKSCHAFT HESSEN

CHAIRMAN
KOMBA GEWERKSCHAFT KREISVERBAND FLUGHAFEN FRANKFURT / MAIN

MEMBER OF THE WORKS COUNCIL
(Remuneration 2009: € 25,150
2008: € 14,537.50)

Werner Schmidt

MEMBER OF THE WORKS COUNCIL

(Remuneration 2009: € 23,150
2008: € 23,150)

Chairman of the Executive Board:

_ Arbeitsgemeinschaft unabhängiger Flughafenbeschäftigter (AUF e. V.) (since August 31, 2009)

Vice Chairman of the Executive Board:

_ Arbeitsgemeinschaft unabhängiger Flughafenbeschäftigter (AUF e. V.) (until August 30, 2009)
_ komba gewerkschaft, Kreisverband Flughafen Frankfurt / Main

Member of the Supervisory Board:

_ SMW Abwasser GmbH

Member of the Association Council:

_ Riedwerke Kreis Groß-Gerau

Lutz Sikorski

CITY COUNCILOR OF FRANKFURT / MAIN

(Remuneration 2009: € 25,950
2008: € 14,137.50)

Chairman of the Supervisory Board:

_ traffiQ
_ RTW Planungsgesellschaft mbH
_ FES Frankfurter Entsorgungs- und Service GmbH (since November 1, 2007)

Member of the Supervisory Board:

_ Messe Frankfurt GmbH
_ ivm GmbH
_ Gateway Gardens Projektentwicklungs GmbH
_ Sportpark Stadion Frankfurt Gesellschaft für Projektentwicklungen mbH
_ FSV Frankfurt 1899 Fußball GmbH (since August 7, 2001)
_ FAAG (Frankfurter Aufbau AG)

Edgar Stejskal

CHAIRMAN OF THE GROUP WORKS COUNCIL

(Remuneration 2009: € 29,950
2008: € 25,150)

Member of the Supervisory Board:

_ Airmail Center Frankfurt GmbH

Christian Strenger

(Remuneration 2009: € 39,025
2008: € 28,325)

Chairman of the Supervisory Board:

_ The Germany Funds (USA)

Member of the Supervisory Board:

_ DWS Investment GmbH
_ Evonik Industries AG

Peter Wichtel

CHAIRMAN OF THE WORKS COUNCIL

MEMBER OF THE GERMAN PARLIAMENT
(since October 27, 2009)
(Remuneration 2009: € 31,450
2008: € 31,450)

Member of the Executive Board:

_ Unfallkasse Hessen

Member of the Supervisory Board:

_ operational services GmbH & Co. KG

Frankfurt am Main, March 1, 2010
Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. Schulte
Mai
Schmitz
Dr. Zieschang

SIGNIFICANT SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATED COMPANIES

		Place of incorporation		Share of capital in %	Shareholders' equity in € '000	Profit after tax in € '000	Revenue in € '000	Average number of employees
Subsidiaries								
Germany								
Airport Assekuranz Vermittlungs-GmbH	AAV	Frankfurt a. M.	2009	100.00	871	726	2,378	11
			2008	100.00	829	641	2,437	12
Airport Cater Service GmbH	ACS	Frankfurt a. M.	2009	100.00	26	0	18,212	135
			2008	100.00	26	0	18,229	135
AirIT Services AG	AirIT Service	Lautzenhausen	2009	100.00	1,189	179	2,476	15
			2008	100.00	1,010	148	2,630	12
APS Airport Personal Services GmbH	APS	Frankfurt a. M.	2009	100.00	1,168	618	48,264	1,651
			2008	100.00	1,351	801	49,127	1,697
Energy Air GmbH	Energy Air	Frankfurt a. M.	2009	100.00	1,910	1,812	100,317	0
			2008	100.00	1,539	923	93,505	0
FPS Frankfurt Passenger Services GmbH	FPS	Frankfurt a. M	2009[1]	51.00	95	–252	2,857	78
			2008	100.00	25	0	0	0
FraCareServices GmbH	FraCareS	Frankfurt a. M.	2009	51.00	1,174	108	18,972	182
			2008	51.00	1,066	79	12,029	159
Fraport Cargo Services GmbH	FCS	Frankfurt a. M.	2009	100.00	14,923	–1,071	59,886	226
			2008	100.00	15,994	1,441	54,369	232
Fraport Immobilienservice und -entwicklungs GmbH & Co. KG	Fraport Immo	Flörsheim a. M.	2009[2,3]	100.00	17,580	4,858	1,618	9
			2008[2,3]	100.00	11,631	2,933	1,659	9
Fraport Objekt Mönchhof GmbH	Fraport OGM	Flörsheim a. M.	2009	100.00	21	2	0	0
			2008	100.00	19	–1	0	0
Fraport Objekte 162 163 GmbH	Fraport OG 162	Flörsheim a. M.	2009	100.00	21	2	0	0
			2008	100.00	19	–1	0	0
Fraport Real Estate Mönchhof GmbH & Co. KG	Fraport Mönchhof	Flörsheim a. M.	2009[3]	100.00	6,179	1,439	5,953	0
			2008[3]	100.00	4,532	1,898	12,880	0
Fraport Real Estate 162 163 GmbH & Co. KG	Fraport 162 163	Flörsheim a. M.	2009[3]	100.00	5,442	2,082	7,357	0
			2008[3]	100.00	6,005	1,688	7,357	0
Fraport Real Estate Verwaltungs GmbH	Fraport RE	Flörsheim a. M.	2009	100.00	19	4	0	0
			2008	100.00	14	–1	4	0
Fraport Security Services GmbH	FraSec	Frankfurt a. M.	2009	100.00	9,045	1,654	100,911	3,333
			2008	100.00	7,391	2,273	111,266	3,617
FSG Flughafen-Service GmbH	FSG	Frankfurt a. M.	2009	33.33	167	92	4,549	0
			2008	33.33	218	143	4,547	0
GCS Gesellschaft für Cleaning Service mbH & Co. Airport Frankfurt/Main KG	GCS	Frankfurt a. M.	2009[3]	40.00	2,241	1,088	27,018	591
			2008[3]	40.00	2,555	1,400	26,047	617
Media Frankfurt GmbH	Media	Frankfurt a. M.	2009	51.00	2,538	2,026	24,867	34
			2008	51.00	2,954	2,442	26,871	33
VCS Verwaltungsgesellschaft für Cleaning Service mbH	VCS	Frankfurt a. M.	2009	100.00	35	1	141	1
			2008	100.00	34	1	130	1

SIGNIFICANT SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATED COMPANIES

		Place of incorpora-tion		Share of capital in %	Share-holders' equity in € '000	Profit after tax in € '000	Revenue in € '000	Average number of employees
Rest of Europe								
Flughafen Frankfurt Main (Greece) Monoprosopi EPE	Hellas	Athens / Greece	2009	100.00	89	–6	0	0
			2008	100.00	94	–11	0	0
Fraport Ground Services Austria GmbH	FGS Austria	Schwechat / Austria	2009	100.00	384	–1,219	13,313	243
			2008	100.00	1,663	713	14,663	237
Fraport Malta Ltd.	Fraport Malta	St. Julians / Malta	2009	100.00	52,277	1,285	0	0
			2008	100.00	40,492	1,965	0	0
Fraport Malta Business Services Ltd.	Malta Business	St. Julians / Malta	2009	100.00	50,891	821	0	0
			2008	100.00	38,391	1,336	0	0
Fraport Twin Star Management AD	Fraport Twin Star	Varna / Bulgaria	2009	60.00	26,768	7,617	35,412	1,017
			2008	60.00	19,151	8,256	40,648	1,218
America								
Air-Transport IT Services, Inc.	Air-Trans-port IT	Orlando / USA	2009	100.00	2,508	472	8,805	60
			2008	100.00	2,123	500	8,250	59
Fraport Peru S. A. C.	Fraport Peru	Lima / Peru	2009	99.99	156	143	1,104	5
			2008	99.99	251	175	1,236	5
Lima Airport Partners S. R. L.	LAP	Lima / Peru	2009	70.01	72,138	10,820	109,918	492
			2008	70.01	59,805	8,980	93,201	468
Asia								
Antalya Havalimani Uluslararasi Terminal Isletmeciligi Anomin Sirketi	Antalya	Istanbul / Turkey	2009	100.00	51,290	1,632	0	6
			2008	100.00	49,788	12,898	0	5
Fraport Asia Ltd.	Fraport Asia	Hongkong / China	2009	100.00	49,927	–62	0	0
			2008	100.00	51,772	54	0	0
Fraport (Philippines) Services Inc.	Fraport Philippines	Manila / Philippines	2009[4]	99.99	–2,842	0	0	0
			2008[4]	99.99	–2,867	0	0	0
Fraport Saudi Arabia for Airport Management and Development Services Company Ltd.	Fraport Saudi Arabia	Riyadh / Saudi Arabia	2009	100.00	4,006	3,634	11,334	24
			2008	100.00	4,077	3,057	7,262	5

SIGNIFICANT SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATED COMPANIES

		Place of incorpora-tion		Share of capital in %	Share-holders' equity in € '000	Profit after tax in € '000	Revenue in € '000	Average number of employees
Joint ventures								
Germany								
AirITSystems GmbH	AirIT Hanover	Hanover	2009	50.00	3,088	980	17,895	112
			2008	50.00	3,266	1,158	19,394	100
Medical Airport Service GmbH	MAS	Kelsterbach	2009	50.00	3,628	1,277	11,327	119
			2008	50.00	2,898	1,093	9,926	101
Multi Park II Mönchhof GmbH	Multi Park II Mönchhof	Waldorf-Baden	2009	50.00	2,324	–97	219	0
			2008	50.00	20	–4	0	0
NICE Aircraft Services & Support GmbH	NICE	Frankfurt a. M.	2009	52.00	13,763	2,435	17,352	14
			2008	52.00	13,118	1,753	13,994	11
Terminal for Kids gGmbH	Terminal for Kids	Frankfurt a. M.	2009	50.00	592	0	1,214	19
			2008	50.00	592	292	1,258	12
Asia								
Fraport IC Ictas Havalimani Isletme A. S.	Antalya Finan-zierungs-gesellschaft	Antalya/Turkey	2009	50.00	23,280	–35	0	0
			2008	34.00	23,315	0	0	0
Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi A. S.	Antalya Betriebs-gesellschaft	Antalya / Turkey	2009	50.00	–199,700	–74,257	94,434	726
			2008	34.00	–120,776	–83,138	79,341	614
Fraport IC Ictas Havalimani Yer Hizmetleri A. S.	ICF Ground Handling	Antalya / Turkey	2009[4]	50.00	338	–32	0	0
			2008[4]	50.00	373	–129	0	1
IC Ictas Uluslararasi Insaat ve Ticaret Anonim Sirketi	IC-U	Ankara / Turkey	2009[5,6]	50.00	6,543	213	0	0
Pantares Tradeport Asia Ltd.	Pantares Tradeport	Hongkong / China	2009	50.00	2,710	–739	0	0
			2008	50.00	2,407	–860	0	0
Shanghai Frankfurt Airport Consulting Service Co. Ltd.	Shanghai Consulting	Shanghai / China	2009	50.00	229	3	126	0
			2008	50.00	231	5	113	0
Associated companies								
Germany								
Airmail Center Frankfurt GmbH	ACF	Frankfurt a. M.	2009	40.00	2,419	–10	15,508	25
			2008	40.00	2,429	346	16,495	26
ASG Airport Service Gesellschaft mbH	ASG	Frankfurt a. M.	2009	49.00	1,374	1,293	29,903	750
			2008	49.00	1,626	1,548	35,281	906
European Center for Aviation Development – ECAD GmbH	ECAD	Darmstadt	2009	25.00	45	1	759	14
			2008	25.00	43	4	818	10
Flughafen Hannover – Langenhagen GmbH	Flughafen Hanover	Hanover	2009	30.00	144,379	1,015	137,102	1,283
			2008	30.00	149,992	6,884	150,402	1,324
Grundstücksgesellschaft Gateway Gardens GmbH	Gateway Gardens	Frankfurt a. M.	2009	25.00	2,757	1,092	7,097	0
			2008	25.00	–4,014	–3,986	810	0
Rest of Europe								
Thalita Trading Ltd.	Thalita Trading	Lakatamia / Cyprus	2009[5]	35.50	1,000	0	0	0
Asia								
Tradeport Hong Kong Ltd.	Tradeport Hong Kong	Hongkong / China	2009	18.75	–16,439	–1,761	4,147	70
			2008	18.75	–15,020	–2,167	3,251	58
Xi'an Xianyang International Airport Co., Ltd.	Xi'an	Xianyang / China	2009	24.50	218,080	16,031	58,168	1,771
			2008	24.50	206,165	–837	20,592	1,709

[1] Company's name changed in 2009
[2] IFRS results before consolidation
[3] In the equity capital of shares in commercial partnerships capital shares as well as shares in profit and loss of the limited partners are recognized (according to IAS 32 these are debt)
[4] Inactive
[5] Founded / acquired in 2009
[6] Unaudited financial statements 2009

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 assets, liabilities, financial position, and profit or loss of the Group, and the management report of the Group 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, March 1, 2010
Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

Dr. Schulte Mai Schmitz 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 consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity, and the group notes, together with the group management report for the business year from January 1, to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB [Handelsgesetzbuch "German Commercial Code"], and supplementary provisions of the company statutes are the responsibility of the parent company's 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 Section 317 HGB [Handelsgesetzbuch „German Commercial Code"] 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 entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and 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 IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a (1) HGB, and supplementary provisions of the shareholder agreement 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, March 1, 2010
KPMG AG
Wirtschaftsprüfungsgesellschaft

Wagenseil
German Public Auditor

Kunz
German Public Auditor

REPORT OF THE SUPERVISORY BOARD

In the fiscal year 2009, the Supervisory Board performed all tasks incumbent on it under the law and the Company Statutes and regularly monitored the company's management. It was kept informed by the Executive Board regularly, promptly, and comprehensively in the form of written and oral reports about the intended business policy, fundamental issues relating to the future business management and corporate planning, the situation and development of the company and the Group, as well as important business transactions, and discussed these subjects with the Executive Board. The Executive Board harmonized the strategic orientation of the company with the Supervisory Board. The Chairman of the Executive Board also maintained regular contact with the Chairman of the Supervisory Board and informed him about current developments in the business as well as about major business transactions. The Supervisory Board was directly involved in all decisions that were of vital importance to the company. Where required by law, statutes, or rules of internal procedure, the Supervisory Board, after thorough examination and discussion, decided on the respective proposals of the Executive Board.

The Supervisory Board held four regular and one extraordinary meeting in the period under review. All members of the Supervisory Board attended at least half of the meetings.

Focus of attention of the Supervisory Board

The business development of the Fraport Group and its investments, with particular emphasis on traffic and revenue development at Frankfurt Airport, was the subject of regular Supervisory Board discussions. The question how to tackle the impact of the financial and economic crisis played an important role in this context.

Along with this regular reporting, the following subjects were the focus of particularly intensive discussion:

_ The subject of ongoing reports was the challenges faced in the Ground Handling Services segment in particular, right up to the successful conclusion of 'The Pact for the Future 2018' at Company level. This Pact, like the collective wage agreements Fraport negotiated with the unions represented within the Company, will help the Supervisory Board to continue the integrated business model at Frankfurt Airport.
_ The progress with regard to the planned expansion of the takeoff and landing runway system in Frankfurt was the Supervisory Board's focus, just as the plans to adjust and expand the existing terminals.
_ In this context, the Supervisory Board agreed to the general conditions of a contract for the potential acquisition of real estate and cooperation agreement with the Kelsterbach municipal authority in March 2009.
_ At the beginning of the year, the Supervisory Board agreed to the sale of Fraport AG's shares in Flughafen Frankfurt-Hahn GmbH to the State of Rhineland-Palatinate.
_ As part of the Group's continuing internationalization strategy, the Supervisory Board authorized the putting forward of a binding offer for the concession of Pulkovo Airport in St. Petersburg at an extraordinary meeting on May 11, 2009.
_ In connection with the investment in Manila, the Supervisory Board continued to support the procedural and non-procedural efforts to gain appropriate damages from the Philippine Government for the investment made in the construction of Terminal 3 at Manila Airport.
_ The Supervisory Board also reviewed the financial statements and management reports of the Group as of December 31, 2008, the agenda for the Annual General Meeting on May 27, 2009, the proposed resolutions for that day and the annual report 2008. At the Annual General Meeting in May 2009, the Supervisory Board also decided to propose KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (now: KPMG AG Wirtschaftsprüfungsgesellschaft) as the auditors for fiscal year 2009.

_ With view to the German Act on the Appropriateness of Management Board Remuneration (VorstAG), which came into effect on August 5, 2009, the Supervisory Board discussed the remuneration of the Executive Board. With the help of an independent remuneration consultant, it developed a new concept for the remuneration of Executive Board members, which fully complies with the new legal requirements, and adjusted the remuneration of active Executive Board members in December 2009, to take effect on January 1, 2010. The Executive Board members' employment contracts were adapted accordingly. For more information on the new Executive Board remuneration system, please refer to the statement on corporate governance pursuant to Section 289a of the German Commercial Code (Handelsgesetzbuch – HGB), available online at www.fraport.de and in the at hand Annual Report 2009.

Work of the committees

The Supervisory Board continued its successful work in the committees formed to increase the efficiency of its activities and to prepare the Supervisory Board meetings. In isolated instances, the Supervisory Board's decision-making authority was transferred to the committees. The committee chairmen kept the Supervisory Board's full session regularly informed on the committees' work at the following Supervisory Board meeting. A breakdown of the individual committees can be found in the statement on corporate governance.

The finance and audit committee convened eight times in the period under review, discussing major business transactions, the annual financial statements and consolidated financial statements, the management report, and the proposal on the appropriation of profits and the dividend amount to be paid. The finance and audit committee prepared the key aspects to be audited by the Supervisory Board and commented on the 2010 business plan of Fraport AG (preparation in compliance with HGB) and the 2010 Group plan (preparation in compliance with IFRSs). It also assessed the assignment of an auditor and proposed an auditing firm to the Supervisory Board's full session for fiscal year 2009. As part of these activities, a declaration of independence pursuant to No. 7.2.1 of the German Corporate Governance Code was obtained from the auditors, their qualifications were checked and their remuneration discussed. The committee also considered appointing the auditors with tasks not relating to the audit of the financial statements. Further points of focus in the committee meetings were the topics risk and asset management. It also took an in-depth look at the Company's risk management system, internal control system and Internal Auditing department and ensured that the Supervisory Board was kept informed on these issues.

The focus of the meetings held by the external investment and capital expenditure committee in the fiscal year 2009 was once again the economic development of our investment business and capital expenditure. Over the course of six sessions, the committee focused intensively on the preparation of the Supervisory Board's resolutions to sell the Company's shares in Frankfurt-Hahn Airport and to get involved in Pulkovo Airport in St. Petersburg, as well as dealing with the other investments worldwide, particularly the expansion measures in Antalya and Lima. The committee also discussed capital expenditure at the Frankfurt site and commented on the investment plan included in the scope of the business plan for 2010. Using its decision-making authority, as granted by the Supervisory Board, it agreed to issue a loan in connection with the construction of a logistics building on the Mönchhof site and increased the budget for the Pulkovo project.

To prepare resolutions in relation to personnel matters, the human resources committee discussed the personnel situation in the Group, personnel management in view of the economic crisis, the strategic business unit Ground Handling, the situation at airport security services regards the step-by-step liberalization of aviation security tasks, the remuneration of senior executives and the employee investment plan over the course of its four meetings.

The executive committee held five meetings in the period under review. During the fiscal year 2009, the committee addressed Executive Board matters and focused on preparing the details of the adjusted remuneration for Executive Board members.

In the fiscal year 2009, it was not necessary to summon the mediation committee to be formed in compliance with the rules of the German Co-determination Act or the nomination committee to prepare the election of new shareholder representatives.

Corporate governance and statement of compliance

On June 18, 2009, the German Government Commission published an amendment to the German Corporate Governance Code. Following this, the Supervisory Board decided that it would adopt the recommendations and suggestions made and that the Fraport Code would be adjusted accordingly.

The statement of compliance with the German Corporate Governance Code required under Section 161 of the German Stock Corporation Act (AktG) for 2009 was submitted by the Executive Board and the Supervisory Board on December 14, 2009.

All recommendations of the German Corporate Governance Code as amended on June 18, 2009, have been and will be complied with, with one exception: The remuneration for members of the Supervisory Board does not include a performance-oriented, variable element.

The Supervisory Board will decide by July 1, 2010 on the recommended adjustment of its own deductible in the D&O insurance policy.

The Supervisory Board assessed the efficiency of its activities with the help of an external consultant and reviewed the results at its December meeting. An in-depth assessment is planned for 2010.

For further details on corporate governance at Fraport and the wording of the current statement of compliance, please see the statement on corporate governance pursuant to Section 289a HGB, available online at www.fraport.com and in the Annual Report 2009. The Fraport Code, the current and previous year's statements of compliance are also available on the Internet at www.fraport.com.

Annual and consolidated financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft audited the annual financial statements of Fraport AG and the consolidated financial statements as of December 31, 2009, as well as the management report of Fraport AG and the Group management report and expressed an unqualified opinion on them. The Supervisory Board had assigned the audit engagement on September 23, 2009 in compliance with the resolution passed at the Annual General Meeting held on May 27, 2009.

The individual financial statements and the management report were prepared and audited according to German Commercial Code for large incorporated companies, while the consolidated financial statements and the Group management report were prepared and audited according to the International Financial Reporting Standards (IFRS), as adopted by the EU. The consolidated financial statements and the Group management report meet the requirements for exempting the company from preparing consolidated financial statements under German law. The auditor confirmed that a risk early recognition system in compliance with legal provisions is in operation, allowing the early recognition of developments that could jeopardize the company as a going concern.

The documents mentioned and the Executive Board's proposal for the appropriation of the retained earnings was submitted without delay by the Executive Board to the Supervisory Board. The Supervisory Board's finance and audit committee worked intensively with these documents and the Supervisory Board itself reviewed them as well. The audit reports of KPMG AG Wirtschaftsprüfungsgesellschaft and the financial statements were available to all members of the Supervisory Board and were discussed thoroughly at the balance sheet meeting held by the Supervisory Board in the presence of the auditor, who reported on the major findings of his audit and answered any additional questions. At the meeting, the chairman of the finance and audit committee gave a detailed report on the methods used by the committee for auditing the annual and consolidated financial statements. The Supervisory Board approved the audit results. No objections are to be raised after the final review made by the finance and the audit committee and the Supervisory Board's own assessment. The Supervisory Board approved the annual financial statements, which are hereby adopted.

The Supervisory Board approved the proposal of the Executive Board to pay a dividend of €1.15 for each no-par value share entitled to dividend out of the retained earnings.

In the management report and in the notes of the company and the Group, the Executive Board made disclosures in compliance with Section 289 (4) and Section 315 (4) of the German Commercial Code, especially with regard to the rules for appointing and dismissing members of the Executive Board and the amendments to the provisions in the Company Statutes required in this process as well as on the authority of the Executive Board in particular with regard to the issue and repurchase of shares. The existing authorized capital should enable the company to issue new shares to the employees of the company and its affiliated companies in return for cash; there is no other way to issue shares with the subscription rights being excluded. The authorization to buy and use own shares enables the company to service subscription rights within the scope of the Fraport Management Stock Option Plan; here again, there is no other way to exclude the subscription right. As the authorization to buy treasury shares, the contingently issuable shares are used only for servicing the subscription rights within the scope of the Fraport Management Stock Option Plan. The facts set out in the management report and the notes relate to rules that are customarily applied by similar listed companies and are not intended to hamper any takeover attempts.

The report on the relationship with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (AktG) prepared by the Executive Board was available to the Supervisory Board. The conclusion of the report contains the following statement of 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. No action was taken or not taken at the behest or in the interests of the State of Hesse and the municipal authority Frankfurt am Main, and companies affiliated with them in the year under review."

The auditor audited the report on the relationship with affiliated companies and issued the following opinion:

"After conducting our audit and according to our assessment, we confirm that

1. the actual facts presented in the report are accurate, and
2. that the company did not pay unduly high compensation for transactions outlined in this report."

The auditor took part in Supervisory Board discussions concerning the report on the relationship with affiliated companies, reported on the major findings of his audit and answered any additional questions from the Supervisory Board. After its own examination, the Supervisory Board agrees with the opinion of the auditor and does not raise any objections against the statement of the Executive Board made at the end of the report on the relationship with affiliated companies and its inclusion in the management report.

Personal particulars

Prof. Dr. Bender, who was Chairman of the Executive Board for many years, retired from his position on August 31, 2009.

On March 20, 2009, the Supervisory Board appointed Dr. Stefan Schulte, Vice Chairman of the Executive Board, as the new Chairman of the Executive Board with effect from September 1, 2009, and Mr. Peter Schmitz as a new member of the Executive Board. Both positions carry a term of five years.

With a view to the successful fiscal year 2009, in spite of the global economic crisis, the Supervisory Board would like to thank the Executive Board and the employees for their great joint efforts and commitment to the company.

The Supervisory Board would like to thank Prof. Dr. Bender in particular for 17 successful years with the Company and his great dedication.

Frankfurt am Main, March 22, 2010

Karlheinz Weimar
(Chairman of the Supervisory Board)

STATEMENT ON CORPORATE GOVERNANCE PURSUANT TO SECTION 289A OF THE GERMAN COMMERCIAL CODE (HGB) AND CORPORATE GOVERNANCE REPORT

The Executive Board issues the following statement on Corporate Governance and Corporate Governance report pursuant to No. 3.10 of the German Corporate Governance Code on its behalf and that of the Supervisory Board:

The term "corporate governance" stands for responsible company management and control, the aim of which is the sustained creation of value. In this context, efficient cooperation between the Executive Board and the Supervisory Board is just as important as the respect for shareholders' interests and open and transparent corporate communication. Corporate governance has high priority for Fraport. We therefore accompany the ongoing national and international action in this field taking further measures in 2009 to supplement our own Fraport code of conduct in accordance with the German Corporate Governance Code.

Statement of compliance according to Section 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board issued the following statement pursuant to Section 161 AktG at their meeting on December 14, 2009:

"Since the last statement of compliance from December 12, 2008, Fraport AG has complied with and will continue to comply with the recommendations of the Government Commission of the German Corporate Governance Code (Regierungskommission Deutscher Corporate Governance Kodex) as amended on June 18, 2009, except for the following exceptions:

'Remuneration for members of the Supervisory Board does not include a performance-based, variable element (Code No. 5.4.6 [2]).'

In accordance with section 12 of the Company Statutes, the members of the Supervisory Board receive a fixed remuneration and meeting attendance fee. The Supervisory Board considers this to be a reasonable option considering its vigorous controlling activities. They are also remunerated for their participation in a committee. Due to the increased importance of the finance and audit committee, the Chairman of this committee receives a higher remuneration and the members a higher meeting attendance fee.

With regards to the current deviations from the recommendation to 'establish a deductible for the Supervisory Board in a D&O insurance policy (Code No. 3.8 [2])", a deductible will be established in accordance with the German Act on the Appropriateness of Management Board Remuneration (VorstAG) before July 1, 2010. The Supervisory Board will also decide on a corresponding adjustment to its own deductibles.'

The statement of compliance has been made permanently available to the shareholders on the company's website www.fraport.com.

The D&O insurance policy for Executive Board members has now been adjusted, in line with the announcement in the notes to the deviations from the recommendations of the Code No. 3.8 (2).

Suggestions of the German Corporate Governance Code

Of the suggestions made by the German Corporate Governance Code Fraport did not put the following into practice:

_ Availability of a proxy exercising shareholders' voting rights during the Annual General Meeting (No. 2.3.3 sentence 2 DCGC)

The shareholders were able to appoint a proxy until the eve of the Annual General Meeting 2009. Since the transmission of the meeting on the Internet ended following the speeches of the Chairmen to the Supervisory and Executive Boards, it was no longer necessary for the proxies to be available for the shareholders who did not take part in the Annual General Meeting. This practice will be continued in 2010.

_ Letting the Annual General Meeting be followed using modern communication media (No. 2.3.4 DCGC)

Primarily for security reasons, Fraport published only the welcoming speeches of the Chairman of the Supervisory Board and the Chairman of the Executive Board from the beginning of the Annual General Meeting 2009 on the Internet. This practice will also be continued in 2010.

_ First-time appointment of Executive Board members (No. 5.1.2 [2] DCGC)

All Executive Board members were appointed for five years when they were appointed for the first time. By doing this the company shows its willingness to long-term cooperation. A first-time appointment for five years is also still very common for people experienced in their jobs and is the period many potential Executive Board members expect.

_ Performance-related remuneration of members of the Supervisory Board containing components based on the long-term performance of the company (No. 5.4.6 [2] sentence 2 DCGC)

As already stated, Section 12 of the Statutes stipulates a fixed salary and an attendance fee only.

Disclosures on corporate governance practices pursuant to Section 289a HGB

The Supervisory Board of Fraport AG has adopted its own Corporate Governance Code for the company. This Code is closely based on the German Corporate Governance Code. It specifies the important principles in the management and supervision of the company and contains nationally and internationally acknowledged standards of good and responsible corporate governance to which Fraport AG is committed. The Corporate Governance Code also highlights the most important rights of shareholders, who supply the required share capital for Fraport AG and who bear the entrepreneurial risk. The Fraport Corporate Governance Code is revised once a year (last revision on December 14, 2009) and is available on the company's website at http://www.fraport.com/cms/investor_relations/rubrik/2/2751.corporate_governance.htm.

In 2003, Fraport AG introduced a values management system to ensure good business conduct and integrity. Strict compliance with legal regulations by all employees, integrity when dealing with promotional gifts and benefits, and loyalty to company interests are the focus of the system. The code of conduct drawn up by Fraport is binding for all employees and has also been an integral element of all employment contracts since 2005. Fraport also expects its business partners to pursue initiatives to support flawless business practices. Integrity declarations are a constituent element of part of the contractual relationships with our suppliers. We have been carrying out regular online surveys since 2003 to measure the effectiveness of our values management. The response from our employees helps to uncover areas for potential improvement. Fraport AG introduced an additional channel of information on January 15, 2009 – an electronic reporting system. Employees as well as customers and business partners can report unprofessional behavior using this web-based system. The system protects the anonymity of the person filing the report and is available around the clock from anywhere in the world. A further step has been taken towards implementing preventive anti-corruption measures, particularly with a view to the impending construction works associated with the expansion of Frankfurt Airport, in allowing third parties to access the system. The electronic reporting system was also implemented in our investment in Bulgaria in October 2009. The system will be expanded to include further investments in 2010. Additional information on values management, the code of conduct or the electronic reporting system is available on the company's website at http://www.fraport.com/cms/investor_relations/rubrik/2/2751.corporate_governance.htm.

Fraport AG also committed itself to the principles of the United Nations Global Compact (UNGC) in 2007. The company's annual sustainability report fulfills the UNGC requirement of communication on progress. More information on the UNGC can be found on the company's website or at www.unglobalcompact.org.

Structure and work methods of the company boards and committees

For Fraport, a responsible and transparent corporate governance and control structure is the main foundation for creating value and trust. The structures of the boards and committees at Fraport AG are as follows:

Shareholders and Annual General Meeting

The shareholders of Fraport AG assert their voting rights and their right to voice their opinion in company matters at the Annual General Meeting. In the run-up to the meeting, shareholders are informed in the management report about the business developments in the past year and the company's forecasts for the upcoming two years. During the course of the year, shareholders receive comprehensive and up-to-date information on current business developments through interim reports as well as additional publications on the company's website. Fraport AG's Annual General Meeting takes place in the first six months of every fiscal year and the participating shareholders decide on legal issues such as profit appropriation, electing the Supervisory Board, approving the actions of the Supervisory Board as well as Executive Board members, electing the auditor of the financial statements, amendments to the Company Statutes and other tasks. The shareholders have the opportunity to assert their voting rights in person or by proxy.

Executive Board

Fraport AG's Executive Board consists of four members: Chairman Dr. Stefan Schulte (since September 1, 2009; Prof. Dr. Wilhelm Bender until August 31, 2009), Herbert Mai, Peter Schmitz (since September 1, 2009) and Dr. Matthias Zieschang. They are the managing body of the company. The Executive Board is bound by the interests and socio-political principles of the company in accordance with German stock corporation law. Its work complies with the rules of procedure that the Executive Board created for itself and which have been submitted to the Supervisory Board for approval. These rules have been included as an attachment with the Executive Board list of duties, which assigns areas of responsibility to the various Executive Board members.

The Executive Board regularly and in a timely manner provides the Supervisory Board with comprehensive information on all relevant issues involving business developments and corporate strategy as well as possible risks. The Executive Board also requires the prior approval of the Supervisory Board for some matters, in particular for assuming obligations totaling more than €5 million if these have not been budgeted and approved by the Supervisory Board in advance. The appointment to the Executive Board is a long-term commitment and lasts five years. The remuneration of Executive Board members comprises a fixed and performance-related element. The remuneration report gives a detailed listing of remuneration paid. The remuneration report is part of the management report 2009.

The Executive Board generally meets once a week and constitutes a quorum when at least half of the members participate in the resolution. It can pass resolutions with a simple majority of the participating Executive Board members. In case of a tie, the Chairman of the Executive Board casts the deciding vote.

Supervisory Board

Fraport AG's Supervisory Board monitors the activities of the Executive Board. It consists of an equal number of shareholder and employee representatives and totals 20 members. The ten shareholder representatives are elected during the Annual General Meeting, while the ten employee representatives are elected by their peers to serve for a period of five years according to the regulations of the Co-Determination Act (Mitbestimmungsgesetz). The Supervisory Board created rules of procedure for itself and accordingly constitutes a quorum if the meeting has been called in accordance with the law and at least half of its members participate personally or in writing in the resolution. Resolutions are passed with a simple majority unless otherwise specified by law. In case of a tie, only the Chairman of the Supervisory Board, who is one of the shareholder representatives, is allowed to cast a second vote. The rules of procedure also regulate the appointment and powers of the Supervisory Board committees.

The Supervisory Board meets at least four times a year (2009: five times). Once a year, it assesses the efficiency of its activities. This helps identify topics that can be used as an opportunity for individual advanced training measures. The annual Supervisory Board report sums up its activities in the past year. The remuneration of the Supervisory Board is listed in the remuneration report of this report and also forms part of the management report.

On the side of the shareholders, the Supervisory Board consists of the State Minister Karlheinz Weimar (Chairman), as well as Dr. Manfred Bischoff, State Minister Jörg-Uwe Hahn, Lothar Klemm, Wolfgang Mayrhuber, Klaus-Peter Müller, Matthias von Randow, Mayor Dr. h. c. Petra Roth, city council member Lutz Sikorski and Christian Strenger. The employee side comprises Gerold Schaub (Vice Chairman) as well as Ismail Aydin, Erdal Kina, Arno Prangenberg, Gabriele Rieken, Petra Rossbrey, Hans-Jürgen Schmidt, Werner Schmidt, Edgar Stejskal and Peter Wichtel.

Supervisory Board committees

The Supervisory Board formed a number of committees on the basis of legal requirements and the regulations set out in its rules of procedure:

FINANCE AND AUDIT COMMITTEE

The finance and audit committee is involved in the preparation of Supervisory Board resolutions in the area of finance as well as audit-related resolutions. It is also monitors accounting processes, the effectiveness of internal controls, the risk management system and internal auditing system as well as external audits – especially the independence of the auditors and any extra services rendered by them.

It also comments on the business and development plan, the annual and consolidated financial statements, the Executive Board's proposal for the appropriation of profit and the auditor's report. The Chairperson of this committee must be an independent member of the Supervisory Board with financial expertise who is not the Chairman of the Supervisory Board and not a former Executive Board member. The finance and audit committee meets at least four times per year (2009: eight times) and regularly reports on the content and results of its meetings at Supervisory Board meetings. The committee consists of eight members: Mr. Strenger (Chairman) as well as Mr. Prangenberg (Vice Chairman), Mr. Klemm, Mr. von Randow, Mrs. Rossbrey, Mr. H.-J. Schmidt, Mr. Sikorski and Mr. Stejskal.

INVESTMENT AND CAPITAL EXPENDITURE COMMITTEE

The Supervisory Board established the investment and capital expenditure committee to prepare resolutions relating to the area of capital expenditure as well as resolutions or decisions to found, purchase or sell investments. This also includes decisions regarding existing investments and their current economic development.

It also makes the final decision in matters regarding the obligations or entitlements of the company from investment-related measures valued between €5,000,000.01 and €10,000,000. It also comments on the company's investment plan as well as the annual auditor's report on company investments. The investment and capital expenditure committee meets at least four times per year (2009: six times) and regularly reports on the content and results of its meetings at Supervisory Board meetings. The committee consists of eight members: State Minister Hahn (Chairman) as well as Mr. Schaub (Vice Chairman), Mr. Klemm, Mrs. Rieken, Mayor Dr. h.c. Roth, Mr. W. Schmidt, Mr. Stejskal and Mr. Strenger.

HUMAN RESOURCES COMMITTEE

The task of the human resources committee is to prepare resolutions pertaining to human resources. It comments primarily on the development of employee numbers, fundamental questions on collective bargaining law, payment system, the employee investment plan and questions regarding the company's pension plan. The human resources committee usually meets four times a year and regularly reports on the content and results of its meetings at Supervisory Board meetings. It normally consists of eight (currently seven) members: Mr. Wichtel (Chairman) as well as State Minister Hahn (Vice Chairman), Mr. Aydin, Mr. Kina, Mr. Klemm, Mrs. Rieken and Mr. Sikorski.

EXECUTIVE COMMITTEE

The executive committee prepares the appointment of Executive Board members and handles the conditions of employment contracts, including remuneration. The final decision on these matters is determined by the entire Supervisory Committee. The executive committee also decides on any outside employment and professional activities of Executive Board members requiring approval. The committee meets as required (2009: five times) and regularly reports on the content and results of its meetings at Supervisory Board meetings. It consists of six members: The Chairman of the Supervisory Board, the Vice Chairman of the Supervisory Board, State Minister Weimar and Mr. Schaub are members by virtue of their offices, and the Supervisory Board Chairman also holds the Chairman position for this committee. Dr. Bischoff, Mayor Dr. h.c. Roth, Mr. Stejskal and Mr. Wichtel are the other members of the committee.

MEDIATION COMMITTEE IN ACCORDANCE WITH SECTION 27 OF THE GERMAN CO-DETERMINATION ACT (MITBESTG)

In accordance with Section 27 (3) MitbestG, the Supervisory Board formed a mediation committee, which assumes the responsibilities stipulated in Section 31 (3) sentence 1 and (5) MitbestG (preparing a proposal for the appointment and revocation of Executive Board members if the full Supervisory Board does not reach such a decision).

The committee consists of an equal number of employee and shareholder representatives totaling four members: The Chairman of the Supervisory Board, the Vice Chairman of the Supervisory Board, State Minister Weimar and Mr. Schaub are members by virtue of their offices, and the Supervisory Board Chairman also holds the Chairman position for this committee. Mayor Dr. h.c. Roth and Mr. Wichtel are also members of this committee.

NOMINATION COMMITTEE

The Supervisory Board also formed a nomination committee, whose task is to propose appropriate candidates to the Supervisory Board members who then present the nominations to the Annual General Meeting for election. This committee consists only of shareholder representatives, including State Minister Weimar, Mayor Dr. h. c. Roth and Dr. Bischoff.

Remuneration report 2009

Remuneration of the Executive Board in 2009

Until the German Act on the Appropriateness of Management Board Remuneration (VorstAG) became effective on August 5, 2009, the executive committee of the Supervisory Board was responsible for determining the remuneration of Executive Board members. Since then, the Supervisory Board's full session determines the total remuneration for individual Executive Board members based on the recommendations put forward by the executive committee.

The following presentation of the remuneration system for Executive Board members is based on the remuneration system applicable in fiscal year 2009. With effect from January 1, 2010, the remuneration system and the remuneration of Executive Board members were adjusted to comply with VorstAG. For information on the adjustment of the remuneration system, please refer to the following chapter.

The remuneration of Executive Board members consisted of the following fixed elements and performance-related elements in fiscal year 2009:

_ Fixed annual gross salary and compensation in kind,
_ A bonus related to growth, earnings, and performance and long-term incentive elements.

In addition, Executive Board members received endowments to pension benefit payments.

Fixed elements

During the term of their employment agreement (generally five years) the Executive Board members receive a fixed annual salary during the above-stated period.

In addition, the remuneration for Executive Board members includes compensation in kind and other remuneration. Compensation in kind is the pecuniary benefit subject to wage tax from using a company car with driver. This compensation in kind is generally available to all Executive Board members in the same way, the amount of the compensation depends on the personal situation.

Executive Board members also receive an employer's contribution toward their pension insurance, in the case of voluntary insurance half of the total contributions and in the case of statutory insurance half of the total statutory contributions.

Performance-related elements

Each year the budgeted Group revenue is achieved, each Executive Board member will be paid a bonus of 50 percent of his or her fixed salary. An additional bonus in the same amount will be paid to each Executive Board member if the budgeted Group EBITDA is also achieved. If the target is exceeded the bonuses are increased by 10 percent for each 1 percent of the excess.

If the company fails to achieve its target the Supervisory Board may decide on a corresponding reduction of the respective bonuses. As regards Dr. Zieschang and Mr. Schmitz, the increase of the respective bonuses by 10 percent for each 1 percent of an excess is limited to 25 percent for each of the bonuses, if revenue and / or net profit for the year are exceeded.

50 percent of the bonus agreed for reaching the target is paid to the Executive Board members in monthly installments. The other bonuses become due within one month after the Supervisory Board has approved the respective annual results.

Part of the bonuses is paid out in the form of shares. As regards Prof. Dr. Bender and Mr. Mai, the portion paid out in shares is and was computed as 10 percent of the respective basic salary and the bonus. The amounts are computed by taking the share's closing price on the day the respective annual financial statements are approved by the supervisory Board. The payments are made on the day following the approval.

Dr. Schulte, Mr. Schmitz and Dr. Zieschang receive 30 percent of their bonuses due within one month after the Supervisory Board's approval of the respective annual results in the form of shares. Half of these shares are subject to a vesting period contractually stipulated to be twelve months, while the other half is subject to a vesting period of 24 months after payment. The vesting periods end upon the expiry of the employment contracts, unless these are renewed. The amounts are computed by taking the share's closing price on the day the respective annual financial statements are approved.

Stock options, which act as a long-term incentive, are granted in addition to the bonus within the scope of the stock option plan (see also Group note 54).

Pension commitments

The Executive Board members are entitled to pension benefits and provision for surviving dependants. An Executive Board member is generally entitled to retirement benefits if he or she becomes permanently disabled or retires from office during the duration of, or upon expiry of, his or her employment agreement. If an Executive Board member dies, benefits are paid for his or her surviving dependants. These amount to 60 percent of the pension for the widower or widow; entitled children receive 12 percent each. If no widow's pension is paid, the children each receive 20 percent of the pension.

In the year under review, the pension plan of Prof. Dr. Bender, particularly its clauses on the benefits for surviving dependants, was stipulated in detail in an amendment and additional agreement to his employment contract.

Income from active employment and pension payments from earlier or later employments until completion of the age of 60, where applicable, will be deducted from the pensions due on retirement, if, without such deduction, the total of these emoluments and the pension would exceed 75 percent of the fixed salary (100 percent of the fixed salary if Fraport AG wishes the employment to be terminated or not be extended). Effective of January 1 of each year, the pensions are adjusted as appears fair, taking into account the interests of the former Executive Board member and the company's performance. The adjustment obligation is deemed to be met if the adjustment does not fall below the increase in the cost of living index of all private households in Germany.

The pension of an Executive Board member is defined by the percentage of a contractually agreed basis of assessment, with the percentage rising annually by 1.5 percent or 2 percent up to a limit of 75 percent, dependent on the duration of time a member is appointed.

As of December 31, 2009, Dr. Schulte is entitled to 50.0 percent of his fixed salary. Mr. Mai is entitled to 51 percent of his contractually agreed basis of assessment as of December 31, 2009. As of December 31, 2009, Dr. Zieschang is entitled to 33.0 percent of his fixed salary.

Mr. Schmitz is entitled to 30 percent of his fixed salary as of December 31, 2009. The basic account commitment (guideline 2 of the Fraport capital account plan – "Kapitalkontenplan Fraport" – on the company benefit plan for senior executives, dated February 26, 2002), to which Mr. Schmitz is entitled under

Fraport AG's company benefit plan, is deducted pro rata temporis from pension payments over a period of eight years after the employment contract has been terminated or expires.

Prof. Dr. Bender retired from active service with Fraport AG on the last day of August 2009. His pension amounts to 75 percent of the contractually agreed basis of assessment of 90 percent of his fixed annual gross salary.

In case they become incapable of working, the pension as a proportion of their former salary for Dr. Schulte, Mr. Mai, Mr. Schmitz and Dr. Zieschang is at least 55 percent of their respective fixed annual gross salaries or the contractually agreed basis of assessment.

The claim to pensions of the former Executive Board members is also determined by a percentage of a contractually agreed fixed basis of assessment.

No other benefits have been promised to Executive Board members, in case they terminate their employment.

The fixed annual remuneration 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 percent of the shares (other Board functions at Group companies).

If an Executive Board member has such other Board functions at Group companies, the remuneration he or she receives from such investee is credited against the bonus. The emoluments paid to Dr. Zieschang for his activities as a member of the Supervisory Board of Flughafen Hannover-Langenhagen GmbH were credited to his bonus payments in 2009.

Remuneration of Executive Board members 2009

The following remuneration was paid to the members of the Executive Board:

REMUNERATION OF THE EXECUTIVE BOARD 2009

in € '000	Fixed payments	Remuneration in kind and others	Bonus 2009	Change in bonus provisions	Total
Dr. Stefan Schulte Chairman since Sep. 1, 2009	336.7	36.4	478.1	0.9	852.1
Herbert Mai	236.7	29.0	336.1	0.6	602.4
Peter Schmitz since Sep. 1, 2009	83.3	7.0	93.7	0.0	184.0
Dr. Matthias Zieschang	275.0	37.0	309.4	0.0	621.4
Prof. Dr. Wilhelm Bender Chairman until Aug. 31, 2009	233.3	43.3	331.3	0.9	608.8
Total	**1,165.0**	**152.7**	**1,548.6**	**2.4**	**2,868.7**

The bonus includes the payments on account for the fiscal year 2009 and the addition to the bonus provision in 2009. Additional expenses resulting from the bonus provision in 2008 being too low are included in changes to provisions.

The employment contract of Prof. Dr. Bender includes a two-year non-competition clause. In return, Fraport AG must pay him compensation within the meaning of Section 90a HGB of € 58.3 thousand for 2009.

He also receives pension payments of € 78.8 thousand. In accordance with the terms and conditions of the employment contract, the mentioned compensation is deducted from pension payments if this compensation plus other income exceed 100 percent of the last fixed annual gross salary.

Pursuant to the additional agreement to the employment contract between Fraport AG and Prof. Dr. Bender, the payments totaling DM 200,000.00 (€ 102,258.38) granted on July 15, 1993, and on December 15, 1993, were credited to his bonus payment for fiscal year 2009.

The Supervisory Board will decide on the final bonus for 2009 in fiscal year 2010.

The following Executive Board members receive long-term incentive elements:

LONG-TERM INCENTIVE ELEMENTS

Number	MSOP 2005 1st tranche (2005)	MSOP 2005 2nd tranche (2006)	MSOP 2005 3rd tranche (2007)	MSOP 2005 4th tranche (2008)	MSOP 2005 5th tranche (2009)	Total portfolio
Dr. Stefan Schulte Chairman since Sep. 1, 2009	15,000	15,000	17,000	17,000	17,000	81,000
Herbert Mai	15,000	15,000	15,000	15,000	15,000	75,000
Peter Schmitz since Sep. 1, 2009	0	0	0	0	7,000	7,000
Dr. Matthias Zieschang	0	0	15,000	15,000	15,000	45,000
Prof. Dr. Wilhelm Bender Chairman until Aug. 31, 2009	20,000	20,000	20,000	20,000	20,000	100,000
Total	**50,000**	**50,000**	**67,000**	**67,000**	**74,000**	**308,000**

Prof. Dr. Bender's options in the 4th and 5th tranches have already expired, as they cannot be exercised.

Stock option programs were not recorded in personnel expenses in 2009, in line with current common practice in individual financial statements. Therefore only the number of granted stock options that are still recorded on the balance sheet date is reported. It is anticipated that in the future individual financial statements for stock options will also be recorded as personnel expenses. In the consolidated financial statements according to IFRS, this was already the case in the year under review. This resulted in expenses from the accrual of the option value: Dr. Stefan Schulte € 229.6 thousand, Herbert Mai € 205.4 thousand, Peter Schmitz € 14.6 thousand, Dr. Matthias Zieschang € 181.2 thousand and Prof. Dr. Wilhelm Bender € 144.0 thousand.

Pension obligations

There are also future pension obligations of € 25,126.2 thousand. Of this amount, € 20,241.0 thousand consists of pension obligations to former members of the Executive Board and their dependants. Pension payments totaled € 1,685.1 thousand in 2009.

Other agreements

Prof. Dr. Bender will provide Fraport AG with consultancy services for two years after his retirement. For this and other tasks, Fraport AG is supplying Prof. Dr. Bender with offices, office equipment and supplies an assistant for a period of two years. Fraport AG does not pay Prof. Dr. Bender any remuneration for his services. Travel costs are reimbursed according to the applicable company guidelines.

Remuneration of the Supervisory Board 2009

The remuneration of the Supervisory Board was adjusted by the Annual General Meeting on May 27, 2009, and is laid down in Section 12 of the Statutes of Fraport AG. Every member of the Supervisory Board receives € 15,000 remuneration for a full-year period. The chairperson and the chairperson of the finance and audit committee receive twice that amount, the vice chairperson and the chairpersons of other committees receive one and a half times that amount. For their membership in a committee Supervisory Board members receive an additional, fixed remuneration of € 3,750 for each full year. This amount does not increase by being a member in a number of committees. In addition to that, every member receives € 400 for each meeting and the expenses they incur are refunded. Members of the finance and audit committee, on the other hand, receive € 800 for every meeting they attend.

All active members of the Supervisory Board received an aggregate remuneration of € 527.3 thousand in 2009.

Total remuneration of the Supervisory Board was as follows:

REMUNERATION OF THE SUPERVISORY BOARD 2009

Supervisory Board member	Remuneration 2009 in €
State Minister Karlheinz Weimar (Chairman)	37,750.00
Gerold Schaub (Vice Chairman)	32,650.00
Ismail Aydin	22,350.00
Dr. Manfred Bischoff	21,550.00
State Minister Jörg-Uwe Hahn	31,450.00
Erdal Kina	22,350.00
Lothar Klemm	29,150.00
Wolfgang Mayrhuber	16,200.00
Klaus-Peter Müller	16,200.00
Arno Prangenberg	25,150.00
Matthias von Randow	24,750.00
Gabriele Rieken	23,950.00
Petra Rossbrey	25,150.00
Mayor Dr. h.c. Petra Roth	23,950.00
Hans-Jürgen Schmidt	25,150.00
Werner Schmidt	23,150.00
Lutz Sikorski	25,950.00
Edgar Stejskal	29,950.00
Christian Strenger	39,025.00
Peter Wichtel	31,450.00

Remuneration of the Economic Advisory Board 2009

Every member of the Economic Advisory Board receives a remuneration of € 5,000 for every year of membership, with the chairperson receiving twice that amount. Travel expenses are compensated. In the fiscal year 2009, remuneration of the Economic Advisory Board amounted to € 108,000.

Share ownership of corporate bodies

Pursuant to Section 15a of the Securities Trading Act we publish without undue delay any notifications on transactions carried out by senior executives and persons closely related to them with Fraport shares and options.

The Executive Board members received shares as a remuneration component in 2009 in the following amounts: Prof. Dr. Bender 3,590 shares = € 85,487.50, Mr. Mai 2,359 shares = € 56,177.50, Dr. Schulte 3,939 shares = € 93,307.50, Dr. Zieschang 2,598 shares = € 61,875.00. Contractual regulations were adhered to.

In 2009, no shares were sold nor option rights exercised.

The shares held by all Executive Board and Supervisory Board account for less than 1 percent of all shares issued by Fraport.

New remuneration system for the Executive Board since January 1, 2010

Adjusted Executive Board remuneration in accordance with VorstAG

Since the German Act on the Appropriateness of Management Board Remuneration (VorstAG) came into effect on August 5, 2009, it has changed the general terms and conditions for the remuneration of Executive Board members of stock corporations. VorstAG's main objective is to ensure that the remuneration of Executive Board members of listed companies supports a sustained business development. In the past, a Supervisory Board committee decided on the amount of remuneration for Executive Board members, now this is the responsibility of the Supervisory Board's full session.

The Supervisory Board held intensive discussions on a new remuneration system which complies with VorstAG, particularly in the second half of fiscal year 2009. In December 2009, the Supervisory Board passed a resolution on a new remuneration for active members of the Executive Board, which came into effect on January 1, 2010, in accordance with the new legal requirements.

Pursuant to VorstAG, it would not have been necessary to change the terms and conditions of existing employment contracts of Executive Board members until they expire. However, on the grounds of good corporate governance, the Supervisory Board and Executive Board decided to adjust the contracts with effect from January 1, 2010, making sure that the new Executive Board remuneration system actually did come into effect from that date.

When revising the remuneration system, the Supervisory Board followed the requirements of VorstAG and the revised German Corporate Governance Code closely, ensuring that the total amount of remuneration appropriately considers the Executive Board members' tasks and performance and also reflects the situation of the Company. The remuneration structure was designed to support sustained business development. For this reason, all variable remuneration is now based on an assessment period of several years (the time scale differs for each individual) and can be capped in extraordinary circumstances. All variable remuneration components now take into account positive and also negative developments. The share and key figure-based components are calculated using sophisticated, relevant comparison parameters.

Executive Board remuneration now comprises fixed remuneration, variable remuneration, retirement benefits, benefits for surviving dependants and other benefits (e. g. company car). Variable remuneration includes (i) bonuses, (ii) the long-term strategy award and (iii) the long-term incentive program.

Fixed remuneration

Under normal circumstances, fixed remuneration should account for 35 percent of the total remuneration for each Executive Board member. The fixed component also includes payment for any other activities within Fraport Group companies. Every year, the Supervisory Board has to assess if the amount of fixed remuneration is still appropriate.

Variable remuneration components

BONUS

During the usual course of business, the bonus payment should also amount to approximately 35 percent. The bonus is dependent on EBITDA and ROFRA of the Fraport Group in each fiscal year. EBITDA is the Group operating result, ROFRA the interest on Group assets, i. e. total return on capital (Return on Fraport Assets). Both key figures (EBITDA and Return on Assets) are parameters for measuring the success of a company that are recognized in the business world. The actual bonus for an Executive Board member is calculated by multiplying EBITDA and ROFRA, each minus a basic allowance, by an individual multiplicator for each Executive Board member, stipulated in each employment contract, and adding the results. The bonus amount for one fiscal year is capped at 175 percent of the bonus paid in 2009, or if the employment contract only ran for part of 2009, the pro rata amount for the entire year.

Part of the expected bonus payments is paid in advance during a fiscal year after the financial statements for the fiscal year have been approved. 50 percent 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 percent of the corresponding key figures for the fiscal year in question, the Executive Board member has to pay back 30 percent of the bonus to Fraport AG. Should the same apply to the second year after the relevant fiscal year, 20 percent of the bonus has to be repaid. Both payback provisions exist separately from one another, making it possible that under certain circumstances, a payback provision may occur in the first but not the second year after the relevant fiscal year.

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 full or partial repayment. If an Executive Board member holds an active position for less than one fiscal year, a pro rata bonus payment is made.

LONG-TERM STRATEGY AWARD (LSA)

The long-term strategy award (LSA) is to account for around 10 percent of total remuneration. It is a long-term incentive to take into account the interests of Fraport AG's main stakeholders, namely employees, customers and shareholders, in an appropriate and sustained manner.

As part of the LSA, each Executive Board member is offered a prospective financial reward for one fiscal year. After three fiscal years have expired (the fiscal year in question and the two following years), it is determined to which extent the targets have been met and the actual payment is calculated based on these results. The actual payment amount can exceed or fall below the prospective amount, but is capped at 125 percent of the originally stated amount.

Performance targets are customer satisfaction, sustained employee development and share performance. All three targets are equally important under the LSA.

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 development of 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 (a yearly employee survey) and the responsible development of headcount in view of the economic situation of the Group.

For the share performance target, the Fraport share price development over the corresponding three-year period is compared with the average MDAX development and a share basket, which includes the shares of the operators of Paris, Zurich and Vienna airports. The payment for this target is again determined by comparing the reference value calculated at the beginning of the three-year period with actual developments. Positive or negative deviations increase or decrease the bonus correspondingly.

If an Executive Board member retires from Fraport AG before the end of a three-year period, the performance targets are still calculated once this period has expired. The bonuses for the entire period are then paid on a pro rata basis for the amount of time the Executive Board member actually worked for the Company. The entitlement to payment for a three-year period, which has not yet expired at the time the employment contract has been legally terminated, is forfeit if the employment contract has been terminated due to extraordinary circumstances in the control of the Executive Board member (termination by request of the Executive Board member without serious reason according to Section 626 of the German Civil Code [Bürgerliches Gesetzbuch – BGB], termination due to serious reasons within the control of the Executive Board member in accordance with Section 626 BGB) or the Executive Board member has been removed from his or her office for serious reasons according to Section 84 (3) AktG and the employment contract has not been terminated. If an Executive Board member joins the Company during the course of a fiscal year, the Supervisory Board decides if and to which extent the Executive Board member may be entitled to participate in the LSA program for this fiscal year.

LONG-TERM INCENTIVE PROGRAM (LTIP)

The long-term incentive program is a virtual share option program. It is to account for around 20 percent of the total remuneration. Each fiscal year, the Executive Board members of Fraport AG are promised a contractually stipulated amount of virtual shares, so-called performance shares, under the condition that they meet pre-defined targets (the so-called target tranche). After four fiscal years – the performance period – it is determined to which 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, calculated. The actual tranche can exceed or fall below the target tranche, but is capped at 150 percent of the target tranche. The value of the allocated performance shares is calculated on the basis of the average share price current at the end of the performance period and converted into the actual LTIP bonus payment. 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 EPS being weighted at 70 percent and rank total shareholder return MDAX at 30 percent.

In order to determine to which 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 EPS actually achieved during the performance period. For the calculation, the first fiscal year accounts for 40 percent, the second for 30 percent, the third for 20 percent and the fourth for 10 percent. If targets have been met 100 percent over the performance period, the actual tranche is identical 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 percent of the target tranche. If the actual EPS exceeds the target EPS by 25 percentage points, the actual tranche amounts to 150 percent of the target tranche. Intermediate values can be calculated using a straight-line method. Any performance exceeding the targets by more than 25 percent is not taken into account. To which extent the rank total shareholder return MDAX performance target has been met is calculated by determining the weighted average rank of Fraport AG amongst all companies listed in the MDAX with view to the total shareholder return (share price development and dividends) over the performance period. As with the EPS performance target, the four relevant fiscal years are weighted from 40 percent in the first fiscal year to 10 percent in the fourth. The actual tranche corresponds with the target tranche if Fraport AG comes in at a weighted average 25th place of the total shareholder return MDAX during the performance period. For each rank exceeding or falling below no. 25, the actual tranche is increased or reduced by 2.5 percentage points. If Fraport AG falls below no. 45, no performance shares are issued for the rank total shareholder return MDAX performance target; if Fraport ranks better than 5th, no additional performance shares are issued.

The share price relevant for calculating the LTIP bonus payment corresponds to the weighted average closing price of the Fraport share in the XETRA, or a trading system similar to the XETRA at Frankfurt Stock Exchange in the first 30 trading days immediately following the last day of the performance period. The LTIP bonus is due to be paid once the consolidated financial statements for the last fiscal year of the performance period have been approved by the Fraport Supervisory Board.

The rules for LTIP entitlements of retired Executive Board members are largely the same as for the LTIP. Any bonus entitlements for individual retired Executive Board members are calculated once the performance period has expired and paid on a pro rata basis. The list of circumstances excluding a retired Executive Board member from receiving performance shares is the same as for the LSA. In addition, a retired Executive Board member is not entitled to any performance shares for a target tranche whose performance period has been running for less than 12 months at the time the employment contract is legally terminated.

If an Executive Board member joins the Company during the course of a fiscal year, the Supervisory Board decides if and to which extent the Executive Board member may be entitled to participate in the LMP program for this fiscal year.

Retirement benefits

The structure of retirement benefits and benefits for surviving dependants was not altered during the adjustment of the remuneration system. For information, please refer to the presentation of the remuneration system applicable in fiscal year 2009.

Other benefits

Executive Board members receive other benefits such as the use of a company car and driver, the private use of their Company mobile phone, a D&O insurance policy with a deductible in accordance with Section 93 (2) sentence 3 AktG, an accident insurance policy and the life-long right to use Fraport AG's VIP service and occupy a parking space at Frankfurt Airport. Fraport AG reimburses travel costs for Company trips and other business expenses in line with generally accepted regulations.

SEVEN-YEAR OVERVIEW

SEVEN-YEAR OVERVIEW							
€ million	2009	2008	2007	2006	2005	2004	2003
Revenue	**1,972.6**	**2,101.6**	**2,329.0**	**2,143.9**	**2,089.8**	**1,998.1**	**1,834.3**
Change in work-in-process	0.9	0.4	0.5	0.0	0.1	0.0	–0.1
Other internal work capitalized	39.1	33.8	24.6	23.1	20.6	21.8	18.0
Other operating income	45.3	66.1	71.7	83.3	31.2	23.8	35.5
Total revenue	**2,057.9**	**2,201.9**	**2,425.8**	**2,250.3**	**2,141.7**	**2,043.7**	**1,887.7**
Cost of materials	–450.7	–471.1	–461.4	–353.3	–333.6	–316.2	–284.4
Personnel expenses	–866.9	–925.6	–1,143.3	–1,076.9	–1,032.5	–974.5	–933.9
Other operating expenses	–187.4	–204.5	–240.6	–241.7	–233.1	–243.4	–213.2
EBITDA	**552.9**	**600.7**	**580.5**	**578.4**	**542.5**	**509.6**	**456.2**
Depreciation and amortization	–262.5	–241.5	–245.2	–248.0	–235.9	–235.1	–258.1
EBIT / Operating profit	**290.4**	**359.2**	**335.3**	**330.4**	**306.6**	**274.5**	**198.1**
Interest result	–82.5	–71.0	–25.3	–11.1	–13.1	–16.9	–27.0
Share of profit or loss of investments accounted for using the equity method	4.3	–15.1	2.5	5.6	8.2	1.8	0.6
Income from investments	0.1	0.1	5.3	6.8	6.3	13.7	30.9
Write-down on financial assets	–7.2	–	–	–	–	–	–
Other financial results	–3.9	24.2	0.9	23.3	–12.6	–8.4	10.5
Financial result	**–89.2**	**–61.8**	**–16.6**	**24.6**	**–11.2**	**–9.8**	**15.0**
EBT / Results from ordinary operations	**201.2**	**297.4**	**318.7**	**355.0**	**295.4**	**264.7**	**213.1**
Taxes on income	–43.9	–100.5	–90.5	–115.9	–127.0	–122.8	–94.7
Group profit	**157.3**	**196.9**	**228.2**	**239.1**	**168.4**	**141.9**	**118.4**
Profit attributable to minority interests	7.3	7.2	5.0	–0.4	0.3	1.2	0.2
Profit attributable to equity holders of Fraport AG	**150.0**	**189.7**	**223.2**	**239.5**	**168.1**	**140.7**	**118.2**
Earnings per € 10 share in € (basic)	**1.64**	**2.07**	**2.44**	**2.63**	**1.85**	**1.56**	**1.31**
Earnings per € 10 share in € (diluted)	**1.63**	**2.05**	**2.42**	**2.59**	**1.82**	**1.53**	**1.30**

Key ratios								
EBITDA margin	%	28.0	28.6	24.9	27.0	26.0	25.5	24.9
EBIT margin	%	14.7	17.1	14.4	15.4	14.7	13.7	10.8
Return on revenue	%	10.2	14.2	13.7	16.6	14.1	13.2	11.6
Fraport assets	€ million	3,705.6	3,419.1	3,075.0	2,802.9	2,848.3	2,842.8	2,841.5
ROFRA	%	7.8	10.5	10.9	11.8	10.8	9.7	7.0
Average number of employees		19,970	23,079	30,437	28,246	25,781	24,182	23,353

Key figures		**Balance at Dec. 31, 2009**	**Balance at Dec. 31, 2008**	**Balance at Dec. 31, 2007**	**Balance at Dec. 31, 2006**	**Balance at Dec. 31, 2005**	**Balance at Dec. 31, 2004**	**Balance at Dec. 31, 2003**
Net financial debt	€ million	1,644.5	891.4	309.6	–49.8	–2.1	–16.0	227.2
Capital employed	€ million	4,121.2	3,354.0	2,739.1	2,218.1	2,090.5	1,967.5	2,123.4
Gearing ratio	%	67.3	37.1	12.9	–2.2	–0.1	–0.8	12.0
Debt-to-equity ratio	%	19.0	13.6	5.4	–1.1	–0.1	–0.4	6.2
Dynamic leverage ratio	%	385.6	181.0	61.9	–10.0	0.0	–3.0	50.3
Working capital	€ million	2,046.5	919.7	218.0	568.2	574.4	699.2	697.7

€ million	Balance at Dec. 31, 2009	Balance at Dec. 31, 2008	Balance at Dec. 31, 2007	Balance at Dec. 31, 2006	Balance at Dec. 31, 2005	Balance at[1] Dec. 31, 2004	Balance at[1] Dec. 31, 2003
Goodwill	40.0	22.7	22.7	97.1	108.3	116.8	139.0
Other intangible assets	34.0	33.3	43.9	39.1	50.2	52.5	59.3
Investments in airport operating projects	902.3	597.6	570.3	3.2	–	–	–
Property, plant, and equipment	4,486.4	3,968.6	3,628.6	2,768.3	2,611.6	2,395.8	2,384.9
Investment property	34.7	9.0	10.1	66.9	37.4	0.0	0.0
Investments accounted for using the equity method	72.9	72.4	37.1	56.2	53.6	46.9	45.9
Other financial assets	474.7	205.4	252.2	302.1	209.5	52.6	23.6
Other receivables and other assets	20.0	42.4	58.5	36.8	33.2	75.2	114.7
Income tax receivables	23.6	26.6	33.5	32.2	–	–	–
Deferred tax assets	56.2	30.4	7.2	16.4	19.3	13.4	14.5
Non-current assets	**6,144.8**	**5,008.4**	**4,664.1**	**3,418.3**	**3,123.1**	**2,753.2**	**2,781.9**
Inventories	54.0	47.4	39.5	32.9	14.4	12.1	17.1
Trade accounts receivable	158.4	154.9	154.6	185.5	190.0	168.6	181.3
Other receivables and other assets	492.2	205.1	76.6	62.3	71.5	64.2	53.4
Income tax receivables	5.3	7.8	13.2	2.0	–	–	–
Cash and cash equivalents	1,802.3	1,154.8	651.3	632.5	574.2	666.4	610.8
Non-current assets held for sale	–	–	165.6	0.1	2.7	–	–
Current assets	**2,512.2**	**1,570.0**	**1,100.8**	**915.3**	**852.8**	**911.3**	**862.6**
Issued capital	917.7	916.1	914.6	913.7	910.7	905.1	902.2
Capital reserves	578.3	573.1	565.2	558.8	550.5	537.6	533.2
Revenue reserves	946.4	913.2	916.7	773.3	616.0	530.0	450.6
Group retained earnings	106.2	105.6	105.3	105.2	82.1	68.0	39.7
Issued capital and reserve attributable to equity holders of Fraport AG	2,548.6	2,508.0	2,501.8	2,351.0	2,159.3	2,040.7	1,925.7
Minority interests, presented within equity	34.3	60.2	33.0	22.1	15.4	10.8	10.2
Shareholders' equity	**2,582.9**	**2,568.2**	**2,534.8**	**2,373.1**	**2,174.7**	**2,051.5**	**1,935.9**
Financial liabilities	4,126.9	1,685.3	830.6	718.8	622.4	574.1	591.4
Trade accounts payable	114.7	192.9	365.6	–	–	–	–
Other liabilities	692.1	514.8	451.7	106.1	115.4	104.3	101.4
Deferred tax liabilities	139.7	123.5	108.3	139.7	119.7	134.2	150.0
Provisions for pensions and similar obligations	20.3	19.0	19.4	20.6	21.4	25.5	22.0
Provisions for income taxes	135.0	170.0	163.0	166.2	167.0	151.7	136.7
Other provisions and accruals	129.9	101.0	136.2	101.4	112.1	95.3	136.2
Non-current liabilities	**5,358.6**	**2,806.5**	**2,074.8**	**1,252.8**	**1,158.0**	**1,085.1**	**1,137.7**
Financial liabilities	118.9	555.5	367.8	125.2	140.1	86.6	246.6
Trade accounts payable	219.8	393.8	441.5	229.0	173.3	100.4	79.0
Other liabilities	131.2	63.6	75.7	118.1	105.1	111.7	85.9
Provisions for income taxes	6.7	1.9	14.2	16.4	18.5	43.5	36.8
Other provisions and accruals	238.9	188.9	185.3	218.8	206.2	185.7	122.6
Liabilities in connection with assets held for sale	–	–	70.8	0.2	–	–	–
Current liabilities	**715.5**	**1,203.7**	**1,155.3**	**707.7**	**643.2**	**527.9**	**570.9**
Total assets	**8,657.0**	**6,578.4**	**5,764.9**	**4,333.6**	**3,975.9**	**3,664.5**	**3,644.5**
Change over the previous year							
Non-current assets	22.7	7.4	36.4	9.5	13.4	–1.0	0.0
Shareholders' equity[1]	1.7	0.2	6.7	8.1	5.3	4.6	4.4
Share of total assets							
Non-current assets	71.0	76.1	80.9	78.9	78.6	75.1	76.3
Equity ratio[1]	28.2	36.5	41.6	51.8	52.2	53.8	51.7

[1] Prepaid expenses and deferred income have been allocated to the respective non-current items. Allocation of provisions for taxes on income, other provisions and the deferred investment grants on items in current and non-current assets have been made in consideration of the respective documents.

FINANCIAL TERMS AND KEY FIGURES

At equity
Valuation method for shares in associated companies, whereby the company's net profit/loss for the year is not consolidated

Capital employed
Net financial debt plus shareholders' equity, equity capital without dividends earmarked for payout

Debt-to-equity ratio
Net financial debt divided by total assets as of the balance sheet date

Dividend yield
Dividend per share divided by the year-end closing price of the share

Dynamic leverage ratio
Net financial debt divided by cash flow from operating activities

EBIT
Abbreviation for earnings before interests and taxes

EBIT margin
EBIT divided by revenue

EBITDA
Abbreviation for earnings before interests, taxes, depreciation and amortization

EBITDA margin
EBITDA divided by revenue

EBT
Abbreviation for earnings before taxes

Fraport assets
Capital required for the Fraport Group's operations

Free cash flow
Cash flow from operating activities minus capital spending for intangible assets, spending for property, plant, and equipment, spending for airport operating projects, and spending for investment property

Gearing ratio
Net financial debt divided by shareholders' equity, equity capital without dividends earmarked for payout and minority shares, a key figure to determine a company's financial leverage

Investment ratio
Capital expenditures divided by revenue

Liquidity
Cash and cash equivalents (as of financial position) plus short-term realizable assets in "other financial assets" and "other receivables and other assets", minus restricted cash

Market capitalization
Year-end closing price of the share times the number of shares outstanding

Net financial debt
Long-term debt plus short-term debt, minus liquidity

P/E ratio (Price-to-earnings ratio of stock)
Year-end closing price of the share divided by earnings per share

Return on revenue
EBT divided by revenue

Return on shareholders' equity
Group profit attributable to equity holders of Fraport AG divided by shareholders' equity; equity capital without dividends earmarked for payout and minority shares

ROCE
Abbreviation for Return of Capital Employed = EBIT divided by capital employed

ROFRA
Abbreviation for Return on Fraport assets = EBIT divided by Fraport assets

Shareholders' equity ratio
Shareholders' equity divided by total assets; equity capital without dividends earmarked for payout and minority shares

Working capital
Current assets minus trade accounts payable minus other current liabilities

Yearly performance of the share
(Year-end closing price of the share plus dividend) divided by previous year's closing price

FINANCIAL CALENDAR 2010

Tuesday, May 11, 2010
Report on the 1st quarter of 2010

Wednesday, June 2, 2010
Annual General Meeting

Thursday, August 5, 2010
Report on the 1st half of 2010

Thursday, November 4, 2010
Report on the 1st nine months of 2010

TRAFFIC CALENDAR 2010

Month	
March 2010 / 3M 2010	Wednesday, April 14, 2010
April 2010	Wednesday, May 12, 2010
May 2010	Friday, June 11, 2010
June 2010 / 6M 2010	Monday, July 12, 2010
July 2010	Wednesday, August 11, 2010
August 2010	Friday, September 10, 2010
September 2010 / 9M 2010	Tuesday, October 12, 2010
October 2010	Wednesday, November 10, 2010
November 2010	Friday, December 10, 2010

IMPRINT

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Concept and design
Heisters & Partner, Büro für Kommunikationsdesign
Mainz

Photography
Michael Rast, St. Gallen
Martin Joppen, Frankfurt
Stefan Rebscher, Fraport AG
Andreas Meinhardt, Fraport AG
Valentin Heisters, Heisters & Partner

Printing
Druckhaus Becker,
Ober-Ramstadt

Publication date
March 25, 2010

* 14 cents per minute within German landline network; mobile phone rates vary (maximum € 0.42 / min within Germany)

KEY GROUP FIGURES OF THE FRAPORT AG

FINANCIAL KEY FIGURES

€ million	2009	2008
Revenue	1,972.6	2,101.6
Total revenue	2,057.9	2,201.9
EBITDA	552.9	600.7
EBIT	290.4	359.2
EBT	201.2	297.4
Group profit for the year	157.3	196.9
Profit attributable to equity holders of Fraport AG	150.0	189.7
Year-end closing price of the Fraport Share (€)	36.28	30.91
Earnings per share (basic) (€)	1.64	2.07
Dividend per share (€)	1.15	1.15
Dividend yield (%)	3.2	3.7
Operating cash flow	426.5	492.5
Free cash flow	–711.4	–370.7
Capital expenditure	1,438.3	759.7
Total assets	8,657.0	6,578.4
Shareholders' equity	2,582.9	2,568.2
Shareholders' equity without minority interests and dividends earmarked for payout	2,442.4	2,402.4
Capital employed	4,121.2	3,354.0
Fraport assets	3,705.6	3,419.1
Return on revenue (%)	10.2	14.2
Return on shareholders' equity (%)	6.1	7.9
EBITDA margin (%)	28.0	28.6
EBIT margin (%)	14.7	17.1
ROCE (%)	7.0	10.7
ROFRA (%)	7.8	10.5
Gearing (%)	67.3	37.1

TRAFFIC KEY FIGURES

	2009	2008
Passengers of the Fraport Group[1] (million)	133.6	133.3
in Frankfurt (million)	50.9	53.5
Cargo volume of the Fraport Group[1] (thousand metric tons)	3,021.8	3,326.3
in Frankfurt (thousand metric tons)	1,887.7	2,111.1
Aircraft movements in the Fraport Group[1] (thousand)	1,283.5	1,307.1
in Frankfurt (thousand)	463.1	485.8

EMPLOYEES

	2009	2008
Average number of employees	19,970	23,079
in Frankfurt	17,441	17,996
Personnel expenses (€ million)	866.9	925.6

[1] Fraport Group including majority- and minority-owned airports and airports under mangement contracts.