Fraport
Frankfurt Airport
Services Worldwide

Interim Report

as at June 30, 2002

Contents

Dear Friends of Fraport,
Dear Shareholders,

This report sets out the development of business in the first half of 2002 and significant developments within the Fraport Group.

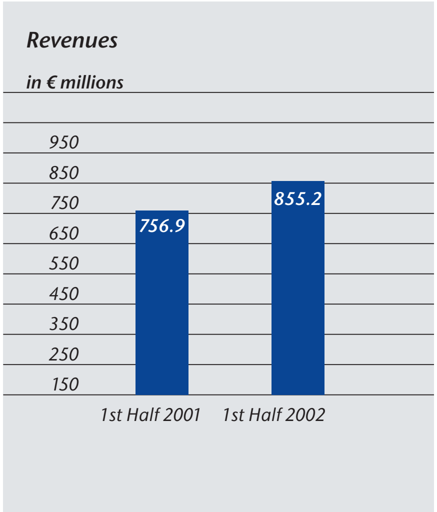
Our highlights for the first half of 2002 are:

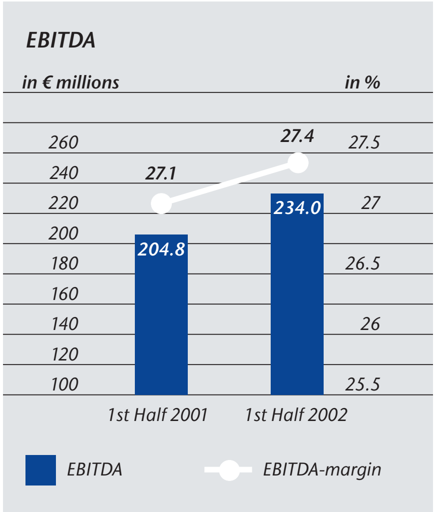
- Significant growth in consolidated revenues, up by 13.0 percent to €855.2 million.
- Consolidated profit improves by 37.1 percent to €53.6 million.
- Successful retail business at Frankfurt leads to revenue growth of 12.1 percent to €32.7 million.
- Turnaround in air traffic in sight.
- Completion of the regional planning procedure for the expansion of Frankfurt Airport.
- Manila: negotiations continue; total involvement remains almost unchanged.

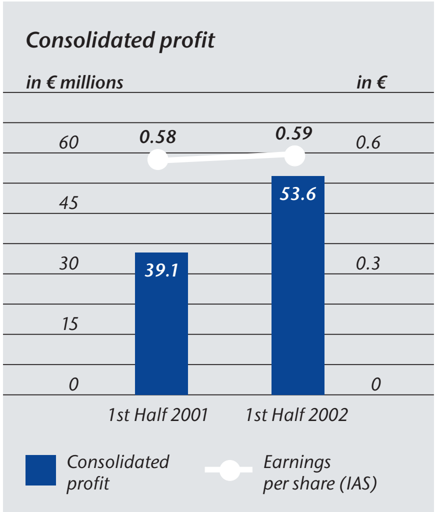
Key Performance Data

	1st Half 2002 in € millions	1st Half 2001 in € millions	Change[1] in %	2nd Quarter 2002 in € millions	2nd Quarter 2001 in € millions	Change[1] in %
Consolidated revenues	855.2	756.9	13.0	453.5	405.7	11.8
EBITDA	234.0	204.8	14.3	133.8	114.0	17.4
Profit from ordinary operations	114.0	68.7	65.9	74.9	52.0	44.0
Consolidated profit	53.6	39.1	37.1	35.5	32.3	9.9
Capital expenditures	174.5	150.5	15.9			
Operating cash flow	125.4	140.2	– 10.6			
Shareholders´ equity [2, 3]	1,983.0	1,928.3	2.8			
Total assets [2]	3,828.8	3,672.0	4.3			
Average number of employees	20,608	15,089	36.6			

[1] Change compared with the same period for the previous year. [2] As the balance sheet dates June 30, 2002, and December 31, 2001, respectively.
[3] Excluding the planned dividend.







Development of Air Traffic

Air traffic demand recovered noticeably in the first half of 2002 in contrast to the sharp declines triggered by the terrorist attacks on September 11, 2001. In the first half of 2002, Fraport Group served 31.4 million passengers, only 2.6 percent fewer than in the same period in 2001. We achieved partly significant passenger growth rates at our airports in Antalya, Lima and, in particular, at Frankfurt-Hahn Airport. The Group's transported airfreight tonnage (cargo plus airmail) decreased by a total of 2.2 percent to 904.8 thousand metric tons and the number of aircraft movements declined by 1.4 percent to 343.8 thousand.

Development of Traffic Figures at Frankfurt Airport

	1st Half 2002	1st Half 2001	Change in % [1]
Passengers (millions)	22.9	24.0	– 4.3
Airfreight (thousand metric tons)	723.6	744.5	– 2.8
Airmail (thousand metric tons)	68.9	69.2	– 0.4
Aircraft movements (thousands) [2]	222.5	225.9	– 1.5
MTOWs (thousand metric tons)	11,962.9	12,678.9	– 5.6
Seat load factor (%)	68.7	67.9	

[1] Rate of change based on unrounded numbers.

[2] Excluding military flights.

Frankfurt Airport still remains our most important location: handling 73.1 percent of the Group's total passenger volume, 86.4 percent of its airfreight tonnage and 64.7 percent of its aircraft movements.

There were some 22.9 million passengers at Frankfurt Airport in the first half of 2002, or 4.3 percent fewer than in the same period in 2001. The unexpected rapid recovery in demand in the first quarter did not continue at quite the same pace in the second quarter. Nonetheless, as a transfer airport Fraport, with a decline of 4.2 percent in passenger numbers in the second quarter compared with the previous year's second quarter, did considerably better than the average decrease of 7.9 percent at all German airports. The uncertain economic situation led to subdued behavior by many consumers, and this also affected demand for air flights and package tours.

At 723.6 thousand metric tons, the volume of transported airfreight was 2.8 percent lower than the above-average volumes for the same period in the prior year. There is already a turnaround in sight for airfreight, which is particularly sensitive to the economy. Growth in freight volumes, an early indicator of global economic recovery, was 1.9 percent for the metric tons handled in the second quarter compared with the same quarter of 2001. Intercontinental cargo was a driver for this increase, particularly on the Far East and North Atlantic routes.

With some 68.9 thousand metric tons transported in the first half of 2002, nearly as much airmail was moved as in the same period in the previous year. A sharp fall in airmail, primarily due to a decline in the domestic overnight airmail hub, was compensated by marked increases in foreign airmail, and particularly intercontinental traffic.

The number of take-offs and landings reached 222.5 thousand in the first six months of 2002, a decrease of 1.5 percent over the first six months of 2001. The situation also significantly improved here, particularly in the second quarter. The decrease in corresponding MTOWs was sharper, at 5.6 percent compared with the same period in 2001, as airlines not only thinned out frequencies, but also used smaller aircraft. These steps enabled the airlines to increase their seat load factor to 68.7 percent compared with 67.9 percent in the first half of 2001.

Business Development

During the first half of 2002 Fraport earned **revenues** of €855.2 million, an increase of 13.0 percent compared with the same period in 2001. The main reason for this was the first-time full consolidation of ICTS Europe Holdings B.V. (ICTS Europe). Excluding this addition to the Group, Fraport was able to exceed the previous year's revenues by 3.3 percent. The average increase of 3.2 percent in airport fees and fees for central ground-handling services infrastructure effective January 1, 2002, was more than offset by the ongoing lack of growth in aircraft movements. On the other hand, the higher number of military flights and increased income from aviation security services, concessionary revenues and rental income at Frankfurt Airport all had a positive effect on revenue growth.

The increase of 12.3 percent in operating expenses was lower than for revenues: with **non-staff costs** of €246.7 million decreasing by 3.2 percent compared with the first six months of 2001, and **personnel expenses** rising by 23.6 percent to €428.6 million, above all due to newly consolidated entities.

Hence, **EBITDA** rose by 14.3 percent in the first half of the year, to €234.0 million; the **EBITDA-margin** relative to revenues remained almost stable, at 27.4 percent, in comparison to the same period of the previous year.

Revenue growth, a reduction in non-staff costs and an improvement in net interest expense due to the repayment of debt following our IPO led to an improvement of 65.9 percent in **profit from ordinary operations**, to €114.0 million. **Consolidated profit** rose by 37.1 percent to €53.6 million.

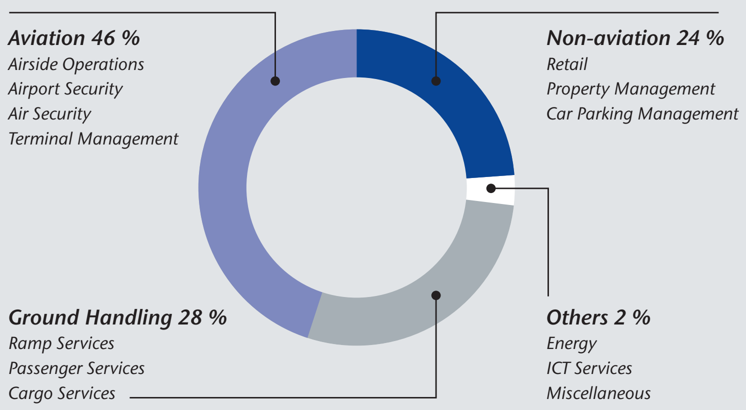
Segment Reporting

To adapt its management processes to meet the requirements of the capital market, Fraport introduced a value management system in 2001. As a result, the calculation of charges for internal transactions has taken into account market-related interest costs since the beginning of 2002. This led to an increase in inter-segment charges, particularly for capital-intensive transactions, and mainly affected the Aviation and Non-aviation Group segments.

Except for the Group's Ground Handling segment, all Group segments were able to generate increased revenues in the first half of 2002. The Aviation segment achieved the highest growth rates compared to the first half of the prior year.

Due to the newly consolidated entities, the number of employees in the Aviation segment rose by 5,025 compared to the prior year, so that of the total 20,608 staff employed by Fraport on average during the reporting period, 41.5 percent belonged to this segment. This segment thus is the most labor-intensive segment.

Group Segments



1st Half 2002 – Third-party revenues: €915.5 millions.

The Group's **Aviation** segment generated third-party revenues of €423.2 million during the first half of 2002, a growth of 36.0 percent over the same period in 2001. This was mainly attributable to the first-time consolidation of ICTS Europe. Additionally, there was a positive effect from the higher number of military flights and increased income from aviation security services at Frankfurt Airport. The higher revenues resulting from an increase of an average of 3.2 percent in airport and infrastructure fees effective January 1, 2002, were offset by the continuing unfavorable development in aircraft movements. Due to the weakness of the U.S. dollar compared with the euro, revenues from Antalya decreased, despite a rise in traffic volumes. On the other hand, Frankfurt-Hahn Airport could almost double its third-party revenues compared with the first six months of 2001. This was due to increased activity by Ryanair, the Irish airline, which is making Frankfurt-Hahn its second continental European hub. Developments to date confirm the potential of Frankfurt-Hahn becoming Germany's leading low-cost airport.

Operating costs rose by 35.0 percent compared with the first six months of 2001, to €417.2 million. This was partly due to the first-time consolidation of ICTS Europe. Personnel expenses at Frankfurt Airport increased primarily due to the rise in security-related services, but overall personnel costs per employee in the Group's Aviation segment dropped by 28.7 percent in the first half of 2002 to €2,935 per month. Non-staff costs rose by €27.1 million, mainly due to the change in internal charges. These included a net €13.9 million resulting from changes in methods, which were essentially a result of introducing the value-oriented management system. Since this change is mirrored in the Non-aviation segment, it had no overall effect on consolidated profit.

Due to the improved earnings position, the segment result improved by 58.4 percent compared with the same period in 2001. However, higher operating costs and depreciation charges again led to a negative segment result in the first half of 2002 of €– 3.7 million. EBITDA increased by 38.9 percent to €22.5 million.

Aviation

in € millions	*1st Half 2002*	*1st Half 2001*	*Change in %*
Third-party revenues	*423.2*	*311.2*	*36.0*
Segment result	*– 3.7*	*– 8.9*	*58.4*
EBITDA	*22.5*	*16.2*	*38.9*
Number of employees	*8,558*	*3,068*	*178.9*

In the Group's **Ground Handling** segment, third-party revenues declined by 6.0 percent to €253.7 million during the first half of 2002 in comparison with the prior year period. This can be attributed in particular to the still unfavorable development of air traffic volumes. The compensating effect of the January 1, 2002, increases for handling and infrastructure fees at Frankfurt Airport was limited. Furthermore, revenues decreased as a result of a slight fall in market share of ground handling services for aircraft handling (ramp) at Frankfurt Airport. Market share decreased from 93.7 percent in the first half of 2001 to 92.9 percent, whereas market share remained almost level between the first and second quarter of 2002. We suffered a decline in revenues from rental and maintenance of ground handling equipment at Brussels Airport due to the bankruptcy of Sabena, the Belgian airline. On the other hand, we were able to slightly improve revenues and profits from our ground handling activities in Vienna.

Group-wide steps taken to reduce costs following the decline in traffic volumes have been successful and led to a decrease of 4.2 percent in operating costs in the Ground Handling segment, to €277.9 million. Following an adjustment to staff numbers, the number of employees fell by 4.6 percent.

Ground Handling

in € millions	*1st Half 2002*	*1st Half 2001*	*Change in %*
Third–party revenues	*253.7*	*269.9*	*– 6.0*
Segment result	*– 10.2*	*– 8.0*	*– 27.5*
EBITDA	*– 1.9*	*2.2*	*– 186.4*
Number of employees	*7,248*	*7,598*	*– 4.6*

Nevertheless, the segment result was a negative €– 10.2 million and hence 27.5 percent lower than for the first half of 2001, primarily due to the decline in revenues at Frankfurt Airport. EBITDA declined to €– 1.9 million.

The Group's **Non-aviation** segment achieved third-party revenues of €215.6 million during the first half of 2002, up 7.3 percent compared over last year. This growth was powered particularly by increases in concessionary revenues and rental revenues at Frankfurt Airport, whereby the increase in our retail activities is particularly noteworthy. With a rise of 12.1 percent to €32.7 million, we were able to continue the successes recorded in the first quarter. A major factor was the implementation of our retail strategy and the high degree of acceptance of the travel-value shops, which have replaced duty-free shops for flights within the European Union. Furthermore, a new duty-free shop was opened at Frankfurt Airport in Terminal 1, Area B. Retail income per passenger thus increased by 17.2 percent, to €1.43.

Non-aviation

in € millions	*1st Half 2002*	*1st Half 2001*	*Change in %*
Third–party revenues	*215.6*	*201.0*	*7.3*
Segment result	*143.4*	*114.8*	*24.9*
EBITDA	*199.0*	*174.9*	*13.8*
Number of employees	*3,653*	*3,344*	*9.2*

Operating costs could be held relatively steady compared with the same period in 2001. Hence, the Non-aviation segment improved its result by 24.9 percent to a profit of €143.4 million and showed a 13.8 percent increase in EBITDA, to €199.0 million. In addition, the switch to value-oriented internal charges, mainly mirrored by costs in the Aviation segment, contributed to the improvement in profits.

At €23.0 million, third-party revenues at the Group's **Others** segment remained almost level compared with the first half of 2001. AirITSystems Hannover GmbH and Air-Transport IT Services, Inc. were consolidated for the first time. Segment results improved by 34.1 percent to €5.9 million and EBITDA increased by 25.2 percent to €14.4 million.

Others

in € million	*1st Half 2002*	*1st Half 2001*	*Change in %*
Third-party revenues	*23.0*	*22.9*	*0.4*
Segment result	*5.9*	*4.4*	*34.1*
EBITDA	*14.4*	*11.5*	*25.2*
Number of employees	*1,149*	*1,079*	*6.5*

Capital Expenditures

Total capital expenditures during the first half of 2002 amounted to €174.5 million compared with €150.5 million during the same period last year. The major investment related to our acquisition of the remaining 55 percent of the share capital of ICTS Europe effective January 1, 2002. In post-acquisition negotiations in the second quarter of 2002 we achieved a purchase price reduction of €1.9 million for ICTS Europe, to €67.3 million.

Some 50 percent of capital expenditures related to Frankfurt Airport, with capital expenditures at this location rising by 5.2 percent to €78.7 million in the first half of 2002. Capital expenditures included the introduction of SAP R/3, construction of a new office building, further planning work relating to the airport expansion, and fire protection initiatives in Terminal 1. Terminal expansion and runway extension work at Frankfurt-Hahn Airport led to capital expenditures of €8.5 million.

As already reported in our interim report as at March 31, 2002, in the first quarter of 2002 we granted a loan of €7.5 million to Philippine International Air Terminals Corporation, Inc. (PIATCO), the principal project company for the financing, planning, and construction of the new passenger terminal in Manila.

Cash Flow Statement

Net cash flow from operating activities in the first half of 2002 amounted to €125.4 million and was thus 10.6 percent lower than for the first half of 2001. A significant improvement in Group profit and lower net interest paid was more than offset by a drop in operating cash inflows due to higher receivables.

Net cash flow used in investing activities of €164.8 million exceeded the outflows for the first six months of 2001 by 35.1 percent. Cash outflows were primarily for capital expenditures at Frankfurt Airport and for the acquisition of the remaining shares in ICTS Europe.

Net cash flow used in financing activities were €6.4 million for the first half of 2002 compared with net cash inflow of €751.6 million in the first half of 2001. The net cash outflow was made up of a dividend distribution to our shareholders, partly offset by an increase in third-party debt, above all used for acquisitions. The much higher cash inflow from financing activities in 2001 was due to the capital increase in connection with our IPO and the reinvestment of profits distributed. Furthermore, early repayment of Fraport AG’s bank debt in 2001 led to a sharp reduction in financial liabilities.

Asset and Capital Structure

Total assets rose by €156.8 million to €3,828.8 million compared with December 31, 2001. This is mainly due to the first-time consolidation of ICTS Europe, which was included at equity in 2001.

Fraport's asset structure continues to be shaped on a long-term basis. This is reflected in the virtually unchanged high share of non-current assets in total assets of 84.6 percent.

For the first half, the consolidated profit amounted to €53.6 million. Retained earnings of Fraport AG for 2001 of €36.0 million were distributed to Fraport's shareholders on June 27, 2002.

On the liabilities and equity side of the balance sheet, liabilities increased. This increase was primarily due to further third-party debt drawn down to finance the acquisition of ICTS Europe, for the capital increase at Frankfurt-Hahn Airport and to finance the dividend payment short-term.

Balance Sheet Structure

in %	June 30, 2002	Dec. 31, 2001
Non-current assets	84.6	87.8
Current assets	15.4	12.2
Total assets	**100.0**	**100.0**
Shareholders' equity	51.8	52.5
Liabilities	48.2	47.5
Total equity and liabilities	**100.0**	**100.0**

Shareholders' equity covers 61.2 percent of non-current assets. The ratio of shareholders' equity to liabilities and equity decreased by 0.7 percentage points to 51.8 percent compared with December 31, 2001.

Share Option Plan

On March 14, 2001, the shareholders' meeting of Fraport AG agreed to the main points of a share option plan. Up to June 30, 2002, we have granted the following under this program: 82,000 options to members of the Executive Board of Fraport AG, 16,250 options to general managers of affiliated companies, and 125,500 options to other senior staff of Fraport AG employed in Germany. A total of 435,350 options have thus been issued out of restricted authorized capital.

Employee Investment Plan

In the first year following our IPO, Fraport staff are able to subscribe for shares as part of our LEA performance and profit program. Some one-third of the staff have taken advantage of this opportunity. A total of 106,058 new shares of no par value, each having an imputed share of €10 in the share capital, has been issued.

Treasury Shares

The shares for the employee investment plan were repurchased by Fraport AG after partly being issued for cash out of authorized capital, and were transferred to the staff. Fraport AG's subscribed capital thus increased by €1.1 million.

As set out in the resolution passed by the annual general meeting on April 23, 2001, the company is empowered to acquire shares of the company up to October 23, 2002, in order to transfer these shares to members of the Executive Board of Fraport AG as part of their remuneration. The part of remuneration in shares amounts to 10 percent of base salary and bonus. This empowerment is limited to the acquisition of 150,000 shares with an imputed share in the subscribed capital of €1.5 million. On June 27, 2002, 10,038 shares with an acquisition cost of €21.35 each were transferred from the balance to members of the Executive Board of Fraport AG. As at June 30, 2002, there were thus 1,932 remaining treasury shares with an imputed share in the subscribed capital of €19,320 (being 0.002 percent of the subscribed capital) held by Fraport AG.

In July 2002 we started a share repurchase program for remuneration of the members of the Executive Board of Fraport AG, which will probably continue until October 2002. At certain fixed dates, shares will be regularly repurchased up to a maximum total amount of 150,000 shares.

Change of Supervisory Board Membership

As part of the supplementary elections to the Fraport AG Supervisory Board the annual general meeting resolved on June 26, 2002, to elect Dr. Manfred Bischoff, Christian Strenger, Prof. Karel Van Miert and Joachim Vandreike to replace the members of the Supervisory Board who have retired, namely Dr. Hans-Jürgen Froböse, Albrecht Glaser, Walter Schäfer and Dr. Martin Wentz, until the end of their term of office.

Significant Events after the Balance Sheet Date

Current Developments in Our Involvement in Manila

In our interim report as at March 31, 2002, and at the annual general meeting on June 26, 2002, we announced that we would make no further financial transfers to PIATCO until progress has been achieved in the negotiations. Hence, there has been no significant change in our overall involvement up to June 30, 2002.

The overall exposure rose to $377.9 million at June 30, 2002. The slight increase in the exposure results mainly from an increase in the rescheduled receivables and other services since the first quarter of 2002 due to the transfer of Fraport know-how and accumulated interest receivable. Furthermore, PIATCO can still request equity support of $40.0 million, committed in connection with the long-term financing plan agreed on July 27, 2001, under certain conditions which cannot be influenced by Fraport. As Fraport assumes that the equity support commitment can be offset against existing claims for outstanding loans and receivables, no further risk arises over and above the overall exposure set out in the table.

Our current discussions with the Philippine government are aimed at establishing negotiating positions for PIATCO. A major aspect continues to be the concession agreement made between PIATCO and a previous government. Our most important objective is to limit the changes to this agreement sought by the Philippine government in order to obtain a customary market return from the BOT project. Achievement of this objective is a pre-condition for our continued involvement in Manila. More recently, we have also discussed with the government alternatives to the present project structure. For us, one alternative is a transfer of the project from PIATCO back to the Philippine state. In this case, Fraport would aim to recover the amounts invested and ensure a professional operation of the terminal as part of a management agreement to be made between a future operator and the government. This alternative also requires the Philippine government to buy the terminal for a reasonable price which is acceptable to PIATCO and its shareholders and that the conditions set out in the management agreement are in line with international standards.

Total Involvement in Manila

in $ millions	Balance at June 30, 2002	Balance at August 1, 2002
Equity/shareholders' advances	105.4	105.4
Shareholder loans and recourse claims from guarantees	120.5	120.5
Guarantees for bank loans	138.5	138.5
Rescheduled receivables and other services	13.5	14.5
Total	**377.9**	**378.9**

Following our decision to provide no further financing, PIATCO has substantially used up its available liquid funds. PIATCO is currently trying to obtain additional financing. However, Fraport does not consider the current state of the negotiations far enough advanced to provide further liquid funds.

Due to the financial constraints at PIATCO, in contrast to the original plan there are not enough personnel hired to operate the terminal, which makes adequate training by the end of November 2002 questionable. The start of operations will thus probably also be delayed for this reason. Despite these difficulties, construction of the terminal will be substantially completed in August 2002.

Despite the slow progress of discussions over the past few months, Fraport continues to assume that it will be possible to continue the Manila project successfully. This requires that current discussions will be successful. Otherwise, risks could arise which could lead to considerable negative effects on the results for 2002.

Outlook

Preparations for the Expansion

Preparations for the expansion of Frankfurt Airport are running on time. The regional planning procedure (ROV) was completed with presentation of the state planning decision by the Darmstadt district authority responsible. The authority confirmed the facts supporting our opinion that the north-west runway is best suited to achieve the required expansion of capacity with the least effect on the region and on the environment. Fraport will now start the project approval or zoning procedure (Planfeststellungsverfahren) for the expansion of the airport. The process continues to be based on time and cost plans already announced.

In further preparation for the project approval procedure we have decided to construct Terminal 3 based on the plans submitted by Sir Norman Foster in the architectural competition. The outline of this plan will form the basis for the documentation submitted for the second phase of the architectural competition, which is due to begin at the end of this year.

Independent of the procedure for the planned capacity expansion, Fraport will commence another project approval procedure. This relates to alteration and construction plans needed for the operation and maintenance of the wide-body Airbus A380 aircraft in Frankfurt. The airport’s ability to handle new generation wide-body jets is a decisive factor in securing the airport’s future. Our major customer, Lufthansa, plans to start using the first A380 in 2007, and other “Star Alliance“ airlines will already be flying this aircraft beginning in 2006. The alterations include in particular the construction of maintenance facilities and equipment in the southern part of the airport as well as possible improvements to the existing runway system.

“WM 2005 – Creating Value for Tomorrow“

We already introduced our value management project in 2001, thus optimizing our internal control and planning processes for a sustainable, value-oriented management in view of the substantial requirements of the capital market. We are purposefully continuing on this path with the Group-wide project “WM 2005 – Creating Value for Tomorrow“, started in the fall of 2001.

Over the past few months, all areas of the Group have been examined for possible cost flexibility, process optimization and increase in earnings potential. Strategic matters, such as a review of the investment portfolio and the central administrative area, have also been included in the total of 21 sub-programs. The results of this preliminary review work are a package of over 100 individual steps which are now being implemented.

The measures taken will, from 2005, lead to a steady improvement in EBITDA of at least €150 million annually. Hence, we aim to achieve an EBITDA margin of between 35 percent and 40 percent by 2005. For 2002 through 2004 we also plan to make cumulative one-time improvements in EBITDA totaling €150 million.

Business Outlook

By the end of the current year, we expect to achieve at least €10 million of the intended improvements to EBITDA resulting from the WM 2005 project. Hence, despite the lack of income from exceptional matters in 2001, we are convinced that we can achieve an EBITDA of at least €500 million for 2002.

With a continued cautious estimation of the development of air traffic we expect there will be a significant increase in revenues for 2002, mainly due to the first-time consolidation of ICTS Europe, the increase in military flights, higher airport fees and a passenger-linked security surcharge.

Compared with the first half of 2002, and due to typical seasonal fluctuations, as well as measures taken as part of the WM 2005 project, we forecast a further increase in revenues and in profits in the second half of 2002.

Additional Information on the Financial Statements

Accounting Policies

In accordance with IAS 34, the interim report as at June 30, 2002, for the Fraport Group presented here was prepared in accordance with the IAS issued by the International Accounting Standards Committee (IASC), now the International Accounting Standards Board (IASB), and their interpretations by the Standing Interpretations Committee (SIC). We applied the same accounting policies in compiling the interim report and the comparative prior year figures as in the 2001 consolidated financial statements.

This interim report also complies with the requirements of DRS 6 on interim reporting, issued by the German Standards Council (German Accounting Standards Board (GASB)) and published by the Federal Ministry of Justice (Bundesministerium der Justiz or BMJ) on February 13, 2001.

Entities Included in Consolidation

The first-time full consolidation of ICTS Europe has significantly changed the operational and legal structure of the Group. The revenue impact as at June 30, 2002, was €73.4 million; the profit contribution before taxes and consolidation adjustments was €3.0 million. Under the initial full consolidation as at January 1, 2002, the acquisition of the remaining 55 percent interest resulted in additional goodwill of €60.0 million, which is being amortized over 15 years. This amount decreased by €1.9 million compared with the first quarter of 2002 due to a subsequent price reduction. The move to consistent application of IAS accounting policies throughout the Group has resulted in an equity increase of €2.5 million.

The companies Philippine Airport and Ground Services Terminals, Inc. (PTI), Philippine Airport and Ground Services Terminals Holdings, Inc. (PTH), Philippine Airport and Ground Services, Inc. (PAGS), and Portway-Handling de Portugal, S.A. were valued at equity for the first time. Accounting for these companies at equity had a €– 2.0 million impact on profits.

Contingent Liabilities

The changes in contingent liabilities compared to December 31, 2001, resulted chiefly from changes in the contingencies in connection with the BOT project in Manila, as described in the section “Current Developments in Our Involvement in Manila”.

Since the acquisition of the remaining ICTS Europe shares by Fraport AG the €75.9 million guarantee for the second installment of the purchase price is no longer required.

Other Disclosures

Transactions with related parties (Stadtwerke Frankfurt am Main Holding GmbH and Landesbank Hessen-Thüringen) and with entities related to them were subject to normal conditions.

Consolidated Financial Statements as at June 30, 2002
Fraport AG Frankfurt Airport Services Worldwide
Consolidated Income Statement for the 1st Half 2002

in € millions	2nd Quarter 2002	2nd Quarter 2001	1st Half 2002	1st Half 2001
Revenues	**453.5**	**405.7**	**855.2**	**756.9**
Change in work-in-process	0.6	0.1	0.5	1.0
Own work capitalized	7.0	3.9	10.8	6.9
Other operating income	37.0	9.6	49.0	40.2
Total revenues	**498.1**	**419.3**	**915.5**	**805.0**
Cost of materials	– 73.3	– 65.7	– 128.4	– 130.0
Personnel expense	– 225.7	– 174.4	– 428.6	– 346.7
Depreciation and amortization of tangible and intangible non-current assets	– 52.7	– 51.0	– 104.8	– 101.2
Other operating expenses	– 61.0	– 63.8	– 118.3	– 124.8
Operating profit	**85.4**	**64.4**	**135.4**	**102.3**
Interest results	– 7.4	– 12.9	– 18.3	– 36.8
Results at equity	– 4.8	– 2.0	– 6.7	– 3.3
Other financial results	1.7	2.5	3.6	6.5
Profit from ordinary operations	74.9	52.0	114.0	68.7
Taxes on income	– 37.9	– 18.1	– 57.5	– 26.1
Other taxes	– 1.1	– 1.1	– 2.4	– 2.5
Minority interests' share of results	– 0.4	– 0.5	– 0.5	– 1.0
Consolidated profit	**35.5**	**32.3**	**53.6**	**39.1**
Earnings per €10 share in €			**0.59**	**0.58**

Fraport AG Frankfurt Airport Services Worldwide Consolidated Balance Sheet as at June 30, 2002

Assets

in € millions	Balance at June 30, 2002	Balance at Dec. 31, 2001
A. Non-current assets	**3,240.0**	**3,222.8**
I. Intangible assets	204.9	99.8
II. Property, plant and equipment	2,420.7	2,435.1
III. Investments at equity	80.6	126.1
IV. Other financial assets	533.8	561.8
B. Current assets	**547.9**	**407.7**
I. Inventories	13.2	11.9
II. Trade accounts receivable	222.7	141.3
III. Other receivables and other assets	234.9	179.8
IV. Cash, bank balances and checks	77.1	74.7
C. Prepaid expenses	**40.9**	**41.5**
	3,828.8	**3,672.0**

Liabilities and Equity

in € millions	Balance at June 30, 2002	Balance at Dec. 31, 2001
A. Shareholders' equity	**1,983.0**	**1,964.3**
I. Subscribed capital	902.1	900.9
II. Capital reserves	664.0	662.4
III. Revenue reserves	363.3	365.0
IV. Consolidated retained earnings 2001	–	36.0
V. Consolidated profit January 1 – June 30, 2002	53.6	–
B. Minority interests	**8.6**	**5.5**
C. Deferred investment grants on items in non-current assets	**21.5**	**22.4**
D. Provisions and accruals	**474.6**	**419.6**
E. Liabilities	**1,271.8**	**1,189.2**
I. Financial liabilities	1,018.8	970.1
II. Trade accounts payable	75.6	99.0
III. Other liabilities	177.4	120.1
F. Deferred income	**69.3**	**71.0**
	3,828.8	**3,672.0**

Condensed Consolidated Cash Flow Statement

in € millions	1st Half 2002	1st Half 2001
Consolidated profit	**53.6**	**39.1**
Taxes on income	57.5	26.1
Minority interests' share of result	0.5	1.0
Depreciation/write ups (non-current assets)	144.2	101.2
Other adjustments	4.7	46.7
Changes in working capital	– 84.7	– 11.5
Interest paid (net)	– 18.3	– 36.8
Dividends received	0.5	4.6
Taxes on income paid	– 32.6	– 30.2
Net cash flow from operating activities	**125.4**	**140.2**
Capital expenditures for intangible assets and property, plant and equipment	– 97.0	– 81.4
Other financial investments (net)	– 24.7	– 69.1
Acquisitions of consolidated subsidiaries and joint ventures (net of cash acquired)	– 62.6	0.0
Proceeds from disposals of consolidated subsidiaries and joint ventures	0.0	8.2
Proceeds from disposals of non-current assets	19.5	20.3
Net cash flow used in investing activities	**– 164.8**	**– 122.0**
Distribution	– 36.0	– 76.7
Capital increase	2.6	857.7
Transfer to capital reserve	0.0	44.4
Changes in financial liabilities	27.0	– 73.8
Net cash flow used in/from financing activities	**– 6.4**	**751.6**
Foreign currency translation effect on cash and cash equivalents	2.8	2.9
Net decrease/net increase in cash and cash equivalents	**– 43.0**	**772.7**
Cash and cash equivalents at January 1	67.3	54.8
Cash and cash equivalents at June 30	**24.3**	**827.5**

Development of the Consolidated Shareholders' Equity

in € millions	Subscribed capital	Capital reserves	Legal reserve	Other revenue reserves	Consolidated retained profits	Total
Balance at January 1, 2001	**640.0**	**–**	**36.5**	**266.1**	**76.7**	**1,019.3**
Capital increase against deposit	261.1	615.1	–	–	–	876.2
Distribution/Shareholder contribution	–	44.4	–	–	– 76.7	– 32.3
Consolidated profit January 1 – June 30, 2001	–	–	–	–	39.1	39.1
Foreign currency translation differences	–	–	–	1.4	–	1.4
Fair values of derivatives	–	–	–	2.2	–	2.2
Balance at June 30, 2001	**901.1**	**659.5**	**36.5**	**269.7**	**39.1**	**1,905.9**
Balance at January 1, 2002	**900.9**	**662.4**	**36.5**	**328.5**	**36.0**	**1,964.3**
Capital increase	1.1	1.5	–	–	–	2.6
Issue of treasury shares	0.1	0.1	–	–	–	0.2
Distribution	–	–	–	–	– 36.0	– 36.0
Consolidated profit January 1 – June 30, 2002	–	–	–	–	53.6	53.6
Foreign currency translation differences	–	–	–	– 4.3	–	– 4.3
Fair values of derivatives	–	–	–	0.1	–	0.1
Effects due to changes in the consolidated group	–	–	–	2.5	–	2.5
Balance at June 30, 2002	**902.1**	**664.0**	**36.5**	**326.8**	**53.6**	**1,983.0**

Frankfurt am Main, August 5, 2002

Fraport AG
Frankfurt Airport Services Worldwide
Executive Board

Dr. Bender Prof. Schölch Endler Prof. Jakubeit Mai

Financial Calendar

November 28, 2002	3rd Quarter 2002 Interim Report,
April 29, 2003	Results for 2002, Press Conference, Analysts Conference
May 28, 2003	1st Quarter 2003 Interim Report,
June 25, 2003	Annual General Meeting
August 21, 2003	2nd Quarter 2003 Interim Report, Press Conference, Analysts Conference
November 25, 2003	3rd Quarter 2003 Interim Report.

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