Interim Report

as at June 30, 2003

Contents

Dear Friends of Fraport, Dear Shareholders,

This report describes the development of business in the first half of 2003 and significant developments within the Fraport Group.

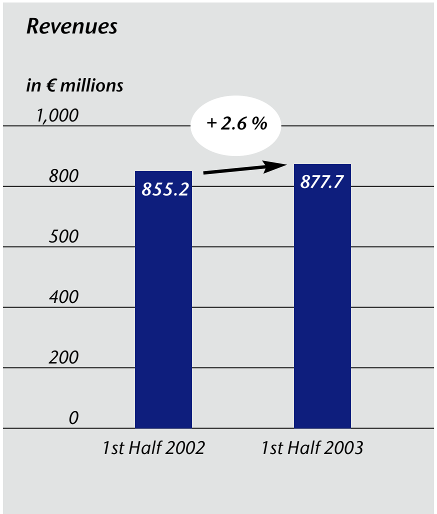
Highlights of the first six months of 2003 are:

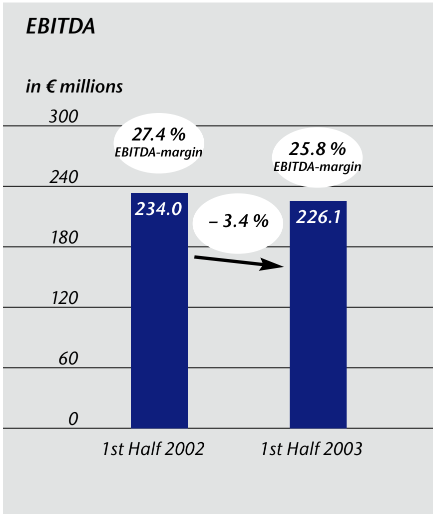
- Passenger traffic at Frankfurt slightly down due to the effects of the Iraq conflict, SARS and the weakness of the economy.
- Revenues up by 2.6 percent to €877.7 million despite the difficult market environment due to higher revenues from security services.
- EBITDA of €226.1 million down by 3.4 percent compared with first six months of 2002. This was mainly due to lower airport fees at Frankfurt as well as foreign currency effects.
- Hence, consolidated profits of €50.2 million are 6.3 percent down on the first half of 2002.
- Cash flow from operating activities remain high, at €202.7 million.
- The EBITDA forecast for the whole of 2003 remains unchanged at €500 million.

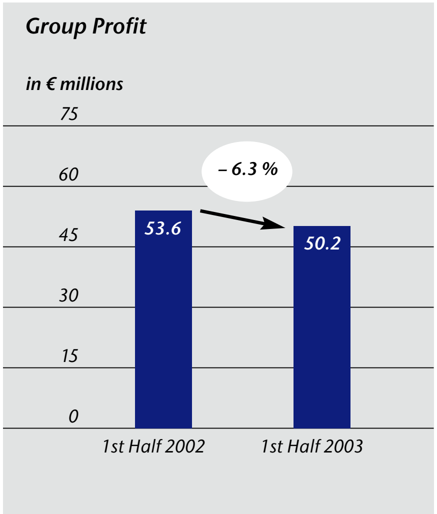
Key Performance Data

	1st Half 2003 in € millions	1st Half 2002 in € millions	Change in %	2nd Quarter 2003 in € millions	2nd Quarter 2002 in € millions	Change in %
Revenues	877.7	855.2	2.6	448.3	453.5	– 1.2
EBITDA	226.1	234.0	– 3.4	115.3	133.8	– 13.8
Profit from ordinary operations	103.3	114.0	– 9.4	50.9	74.9	– 32.0
Group profit	50.2	53.6	– 6.3	24.4	35.5	– 31.3
Capital expenditures	115.5	174.5	– 33.8	67.6	52.3	29.3
Operating cash flow	202.7	125.4	61.6	134.4	89.5	50.2
Shareholders' equity [1]	1,853.8	1,803.4	2.8			
Total assets [1]	3,641.4	3,620.7	0.6			
Average number of Employees	23,164	20,608	12.4			

[1] As at June 30, 2003 and December 31, 2002.







Development of Air Traffic

Traffic figures for Fraport Group

1st Half

	Passengers [1] (millions)		Cargo (airfreight and airmail) (metric tons)		Movements (thousand)	
	2003	**Change over 2002 in %**	**2003**	**Change over 2002 in %**	**2003**	**Change over 2002 in %**
Frankfurt Main	22,463,484	– 2.1	798,556	2.2	225,665	1.4
Frankfurt-Hahn [2]	1,074,676	82.1	71,951	9.7	14,604	8.1
Hanover	2,204,301	0.8	7,343	14.9	42,786	0.7
Saarbrücken	190,568	– 4.2	233	124.0	7,393	– 0.6
Antalya [3]	2,857,814	- 16.6	n.a.	n.a.	19,198	– 17.2
Lima [4]	2,107,062	2.8	59,370	15.4	33,133	– 3.8
Group	**30,897,905**	**– 1.6**	**937,453**	**3.6**	**342,779**	**– 0.2**

[1] Only commercial traffic (arrival, departure, transit).
[2] Frankfurt-Hahn: Freight including trucking.
[3] Only international terminal passengers.
[4] Internal data from Lima Airport.
Source: ACI

Air traffic levels in the first half of 2003 were considerably affected by the conflict in Iraq, SARS and the global economic downturn.

There were 30.9 million **passenger** movements throughout the group during the first six months of 2003, a decline of 1.6 percent over the figure for the first two quarters of 2002.

Passenger movements at Frankfurt airport, the group's major location, decreased by 2.1 percent to 22.5 million. The recovery in passenger traffic following the September 11, 2001 terrorist attacks noted at the start of the year fell away as a result of the war in Iraq and SARS. The previously fast-expanding Far-East traffic recorded particularly sharp falls. Demand for air traffic also decreased as a result of weak performance of the global economy.

Increased fear of terrorist activities also weakened passenger movements at Antalya following the outbreak of war in Iraq. This airport, located on the Mediterranean coast, handled 2.9 million passengers in the first half of 2003 and thus 16.6 percent less than in the first half of 2002. There were already signs of a pick-up in tourist traffic in June, following a rapid end to the war, the calmer political situation and a positive cost-performance ratio.

Frankfurt-Hahn, aiming at the low-cost market which remained unaffected by the weak trend in the rest of the industry, again achieved substantial growth in passenger traffic in the first half of 2003. Passenger numbers jumped to 1.1 million, up by 82.1 percent over the first six months of 2002.

Hanover also profited from the growth of the low-cost segment. This could offset poor demand in the traditional holiday travel business, so that the number of passenger increased slightly, by 0.8 percent, over the same period in 2002.

Cargo volume at Fraport Group airports recorded further growth and increased by 3.6 percent overall, to 937,500 metric tons. However, continuing global economic weakness and the strength of the euro have had an increasingly dampening effect on cargo traffic. Frankfurt airport was nevertheless able to profit from sharp growth on Far East and North America routes, particularly in the first quarter.

Aircraft movements stagnated. With 342,800 take-offs and landings, Fraport Group processed 0.2 percent fewer movements than in the same period in 2002. At Frankfurt airport there were 1.4 percent more movements than in the first six months of 2002, at 225,700. The corresponding maximum take-off weight (MTOW) was 12.4 million metric tons and hence 3.4 percent higher than in the same period in 2002. On the other hand, aircraft capacity utilization declined. The seat-load factor decreased by 2.6 percentage points to 66.1 percent.

Business Development

The war in Iraq, SARS and the continuing global economic weakness curbed the noticeable improvement in the airline industry shown at the beginning of the year. With this background, Fraport was nevertheless able to achieve EBITDA of €226.1 million, 3.4 percent lower than for the first six months of 2002.

Despite the difficult market environment, Fraport's **revenues** grew by 2.6 percent to €877.7 million. This was primarily due to heightened demand for security services from ICTS Europe and the 100 percent baggage controls required as from January 1, 2003. On the other hand, airport fees at Frankfurt and revenues from Antalya decreased due to the decline in air traffic. Revenues from ground handling services at Frankfurt also decreased. Shopping revenues almost reached the same level as for the first six months of 2002, despite lower passenger movements.

In contrast to revenues, **total revenues** decreased slightly, by 1.0 percent, to €906.8 million. The main reasons for the slight decline were €22.9 million lower foreign currency gains and a decrease in internal costs capitalized.

Operating expenses amounted to €229.3 million and were thus 7.1 percent lower than for the same period in 2002. This was primarily due to a €14.7 million decrease in foreign exchange losses compared with the first six months of 2002. **Personnel expenses** rose by 7.7 percent to €461.6 million, mainly due to the need for more personnel in security services.

EBITDA suffered from lower airport fees for military flight movements, a slight drop in passenger movements at Frankfurt and a net negative effect from foreign exchange valuations of €8.2 million. The increased revenues for security services was partly offset by higher personnel expenses. Dividend income for 2002 from Antalya received in addition to the amount recognized on proportional consolidation increased EBITDA by €8.5 million. The additional dividend income was received in the first quarter of 2003. Sharply improved results at equity also had a positive effect on EBITDA. The EBITDA margin decreased by 1.6 percentage points to 25.8 percent.

The EBITDA effects described above, together with an increase of 2.5 percent in amortization and depreciation expense for intangible assets and property, plant and equipment were the main reasons for the decline of 9.4 percent in **profit from ordinary operations** to €103.3 million.

The **group profit** of €50.2 million is 6.3 percent lower than for the same period in 2002, and earnings per share decreased slightly, from €0.59 to €0.56.

Segment Reporting

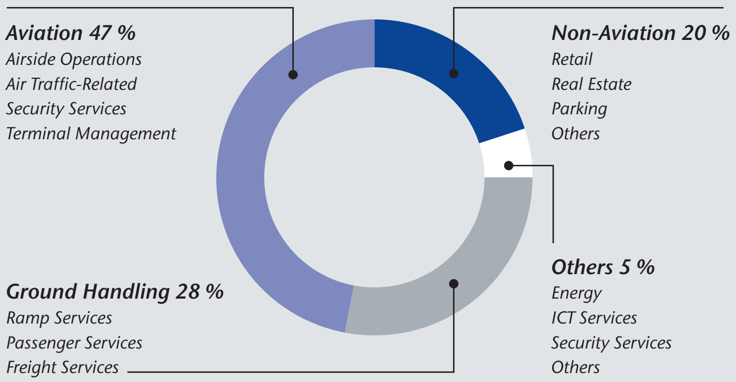
In order to bring the segment reporting into line with the overall development of the business, revenues have also been disclosed for segment reporting purposes since the beginning of 2003. Previously, revenues with third parties were disclosed.

Higher revenues for air traffic-related security services slightly increased the Aviation segment's share of group revenues, from 46.0 percent in the first half of 2002 to 46.6 percent. In the first six months of 2003, and in contrast to the same period of 2002, the "Others" segment includes ICTS Europe's other than air traffic-related security services, and hence its share of group revenues rose from 2.6 percent to 5.1 percent. Declines in revenues led to the Non-Aviation and Ground Handling segments' share of group revenues falling by 2.4 percentage points to 20.4 percent and by 0.7 percentage points to 27.9 percent.

The Non-Aviation segment's share of group EBITDA increased by 1.9 percentage points to 86.9 percent. The "Others" segment increased its contribution by 3.7 percentage points to 9,9 percent and Aviation added 6.7 percent.

The average number of persons employed by companies making up the Fraport Group rose to 23,164, or by 2,556 compared with the average for the first six months of 2002. This was primarily due to the increased need for personnel for security services. The number of persons employed at ICTS Europe alone increased by 2,225. In contrast, at location Frankfurt of Fraport AG, the average amounted to 12,511 down by around 160 employees compared to the previous year.

Group Segments



1st Half 2003 – Revenues: € 877.7 million

The group's **Aviation** segment was particularly hard hit by the difficult market environment. Hence, we suffered a decline in airport fees at Frankfurt, primarily caused by lower fees from military air traffic and a decline in passenger movements. The increase of 3.9 percent in revenues is primarily attributable to ICTS Europe's air traffic-related security services, airport fee increases and the 100 percent baggage checks initiated on January 1, 2003.

The requirements for more personnel for security services was the main reason for the 7.7 percent increase in operating costs, to €449.3 million.

Operating results and EBITDA were both affected by the difficult market environment at Frankfurt and Antalya. Due to a decline in passenger movements at both these airports, as well as lower net income effects of foreign currency valuations, the Aviation segment suffered a decline in results of €14.6 million to a loss of €18.3 million. Segment EBITDA of €15.1 million was €7.4 million lower than for the first six months of 2002. This includes €4.7 million dividend income from Antalya relating to 2002, allocated to the Aviation segment and received in the first quarter of 2003.

Aviation

in € millions	*1st Half 2003*	*1st Half 2002*	*Change in %*
Revenues	*409.3*	*393.8*	*3.9*
Segment result	*– 18.3*	*– 3.7*	*– 394.6*
EBITDA	*15.1*	*22.5*	*– 32.9*
Employees	*9,772*	*8,558*	*14.2*

The **Ground Handling** group segment held revenues at about the same level as for the first half of 2002, at €245.0 million. Sharply higher revenues than for the first half of 2002 were achieved at Vienna, Brussels and Frankfurt-Hahn, although revenues at Frankfurt decreased slightly. This was primarily due to decreased activity of the airlines in a difficult economic environment as well as to a reduction of market share from 92.9 percent to 90.2 percent in the ramp services area.

The decrease of €7.5 million in segment result to a loss of €17.7 million was due to a sharp fall in internal costs capitalized compared with the first six months of 2002. These have been allocated directly to the business units since the beginning of 2003. EBITDA declined by €5.8 million to a negative € 7.7 million.

Ground Handling

in € millions	*1st Half 2003*	*1st Half 2002*	*Change in %*
Revenues	*245.0*	*244.6*	*0.2*
Segment result	*– 17.7*	*– 10.2*	*– 73.5*
EBITDA	*– 7.7*	*– 1.9*	*– 305.3*
Employees	*7,105*	*7,248*	*– 2.0*

The **Non-Aviation** segment suffered a decrease of 8.1 percent in revenues for the first six months of the year compared with the first six months of 2002, to €179.1 million, as there was a significant fall in prior-period income compared with the same period for 2002. The exclusion of the CIVAS companies, now merged into ICTS Europe but included as part of the Non-Aviation segment in the first half of 2002, also reduced segment revenues.

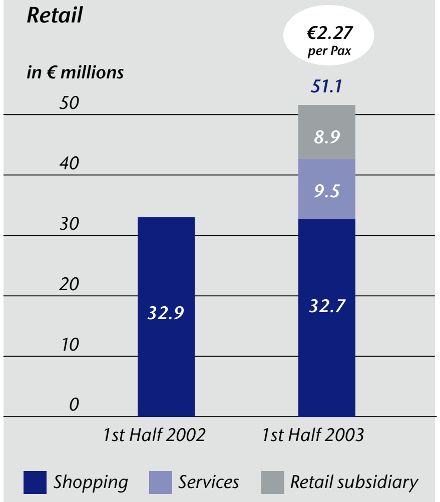
Non-Aviation segment results of €135.5 million were 5.5 percent down on the first half of 2002, due to lower revenues as well as reduced net earnings from foreign currency valuations. EBITDA decreased by 1.3 percent to €196.4 million. Antalya contributed a positive €3.8 million dividend income to EBITDA.

Despite the decline in passenger movements at Frankfurt airport, shopping revenues of €32.7 million remained approximately at the same level as for the first half of 2002. "Shopping" mainly consists of revenue-related rental income for the airport's retail shops, including the duty-free and travel-value shops. These are part of retail revenues, which also include services and advertising income. Retail revenues for the first six months of 2003 totaled €51.1 million, or €2.27 per passenger.

Non-Aviation

in € millions	*1st Half 2003*	*1st Half 2002*	*Change in %*
Revenues	*179.1*	*194.9*	*– 8.1*
Segment results	*135.5*	*143.4*	*– 5.5*
EBITDA	*196,4*	*199.0*	*– 1.3*
Employees	*3,843*	*3,653*	*5.2*

Retail



Revenues in the **Others** group segment doubled compared with the same period of 2002, to €44.3 million. The main factor influencing this growth was the first-time inclusion of that part of ICTS Europe's revenues relating to security services other than those for air traffic, such as for guarding the Euro-Tunnel. The first-time inclusion of Decision Support Technologies Inc. (DST), the US company, also contributed to the increase in revenues compared with the first six months of 2002.

Segment results of €9.0 million were € 3.1 million above the previous year's level, and EBITDA improved by €7.9 million to €22.3 million.

Others

in € millions	*1st Half 2003*	*1st Half 2002*	*Change in %*
Revenues	*44.3*	*21.9*	*102.3*
Segment result	*9.0*	*5.9*	*52.5*
EBITDA	*22.3*	*14.4*	*54.9*
Employees	*2,444*	*1,149*	*112.7*

Capital Expenditures

Total capital expenditures for the first half of 2003 amounted to €115.5 million, a fall of 33.8 percent compared with €174.5 million for the first six months of 2002, the latter figure being particularly affected by the consolidation of ICTS following acquisition of all the capital stock in this company. Capital expenditures in the first half of 2003 were mainly for property, plant and equipment and intangible assets, primarily intended to strengthen business activities at Frankfurt airport.

Capital expenditures included the ongoing renovation and expansion of the terminals, fire-protection measures for the terminal buildings, extending the communications network and modernizing existing apron areas, including lighting guidance systems. Expenditures relating to the expansion of the airport and including planning work and acquisitions of real estate amounted to € 27.7 million.

Frankfurt-Hahn airport expended a total of €12.3 million in the first six months of 2003 in land development measures and expanding parking facilities. Fraport spent €11.8 million on ground handling equipment via S.A. TCR International N.V., a joint venture.

The medium- and long-term capital expenditure program continues to be primarily concentrated on extensive work in connection with the airport expansion project at Frankfurt. Expenditures needed to build the new runway and construct passenger handling facilities and other related plant and buildings will probably total some €3.3 billion, adjusted for inflation. Expenditure is also foreseen for the further development of commercial space, continuing the investment in fire protection measures, above all in passenger terminals, renovating and expanding Terminal 1 and on other construction activities taken to modernize the apron.

Cash Flow Statement

Net cash flow from operating activities was €202.7 million in the first half of 2003 and was thus €77.3 million higher than for the same period in 2002. The slower increase in net current assets and income tax repayments had a positive effect on cash flow. Gross cash flow from operations rose by €30.1 million. Dividends received and a lower net cash outflow from interest resulted in cash outflows of €5.7 million from financial activities, compared with cash outflows of € 17.8 million in the first half of 2002.

Net cash outflow used in investing activities increased by €78.5 million over the outflow in the first six months of 2002. Capital expenditures on intangible assets and on property, plant and equipment rose by €17.3 million. No significant amounts were invested in financial assets. Payments of €136.5 million made in connection with the Manila project were allocated to investing activities.

Cash flow from operating activities in the first six months of 2003 was sufficient to cover the cash outflow from investments in property, plant and equipment. Funds required to pay for settlement of the guarantee obligation were raised by drawing down bank loans. This is the main reason for the **net cash flow from financing activities** of €54.1 million.

Cash and cash equivalents increased mainly due to investing funds received from selling the investment fund in the fall of 2002 in short-term deposits.

Asset and Capital Structure

Total assets increased slightly, by €20.7 million to €3,641.4 million, compared with December 31, 2002.

Fraport's asset structure continues to be primarily of a long-term nature. Non-current assets make up an almost unchanged 73.9 percent of total assets.

Financial liabilities rose by €49.3 million to €959.0 million. The higher level of third-party financing compared with the end of the first six months of 2002 is above all due to payment of the guarantee obligation to a banking consortium arising from the Manila project. On the other hand, short-term bank liabilities have decreased sharply. Payment of the guarantee obligation for the Manila Project was also mainly responsible for the decline of €57.4 million in provisions, to €526.3 million. On the other hand, tax liabilities increased.

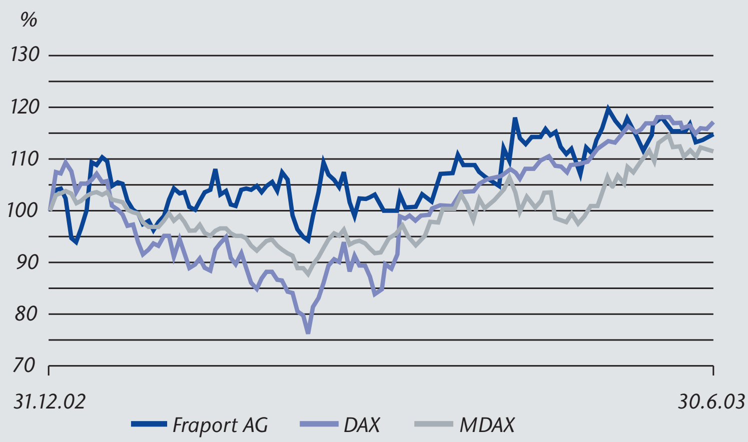
The ratio of shareholders' equity to total liabilities and shareholders' equity improved slightly, to 50.9 percent, due to the consolidated profit for the six months ended June 30, 2003. Shareholders' equity made up 69.5 percent of non-current assets, net of deferred investment grants, at June 30, 2003.

Fraport Share Trend

The end of the Iraq war, the WHO's all-clear on SARS and hopes of global economic recovery encouraged investors. These factors caused both the DAX (+11.3 percent) and the MDAX (+16.8 percent) to rise in the first half of 2003. The Fraport share rose by 14.5 percent over the same period and hence rose 3.2 percentage points more than the DAX, but by 2.3 percentage points less than the MDAX.

During the first six months of 2003 the share price was at its highest on June 2, at €20.30, and at its lowest of €15.95 on January 8. Fraport's price at the end of the second quarter was €19.46 and its market capitalization on June 30, 2003 was thus €1,755.9 million, or €224.7 million higher than at the beginning of 2003. An average of 57,854 shares were traded on each trading day of the first six months of 2003.

Fraport's Share Value versus DAX and MDAX



Source: Bloomberg

Share Option Plan

Fraport AG's annual general meeting on March 14, 2001 agreed the main features of a share option plan. This program foresees that we will award share options to members of the executive board of Fraport AG, general managers of affiliated companies and senior staff of Fraport AG located in Germany. During the first six months of 2003, 82,000 share options were issued to members of the executive board, 23,750 to general managers of affiliated companies and 113,300 to senior staff of Fraport AG located in Germany – a total of 219,050 options. The options may only be exercised if, following the vesting period, the closing Fraport share price on at least five of any trading days exceed the share option price by at least 15 percent. Based on a share option price of €18.69 for the third tranche, the exercise hurdle price is €21.49 per share. The share options can be exercised in the period from May 17, 2005 and May 16, 2008.

The total number of share options granted since the share option plan was drawn up amounts to 654,400 at June 30, 2003.

Employee Investment Plan

Again in 2003 Fraport staff were able to acquire shares as part of the performance- and profit-linked remuneration program (LEA). A total of 150,600 new shares with an imputed share of €10 each in the share capital.

The shares required for the employee investment plan were repurchased by Fraport AG, using part of the authorized capital following a capital increase for cash, and were then transferred to the staff. As a result, Fraport AG's share capital rose by €1.5 million to €902.1 million.

Treasury Shares

On June 26, 2003, 9,778 shares were transferred to the members of the executive board of Fraport AG as part of their remuneration; the share price on that date was €19.12.

On June 30, 2003 Fraport AG still held 130,170 treasury shares. The share of the capital amounted to €1,301,700 (or 0.1 percent).

Changes in Supervisory Board

The period in office of the former members of the supervisory board ended at the close of the annual general meeting on June 25, 2003. The shareholders' representatives were newly elected at the annual general meeting. As required by the Co-determination Law, the employee representatives were already elected by the group's staff in March and April, 2003.

The period in office of the 20 representatives expires at the close of the annual general meeting which resolves on the ratification of the executive board for 2007. At its first meeting on June 25, 2003 the members of the supervisory board again elected Roland Koch as chairman and Gerold Schaub as deputy chairman.

Supervisory board

	Retired	Elected
Shareholders' representatives	Henner Wittling	Ralf Nagel
Employee representatives	Herbert Becker Wolfgang Bödicker Paul Breider Matthias Eckert Stefan Kempkens Helmut Raith Warren Walsh	Lothar Herbst Zafer Memisoglu Helmut Hofmann Harald Rose Petra Rossbrey Norbert Simmermacher Peter Wichtel

Outlook

Approval Procedures for Airport Expansion

Based on existing capacity bottlenecks and long-term air traffic growth forecasts, Fraport AG plans to extend Frankfurt airport by adding a further runway to the north-west of the airport buildings, constructing a third terminal and installing the necessary infrastructure. This requires various legally prescribed administrative steps to be taken. In this connection, Fraport intends to submit an application to open planning permission proceedings in late summer of 2003 by means of a completeness review. An important preparatory step was the so-called scoping meeting held at the beginning of April, 2003, in which the extent of documentation needed for the environmental protection review of the airport extension was discussed. Based on the technical design and considering the points raised at the scoping meeting, the Darmstadt administrative district will inform Fraport of the content and extent of the documentation relating to the environment effects of the expansion needed for the approval process; Fraport will then make any additions to the planning permission documentation needed. Following submission of the application and publication in the official gazette, Fraport believes the documentation will be displayed and discussed in the following year, so that planning permission will be received by May 2005. Completion of the new runway is foreseen for the end of 2006.

Approval Procedures for A380 Maintenance

Fraport AG already submitted the application documentation for the approval proceedings for constructing a hangar, an apron and a runway needed for maintenance of the new wide-bodied Airbus A380 in January, 2003. Publication and display of the planning permission documentation followed as from June 23, 2003. Following a period of time for objections, dates will be fixed for these to be discussed, so that planning permission can be received in 2004. Frankfurt airport's take-off and landing system is already equipped to handle the A380, but appropriate additional capacity is needed for its maintenance.

WM 2005 – Creating Value for Tomorrow

The group-wide efficiency improvement program "WM 2005 – creating value for tomorrow" is pushed further. The main objective of the program, creating value, is directed towards our market capitalization, the group's competitive position, customer satisfaction and security of employment.

In the first half of 2003 we achieved over €22 million improvement in profits due to steps taken relating to this program. Whereas, in the first quarter of 2003, the focus was on securing potential, or in other words establishing the framework needed to carry out our projects, in the second quarter we have increasingly focussed on implementation.

Business Outlook

Due to the Iraq war, SARS and the weakness of the global economy, passenger movements at Frankfurt airport for the whole of 2003 will probably be lower than for 2002.

On the other hand, we estimate that EBITDA and consolidated group profit for the year will reach the same levels as the amounts for 2002 adjusted for the special effects of the manila project, provided there are no further unusual events over the rest of the year, such as terrorists attacks, wars or pandemics.

Additional Information on the Financial Statements

Accounting Policies

In accordance with IAS 34, the interim report as at June 30, 2003, for the Fraport Group was prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). We applied the same accounting policies in compiling the interim report and the comparative prior year figures as for preparing the 2002 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 (BMJ) on February 13, 2001.

Entities Included in Consolidation

The entities included in the consolidated financial statements were expanded compared with the first half of 2002 by inclusion for the first time of the US company Decision Support Technologies Inc. (DST).

Contingent Liabilities/Other Financial Commitments

Compared with December 31, 2002, other financial commitments increased mainly due to steps taken in preparation for the expansion of Frankfurt airport. The total amount of such commitments at June 30, 2003 relating to the expansion increased by €122.9 million.

Other Disclosures

Statistics of figures over a long period of time show that, for seasonal reasons, passenger traffic in the second half of a year is greater than in the first half.

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, 2003

Fraport AG Frankfurt Airport Services Worldwide
Consolidated Income Statement

in € millions	2nd Quarter 2003	2nd Quarter 2002	1st Half 2003	1st Half 2002
Revenues	**448.3**	**453.5**	**877.7**	**855.2**
Change in work-in-process	0.1	0.6	0.1	0.5
Other internal costs capitalized	4.6	7.0	6.6	10.8
Other operating income	13.4	37.0	22.4	49.0
Total Revenues	**466.4**	**498.1**	**906.8**	**915.5**
Cost of materials	– 58.9	– 73.3	– 124.0	– 128.4
Personnel expense	– 234.5	– 225.7	– 461.6	– 428.6
Depreciation and amortization of tangible and intangible non-current assets	– 54.3	– 52.7	– 107.4	– 104.8
Other operating expenses	– 58.8	– 61.0	– 105.3	– 118.3
Operating profit	**59.9**	**85.4**	**108.5**	**135.4**
Interest result	– 10.2	– 7.4	– 15.8	– 18.3
Results of investments held at equity	– 0.5	– 4.8	0.1	– 6.7
Income from investments	1.6	0.5	10.1	0.5
Write-downs of financial assets	– 0.1	0.2	– 0.1	– 0.6
Other financial results	0.2	1.0	0.5	3.7
Financial result	**– 9.0**	**– 10.5**	**– 5.2**	**– 21.4**
Profit from ordinary operations	**50.9**	**74.9**	**103.3**	**114.0**
Taxes on income	– 24.5	– 37.9	– 49.7	– 57.5
Other taxes	– 1.3	– 1.1	– 2.7	– 2.4
Minority interests' share of result	– 0.7	– 0.4	– 0.7	– 0.5
Group profit	**24.4**	**35.5**	**50.2**	**53.6**
Earnings per €10 share in € (basic)			**0.56**	**0.59**
Earnings per €10 share in € (diluted)			**0.55**	**0.59**
EBITDA	**115.3**	**133.8**	**226.1**	**234.0**
EBIT	**60.9**	**81.3**	**118.6**	**128.6**

Fraport AG Frankfurt Airport Services Worldwide Consolidated Balance Sheet as at June 30,2003

Assets

in € millions	30.6.2003	31.12.2002
A. Non-current assets	**2,690.8**	**2,698.6**
I. Intangible assets	210.4	225.1
II. Property, plant and equipment	2,413.0	2,403.9
III. Investments held at equity	34.9	37.3
IV. Other financial assets	32.5	32.3
B. Current assets	**898.4**	**879.0**
I. Inventories	16.6	13.1
II. Trade accounts receivable	199.2	195.9
III. Other receivables and other assets (including deferred taxes)	83.2	84.9
IV. Checks, cash and bank balances	599.4	585.1
C. Prepaid expenses	**52.2**	**43.1**
	3,641.4	3,620.7

Liabilities and Shareholders' Equity

in € millions	30.6.2003	31.12.2002
A. Shareholders' equity	**1,853.8**	**1,803.4**
I. Subscribed capital	902.2	900.6
II. Capital reserves	533.2	532.0
III. Revenue reserves	368.2	370.8
IV. Group retained earnings 2002	–	0.0
V. Group profit 1.1. – 30.6.2003	50.2	–
B. Minority interests	**12.0**	**12.9**
C. Deferred investment grants on items in non-current assets	**23.2**	**24.2**
D. Provisions and accruals (including deferred tax liabilities)	**526.3**	**583.7**
E. Liabilities	**1,160.7**	**1,129.9**
I. Financial liabilities	959.0	909.7
II. Trade accounts payable	102.7	94.8
III. Other liabilities	99.0	125.4
F. Deferred income	**65.4**	**66.6**
	3,641.4	**3,620.7**

Condensed Consolidated Cash Flow Statement

in € millions	1st Half 2003	1st Half 2002
Group profit	**50.2**	**53.6**
Taxes on income	49.7	57.5
Minority interests' share of result	0.7	0.5
Depreciation/write-ups (of non-current assets)	107.6	144.2
Other adjustments	5.3	4.7
Changes in working capital	– 7.6	– 84.7
Interest paid (net)	– 15.8	– 18.3
Dividends received	10.1	0.5
Taxes on income paid (net)	2.5	– 32.6
Net cash flow from operating activities	**202.7**	**125.4**
Capital expenditures for intangible assets and property, plant and equipment	– 114.3	– 97.0
Other financial investments (net)	– 1.2	– 24.7
Payments for guarantee obligations relating to capital expenditures in connection with the Manila project	– 136.5	0.0
Acquisitions of consolidated subsidiaries and joint ventures (net of cash acquired)	0.0	– 62.6
Proceeds from disposals of non-current assets	8.7	19.5
Net cash flow used in investing activities	**– 243.3**	**– 164.8**
Change in financial liabilities	54.1	– 6.4
Net cash flow from financing activities	**54.1**	**– 6.4**
Foreign currency translation effect on cash and cash equivalents	0.8	2.8
Net change in cash and cash equivalents	**14.3**	**– 43.0**
Cash and cash equivalents at January 1	585.1	67.3
Cash and cash equivalents at June 30	**599.4**	**24.3**

Movements in Consolidated Shareholders' Equity

in € millions	Subscribed Capital	Capital reserves	Legal Reserve	Other revenue reserves	Group retained profits	Total
Balance at 1.1. 2002	**900.9**	**662.4**	**36.5**	**328.5**	**36.0**	**1,964.3**
Capital increase	1.1	1.5				2.6
Transfer of treasury shares	0.1	0.1				0.2
Distribution					– 36.0	– 36.0
Group profit 1.1. – 30.6.2002					53.6	53.6
Foreign currency translation differences				– 4.3		– 4.3
Fair values changes for derivatives				0.1		0.1
Changes in companies consolidated				2.5		2.5
Balance at 30.6.2002	**902.1**	**664.0**	**36.5**	**326.8**	**53.6**	**1,983.0**
Balance at 1.1. 2003	**900.6**	**532.0**	**36.5**	**334.3**	**0.0**	**1,803.4**
Capital increase	1.5	1.1				2.6
Transfer of treasury shares	0.1	0.1				0.2
Distribution						0.0
Group profit 1.1. – 30.6.2003					50.2	50.2
Foreign currency translation differences				– 3.0		– 3.0
Fair values changes for derivatives				0.4		0.4
Balance at 30.6.2003	**902.2**	**533.2**	**36.5**	**331.7**	**50.2**	**1,853.8**

Frankfurt am Main, August 11, 2003

Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

Dr. Bender Prof. Schölch Prof. Jakubeit Mai Dr. Schulte

Consolidated Income Statement Comparison Quarter over Quarter

in € millions	1st Quarter 2002	2nd Quarter 2002	3rd Quarter 2002	4th Quarter 2002	1st Quarter 2003	2nd Quarter 2003
Revenues	**401.7**	**453.5**	**489.0**	**459.4**	**429.4**	**448.3**
Change in work-in-process	– 0.1	0.6	0.2	– 1.5	0.0	0.1
Other internal costs capitalized	3.8	7.0	4.9	3.5	2.0	4.6
Other operating income	12.0	37.0	8.7	22.5	9.0	13.4
Total revenues	**417.4**	**498.1**	**502.8**	**483.9**	**440.4**	**466.4**
Cost of materials	– 55.1	– 73.3	– 63.6	– 83.3	– 65.1	– 58.9
Personnel expense	– 202.9	– 225.7	– 205.3	– 226.2	– 227.1	– 234.5
Depreciation and amortization of tangible and intangible non-current assets	– 52.1	– 52.7	– 53.9	– 55.4	– 53.1	– 54.3
Other operating expenses	– 57.3	– 61.0	– 49.0	– 84.3	– 46.5	– 58.8
Operating profit	**50.0**	**85.4**	**131.0**	**34.7**	**48.6**	**59.9**
Interest result	– 10.9	– 7.4	– 12.3	– 3.4	– 5.6	– 10.2
Results of investments held at equity	– 1.9	– 4.8	– 1.6	– 8.7	0.6	– 0.5
Income from investments	0.0	0.5	3.4	0.4	8.5	1.6
Write-downs of financial assets	– 0.8	0.2	– 0.4	– 2.8	0.0	– 0.1
Impairment write-down of Manila project			– 37.0	– 252.5		
of which:						
Write-downs of receivables (affecting EBITDA)				– 241.7		
Write-downs of investments held at equity (affecting EBITDA)			– 18.9			
Write-downs of financial assets			– 18.1	– 10.8		
Other financial result, net	2.7	1.0	0.1	0.0	0.3	0.2
Financial result, net	**– 10.9**	**– 10.5**	**– 47.8**	**– 267.0**	**3.8**	**– 9.0**
Result from ordinary operations	**39.1**	**74.9**	**83.2**	**– 232.3**	**52.4**	**50.9**
Taxes on income	– 19.6	– 37.9	– 51.5	29.6	– 25.2	– 24.5
Other taxes	– 1.3	– 1.1	– 1.0	– 1.6	– 1.4	– 1.3
Minority interests' share of results	– 0.1	– 0.4	– 1.0	0.2	0.0	– 0.7
Group profit (loss)	**18.1**	**35.5**	**29.7**	**– 204.1**	**25.8**	**24.4**

Financial Calendar

November 13, 2003	3rd Quarter 2003 Interim Report, Press Conference, Analysts Conference
March 30, 2004	Annual results for 2003, Press Conference, Analysts Conference
May 13, 2004	1st Quarter 2004 Interim Report
June 2, 2004	Annual General Meeting
August 13, 2004	2nd Quarter 2004 Interim Report
November 12, 2004	3rd Quarter 2004 Interim Report, Press Conference, Analysts Conference

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