Interim Report

as at June 30, 2004

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Highlights and Key Figures

Ladies and Gentlemen,
Dear Shareholders,

With a recovery in air traffic volume and successful cost reduction measures, we recorded a noticeable rise in earnings in the first half of 2004 compared to the same period for the previous year.

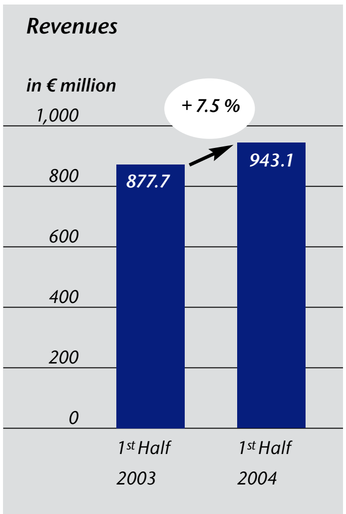
Highlights of our activities in the first half of 2004:

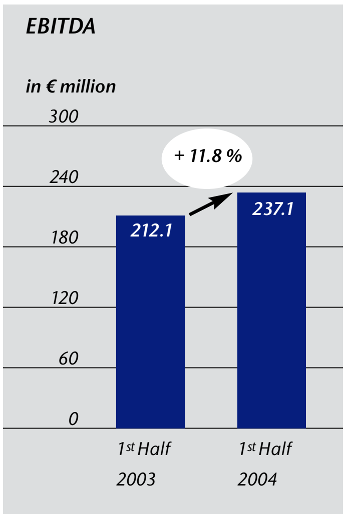
- Passenger traffic up by 8.2 percent at Frankfurt Airport and by 13.0 percent group-wide compared with the first half of 2003.
- Group revenues 7.5 percent higher than for the same period in 2003, above all due to improved traffic figures and increased revenues for security services.
- EBITDA of €237.1 million was 11.8 percent up on the first half of 2003 as a result of the growth in revenues and successful "WM 2005" cost reduction measures.
- Group profit improved sharply, by 17.5 percent, to €59.0 million.
- Cash flow from operating activities rose by 9.2 percent to €221.4 million.

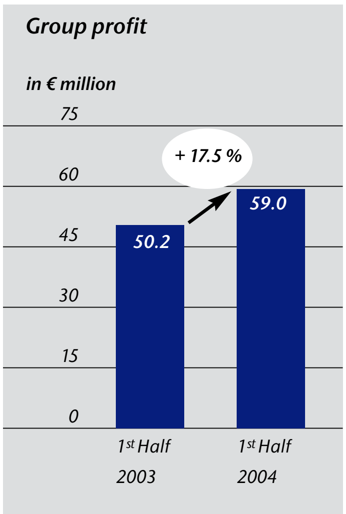
Key figures

	1st Half 2004 in € million	1st Half 2003 in € million	Change in %
Revenues	943.1	877.7	7.5
EBITDA [1]	237.1	212.1	11.8
EBITDA margin (in %)	25.1	24.2	–
EBIT	127.5	104.7	21.8
EBT	115.6	103.3	11.9
Group profit	59.0	50.2	17.5
Capital expenditures	112.7	117.0	– 3.7
Cash flow from operations	221.4	202.7	9.2
Shareholder's equity [2]	1,947.9	1,920.1	1.4
Total assets [2]	3,674.1	3,636.4	1.0
Average number of employees	23,544	23,164	1.6

[1] EBITDA definition see "accounting policies" section.
[2] As at June 30, 2004 and December 31, 2003.







Development of Air Traffic

Fraport Group traffic figures

1st Half

	Passengers [1]		Cargo (airfreight & airmail in t)		Movements	
	2004	Change over 2003 in %	2004	Change over 2003 in %	2004	Change over 2003 in %
Frankfurt Airport	**24,303,089**	**8.2**	**878,738**	**10.0**	**232,148**	**2.9**
Frankfurt-Hahn [2]	1,298,072	20.8	90,526	25.8	15,580	5.5
Hanover	2,330,519	5.7	7,693	4.8	40,972	– 4.2
Saarbrucken	196,229	3.0	25	– 89.3	6,750	– 8.7
Antalya [3]	4,379,720	53.2	n.a.	n.a.	27,003	40.7
Lima [4]	2,420,868	14.8	66,728	12.4	36,184	9.2
Group	**34,928,497**	**13.0**	**1,043,710**	**11.3**	**358,637**	**4.6**

[1] Only commercial traffic in & out & transit.
[2] Frankfurt-Hahn: freight includes trucking.
[3] International terminal.
[4] Internal data provided by Lima.
Source: ACI announcements

Air traffic volumes are continuing to grow and, in some instances, even double-digit increases could be recorded at Fraport Group's airports in the first half of 2004.

A total of 34.9 million **passengers** were recorded at Fraport Group airports between January and June 2004, 13.0 percent more than in the same six months of 2003. Growth was particularly strong at Group airports in Antalya, Frankfurt-Hahn and Lima.

Frankfurt Airport, the Group's major location, handled 24.3 million passengers in the first six months of 2004, a record for the first half of any year since the airport was built. Passenger traffic was up by 8.2 percent over the first half of 2003, when air traffic was severely affected by the Iraq war and SARS. Intercontinental traffic and movements between almost all the new eastern European EU member countries were particularly strong. Only domestic traffic was flat, as short-haul traffic was shifted from plane to train, underlining the success of our strategic intermodality concept, which seeks to optimise interfaces between carriers.

The recovery in tourist traffic to and from Turkey following the Iraq war continued in the first half of 2004, and the number of passengers handled by Antalya rose by 53.2 percent to 4.4 million.

Frankfurt-Hahn and Hanover airports profited from low-cost sector growth. Passenger traffic at Frankfurt-Hahn again listed a record of 1.3 million, 20.8 percent higher than for the first half of 2003.
At 2.3 million passengers, numbers at Hanover Airport were 5.7 percent higher than for the first half of 2003, and Lima Airport numbers rose by 14.8 percent to 2.4 million.

Cargo traffic at Fraport Group airports were up by 11.3 percent over the first half of the previous year to 1,043,700 metric tons. This increase was supported by double-digit growth at Frankfurt-Hahn and Lima, but the major contributor was an increase of 10.0 percent in airfreight and airmail volumes at Frankfurt Airport, to 878,700 metric tons. In addition to the effect of cargo bottlenecks caused by SARS in the first half of 2003, this growth was powered by sharply improved demand on intercontinental routes.

The number of **aircraft movements** processed by Fraport Group airports amounted to 358,600 take-offs and landings, up by 4.6 percent over the same period for 2003, with Frankfurt rising by 2.9 percent to 232,100. Airlines using Frankfurt also flew larger and heavier aircraft, so that the maximum take-off weight (MTOW) used for calculating landing fees rose by 5.6 percent to 13.1 million metric tons. Fraport actively supports the trend to using larger aircraft in order to optimize use of limited slot capacity. Aircraft seat-load factor rose by 3.6 percentage points to 69.7 percent in the first six months of 2004.

Business Development

The strong recovery in air traffic in the first six months of 2004 was reflected by the growth in revenues at Fraport, with **revenues** rising by 7.5 percent over the first half of 2003, to €943.1 million. This increase was mainly due to higher traffic fees at Frankfurt and more revenues from security services. On the other hand, fees from military flights fell by €3.0 million. With increased traffic volumes, Frankfurt-Hahn and Antalya airports also recorded higher revenues. **Total revenues** of €965.5 million were 7.7 percent up on the first half of 2003.

Operating expenses rose by 8.3 percent to €241.5 million, mainly due to specific maintenance measures taken at Frankfurt Airport, above all modernisation of Terminal 1 and renewing the north runway. As a result, cost of materials increased by 12.6 percent over the first six months of 2003, to €139.6 million. On the other hand, cost-reduction measures taken contributed to keeping other operating expenses at €101.9 million, an increase of only 3.0 percent.

Personnel expenses also increased more slowly than revenues, rising by 5.5 percent over the first half of 2003, to €486.9 million. Most of this increase related to the growth in business at ICTS Europe and collective bargaining wage increases effective January 1 and May 1, 2004 at Frankfurt Airport. Staff numbers at ICTS Europe rose by 8.9 percent to 9,072 with group-wide numbers increasing only slightly to 23,544.

The growth in revenues and rise in productivity led to an increase of 11.8 percent in **EBITDA** (amount before interest, taxes and depreciation and amortization) to €237.1 million. The EBITDA margin improved from 24.2 percent to 25.1 percent.

As the **depreciation and amortization** of property, plant and equipment and intangible assets, including impairment write-downs of €4.0 million, was only slightly higher than for the first six months of 2003, at €109.6 million, **EBIT** (operating profit) increased proportionately more than EBITDA, with a plus of 21.8 percent to €127.5 million.

The **financial result** deteriorated by €10.5 million to net expense of €11.9 million compared with the first half of 2003. Income from investments included in this amount was substantially higher in 2003, as it included dividends from Antalya of €8.5 million relating to 2002. Since 2003, such dividends are being recorded in the same year as that to which they relate. The financial result also includes foreign currency losses, net of foreign currency gains, €7.3 million lower than for the first six months of 2003. This was partly offset by improvements in interest result and results of investments held at equity of some €2 million each.

In addition to the factors causing the improvement in EBITDA, the low effective tax rate also had a positive effect on **group profit**, which rose by 17.5 percent over the first six months of the previous year, to €59.0 million. Earnings per share increased from €0.56 to €0.65.

Segment Reporting

Following reorganisation of our business units, we have divided our activities into new segments since the beginning of 2004 and they now consist of Aviation, Retail & Properties, Ground Handling and External Activities.

This change meets a number of objectives. By combining all our subsidiaries and joint ventures into one business unit and, accordingly, allocating it to the External Activities segment, we have centralised responsibility for our external business and hence improved their controllability. The segment only excludes those investments which are integrated into processes located at Frankfurt.

This segment also controls those minority-held investments which are not consolidated but included in the financial statements at equity or at acquisition cost. Their results are shown as income from investments or results of investments held at equity in the group's financial result.

Furthermore, by concentrating all our activities relating to retail and property management into a single segment, the increasing importance of this business is given appropriate weight. These activities make up the Retail & Properties segment.

Moreover, the change in segments, reflecting our organizational and controlling group structure, contributes to a more transparent reporting system. In addition, the allocation of most non-current assets to the segment to which they relate leads to a reduction in intra-segmental charges.

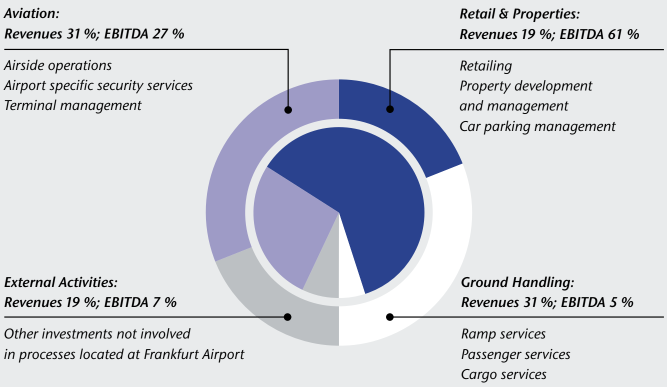
The comparative figures for 2003 have been adjusted to conform with the new structure.

Aviation and Ground Handling contributed the largest shares, at 31 percent each, to group revenues, followed by Retail & Properties and External Activities with 19 percent each. These percentages are substantially unchanged compared with the same period in 2003.

The Retail & Properties segment remains the most profitable segment, contributing 61 percent towards group EBITDA although, compared with the first half of 2003, this percentage declined to the benefit of the Aviation and Ground Handling segments, which profited from growth in air traffic and cost reduction measures.

Revenue Split and EBITDA by Segments

Revenues: €943.1 million
EBITDA: €237.1 Mio.



Revenues = outer circle
EBITDA = inner circle

Aviation

The **Aviation** segment is responsible for airside operations, terminal management, air-traffic related safety and other infrastructure-related services at Frankfurt Airport.

In the first six months of 2004, Aviation increased revenues by 11.6 percent to €294.4 million compared with the same period in 2003. This growth was due to increased air traffic fees and higher revenues from security services, particularly in connection with additional requirements set out in the EU Air Traffic Safety Ordinance.

The increase in air traffic as well as a rise of some 4 percent in airport fees effective January 1, 2004 had a positive influence on revenue growth. However, fees from military flights declined by €3.0 million compared with the first six months of 2003. In addition, the change in accounting policy for recognition of noise abatement fees, about which we reported in the first quarter of 2004, had a negative effect of €1.4 million.

Aviation

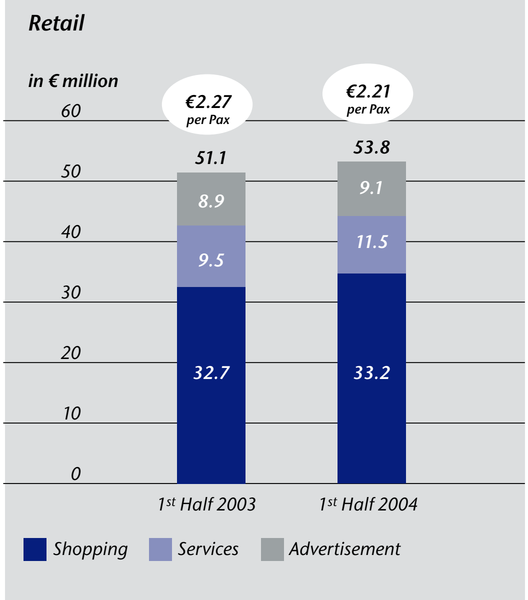
in € million	1st Half 2004	1st Half 2003	Change in %
Revenues	294.4	263.8	11.6
EBITDA	64.5	46.0	40.2
EBIT	38.0	18.2	108.8
Employees	3,278	3,406	– 3.8

Personnel expenses remained at previous year's levels. Operating costs increased, above all due to the use of third-party personnel for security services (from whom revenues in the same amount were earned) and due to the renewal of the north runway.

With improved capacity utilization, the segment improved its EBITDA by 40.2 percent to €64.5 million. EBIT doubled to €38.0 million.

Retail & Properties

in € million	1st Half 2004	1st Half 2003	Change in %
Revenues	181.5	182.9	– 0.8
EBITDA	144.3	156.2	– 7.6
EBIT	96.8	109.0	– 11.2
Employees	3,038	3,011	0.9



Our retailing, parking management, real estate and CargoCity South marketing activities are combined in the **Retail & Properties** segment.

Revenues remained at the same level as for the first six months of the previous year. Whereas real estate income remained stable, utility revenues dropped as a result of weather conditions. On the other hand, there was a slight rise in retail concessions, up by €2.7 million over the first half of 2003 at €53.8 million. Retail concessions decreased to €2.21 per passenger, compared with €2.27 in the first half of 2003. The weakness of the US dollar caused a drop in purchasing power for intercontinental passengers, whose primary buying currency is the US dollar.

As operating costs were significantly higher due to terminal modernization, segment EBITDA of €144.3 million was 7.6 percent below the amount for the first half of 2003. EBIT declined by 11.2 percent compared with the first half of 2003, to €96.8 million.

Ground Handling

in € million	1st Half 2004	1st Half 2003	Change in %
Revenues	294.2	278.0	5.8
EBITDA	13.0	3.0	333.3
EBIT	1.9	– 9.0	–
Employees	6,964	7,162	– 2.8

The **Ground Handling** segment includes ground handling services such as aircraft ramp services, passenger and freight services and related activities of affiliated companies located at Frankfurt Airport.

The Ground Handling segment increased revenues by 5.8 percent to €294.2 million. This was due to the increase in air traffic, infrastructure fee increases and revenues from special services, which considerably exceeded the effects of a 0.9 percentage point loss in market share, to some 89.1 percent.

These higher revenues were achieved with a lower number of staff than in 2003, which was a major factor contributing to maintaining operating costs at the same level as in the first half of the previous year. Further "WM 2005" measures also had an effect as a result of efficient cost management. Improved process management and more flexible personnel disposition helped to improve capacity utilization. As a result, the growth in revenues had a direct effect on results, with EBITDA increasing by €10.0 million to €13.0 million, and EBIT rising by €10.9 million to a profit of €1.9 million.

External Activities

External Activities			
in € million	*1st Half 2004*	*1st Half 2003*	*Change in %*
Revenues	*173.0*	*153.0*	*13.1*
EBITDA	*15.3*	*6.9*	*121.7*
EBIT	*– 9.2*	*– 13.5*	*–*
Employees	*10,264*	*9,585*	*7.1*

The newly-formed **External Activities** segment covers all investments not involved in processes located at Frankfurt Airport.

Segment revenues rose by 13.1 percent over the first six months of 2003, to €173.0 million. The largest part of this increase came from ICTS Europe, the security services specialist. Antalya and Frankfurt-Hahn also recorded increased revenues, thanks to the growth in passenger traffic.

Operating expenses grew at a slower rate than revenues, with operating costs at the same level as for the first half of 2003 and personnel expenses up by €19.6 million to €142.0 million. This increase was primarily due to expansion of business at ICTS Europe, whose revenue growth nonetheless exceeded the jump in costs.

EBITDA and EBIT thus improved significantly, by 121.7 percent to €15.3 million and from a loss of €13.5 million to a loss of €9.2 million respectively.

Segment results exclude income from investments and results of investments held at equity amounting to €3.7 million and €1.9 million respectively, which are included in financial results.

Results of the major investments before consolidation underline the positive trend.

ICTS Europe profited from additional controls of people and goods throughout Europe, and considerably extended its activities. It won new contracts in Spain, France and The Netherlands. Furthermore, ICTS Europe has been carrying out security services for United Airlines in line with regulations issued by the US security authorities at Paris, London, Zurich, Munich and Frankfurt airports since June 2004. Revenues improved by 18.5 percent over the first six months of 2003 to €140.1 million, and EBITDA was 21.4 percent higher at €10.2 million.

Revenues at **Antalya** rose by 36.4 percent to €39.5 million, EBITDA reached €28.6 million, 45.6 percent up on the first six months of 2003.

Frankfurt-Hahn recorded revenues of €13.8 million, thus exceeding the amount for the previous year by 36.6 percent. EBITDA-based losses halved to a loss of €2.8 million.

Hanover and **Lima**, which are included in the consolidated financial statements at equity, also increased revenues and profitability as a result of higher air traffic volumes. Revenues for Hanover were €54.5 million, up 2.1 percent on the first six months of 2003, and EBITDA rose by 13.1 percent to €17.1 million. Foreign currency movements caused revenues at Lima to fall by 2.0 percent to €29.4 million and EBITDA decreased by 3.3 percent to €5.9 million. Expressed in US dollars, revenues were up by 9.1 percent to US$36.1 million compared with the first six months of 2003 and, also expressed in US dollars, EBITDA of US$7.3 million would have been 7.4 percent higher than for the first half of 2003.

Capital Expenditures

Total capital expenditures in the first six months of 2004 amounted to €112.7 million and were thus €4.3 million lower than for the same period in 2003. At €92.3 million, most of the capital expenditures in the current period were made at Frankfurt Airport with the aim of being in a position to handle current and future growth in passengers. Major projects included modernization of the terminals and aviation surface, and renewing the north runway, the cost of which amounted to some €39 million. We also invested some €26 million in preparation for the airport extension.

In the medium and long-term, capital expenditures are linked to the measures needed in connection with the planned expansion to Frankfurt Airport. In real terms, expenditures of some €3.4 billion are planned for building a new runway and for passenger handling and other plant and equipment. Investments are also foreseen for modernizing terminals, including developing commercial space and fire protection measures, as well as modernizing the apron and runways.

Cash Flow Statement

Net cash flow from operating activities increased by €18.7 million to €221.4 million in the first six months of 2004 compared with the first half of 2003. Cash flow from operations increased by €63.9 million, particularly due to the change in working capital and higher group profit. On the other hand, cash outflows from income taxes paid amounted to €38.6 million.

Cash flow used for investing activities declined from €243.3 million in the first half of 2003 to €106.5 million in the first half of 2004. This drop was mainly due to cash outflows in 2003 including payments of €136.5 million relating to obligations in connection with the Manila project. Capital expenditures on additions to intangible assets and property, plant and equipment remained almost the same as for the same period in 2003, at €107.3 million.

Cash flow used for financing activities of €111.5 million relates mainly to the repayment of bank loans and payment of the dividend for 2003.

Cash and cash equivalents at June 30, 2004 increased by €13.7 million to €613.1 million compared with June 30, 2003.

Asset and Capital Structure

Total assets remained almost unchanged compared with December 31, 2003, with a small increase of €37.7 million to €3,674.1 million. Fraport's asset structure continues to be primarily of a long-term nature, with non-current assets making up an almost unchanged 71.7 percent of total assets.

Current assets increased by €39.7 million to €991.4 million. This was primarily due to higher trade accounts receivable, which rose by 19.7 percent compared with December 31, 2003.

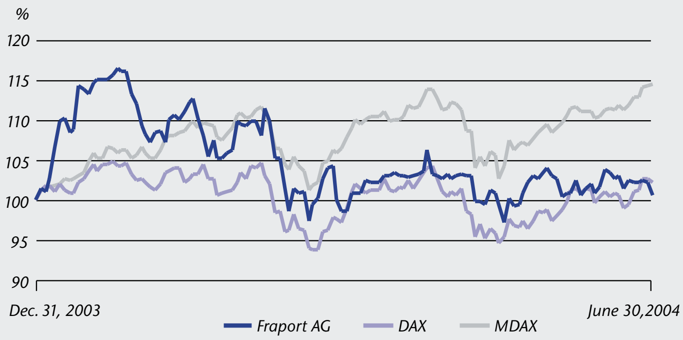
Financial liabilities decreased further, by €78.4 million to €759.6 million, due to repayment of bank debt. **Net financial debt** decreased by 35.5 percent to €146.5 million and **gearing** thus declined to 7.5 percent.

The **equity ratio** increased to 53.0 percent and at June 30, 2004 shareholders' equity made up 74.6 percent of non-current assets, net of deferred investment grants.

The Fraport Share

German indices moved unevenly during the first half of 2004. Increased corporate earnings and a slightly more optimistic view of the German economy were positive factors, with the terrorist attacks in Madrid, fear of interest rate rises and higher oil prices having a negative effect. The MDAX is less subject to global influences and hence rose by 14.4 percent, whereas the DAX only increased by 2.2 percent.

The Fraport share compared to the DAX and MDAX



The Fraport share rose slightly, by 0.6 percent, over the first six months of 2004 The highest share price was on January 26, at €26,50, and the lowest price was €22,20 on May 18, 2004. Fraport made a dividend distribution of 44 cents per share on June 3. The return on Fraport shares over the first six months of 2004, including dividends received, was thus 0.3 percentage points better than the DAX and 11.8 percentage points lower than the MDAX.

The market capitalization at June 30, 2004 was €2.08 billion. 106,282 shares were traded per trading day on average during the first half of 2004. This is a sharp rise over the same period in 2003, during which 57,854 shares were traded each trading day.

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 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. 218,650 options were granted in the first six months of 2004. The total number of share options granted since the share option plan was drawn up amounted to 873,050 at June 30, 2004.

Treasury Shares

At June 30, 2004 Fraport AG held 123,668 treasury shares, a reduction of 6,502 shares compared with the end of 2003. These shares were transferred to the members of the Executive Board of Fraport AG as part of their remuneration.

Employee Investment Plan

Fraport staff were again able to acquire shares in 2004 as part of the performance- and profit-linked remuneration program (LEA). The shares for the employee investment program are repurchased by Fraport AG after a capital increase for cash, partly using authorized capital, and are transferred to the staff. A total of 146,450 new shares were subscribed in the first half of 2004, with an imputed share of €10.00 each in the share capital. They were issued in May 2004 for €22.22 each, calculated based on the average Xetra closing price in the period from April 1 to 16, 2004, less a deduction of €1.00. As a result, Fraport AG's share capital increased by €1.5 million to €903.8 million in the first six months of 2004.

Changes in Risk Reporting

We already reported in the financial statements for the year ended December 31, 2002 on the risk of a possible restriction of revenues from revenue-related airport concession fees arising from activities carried out by companies at Frankfurt Airport in accordance with the ordinance on ground services at airports (BADV). As a result of a ruling by the European Court of Justice on October 16, 2003, an airport may not demand fees as set out in BADV from a supplier of ground services and other services in addition to charges for using specific airport equipment. However, a decision by the higher state court of Frankfurt am Main on March 16, 2004 gave no indication that the receipt of a concession fee in return for granting access to the market could be seen to be illegal. We assume that we will continue to levy fees from suppliers of ground services and other services in future, as the European Court of Justice's judgment also permits levying a cost-linked concession fee. However, if the fees are lower than currently charged, or if levying fees is no longer possible, this could lead to considerable reductions in revenues.

Following enactment of the amendment to the Air Traffic Noise Law it may be necessary to extend the current noise protection program. In this connection there is a risk that Fraport AG will have to become involved in the costs of implementing appropriate measures.

The exhibit to "Ordinance no. 2320/2002 of the European Parliament and Council dated December 16, 2002 on Laying Down Common Civil Aviation Safety Regulations" foresees either the separation of outgoing passengers who have already passed through security checks from incoming passengers, or alternative measures to ensure that arriving passengers, including their luggage, can also be checked at their destination airport if they were not checked in accordance with EU security standards at the airport from which they departed. Baggage in transit is also affected by this regulation. A review is currently being carried out to determine the effects on Frankfurt Airport of implementing this requirement by adapting processes and the airport's infrastructure.

We already reported in the financial statements for the year ended December 31, 2003 that DB Station & Service AG has made claims to Fraport AG for preparatory work on overbuilding the long-distance train station at Frankfurt Airport. In this connection, DB Station & Service AG filed suit for recovery of part of the claim in June 2004. We still consider the claims unjustifiable.

Outlook

In view of existing capacity bottlenecks and long-term growth forecasts for air traffic, Fraport AG is planning to expand Frankfurt Airport by adding a new northwest landing runway and constructing a third passenger terminal and associated infrastructure facilities.

Approval Procedure for the Expansion of Frankfurt Airport

The airport expansion zoning application submitted by Fraport AG has been reviewed for completeness by the regional government authorities. Changes requested are currently being incorporated into the planning documentation. Once completed, the documentation will be sent to the authorities for making available to the public for review. In May 2004, the zoning approval authority, the Hesse Ministry of Economics, Transportation and State Development (HMWVL), published a timetable for the zoning approval proceedings, indicating that zoning approval is expected in 2007.

Approval Procedure for A380 Maintenance Facility

A second zoning procedure initiated by Fraport AG relates to obtaining approval for the maintenance facility under the German Air Traffic Act and to get planning permission for the construction of a hangar and associated aircraft maintenance warehouse facilities, in particular for the new Airbus A380 wide-body jet. The approval authority, HMWVL, is currently preparing the zoning decision, which is expected to be issued during the second half of the year. We expect that this will allow us to make the required maintenance capacity available on time for 2007, when Lufthansa will start operating the A380.

WM 2005 – Creating Value for the Future

The group-wide efficiency improvement program entitled "WM 2005 – Creating Value for the Future" is directed towards strengthening the group's competitive position, increasing customer satisfaction and cementing job security.

We had already achieved a contribution to earnings of some accumulated €42 million using "WM 2005" measures by the end of 2003 and added further about €15 million to earnings by applying appropriate measures in the first six months of 2004, resulting in an accumulated contribution of €57 million to date. We are confident of reaching our goal of contributing an accumulated and sustained €65 million to earnings by the end of 2004.

Business Outlook for 2004

In view of the positive developments in the first half of 2004, we expect to see an increase of at least 5 percent in group revenues for 2004 and a rise in EBITDA of between 5 and 10 percent. Group profit for the year should increase over-proportionately. These expectations are based on the assumption that there will be no major negative effects from pandemics, terrorist attacks or wars.

Additional Accounting Disclosures

Accounting Policies

In accordance with IAS 34, the interim report as at June 30, 2004, for the Fraport Group presented here 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 substantially the same accounting policies in compiling the interim report and the comparative prior year figures as in preparing the 2003 consolidated financial statements. Exceptions relate to calculating EBITDA and recording foreign currency fluctuations. EBITDA is calculated as the net of total revenues, personnel expenses and non-staff costs. Foreign currency gains and losses are no longer included as part of other operating income or other operating expenses, but are now included in other financial results on the face of the income statement. These changes were made in connection with restructuring our segments and making an ongoing contribution to improving the disclosure of operating results. The previous year's figures have been adjusted accordingly.

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

in € million	*1st Half 2004*	*1st Half 2003*
Total revenues	*965.5*	*896.6*
./. Staff costs	*486.9*	*461.6*
./. Non-staff costs	*241.5*	*222.9*
= EBITDA new	***237.1***	***212.1***
+ Income from investments	*3.7*	*10.1*
+ Results at equity	*1.9*	*0.1*
+ Net currency effects	*– 3.5*	*3.8*
= EBITDA old	*239.2*	*226.1*

„Other financial results“ are now as follows:

in € million	*1st Half 2004*	*1st Half 2003*
Income from securities and loans	*0.7*	*0.5*
Foreign currency gains	*0.7*	*10.2*
Foreign currency losses	*– 4.2*	*– 6.4*
	– 2.8	***4.3***

Entities Included in Consolidation

The companies included in consolidation have increased since December 31, 2003 by the addition of ICTS Norway A/S Ullensaker, Norway. This company, which provides security services, was formed as a subsidiary of ICTS and was consolidated for the first time at June 30, 2004. Another ICTS subsidiary, Sweden Security Networks AB Stockholm, Sweden, was deconsolidated from the ICTS sub-group as at June 30, 2004 following its liquidation. The effects of these changes are not significant to the group's assets and liabilities, financial position and results of operations.

Contingent Liabilities and Other Financial Commitments

There have been no significant changes to other financial commitments compared with December 31, 2003. The total amount of commitments for the expansion remains unchanged at €116.5 million.

Other Disclosures

Long-term statistics show that passenger traffic is stronger in the second half of the year than in the first six months.

Transactions with related parties were subject to normal conditions.

Consolidated Financial Statements as at June 30, 2004

Fraport AG Frankfurt Airport Services Worldwide

Consolidated Income Statement

in € million	2nd Quarter 2004	2nd Quarter 2003	1st Half 2004	1st Half 2003
Revenues	**496.9**	**448.3**	**943.1**	**877.7**
Change in work-in-process	0.0	0.1	0.0	0.1
Other internal work capitalized	5.4	4.6	9.2	6.6
Other operating income	7.0	6.8	13.2	12.2
Total revenues	**509.3**	**459.8**	**965.5**	**896.6**
Cost of materials	– 68.4	– 58.9	– 139.6	– 124.0
Personnel expense	– 246.7	– 234.5	– 486.9	– 461.6
Other operating expenses	– 56.5	– 54.1	– 101.9	– 98.9
EBITDA	**137.7**	**112.3**	**237.1**	**212.1**
Depreciation and amortization of tangible and intangible non-current assets	– 57.1	– 54.3	– 109.6	– 107.4
EBIT/Operating profit	**80.6**	**58.0**	**127.5**	**104.7**
Interest result	– 5.7	– 10.2	–13.5	– 15.8
Results of investments held at equity	1.5	– 0.5	1.9	0.1
Income from investments	1.8	1.6	3.7	10.1
Write-downs of financial assets	– 1.0	– 0.1	– 1.2	– 0.1
Other financial results	1.0	2.1	– 2.8	4.3
Financial result	**– 2.4**	**– 7.1**	**– 11.9**	**– 1.4**
EBT/Result from ordinary operations	**78.2**	**50.9**	**115.6**	**103.3**
Taxes on income	– 36.0	– 24.5	– 52.9	– 49.7
Other taxes	– 1.6	– 1.3	– 3.1	– 2.7
Minority interests’ share of results	– 0.5	– 0.7	– 0.6	– 0.7
Group profit	**40.1**	**24.4**	**59.0**	**50.2**
Earnings per €10 share in €(basic)	**0.44**	**0.27**	**0.65**	**0.56**
Earnings per €10 share in €(diluted)	**0.44**	**0.27**	**0.64**	**0.55**

Consolidated Balance Sheet

Assets

in € million	Balance at June 30, 2004	Balance at Dec. 31, 2003
A. Non-current assets	**2,635.4**	**2,644.6**
I. Intangible assets	184.7	198.3
II. Property, plant and equipment	2,378.6	2,376.8
III. Investments held at equity	47.5	45.9
IV. Other financial assets	24.6	23.6
B. Current assets	**991.4**	**951.7**
I. Inventories	16.4	17.1
II. Trade accounts receivable	217.1	181.3
III. Other receivables and other assets (including deferred taxes)	144.8	142.5
IV. Checks, cash and bank balances	613.1	610.8
C. Prepaid expenses	**47.3**	**40.1**
	3,674.1	**3,636.4**

Liabilities and equity

in € million	Balance at June 30, 2004	Balance at Dec. 31, 2003
A. Shareholders' equity	**1,947.9**	**1,920.1**
I. Subscribed capital	903.8	902.2
II. Capital reserves	535.0	533.2
III. Revenue reserves	450.1	445.0
IV. Group retained earnings 2003	–	39.7
V. Group profit Jan. 1 – June 30, 2004	59.0	–
B. Minority interests	**10.9**	**11.6**
C. Deferred investment grants on items in non-current assets	**22.7**	**22.8**
D. Provisions and accruals (including deferred tax liabilities)	**654.5**	**601.8**
E. Liabilities	**967.8**	**1,017.3**
I. Financial liabilities	759.6	838.0
II. Trade accounts payable	80.9	79.0
III. Other liabilities	127.3	100.3
F. Deferred income	**70.3**	**62.8**
	3,674.1	**3,636.4**

Condensed Consolidated Cash Flow Statement

in € million	1st Half 2004	1st Half 2003
Group profit	**59.0**	**50.2**
Taxes on income	52.9	49.7
Minority interests' share of results	0.6	0.7
Depreciation/write-ups (non-current assets)	110.8	107.6
Other adjustments	19.0	5.3
Changes in working capital	27.5	– 7.6
Operational activities	269.8	205.9
Interest paid (net)	– 13.5	– 15.8
Dividends received	3.7	10.1
Taxes on income paid	– 38.6	2.5
Net cash flow from operating activities	**221.4**	**202.7**
Capital expenditures for intangible assets, property, plant and equipment	– 107.3	– 114.3
Other financial investments (net)	– 3.2	– 1.2
Capital expenditures due to guarantee obligations in connection with the Manila project	–	– 136.5
Proceeds from disposals of non-current assets	4.0	8.7
Net cash flow used in investing activities	**– 106.5**	**– 243.3**
Distributions (excluding withholding tax and solidarity surcharge)	– 31.3	0.0
Capital increase	3.2	2.6
Change in financial liabilities	– 83.4	51.5
Net cash flow used in/from financing activities	**– 111.5**	**54.1**
Foreign currency translation effect on cash and cash equivalents	– 1.1	0.8
Net change in cash and cash equivalents	**2.3**	**14.3**
Cash and cash equivalents at January 1	610.8	585.1
Cash and cash equivalents at June 30	**613.1**	**599.4**

Movements in Consolidated Shareholders' Equity

in € million	Subscribed capital	Capital reserves	Legal reserves	Other revenue reserves	Group retained profits	Total
Balance at January 1, 2003	**900.6**	**532.0**	**36.5**	**334.3**	**0.0**	**1,803.4**
Capital increase	1.5	1.1	–	–	–	2.6
Treasury shares transferred	0.1	0.1	–	–	–	0.2
Group profit Jan. 1 – June 30, 2003	–	–	–	–	50.2	50.2
Foreign currency translation differences	–	–	–	– 3.0	–	– 3.0
Fair values of derivatives	–	–	–	0.4	–	0.4
Balance at June 30, 2003	**902.2**	**533.2**	**36.5**	**331.7**	**50.2**	**1,853.8**
Balance at Jan. 1, 2004	**902.2**	**533.2**	**36.5**	**408.5**	**39.7**	**1,920.1**
Capital increase	1.5	1.7	–	–	–	3.2
Treasury shares transferred	0.1	0.1	–	–	–	0.2
Distribution	–	–	–	–	– 39.7	– 39.7
Share options	–	–	–	0.3	–	0.3
Group profit Jan. 1 – June 30, 2004	–	–	–	–	59.0	59.0
Foreign currency translation differences	–	–	–	4.1	–	4.1
Fair values of derivatives	–	–	–	0.5	–	0.5
Effects of other changes in companies consolidated/other changes	–	–	–	0.2	–	0.2
Balance at June 30, 2004	**903.8**	**535.0**	**36.5**	**413.6**	**59.0**	**1,947.9**

Frankfurt am Main, August 9, 2004

Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

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

Consolidated Income Statement: Comparison Quarter by Quarter

in € million	1st Quarter 2003	2nd Quarter 2003	3rd Quarter 2003	4th Quarter 2003	1st Quarter2004	2nd Quarter 2004
Revenues	**429.4**	**448.3**	**491.1**	**465.5**	**446.2**	**496.9**
Change in work-in-process	0.0	0.1	– 0.1	– 0.1	0.0	0.0
Other inernal work capitalized	2.0	4.6	6.1	5.3	3.8	5.4
Other operating income	5.4	6.8	14.6	8.7	6.2	7.0
Total revenues	**436.8**	**459.8**	**511.7**	**479.4**	**456.2**	**509.3**
Cost of materials	– 65.1	– 58.9	– 77.1	– 83.3	– 71.2	– 68.4
Personnel expense	– 227.1	– 234.5	– 226.4	– 245.9	– 240.2	– 246.7
Other operating expenses	– 44.8	– 54.1	– 50.2	– 58.5	– 45.4	– 56.5
EBITDA	**99.8**	**112.3**	**158.0**	**91.7**	**99.4**	**137.7**
Depreciation and amortization of tangible and intangible non-current assets	– 53.1	– 54.3	– 54.9	– 95.8	– 52.5	– 57.1
EBIT/Operating profit	**46.7**	**58.0**	**103.1**	**– 4.1**	**46.9**	**80.6**
Interest result	– 5.6	– 10.2	– 6.6	– 9.0	– 7.8	– 5.7
Results from investments held at equity	0.6	– 0.5	0.4	0.1	0.4	1.5
Income from investements	8.5	1.6	9.5	11.3	1.9	1.8
Write downs of financial assets	0.0	– 0.1	0.1	0.0	– 0.2	– 1.0
Other financial results	2.2	2.1	0.7	6.3	– 3.8	1.0
Financial result	**5.7**	**– 7.1**	**4.1**	**8.7**	**– 9.5**	**– 2.4**
EBT/Result from ordinary operations	**52.4**	**50.9**	**107.2**	**4.6**	**37.4**	**78.2**
Taxes on income	– 25.2	– 24.5	– 49.1	5.5	– 16.9	– 36.0
Other taxes	– 1.4	– 1.3	– 1.1	– 1.8	– 1.5	– 1.6
Minority interests' share of results	0.0	– 0.7	– 1.1	0.8	– 0.1	– 0.5
Group profit	**25.8**	**24.4**	**55.9**	**9.1**	**18.9**	**40.1**

Due to the new EBITDA definition and disclosure of foreign currency effects figures were adjusted for 2003 and cannot be found in previous publications.

Financial Calendar

November 10, 2004	3rd Quarter 2004 Interim Report
March 22, 2005	2004 Annual Report
May 10, 2005	1st Quarter 2005 Interim Report
June 1, 2005	Annual General Meeting
August 9, 2005	2nd Quarter 2005 Interim Report
November 9, 2005	3rd Quarter 2005 Interim Report

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