Interim Report

as at September 30, 2007

Fraport

Contents

Highlights and key figures

Key business data for the first nine months of 2007:

- 5.8 percent increase in passenger figures Group-wide
- 2.1 percent more passengers at Frankfurt Airport than in the comparable period last year
- With €1,754.6 million, Group revenue rose 8.3 percent over the previous year. Adjusted by a directly recognized special effect, revenue grew 4.8 percent year-on-year
- EBITDA rose by 0.7 percent to €490.3 million, despite positive special effects in the comparable period of the previous year
- With €218.6 million, Group profit exceeded the previous year's figure by 9.2 percent due to a one-off tax effect
- Earnings per share climbed by 6.4 percent to €2.33

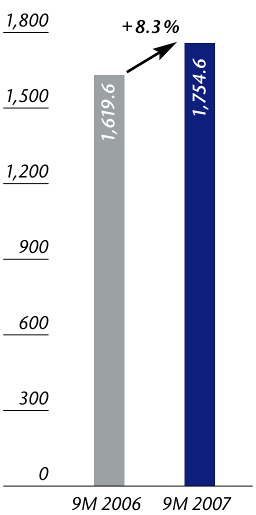
A shareholder of the international airport in Peru's capital of Lima since 2001, Fraport AG was able to increase its stake in the airport operating company from 42.75 to 100 percent on August 1, 2007, following a two-year negotiation and approval phase. Fraport plans selling a portion of the airport shares to at least one other investor, whereby Fraport will retain at least 60 percent.

With an arbitral award on August 16, 2007, the International Centre for Settlement of Investment Disputes by majority declined jurisdiction in Fraport AG's compensation claim over the Manila terminal project. Based on the dissenting vote of one of the tribunal judges, Fraport is considering to apply for annulment of the award. Furthermore, other legal proceedings are still pending by which the project company – in which Fraport holds a 30-percent share – seeks compensation.

On September 14, 2007, the new concession contract awarded to Fraport's Turkish subsidiary in Antalya became effective. Initially, the consortium of Fraport AG and IC Holding of Turkey will operate Antalya Airport's (AYT) domestic terminal as well as the first international terminal. In September 2009, the consortium will also take over operations of AYT's second international passenger terminal. The concession for operating all three terminals runs until the year 2024.

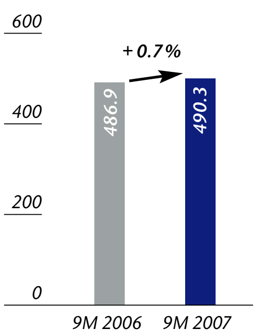
Revenue

€ million



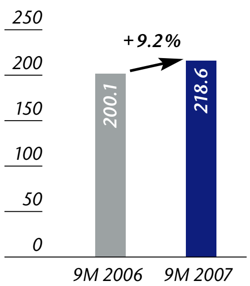
EBITDA

€ million



Group profit

€ million



Key figures

€ million	9M 2006	9M 2007	% change
Revenue [1]	1,619.6	1,754.6	8.3
EBITDA [2, 3]	486.9	490.3	0.7
EBITDA margin	30.1 %	27.9 %	–
EBIT	321.0	326.2	1.6
EBT	330.4	309.1	– 6.4
Group profit	200.1	218.6	9.2
Earnings per share in € (basic)	2.19	2.33	6.4
Shareholders' equity [4]	2,346.1	2,488.8	6.1
Total assets [4]	4,294.5	5,644.1	31.4
Operating cash flow	440.5	342.7	– 22.2
Free cash flow	167.1	– 167.9	–
Capital expenditures [5]	353.1	1,370.7	>100
Average numbers of employees	28,042	30,517	8.8

[1] Includes the special effect from the Airrail Center finance lease of €57.6 million in the first quarter 2007 without EBITDA or net profit effect
[2] Includes special effects in 2006. These are mainly: a release of provisions in the amount of €10.0 million for the Lufthansa ground-handling contract (2Q/2006), proceeds from the sale of 50-percent owned TCR subsidiary in the amount of €9.5 million (2Q/2006), compensation payments of €6.1 million for the terminal project in Manila (3Q/2006)
[3] Includes special effects in 2007. These are mainly: release of provisions of approximately €10.0 million for our expired Antalya concession (3Q/2007)
[4] As at the respective balance sheet dates of December 31, 2006, or September 30, 2007
[5] Increase in 2007 includes mainly: the capitalization of the discounted purchase price of Ticona in the amount of €511.9 million (2Q/2007) as well as the capitalization of the discounted concession amount of €448.6 million for the terminal operation at Antalya (3Q/2007)

€ million	Q3 2006	Q3 2007	% change
Revenue	582.3	630.2	8.2
EBITDA [1, 2]	198.5	217.3	9.5
EBITDA margin	34.1 %	34.5 %	–
EBIT	145.2	157.4	8.4
EBT	163.2	144.4	– 11.5
Group profit	103.1	115.8	12.3
Earnings per share in € (basic)	1.13	1.21	7.1

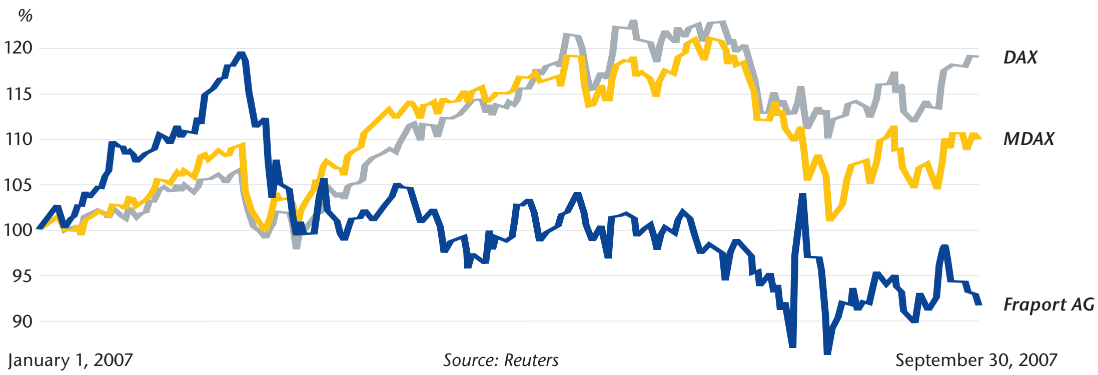
[1] Includes special effect from the compensation payments of €6.1 million for the terminal project in Manila in 2006
[2] Includes special effect from the release of provisions in the amount of approximately €10.0 million in 2007

The Fraport Share

The Fraport share closed the nine months ending September 30, 2007, at €48.49. When the dividend of €1.15 per share paid on May 31 is included, share price performance declined 8.1 percent in the first nine months. During the same period, the comparative DAX and MDAX indices rose by 19.2 percent and 9.9 percent respectively. Thus the Fraport share did not participate in the positive market development. In the third quarter, the Fraport share dropped slightly faster than the MDAX and DAX (Fraport share: – 8.3 percent; MDAX: – 6.3 percent; DAX: – 1.8 percent).

Again, the Fraport share this year was listed on the two leading DJSI STOXX and FTSE4Good sustainability indexes. With this renewed listings, our share has for the first time been included in the DJSI World index. These indexes only list companies that show exemplary corporate sustainability performance in terms of economy, ecology as well as social and cultural commitment.

Development of the Fraport share compared with the DAX and MDAX



Shareholder structure

The shareholder structure has changed slightly due to the exercise of option rights and to The Capital Group Companies, Inc. falling below the 5-percent threshold in September 2007. Capital Research and Management Company, Los Angeles, U.S.A., notified us on September 20, 2007, that it fell short of the 5-percent threshold on September 18, and that henceforth its voting capital in Fraport amounted to 4.87 percent. Some 3.17 percent of its 4.87-percent share was to be attributed to Europacific Growth Fund, Los Angeles, U.S.A. On September 25, we were notified that Europacific Growth Fund has fallen below the 3-percent threshold, henceforth holding only 2.99 percent in Fraport AG. In consideration of falling below this threshold, The Capital Group Companies, Inc., now holds 4.70 percent[1].

Shareholder structureas at September 30, 2007*

** The relative ownership interest of the individual shareholders was adjusted to the current total number of shares existing as at September 30, 2007, and therefore may differ from the figures given at the time of reporting an excess/shortfall of the threshold or from the respective shareholders' own disclosures.*

Dividend policy

A dividend of €1.15 per share was paid out for fiscal year 2006. This represents a 27.8 percent increase on the dividend paid out for fiscal year 2005.

Barring significant negative factors, we plan to continue distributing company profits to Fraport shareholders in the coming years on a similar scale as the dividend payout made for fiscal year 2006.

[1] Based on rounded figures

Business development

Development of air traffic

Airports Council International (ACI) reported 5.1 percent growth in passenger figures worldwide and 3.6 percent in airfreight tonnage for the first eight months of 2007 over the comparable period of the previous year. ACI's figures reported for European airports show a 5.6 percent rise in passengers and a 4.5 percent increase in cargo volume.

Development of the Group airports

From January to September 2007, some 58.0 million **passengers** used the six (majority-owned) airports of the **Fraport Group**, 5.8 percent more than in the same period last year. Fraport's foreign investments accounted for the lion's share of the Group's traffic increase. The total number of passengers using the Fraport Group's airports (both majority-owned and minority-owned) rose by 8.9 percent to 88.8 million in the reporting period.

Frankfurt Airport registered 41.0 million passengers in the reporting period, an increase of 2.1 percent on the previous year. Growth was driven exclusively by international traffic, more than offsetting the strong base-year effects from the 2006 Soccer World Cup. Lufthansa's "Better Fly" rates continued to contribute decisively to the 2.6 percent growth in continental passenger traffic. Intercontinental traffic grew at an even faster rate of 3.5 percent in the same period. All overseas markets showed distinct growth, with the exception of South America, which still saw flight service reductions in the first half of 2007. However, traffic to and from this region is growing again.

Traffic demand on FRA's Middle East and Far East routes picked up noticeably (by just under 13 and 5 percent respectively). In the first nine months of the year, the booming India and China markets showed over-proportionate accumulated growth of 11 percent and 13 percent respectively. Traffic on routes to and from Israel, Lebanon, Iran, Qatar and the United Arab Emirates also increased at rates of 10 percent and higher. Furthermore, traffic to and from the U.S.A. continued to climb noticeably by 4.3 percent.

From January to September passenger figures at **Frankfurt-Hahn Airport** rose 13.0 percent to more than 3.1 million. This was primarily due to Ryanair expanding its services by increasing frequencies and adding new destinations. Including the flight services offered by Wizzair, Iceland Express, and Belavia, our low-cost airport provided passengers a choice of 40 to 45 destinations, depending on the season.

Traffic at **Antalya Airport** (AYT) benefited from a general rise in tourist travel to Turkey, with tourists coming increasingly from East European countries, especially Russia. Passenger figures jumped 17.1 percent, helped by a redistribution of passenger flows in favor of Fraport's terminal effective April 2006. Since September 14, 2007, AYT's domestic terminal has also been operated by Fraport and included in the Group's traffic statistics. Since that date, Fraport has held a voting interest of 51 percent and an equity share of 34 percent in the two terminal facilities which it operates in a joint venture with IC Ictas. By the end of September, Antalya recorded more than 5.0 million passengers. The jointly operated domestic terminal contributed traffic of 94,181 passengers in the first two operating weeks in September.

Fully consolidated since August 1, 2007, **Lima Airport** continued the strong growth seen in the first six months. Passenger figures jumped 24.8 percent to more than 5.5 million. The dominant growth factor was a 29.8 percent rise in domestic traffic (roughly 2.5 million passengers). Up 20.9 percent, international traffic (3.0 million passengers) also showed robust growth. Within that figure, transfer traffic rose over-proportionately (+43.5 percent) faster than non-transfer traffic (+18.4 percent). The robust growth rate at Lima reflects the airport's current development into a significant hub in South American air transportation.

Bulgaria's **Varna** and **Burgas** airports acquired in 2006 are currently still developing in opposite directions. Because of faster growing hotel capacity around Burgas and increasing private car tourism to Varna from areas close to the border, Varna Airport suffered a slight 2.3 percent air traffic decline. However, this decline was more than offset by a 8.2 percent rise at Burgas Airport. In total, traffic at our Twin Star subsidiary was up by 3.5 percent to approximately 3.3 million passengers in the first nine months of 2007.

In keeping with the general slowdown of the forces driving growth in global airfreight traffic, **cargo tonnage** climbed by a moderate 2.4 percent to over 1.8 million metric tons Group-wide. At Frankfurt Airport, especially intercontinental freighter flights were up by nearly 5.0 percent. Cargo tonnage on routes to and from the volume-intensive markets of the U.S.A. (+7.9 percent), India (+6.3 percent), China (+5.1 percent) and Korea (+4.9 percent) rose over-proportionately. So did cargo in East European traffic (+20.7 percent), some of which was transfer cargo destined for the Far East.
Another growth driver was Lima Airport, which recorded a 14.1 percent tonnage rise, due exclusively to increases in its international markets.
At Frankfurt-Hahn Airport, the launch of new freighter flights by Etihad and Emirates Skycargo could not fully offset the loss of the previous year's special cargo flights, i.e., humanitarian aid flights on behalf of the German Armed Forces. As a result, cargo traffic dropped 6.8 percent year-on-year in the period from January to September 2007.

The number of **aircraft movements** at the six airports of the Fraport Group rose 3.8 percent over the same period last year to 528,078 takeoffs and landings. At Frankfurt airport, the familiar runway capacity constraints resulted in only modest 0.6 percent growth in aircraft movements. At all of the Fraport Group's airports together (both majority-owned and minority-owned) aircraft movements climbed by 6.9 percent to 856,448 takeoffs and landings.

Maximum takeoff weights (MTOWs) at Frankfurt Airport reached 21.2 million metric tons, thus exceeding the previous year's level by 0.7 percent.

Other **key traffic indicators** at Frankfurt Airport developed as follows: At 25.1 percent, the share of widebody aircraft was largely at the previous year's level. The seat load factor reached 75.8 percent, rising markedly by 2.2 percentage points. Flight punctuality, an important competitive quality indicator, was up 2.1 percentage points to 75.1 percent. Frankfurt Airport's Summer Timetable 2007 featured 129 airlines providing scheduled passenger services to 307 destinations in 109 countries around the world, including 138 intercontinental destinations.

Traffic figures for Fraport Group

Majority owned airports

9M 2007	Share of the airport in %	Passengers [1] 2007	% change over 2006	Cargo (airfreight + airmail in t) 2007	% change over 2006	Movements 2007	% change over 2006
Frankfurt	100.00	41,027,725	2.1	1,588,502	1.8	370,992	0.6
Lima [2]	100.00	5,542,890	24.8	152,792	14.1	68,196	19.7
Antalya [3]	51.00/34.00	5,012,949	17.1	–	–	29,235	11.0
Frankfurt-Hahn	65.00	3,134,441	13.0	76,416	– 6.8	31,577	4.9
Burgas	60.00	1,905,185	8.2	1,543	374.8	15,029	11.6
Varna	60.00	1,391,803	– 2.3	–	–	13,049	0.3
Group		**58,014,993**	**5.8**	**1,819,253**	**2.4**	**528,078**	**3.8**

[1] Commercial traffic only in+out+transit

[2] Internal data provided by Lima

[3] Up to and including September 13, 2007, only Terminal 1 (100 % of the shares) as of September 14, 2007, new concession, including the Domestic Terminal, with 51% voting interest and 34 % equity capital share (base value 2006 adjusted)

Minority owned airports and management contracts

9M 2007	Share of the airport in %	Passengers [1] 2007	% change over 2006	Movements 2007	% change over 2006
Delhi	10.00	17,108,881	22.3	166,178	19.6
Cairo	0.00	9,218,695	13.1	87,801	11.9
Hanover	30.00	4,333,615	– 1.8	67,541	0.0
Saarbrücken [2]	0.00	135,391	– 26.4	6,850	– 7.9
Total		**30,796,582**	**15.2**	**328,370**	**12.3**

[1] Commercial traffic only in+out+transit

[2] Investment sold on June 30, 2007, traffic figures as at this date

Revenue and earnings

The Fraport Group's revenue climbed 8.3 percent to €1,754.6 million in the first nine months compared to the same period in 2006. This surge resulted mainly from €57.6 million in revenues achieved under the finance lease with Airrail Center Frankfurt, which were set off by costs in the same amount. Adjusted for this special effect, year-on-year growth in Group revenue was 4.8 percent. Higher revenue at Frankfurt Airport resulted mainly from additional retailing and parking income. Furthermore, winning back Lufthansa as an energy customer also had a positive effect. Despite lower landing fees effective July 1, 2007, revenue at Frankfurt Airport could be kept steady because of slightly growing traffic. In particular, Fraport's Twin Star subsidiary (+ €38.4 million), ICTS subsidiary (+ €19.5 million), Lima Airport (+ €16.5 million), Antalya (+ €6.2 million), as well as Fraport's operation in India (+ €5.6 million) contributed to revenue growth in the External Activities segment.

Other income dropped compared to the previous year. This year's special effects -primarily the release of provisions in the amount of approximately €10.0 million for our expired concession in Antalya – were lower than the previous year's special effects. These include: release of provisions in the amount of €10.0 million, €9.5 million in proceeds from the sale of our 50-percent subsidiary TCR, and €6.1 million in compensation payments for the Manila terminal project. Adjusted for the Airrail Center finance lease effects, **total revenue** grew by 4.3 percent or €73.5 million over the previous year to €1,764.5 million.

Operating expenses climbed 10.6 percent to €1,331.8 million. The one-time effect of the Airrail Center finance lease was recognized in this item in the same amount as in revenue. Adjusted for this effect, operating expenses were up by 5.8 percent.

Personnel expenses rose by 2.8 percent to €828.2 million. The increase was mainly due to continued business expansion of Fraport's ICTS subsidiary and to Fraport Twin Star's first-time full consolidation for an entire year.

Non-staff costs were comprised of cost of materials and other operating expenses. Cost of materials[1] increased by 12.6 percent compared to the previous year, from €254.1 million to €286.0 million. Reasons included new concessions to be paid in connection with our investments in Bulgaria and Lima, as well as higher energy costs. Other operating expenses climbed by €15.8 million to €160.0 million. This resulted mainly from strongly rising costs of capital expenditures as well as from expenditures in connection with Fraport's operation in India.
At 48.8 percent, the staff cost ratio[1] was 1.0 percentage points lower than in the previous year. The non-staff cost ratio[1] moved 1.7 percentage points above the previous year's level to 26.3 percent.

EBITDA rose by 0.7 percent to €490.3 million in the first nine months of 2007 compared to the same period last year. The EBITDA margin[1] dropped by 1.2 percentage points to 28.9 percent compared to the same period last year.

Depreciation and amortization saw a slight year-on-year drop of 1.1 percent to €164.1 million. Thus, **EBIT** rose 1.6 percent over the previous year's level to €326.2 million.

The **financial result** slumped noticeably from €9.4 million in the previous year to minus €17.1 million in the reporting period. This was mainly due to the decline in other financial income, which resulted primarily from the compensation payment of €16.5 million received for the Manila terminal project in the previous year. Furthermore, interest expenses grew in 2007 because of high financial expenditures at Fraport's Antalya and Lima airports as well as an increase in interest expenses for long-term liabilities due to concessions payable at Antalya, and because of the conclusion of the basic agreement with Celanese AG/Ticona GmbH.

The **tax rate** dropped from 39.4 to 29.3 percent. This was mainly due to applying the corporate tax reform – adopted by the Bundesrat (upper house of the German parliament) in July 2007 and promulgated in August 2007 – to the calculation of deferred tax liabilities in the amount of €25.4 million. The reform provided for a decrease in the previously applicable tax rate for deferred taxes from 40 to 31 percent.

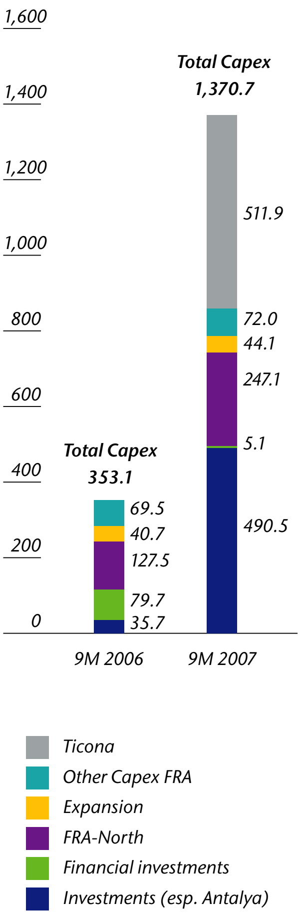
Group profit exceeded the previous year's level, jumping 9.3 percent to €218.6 million. Basic earnings per share improved from €2.19 to €2.33.

[1] Adjusted for the special effect from the Airrail Center finance lease

Asset and financial situation

Capital expenditures

€ million



Capital Expenditures

In the first nine months of fiscal 2007 ending September 30, the Fraport Group invested a total of €1,370.7 million compared to €353.1 million in the same period of the previous year. Some €511.9 million of this significant increase resulted from non-cash investments under the basic agreement with Celanese AG/Ticona GmbH. In addition, the company stepped up investments in the FRA North project. With €201.6 million, the major portion of these investments was spent on the modernization and gradual expansion of existing passenger terminal facilities. This also included terminal fire-safety improvements as well as structural alterations to the terminals in preparation for the A380. In addition, investments were made in the reconstruction of runway South. Compared to the previous year, other capital spending increased because of the ongoing implementation of EU security regulations and the modernization of aviation ground services equipment. Some €44.1 million were invested in the planned expansion of Frankfurt Airport – not including investments under the basic agreement concluded with Celanese AG/Ticona GmbH. The amount was used inter alia for the deconstruction of the former U.S. airbase in the south of Frankfurt Airport and other demolition measures.

Capital spending on financial assets dropped by €74.6 million to €5.1 million due to lower money investments.

The strong increase in investments by Fraport subsidiaries and affiliated companies is mainly due to prepaid expenses in the amount of €448.6 million for the concession to operate the terminals at Antalya Airport.[1]

Cash flow

Cash flow from operating activities amounted to €342.7 million in the first three quarters of the current fiscal year versus €440.5 million in the same period last year.
At €437.6 million, cash inflow from operations fell €117.3 million short of the previous year's level.

Net cash used in investing activities in the amount of €509.7 million was well below the previous year's figure of €562.2 million, despite significantly higher capital expenditures in the reporting period. This was mainly due to the asset management shifts made in the first three quarters of 2006. In contrast, investments in intangible assets and property, plant and equipment increased by €235.9 million. Investments in intangible assets primarily include the down payment for the new concession to operate the passenger terminals at Antalya Airport. Capital expenditures for property, plant and equipment were mainly incurred for the modernization and expansion of Frankfurt Airport's existing terminals and for the planned Airport Expansion Program. Proceeds from the disposal of non-current assets exceeded the previous year's figure by €41.9 million due to rental income from the Airrail Center finance lease prepaid in the first quarter.

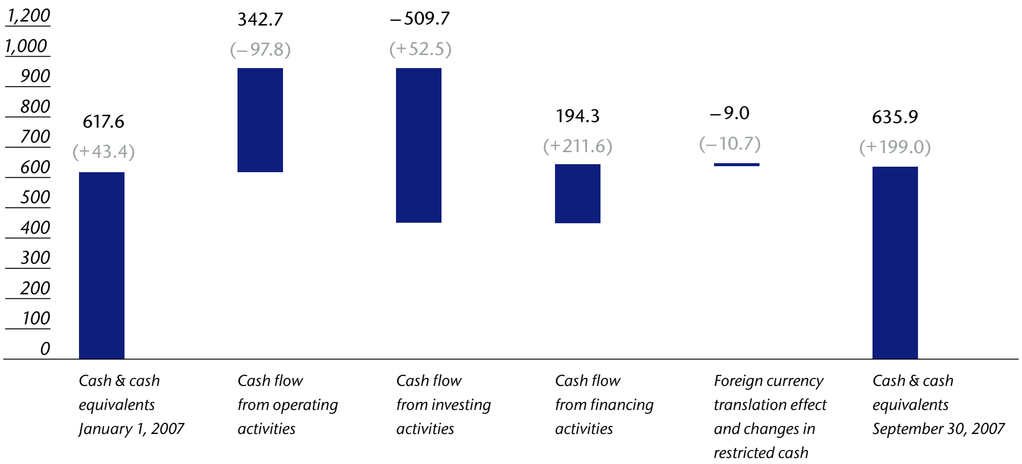
Due to the large amounts invested in property, plant and equipment, **free cash flow** dropped to minus €167.9 million from plus €167.1 million in the comparable period last year.

Cash inflow from financing activities in the amount of €194.3 million resulted mainly from new borrowings from banks.

[1] *Under the new concession contract Fraport holds a voting interest of 51 percent and an equity capital share of 34 percent in the terminals it operates at Antalya Airport*

Cash and cash equivalents rose from €436.9 million as at September 30, 2006, to €635.9 million as at September 30, 2007, due to cash yielded by assets management shifts.

Change in cash and cash equivalents
(Change to 9M 2006)
€ million



Asset and capital structure

Total assets rose by 31.4 percent to €5,644.1 million compared to December 31, 2006.

Non-current assets increased by €1,111.3 million to €4,490.5 million. This significant increase resulted mainly from the capitalization of €511.9 million in non-current assets in connection with the basic agreement signed with Celanese AG/Ticona GmbH. The strong rise in other intangible assets is largely attributable to capital expenditures of €448.6 million for the concession to operate the terminals at Antalya Airport as well as the first-time full consolidation of Lima Airport in the amount of €120.6 million.

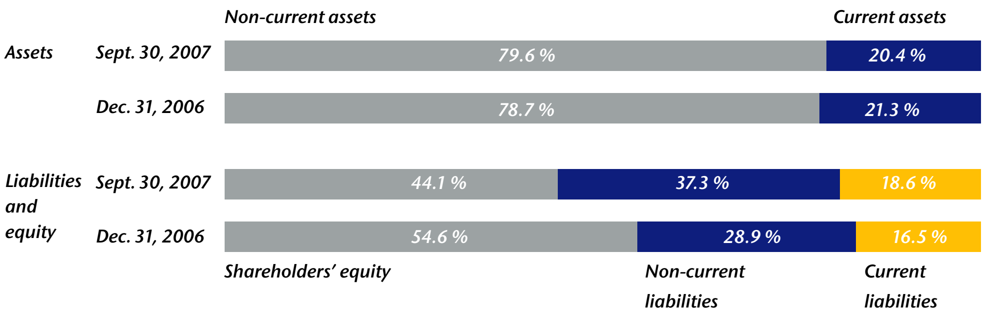
Investment property strongly declined compared to the balance sheet date. This is essentially due to the disposal of assets in connection with the Airrail Center finance lease. Because of Lima Airport's full consolidation effective August 1, 2007, valuation of the airport using the equity method became inapplicable. Furthermore, some long-term financial investments were redeployed to short-term financial investments. Mainly as a result of this, **current assets** were up 26.0 percent to €1,153.6 million.

Shareholders' equity rose by €142.7 million to €2,488.8 million in the reporting period. As a result of the balance sheet expansion, the **equity-to-assets ratio** [2] for the period ending September 30, 2007, fell from 51.7 percent to 43.6 percent compared to the balance sheet date 2006.

Non-current and current liabilities increased by €1,206.9 million to €3,155.3 million. This increase resulted mainly from recognizing as a liability the discounted fair value – in connection with the basic agreement with Celanese AG/Ticona GmbH and the new concession agreement at Antalya. Long-term financial debt increased due to Lima Airport being fully consolidated for the first time. Net financial debt amounted to €504.3 million as of September 30, 2007, versus €375.3 million in the comparable period of the previous year. Gearing rose by 4.0 percentage points over the previous year's level to 20.5 percent.

[2] *Equity less minority interests*

Balance sheet structure



Segment reporting

In view of the worldwide political development, security tasks at Frankfurt Airport are becoming increasingly important. This requires the development of security concepts and a focus on aviation and passenger security. For this reason, Fraport AG's security segment has been restructured to become a separate strategic business division dubbed Airport Security Management (ASM). The business of ICTS's FIS GmbH subsidiary at Frankfurt and Frankfurt-Hahn airports was separated out to form Fraport Security GmbH (FraSec), an immediate Fraport subsidiary directly allocated to this newly created business division. As a result of the reorganization, the security business at Frankfurt and Frankfurt-Hahn airports, previously allocated to the External Activities segment, is now part of the Aviation segment. For comparison purposes, the previous year's figures have been adjusted.

Aviation

€ million	Q3 2006	Q3 2007	% change
Revenue	193.5	190.4	– 1.6
EBITDA	64.8	57.6	– 11.1
EBIT	45.6	37.3	– 18.2
Employees	6,339	6,341	0.0

	9M 2006	9M 2007	% change
Revenue	536.6	529.8	– 1.3
EBITDA	146.6	126.8	– 13.5
EBIT	89.3	72.1	– 19.3
Employees	6,201	6,321	1.9

In the first nine months of fiscal year 2007 revenue in the Aviation segment declined slightly from the comparable period last year. This decline was mainly due to a drop in revenue from security services. Despite the new charging structure, revenue was steady because of slight traffic increases. Other income dropped because of one-off effects in connection with the release of provisions in the previous year.

Operating expenses increased compared to the previous year. Personnel expenses fell slightly, whereas non-staff costs climbed strongly despite lower winter services costs. The rise was mainly due to increased investments.

Lower revenue from security services and the increased cost share of investment projects were the decisive factors depressing the segment's EBITDA by €19.8 million below the previous year's level to €126.8 million. Depreciation declined due to expiry of the expected useful life of assets. As a result, EBIT dropped at a smaller rate than EBITDA, falling from €89.3 million to €72.1 million.

Retail & Properties

€ million	Q3 2006	Q3 2007	% change
Revenue	97.8	99.4	1.6
EBITDA	82.8	87.1	5.2
EBIT	64.8	64.1	– 1.1
Employees	2,865	2,948	2.9

	9M 2006	9M 2007	% change
Revenue [1]	288.3	355.8	23.4
EBITDA	240.9	261.0	8.3
EBIT	177.8	194.7	9.5
Employees	2,867	2,913	1.6

[1] Includes the special effect from the Airrail Center finance lease in the amount of €57.6 million in the first quarter 2007 without EBITDA or net profit effect

With €355.8 million, segment revenue exceeded the previous year's level by 23.4 percent. This jump resulted mainly from the Airrail Center finance lease which was set off by costs in the same amount. Adjusted by this special effect, the segment recorded a 3.4 percent rise in revenue to €298.2 million.

Revenues from the retail segment increased due to new openings and new contracts as well as targeted sales promotion campaigns. In the reporting period, retail revenue per passenger rose to €2.61 from €2.48 in the comparable period last year. Furthermore, winning back Lufthansa as an energy customer also helped revenue. Revenue from parking also developed positively due to growing passenger figures. Lower rental income due to the demolition of buildings was the major factor negatively affecting revenues.

Other income also contributed strongly to total revenue growth. The decisive contributors included repayment of a loan acquired under par in connection with the Airrail Center and the release of provisions for refund claims which became statute- barred.

The Airrail Center finance lease was reflected as a non-recurring item in operating expenses in the same amount as in revenue. A slight increase in the cost of materials is due to higher energy costs resulting from Lufthansa being a Fraport energy customer again.

Because of the positive development, particularly of the retail business and the aforementioned special effects, the segment's EBITDA rose to €261.0 million. Compared to the previous year this represents an increase of 8.3 percent. Because of a slight increase in depreciation and amortization, EBIT rose by 9.5 percent to €194.7 million.

Ground Handling

€ million	Q3 2006	Q3 2007	% change
Revenue	164.9	163.7	– 0.7
EBITDA	20.5	23.0	12.2
EBIT	15.0	16.3	8.7
Employees	7,968	8,112	1.8

	9M 2006	9M 2007	% change
Revenue	470.3	465.4	– 1.0
EBITDA [1]	55.9	42.7	– 23.6
EBIT	39.4	24.7	– 37.3
Employees	7,809	8,065	3.3

[1] Includes the release of provision of €10.0 million for the Lufthansa ground-handling contract in the second quarter 2006

With €465.4 million, revenues in the Ground Handling segment fell slightly short of the previous year's level. This segment was affected by two opposed effects. On the one hand, increased traffic led to revenue growth. On the other hand, unusually strong demand for de-icing services in the first quarter last year and the mild winter this year resulted in revenue declines in the reporting period. In addition, the loss of a key customer in the cargo sector further depressed this year's revenue.

Other income declined mainly because of the release of provisions for the ground-handling contract with Lufthansa in the previous year. Operating expenses remained almost unchanged.

EBITDA dropped from €55.9 million to €42.7 million mainly because of the aforementioned effects. EBIT declined proportionately to €24.7 million.

External Activities

€ millions	*Q3 2006*	*Q3 2007*	*% change*
Revenue	*126.1*	*176.7*	*40.1*
EBITDA [1, 2]	*30.4*	*49.6*	*63.2*
EBIT	*19.8*	*39.7*	*> 100*
Employees	*11,587*	*14,670*	*26.6*

	9M 2006	*9M 2007*	*% change*
Revenue	*324.4*	*403.6*	*24.4*
EBITDA [2, 3]	*43.5*	*59.8*	*37.5*
EBIT	*14.5*	*34.7*	*> 100*
Employees	*11,165*	*13,218*	*18.4*

[1] *Includes special effect from the compensation payments of €6.1 million for the terminal project in Manila in 2006*

[2] *Includes special effect from the release of approx. €10.0 million in provisions for the expired Antalya concession in the third quarter of 2007*

[3] *Includes special effect of €9.5 million resulting from the sale of TCR in the second quarter of 2006 as well as compensation payments of €6.1 million for the terminal project in Manila (3Q/2006)*

Revenue in the External Activities segment rose by 24.4 percent in the first nine months of fiscal 2007 to €403.6 million. This significant jump mainly resulted from our Bulgarian Fraport Twin Star subsidiary's first-time full consolidation for an entire year, from the full consolidation of Lima Airport, as well as increased sales of ICTS Europe. Revenue from our Antalya (AYT) investment increased due to higher passenger numbers and an improvement in traffic distribution at AYT.

Other revenues increased compared to the previous year – despite the loss of revenue from our TCR subsidiary, which was sold last year. Proceeds from our consultancy services in India and Cairo were responsible for this increase. Other income decreased compared to the previous year. This year's special effects – primarily the release of provisions for the expired Anaya concession – were lower than last year's special effects: sale of TCR and a compensation payment for the Manila terminal project.

The increase in staff costs over the previous year resulted mainly from ICTS' business expansion and Twin Star's consolidation. Non-staff costs rose noticeably compared to the first nine months of 2006. Reasons again included: the first-time full consolidation for an entire year of our investment in Bulgaria, the full consolidation of Lima Airport, as well as expenditures in connection with our operation in India.

Despite the negative effects of the previous year's special effects, EBITDA rose strongly by €16.3 million to €59.8 million. With €34.7 million EBIT climbed by €20.2 million.
The segment's results do not include the income from shareholdings and the share of profit or loss of investments accounted for using the equity method shown in the financial results.

The following table shows the business figures of our key shareholdings outside Frankfurt before consolidation:

	Revenue				EBITDA				EBIT			
€ million	Q3 2007	9M 2006	9M 2007	Δ %	Q3 2007	9M 2006	9M 2007	Δ %	Q3 2007	9M 2006	9M 2007	Δ %
ICTS [1]	87.0	219.8	238.4	8.5	3.6	6.9	8.2	18.8	3.0	5.1	6.4	25.5
Antalya [2]	30.7	40.9	51.1	24.9	15.0	25.2	24.8	– 1.6	9.3	14.7	10.9	– 25.9
Frankfurt-Hahn	10.8	32.9	30.1	– 8.5	1.2	– 0.4	– 1.0	–	– 1.6	– 8.1	– 8.7	– 7.4
Twin Star	27.0	–	38.4	–	14.5	–	14.6	–	14.3	–	13.9	–
Hanover	41.7	105.3	106.4	1.1	15.8	25.7	28.7	11.7	9.1	12.3	12.5	1.6
Lima	24.5	60.4	66.4	9.9	7.4	13.5	18.1	34.1	5.6	8.7	13.0	49.4

[1] Figures for 2006 adjusted by the respective shares of FraSec; figures for 2007 without the income from the sale of FraSec

[2] Up to and including September 13, 2007, only Terminal 1 (100 % of the shares); as of September 14, 2007, new concession, including the Domestic Terminal, with 51% voting interest and 34 % equity capital share (base value 2006 adjusted)

Personnel

In the period under review, the number of people employed by the Fraport Group rose by 8.8 percent to 30,517 employees on average compared with the previous year.
An average of 17,806 thereof worked in Frankfurt, 2.1 percent more than in the previous year.

	9M 2006	9M 2007	% change	2006	Change 9M over 2006 in %
Fraport Group	28,042	30,517	8.8	28,246	8.0
thereof in Frankfurt	17,443	17,806	2.1	17,528	1.6
Investments	16,058	18,732	16.7	16,293	15.0
thereof ICTS	9,874	10,282	4.1	9,852	4.4

Miscellaneous

Order situation

Relevant industry studies anticipate further growth of global air traffic in the coming years. Basically, this also applies to the airports of the Fraport Group; however, at Frankfurt Airport growth will be curbed by capacity constraints. Overall, we expect passenger traffic at Frankfurt to grow only moderately in 2008. In contrast, passenger figures Group-wide are expected to rise noticeably, partly due to additional domestic traffic at Antalya Airport, which has been included in the Fraport Group statistics since mid-September. However, AYT is included in the Group results only on a proportionate basis of 34 percent. According to the airlines' current planning, the basic trends seen in FRA's 2007 summer schedule will continue in the 2007/2008 winter season. Intercontinental traffic will continue to drive FRA's growth both in the passenger and cargo sector. Frankfurt-Hahn Airport will feature additional attractive flight offerings starting the end of October, with the new Spanish destinations of Madrid, Tenerife, and Fuerteventura.

Stock option plan

Fraport AG's stock option plan (MOSP 2005) became effective upon resolution of the Annual General Meeting held on June 1, 2005. This stock option plan fully complies with the recommendations of the German Corporate Governance Code.
In total, the number of stock options issued on September 30, 2007, amounted to 1,507,700. The current number of issued but not yet exercised options under the 2001 stock option plan amounts to 8,350. A total of 634,650 stock options were issued under the Fraport MSOP 2005, none of which could be exercised yet and 32,000 of which have expired.

Treasury shares

Fraport AG held 104,679 treasury shares on September 30, 2007. This represents a decrease of 5,049 shares compared to fiscal 2006. The shares were issued as part of the compensation of the executive board.

Contingent liabilities and other financial commitments

In connection with the concession to operate the passenger terminals at Antalya Airport (see also consolidation changes), Fraport AG provided a performance bond in the amount of €35.6 million in favor of the newly established joint-venture Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS, Antalya.
Further financing agreements made by Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS resulted in payment obligations of €63.6 million for the Fraport Group.

Under the concession agreements made in connection with the operation of Bulgaria's Varna and Burgas airports (running until 2041) as well as Peru's Lima Airport (running until 2031), Fraport will have minimum concession payment obligations of nominally €450 million as well as minimum investment obligations in the amount of €38 million in the future. Furthermore, the agreements stipulate sales-based concession fees as well as further airport infrastructure investment obligations for a not yet finalized amount.

Regarding the concession to operate the passenger terminals at Antalya Airport, Fraport no longer has any significant concession payment or investment obligations that are not recorded on the balance sheet.

With the acquisition of all remaining shares in Lima Airport Partners (LAP), the existing performance bond was raised to US$20.9 million (€14.7 million).

Other changes in contingent liabilities and in other financial commitments versus December 31, 2006, were immaterial.

Changes in reporting risks and opportunities

In the Fraport Group's management report as at December 31, 2006, we reported on the letter of intent signed with Celanese AG/Ticona GmbH providing for the closure of Ticona's production plant in Kelsterbach, near Frankfurt Airport. In mid-June 2007, Fraport signed a corresponding basic agreement with Celanese AG/Ticona GmbH, thus eliminating a major risk for the timely opening of the northwest landing runway.

Because of the basic agreement signed with Celanese AG/Ticona GmbH, capital expenditure hitherto incurred in connection with the northwest runway option climbed by €511.9 million to €890.0 million as at June 30, 2007. As at September 30, 2007, investments made in connection with the northwest runway have risen to €903.3 million. Non-realization of this preferred runway option could significantly impair the value of the investments already made.

Negotiations on airport charges for 2008, held as part of the consultation process with the airlines, have been concluded. The application for a new charging structure has been filed with the regulatory authority. The application provides for stable prices in 2008.

As reported in the Group management report as at December 2006, Fraport started arbitration proceedings in 2003 against the Republic of the Philippines at the International Centre for Settlement of Investment Disputes (ICSID) on the basis of the German-Philippine Investment Guarantee Treaty. With these proceedings, Fraport was seeking an award of damages or compensation to be rendered against the Philippine Republic. In a majority decision on August 16, 2007, ICSID declared that it does not have jurisdiction for this case. As a reason for its decision, the tribunal stated that Fraport's investment in the Manila project was not protected by the German-Philippine Investment Guarantee Treaty, because Fraport had violated the so-called anti-dummy law when making the investment. Under this Philippine law, foreigners are prohibited from exercising any management influence in so-called public utility companies. Fraport adheres to its position that it did not violate Philippine law. In a dissenting opinion, one of the three tribunal judges said he opposed the majority vote because violation of the anti-dummy law could not be proven and the other two judges interpreted the Investment Guaranty Treaty too narrowly.

Furthermore, the arbitration court stated that there was "no successful party" regarding the question whether there was good cause for bringing the action before the court of arbitration, and thus each party must pay its own costs of the proceedings.

Together with its legal advisors, Fraport is currently considering to apply for annulment of this decision. The ICSID Convention provides for the remedy of annulment in certain strictly limited cases. If successful, Fraport could file a renewed claim for compensation before the ICSID arbitration court, however with different judges.

In its Group management report as at December 31, 2006, Fraport reported that the investigations which were initiated by the Philippine National Bureau of Investigation against Fraport AG and various individuals of the Fraport organization on the suspicion of a violation of the anti-dummy law were discontinued at the end of 2006. However, these decisions had not been final and conclusive at the time of reporting. Following an appeal, the decision to stay the proceedings was reversed on March 15, 2007. This reversal was subject to another appeal on which no decision has yet been made. In case criminal proceedings follow and the outcome of these proceedings is negative, Fraport assets in the Philippines may be seized and, moreover, the persons involved could be fined or punished with imprisonment. There is a risk that the ICSID decision of August 16, 2007, will influence these proceedings. In our opinion, Fraport's investments in the Philippines were made in compliance with the law.

At Varna and Burgas airports, operated by Fraport Twin Star Airport Management AD, Varna, Bulgaria, there is an environmental pollution risk arising from kerosene tanks which fall short of industry standards. Measures required to meet these standards have already been initiated.

In Fraport's Group management report as at December 31, 2006, its was pointed out that there was a risk for the company operating the International Terminal 1 at Antalya in which Fraport holds an interest. This risk was arising from the uneven distribution of traffic between Terminal 1 and Terminal 2 and could have affected the company's revenue. With the start of the new operating concession in September 2007, this risk became void, because traffic distribution has been contractually stipulated and Fraport is part of the consortium that will also operate AYT's second international terminal effective September 2009.

Further to the risk of losing contracts for security services under Article 5 of the German Aviation Security Act, as reported in Fraport's Group management report as at December 31, 2006, the government of the state of Hesse announced plans to take over passenger and baggage controls at Frankfurt Airport. Plans call for transferring the respective security business from Fraport's Frasec subsidiary and Fraport AG to a yet to be established state-owned company by the end of 2008. Thus the risk of significant negative economic effects from a loss of contracts has been eliminated, depending on the exact form taken by the state-owned company. Against this background, talks are being held with the state of Hesse. Depending on the outcome of these talks, the transfer of essential portions of FraSec to the state- owned company may affect FraSec's value. In addition, when the state-owned company takes over employees, Fraport may incur financial obligations in connection with this staff transfer.

There were no other significant changes in the risks and opportunities presented in the Annual Report 2006 (page 73 ff.). Currently no risks are discernable that could jeopardize the the Fraport Group's going concern.

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Outlook

Traffic forecast

Fraport expects passenger growth of approximately 2 percent at Frankfurt Airport for the full year of 2007. Intercontinental traffic, which is vital for Frankfurt's development as an international air transportation hub, will continue to grow disproportionately strong. Despite the known capacity constraints, Frankfurt Airport continues to grow because larger aircraft are being used and aircraft capacity utilization has improved noticeably. Thus, Frankfurt Airport is sharing in the continuously favorable business environment of the global air traffic market.

According to our estimates, the number of passengers handled throughout the entire Fraport Group will be significantly higher than in the previous year. Airfreight development lost momentum in the last few months both worldwide and in Europe and even temporarily declined at some European hubs. Group-wide, we expect cargo tonnage to grow moderately.

Group segments in 2007

The Fraport Group's **Aviation** business segment will see revenue increase due to growing air traffic, while at the same time lose revenue due to the revision of airport charges effective July 1, 2007. Because of the realization of additional security services, revenue from security business will presumably not decline at the previously forecast rate. The increase in personnel expenses will not be offset by a drop in non-staff costs. Overall, the segment result (EBIT) will be clearly below the previous year's figure, which had been adjusted to conform with the corporate reorganization.

In the **Retail & Properties** segment, expansion of the retail business – particularly by creating more retail space – should continue to have a favorable effect. Rental revenue adjusted by the Airrail Center finance lease is expected to decline due to the demolition of buildings. However, this decline will be more than offset by winning back Lufthansa as an energy customer. Personnel expenses are expected to increase because more staff will be needed for IT centralization measures, the control of capital expenditure programs, as well as integrated investments. In contrast, non-staff costs are expected to be below last year's level, after adjustment for the one-time recognition of the Airrail Center finance lease. Overall, we expect the segment result to increase.

In the **Ground Handling** segment, we expect a positive effect on revenue development due to traffic growth and an increase in market share. However, this effect will not be strong enough to offset the weather-related low demand for de-icing services and the loss of customers in the cargo sector. In conjunction with a reduction in other operating income in the reporting period, due to the release of provisions in fiscal 2006, we expect total revenue to fall below the previous year's level. Total costs will presumably exceed the previous year's level due to human resources policy measures. Because of the aforementioned effects, we expect segment results overall to be lower than in the previous year.

In the **External Activities** business segment, we expect a significant increase in revenue. Reasons include: the TwinStar subsidiary completing its first year of full consolidation; full consolidation of Lima Airport; as well as the positive development of ICTS Europe. Revenue from our Antalya investment will develop below the previous year's level because of proportionate consolidation as of September 2007.

Other income will increase despite the positive one-time effects in the previous year – sale of TCR, Manila compensation payments. Reasons for this development include the release of provisions for the expired concession contract at Antalya.

Personnel expenses in this segment are expected to develop at a slower rate than revenue. The segment's non-staff costs should increase noticeably, especially due to new concessions payments to be made in connection with our investments in Bulgaria and Lima, Peru. In addition, ICTS is also expected to see a business-related increase in non-staff costs.

Despite the previous year's positive one-time effects we expect a noticeable increase in the segment's results over the previous year's level, which had been adjusted to conform with the corporate reorganization.

Key Group figures for 2007

Because of the effects mentioned above, **revenue** is anticipated to increase Group-wide in the reporting year 2007, also when adjusted by the Airrail Center finance lease. **Other income** should drop noticeably, because this item reflects the comprehensive special effects in 2006.

Personnel expenses should rise. ICTS Europe, Frankfurt-Hahn Airport, and the Airport Personal Services ground-handling subsidiary post increases in staff costs due to a planned business expansion. Furthermore, additional costs will be incurred due to the new Twin Star subsidiary completing its first year of full consolidation as well as Lima Airport being fully consolidated.

Non-staff costs will rise noticeably, even if adjusted by the effects from the Airrail Center finance lease. This rise will result mainly from an increase in the number of companies included in the consolidation. Frankfurt Airport's comprehensive investment program is expected to increase the cost portions of investment projects in non-staff costs. Based on our stringent cost management, we expect to offset this increase at Frankfurt by correspondingly reducing costs.

Despite the one-time effects in 2006, **EBITDA** and **EBIT** in fiscal 2007 are expected to be largely in the same range as last year – especially because of the new Twin Star subsidiary completing its first year of full consolidation and because of the full consolidation of Lima Airport.

The **financial result** will fall clearly below the previous year's level. This decline results from the compensation payments received for the Manila terminal project in 2006. Furthermore, a planned increase in financing costs, especially for the terminal expansion in Lima and the new concession agreement at Antalya as well as an increase in interest expenses for long-term liabilities, will add to this decline.

The previous year's **tax result** was marked by the positive effect of the one-off recognition of a corporation tax credit. The effects of a change in the tax rate resulting from the tax reform will favorably affect the calculation of deferred taxes in the reporting period. We expect the tax rate to be at about 30 percent in the period under review.

Overall, we expect the **Group result** to be below the previous year's level.

Forecast for 2008

Relevant industry surveys assume that world air traffic will continue to grow in the coming years. This should also be the case at the Fraport Group's airports. However, Frankfurt Airport's growth will not occur at the same pace due to capacity constraints.

In the **Aviation** segment, we expect proceeds from airport charges to remain more or less unchanged. Reasons include: limited traffic growth due to capacity constraints and a freeze in airport charges. In the coming years, non-staff costs are expected to increase due to FRA's expansion program. We will counteract the associated impact on earnings via consistent cost review and process optimization.

The **Retail & Properties** segment will benefit from a further increase in retail space and the resulting growth in revenue from retailing. Staff costs will presumable decline. The development of non-staff costs will reflect the cost of extensive investment activities and the increase in utility prices. The segment result overall will remain unchanged, because of special effects in 2007.

In the **Ground Handling** segment, revenue from infrastructure charges should increase due to growing traffic and the integration of hold baggage inspection. Reorganization of the services looking after mobility-limited persons should lead to higher revenue. Revenue from ground-handling services should remain stable. Higher staff costs, resulting from an expected pay rate increase that exceeds the productivity improvement, as well as expenditures for services for mobility-limited passengers will account for an increase in operating expenses. Overall, segment results will improve due to the negative one-time effects in fiscal year 2007.

As far as we can see today, the **External Activities** segment will develop positively. However, new shareholdings or an increase or reduction in existing shareholdings could have a major impact on consolidation. Overall, we expect revenue and profit to grow.

Where the statements made in this document relate to the future rather than the past, these statements are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include not only the competitive environment in liberalized markets, regulatory changes, the success of business operations, as well as a substantial deterioration of basic economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its investments operate. Readers are cautioned not to rely to an inappropriately large extent on the statements made about the future.

Group Interim Report as at September 30, 2007

Consolidated income statement

€ million	Q3 2006	Q3 2007	9M 2006	9M 2007
Revenue	**582.3**	**630.2**	**1,619.6**	**1,754.6**
Change in work-in-process	0.1	0.0	0.2	0.2
Other internal work capitalized	5.6	5.8	15.7	16.6
Other operating income	13.6	23.0	55.5	50.7
Total revenue	**601.6**	**659.0**	**1,691.0**	**1,822.1**
Cost of materials	– 86.9	– 116.0	– 254.1	– 343.6
Personnel expenses	– 273.7	– 278.7	– 805.9	– 828.2
Other operating expenses	– 42.5	– 47.0	– 144.1	– 160.0
EBITDA	**198.5**	**217.3**	**486.9**	**490.3**
Depreciation and amortization of tangible and intangible non-current assets and investment property	– 53.3	– 59.9	– 165.9	– 164.1
EBIT/Operating profit	**145.2**	**157.4**	**321.0**	**326.2**
Interest income	5.7	6.7	12.9	22.3
Interest expense	– 9.6	– 22.9	– 30.1	– 45.4
Share of the profit or loss of investments accounted for using the equity method	3.4	0.6	3.1	1.8
Income from investments	0.0	1.7	2.0	4.3
Impairment of financial assets	– 0.4	0.0	– 0.4	0.0
Other financial result	18.9	0.9	21.9	– 0.1
Financial results	**18.0**	**– 13.0**	**9.4**	**– 17.1**
EBT/Result from ordinary operations	**163.2**	**144.4**	**330.4**	**309.1**
Taxes on income	– 60.1	– 28.6	– 130.3	– 90.5
Group profit	**103.1**	**115.8**	**200.1**	**218.6**
Profit attributable to equity holders of Fraport AG	**102.8**	**110.3**	**199.5**	**212.8**
Profit attributable to minority interests	**0.3**	**5.5**	**0.6**	**5.8**
Earnings per € 10 share in €				
basic	**1.13**	**1.21**	**2.19**	**2.33**
diluted	**1.11**	**1.19**	**2.16**	**2.30**

Consolidated balance sheet

Assets

€ million	Dec. 31, 2006	Sep. 30, 2007
Non-current assets		
Goodwill	97.1	44.4
Other intangible assets	42.3	632.0
Property, plant and equipment	2,729.2	3,428.2
Investment property	66.9	10.7
Investments accounted for using the equity method	56.2	36.6
Other financial assets	302.1	256.1
Other receivables and other assets	36.8	44.9
Income tax receivable	32.2	29.2
Deferred tax assets	16.4	8.4
	3,379.2	**4,490.5**
Current assets		
Inventories	32.9	36.5
Trade accounts receivable	185.5	163.0
Other receivables and other assets	62.3	113.6
Income tax receivable	2.0	3.9
Cash and cash equivalents	632.5	664.0
	915.2	981.0
Non-current assets held for sale	0.1	172.6
	915.3	**1,153.6**
	4,294.5	**5,644.1**

Liabilities and equity

€ million	Dec. 31, 2006	Sep. 30, 2007
Shareholders' equity		
Issued capital	913.7	914.6
Capital reserves	558.8	564.4
Revenue reserves	746.3	763.3
Group retained earnings	105.2	–
Group result Jan. 1 – Sep. 30, 2007	–	212.8
Issued capital and reserve attributable to equity holders of Fraport AG	2,324.0	2,455.1
Minority interests, presented within equity	22.1	33.7
	2,346.1	**2,488.8**
Non-current liabilities		
Financial liabilities	718.8	935.1
Trade accounts payable	–	326.1
Other liabilities	106.1	449.5
Deferred tax liabilities	127.6	135.4
Provisions for pensions and similar obligations	20.6	21.4
Provisions for income taxes	166.2	154.0
Other provisions and accruals	101.4	85.6
	1,240.7	**2,107.1**
Current liabilities		
Financial liabilities	125.2	233.2
Trade accounts payable	229.0	437.4
Other liabilities	118.1	102.7
Provisions for income taxes	16.4	13.8
Other provisions and accruals	218.8	185.8
	707.5	972.9
Liabilities in connection with assets held for sale	0.2	75.3
	707.7	**1,048.2**
	4,294.5	**5,644.1**

Consolidated cash flow statement

€ million	9M 2006	9M 2007	2006
Profit attributable to equity holders of Fraport AG	**199.5**	**212.8**	**229.3**
Taxes on income	130.3	90.5	111.3
Profit attributable to minority interests	0.6	5.8	– 0.4
Adjustments for:			
Depreciation/write-ups (non-current assets)	165.9	164.1	248.4
Interest results	17.2	23.1	25.9
Income from Investments	– 2.0	– 4.3	– 6.8
Gains/losses from disposals of non-current assets	– 7.2	3.1	– 5.6
Unrealized foreign currency results	– 1.9	7.9	0.3
Changes in investments accounted for using the equity method	– 3.1	– 1.8	– 5.6
Changes in inventories	2.6	– 3.6	2.9
Changes in receivables and other assets	14.9	28.2	– 29.2
Changes in provisions	– 22.0	– 62.2	39.9
Changes in liabilities (w/o financial liabilities and provisions)	60.1	17.8	31.2
Reclassified as assets/liabilities held for sale	–	– 43.8	–
Operational activities	554.9	437.6	641.6
Financial activities			
Interest paid	– 30.1	– 38.2	– 44.9
Interest received	12.9	22.3	19.0
Dividends received	2.0	4.3	6.8
Taxes on income paid	– 99.2	– 83.3	– 137.6
Cash flow from operating activities	**440.5**	**342.7**	**484.9**
Capital expenditures for intangible assets	– 2.4	– 121.8	– 7.2
Capital expenditures for property, plant and equipment	– 271.0	– 387.5	– 443.9
Capital expenditures for investments accounted for using the equity method	– 0.6	–	– 0.6
Investment property	–	– 1.3	–
Sale/acquisition of consolidated companies	13.2	– 16.6	13.2
Changes in consolidation	–	– 48.3	–
Other financial investments (long-term)	– 75.3	–	– 80.5
Other financial investments (short-term)	– 250.0	–	–
Proceeds from disposal of non-current assets	23.9	65.8	19.6
Cash flow used in investing activities	**– 562.2**	**– 509.7**	**– 499.4**
Dividends paid to shareholders of Fraport AG	– 82.0	– 105.1	– 82.0
Dividends paid to minority shareholders	– 0.7	– 1.3	– 0.7
Capital increase	11.3	11.8	15.7
Change in financial liabilities/other changes	54.1	288.9	140.3
Cash outflow/inflow used in financing activities	**– 17.3**	**194.3**	**73.3**
Foreign currency translation effect on cash and cash equivalents	1.7	– 3.6	– 0.5
Consolidation effects on cash and cash equivalents	–	7.8	–
Restricted cash	–	– 28.1	– 14.9
Change in cash and cash equivalents	**– 137.3**	**3.4**	**43.4**
Cash and cash equivalents at January 1	574.2	617.6	574.2
Restriced cash previous year	–	14.9	–
Cash and cash equivalents at Sep. 30 resp. Dec. 31	**436.9**	**635.9**	**617.6**

Movements in consolidated shareholders' equity

€ million	Issued capital	Capital reserves	Revenue reserves: Legal reserves	Revenue reserves: Revenue reserves	Revenue reserves: Foreign currency reserves	Revenue reserves: Revaluation reserves	Group retained earnings	Equity attributable to shareholders of Fraport AG	Equity attributable to minority interests	Total
Balance at Jan. 1, 2006	**910.7**	**550.5**	**36.5**	**577.8**	**– 7.8**	**– 7.3**	**82.1**	**2,142.5**	**15.4**	**2,157.9**
Foreign currency translation differences	–	–	–	–	– 0.5	–	–	– 0.5	–	– 0.5
Fair value of financial assets held for sale	–	–	–	–	–	3.7	–	3.7	–	3.7
Fair value changes of derivatives	–	–	–	–	–	4.3	–	4.3	0.3	4.6
Net gain (+)/Net costs (–) directly included in equity	0.0	0.0	0.0	0.0	– 0.5	8.0	0.0	7.5	0.3	7.8
Capital increase Frankfurt-Hahn Airport	–	–	–	–	–	–	–	0.0	6.7	6.7
Issue of shares for employee investment plan	0.8	3.7	–	–	–	–	–	4.5	–	4.5
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management stock option plan										
– Capital increase for exercise of options	2.0	2.6	–	–	–	–	–	4.6	–	4.6
– Value of performed services	–	1.3	–	–	–	–	–	1.3	–	1.3
Distribution	–	–	–	–	–	–	– 82.0	– 82.0	– 0.7	– 82.7
Group profit Jan. 1 – Sep. 30, 2006	–	–	–	–	–	–	199.5	199.5	0.6	200.1
Consolidation activity/ other changes	–	–	–	0.1	–	–	– 0.1	0.0	–	0.0
Balance at Sep. 30, 2006	**913.6**	**558.2**	**36.5**	**577.9**	**– 8.3**	**0.7**	**199.5**	**2,278.1**	**22.3**	**2,300.4**
Balance at Jan. 1, 2007	**913.7**	**558.8**	**36.5**	**702.3**	**– 5.5**	**13.0**	**105.2**	**2,324.0**	**22.1**	**2,346.1**
Foreign currency translation differences	–	–	–	–	1.4	–	–	1.4	–	1.4
Fair value of financial assets held for sale	–	–	–	–	–	6.8	–	6.8	–	6.8
Fair value changes of derivatives	–	–	–	–	–	5.6	–	5.6	–	5.6
Purchase price allocation LAP	–	–	–	–	–	1.1	–	1.1	–	1.1
Net gain (+)/Net costs (–) directly included in equity	0.0	0.0	0.0	0.0	1.4	13.5	0.0	14.9	0.0	14.9
Capital increase Frankfurt-Hahn Airport/Twin Star	–	–	–	–	–	–	–	0.0	7.4	7.4
Issue of shares for employee investment plan	0.7	3.5	–	–	–	–	–	4.2	–	4.2
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management stock option plan										
– Capital increase for exercise of options	0.1	0.1	–	–	–	–	–	0.2	–	0.2
– Value of performed services	–	1.9	–	–	–	–	–	1.9	–	1.9
Distribution	–	–	–	–	–	–	– 105.1	– 105.1	– 1.3	– 106.4
Group profit Jan. 1 – Sep. 30, 2007	–	–	–		–	–	212.8	212.8	5.8	218.6
Consolidation activity/ other changes	–	–	–	2.1	–	–	– 0.1	2.0	– 0.3	1.7
Balance at Sep. 30, 2007	**914.6**	**564.4**	**36.5**	**704.4**	**– 4.1**	**26.5**	**212.8**	**2,455.1**	**33.7**	**2,488.8**

Segment reporting

€ million	9M	Aviation	Retail & Properties	Ground Handling	External Activities	Group
Revenue	2007	529.8	355.8	465.4	403.6	1,754.6
	2006	536.6	288.3	470.3	324.4	1,619.6
Personnel expenses	2007	183.8	120.1	266.2	258.1	828.2
	2006	187.3	118.6	268.1	231.9	805.9
EBITDA	2007	126.8	261.0	42.7	59.8	490.3
	2006	146.6	240.9	55.9	43.5	486.9
Depreciation and amortization	2007	54.7	66.3	18.0	25.1	164.1
	2006	57.3	63.1	16.5	29.0	165.9
EBIT	2007	72.1	194.7	24.7	34.7	326.2
	2006	89.3	177.8	39.4	14.5	321.0

Notes

Accounting policies

The Fraport Group's interim financial statements for the period ending September 30, 2007, have been prepared in accordance with IAS 34 and – like the consolidated statement for fiscal year 2006 – in compliance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC). All official bulletins of the IASB, with mandatory application within the EU as of January 1, 2007, have been taken into account. Significant changes are explained below. This interim report was neither reviewed nor audited pursuant to section 317 of the German Commercial Code (HGB).

On January 12, 2006, IFRIC published IFRIC Interpretation 8 "Scope of IFRS 2". IFRIC 8 clarifies that IFSR 2 applies to arrangements where an entity makes share-based payments for apparently nil or inadequate consideration. IFRIC 8 is effective for fiscal years beginning on or after May 1, 2006.

IFRIC 9 "Re-assessment of Embedded Derivatives" was published on March 1, 2006. IAS 39 "Financial Instruments: Recognition and Measurement" requires an entity, when it first becomes a party to a contract, to assess whether any embedded derivatives contained in the contract are required to be separated from the host contract and accounted for as if they were stand-alone derivatives.
IFRIC 9 examines the question whether IAS 39 requires such an assessment to be made only when the entity becomes a party to the hybrid contract or be reconsidered throughout the life of the contract. IFRIC 9 is effective for fiscal years beginning on or after June 1, 2006.
The application of these interpretations will not have any major impact on the Fraport Group's asset, financial, and earnings situation.

On July 20, 2006, IFRIC published IFRIC Interpretation 10 "Interim Financial Reporting and Impairment". According to IFRIC 10, impairment losses recognized in a previous interim period, which must not be reversed under IAS 36 and/or IAS 39, must not be reversed in future financial statements. IFRIC 10 is effective for fiscal years beginning on or after November 1, 2006. The Fraport Group complies – both in its interim and annual financial statements – with the obligation of not reversing any impairment losses as set out under IAS 36 and IAS 39.

The International Financial Reporting Interpretations Committee issued IFRIC Interpretation 11 "Group and Treasury Share Transactions" on November 2, 2006, and IFRIC 12 "Service Concession Arrangements" on November 30, 2006.
IFRIC 11 provides guidance on applying IFRS 2 share-based payments involving an entity's own equity instruments or involving the equity instruments of another group company. IFRIC 11 is effective for fiscal years beginning on or after March 1, 2007. Earlier application is recommended. Application of IFRIC 11 will not have any major impact on the Fraport Group's asset, financial and earnings situation.

IFRIC 12 addresses accounting of service arrangements by companies rendering public services for government bodies. IFRIC 12 will be effective for fiscal years beginning on or after January 1, 2008. Earlier application is recommended. Fraport has not yet applied IFRIC 12. The effects of IFRIC 12 are still being studied. As it appears today, IFRIC 12 could affect the Fraport Group's asset, financial and earnings situation.

On November 30, 2006, IASB issued IFRS 8 "Operating Segments". IFRS 8 replaces IAS 14 and adjusts the provisions to those of SFAS 131. IFRS 8 takes the "management approach" as a basis for segment reporting. Disclosures in the notes were enlarged. IFRS 8 will be effective for fiscal years beginning on or after January 1, 2009. Earlier application is permitted. We have not yet applied IFRS 8 for these financial statements. The future application of this standard will not have any major impact on the Fraport Group's asset, financial and earnings situation.

On March 29, 2007, IASB published amendments to IAS 23 "Borrowing Costs". The most significant change in this standard is the cancellation of the option of immediately recognizing as an expense borrowing costs that relate to the acquisition, construction or manufacture of qualifying assets. They will have to be capitalized at cost in the future. The revised standard will for the first time apply to qualified assets which will be recognized on or after January 1, 2009. We are studying the effects that the amended IAS 23 might have in the future. From today's point of view, the impact on the Fraport Group's asset, financial and earnings situation will not be insignificant.

IFRIC 13 "Customer Loyalty Programmes" was published on June 28, 2007. This interpretation provides guidance on accounting for customer loyalty programs. IFRIC 13 will be effective for fiscal years beginning on or after July 1, 2008. Earlier application is recommended. The future application of IFRIC 13 will not have any major impact on the Fraport Group's asset, financial and earnings situation.

This interim report also meets the requirements of German Accounting Standard GAS 6 on interim financial reporting, approved by the German Accounting Standards Committee (GASC) and published by the German Ministry of Justice (BMJ) on February 13, 2001.

Consolidated companies

A total of 90 companies are consolidated in the Fraport Group including also associated companies.

On March 9, 2007, Fraport AG established Fraport Asia Ltd, Hong Kong. Fraport AG holds 100 percent of the equity shares in the nominal amount of HK$10,000 (approximately €1,000). The company's purpose is to render services relating to airport operations. The company was first included in the consolidated financial statements of Fraport at the time it was established.

On March 21, 2007, ICTS Europe established ICTS Czech s.r.o., Prague, a wholly-owned subsidiary, with a capital contribution of approximately €18,000. The company is active in the field of security services. It was included in the ICTS subgroup at the time of its establishment.

On April 12, 2007, a Fraport-led consortium won the international bidding procedure for operating all of the passenger terminals at Antalya Airport in Turkey. Previously Fraport managed only the International Terminal 1. The consortium partners established two new companies for the purpose of financing and operating the terminals: Fraport IC Ictas Havalimani Isletme AS (SPV Invest) on May 18, 2007, and Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS (SPV) on May 22, 2007. Fraport AG holds 51 percent of the share capital of Fraport IC Ictas Havalimani Isletme AS in the amount of about €7.9 million and 51 percent in Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS in the amount of €28,000. Because of the voting right situation and the distribution of dividends, the companies were first included in the Fraport consolidated financial statements at the time of their establishment on a proportionate basis of 34 percent. The Turkish companies are shown to have an effect of €463.7 million on assets and of €457.8 million on liabilities in Fraport's interim financial statements for the period ending September 30, 2007.

On April 18, 2007, ICTS established its wholly-owned ICTS Ireland Ltd., Dublin, subsidiary, with a capital contribution of €100. The company is active in the field of security services and was included in the ICTS subgroup at the time of its establishment.

Effective August 1, 2007, Fraport AG became a majority shareholder at Lima Airport by acquiring Alterra Lima Holdings, Ltd., Cayman Islands. With the acquisition of Alterra Lima Holdings, which held a 57.25 percent stake in Lima Airport Partners S.R.L. (LAP), Fraport AG has increased its stake in the airport operating company to 100 percent. Together with the newly acquired stake, the previously held 42.75 percent stake in LAP — valued at equity until July 31, 2007 — has been fully consolidated in the Group's financial statements. At the same time, Fraport consolidated the shares held in Alterra. Information about the purchase price and effects on Group assets and liabilities is contained in the notes to the cash flow statement. Furthermore, the consolidated interim financial statements for the period ending September 30, 2007, show pro rata revenues of €16.5 million as well as LAP's profit of €2.4 million. When initially accounting for the business combination, a provisional value of €1.6 million was determined according to IFRS 3.62 (Determination of provisional values at the time of initial accounting). Adjustment of the provisional values must be made within 12 months of the acquisition date.

Effective March 6, 2007, Airport Retail Solutions GmbH, Frankfurt am Main, was sold. Deconsolidation of the company yielded a gain on disposal of €0.1 million.

On May 4, 2007, the agreement on the sale and assignment of 51 percent of the shares in Flughafen Saarbrücken Betriebsgesellschaft mbH was signed. The agreement took effect on June 30, 2007. At the same time the company ceased to be a company of the Fraport Group. Deconsolidation of the company yielded a gain on disposal of €0.3 million.

Maritime and Underwater Security Consultants USA LLC was closed and deconsolidated from the ICTS group of companies as of June 11, 2007.
Effective June 18, ICTS assigned shares held in New Age Aviation Security US Inc. for US$100. Deconsolidation of these two companies had only an insignificant impact on the consolidated financial statements.

As part of reorganizing the security business within the Group, the ICTS, FIS GmbH, and FIS Deutschland GmbH subsidiaries were restructured effective January 1, 2007. Security business in Frankfurt was assigned to FIS GmbH, while the Germany-wide security business was assigned to FIS Deutschland GmbH. On March 13, 2007, FIS GmbH changed its corporate name to Fraport Security Services GmbH (FraSec) and FIS Deutschland GmbH was renamed FIS GmbH. FraSec was sold to Fraport AG, economically effective April 1, 2007, and assigned to Fraport's Aviation business segment. This organizational and corporate restructuring affected the presentation of segment reporting in the consolidated financial statements. The effects of the changes on revenue, EBITDA, and EBIT are summarized in the following table:

Aviation

€ million	*9M 2006*	*9M 2006 New*	*Change*	*9M 2007*
Revenue	*535.4*	*536.6*	*1.2*	*529.8*
EBITDA	*131.8*	*146.6*	*14.8*	*126.8*
EBIT	*74.7*	*89.3*	*14.6*	*72.1*
Employees	*3,261*	*6,201*	*2,940*	*6,311*

External Activities

€ million	*9M 2006*	*9M 2006 New*	*Change*	*9M 2007*
Revenue	*325.6*	*324.4*	*– 1.2*	*403.6*
EBITDA	*58.3*	*43.5*	*– 14.8*	*59.8*
EBIT	*29.1*	*14.5*	*– 14.6*	*34.7*
Employees	*14,105*	*11,165*	*– 2,940*	*13,218*

Information on the acquisition of subsidiaries (LAP)

€ million	
Cash and cash equivalents	*10.3*
Current assets	*3.8*
Non-current assets (disclosed unrealized gains of €1.8 million)	*74.8*
Short-term debt	*– 5.7*
Long-term debt	*– 57.9*
Goodwill resulting from the consolidation of share capital	*1.6*
Total purchase price	*26.9*
less cash acquired	*– 10.3*
Cash used for the acquisition of consolidated subsidiaries	***16.6***

Related party disclosures

The Federal Republic of Germany sold all its shares in Fraport AG already in the first quarter of 2007. Therefore, the Federal Republic of Germany and its majority-owned investments have ceased to be related parties of the Fraport Group. There were no other material changes as of the balance sheet date. As disclosed in the Group notes 2006, item 51, Fraport AG continues to have numerous business relationships with related parties. Fraport will continue to apply and adhere to the arm's length principle for all transaction carried out between related parties.

Notes to selected items of the consolidated income statement

Results of investments accounted for using the equity method

€ million	9M 2006	9M 2007
Flughafen Hannover-Langenhagen GmbH	2.8	2.9
LAP Lima Airport Partners S.R.L.	0.4	– 1.4
ASG Airport Service Gesellschaft mbH	0.6	0.6
Grundstücksgesellschaft Gateway Gardens GmbH	– 0.7	– 0.3
	3.1	**1.8**

Income from investments

€ million	9M 2006	9M 2007
Ineuropa Handling UTE	2.0	4.3

Other financial results

€ million	9M 2006	9M 2007
Income		
Payments received from the Manila project	16.5	2.3
Income from securities and loans	3.6	4.5
Foreign currency gains	4.9	2.6
Fair value measurement of securities of financial assets	2.2	3.6
Valuation of derivatives	1.7	3.2
	28.9	**16.2**
Expenses		
Foreign currency losses	– 2.3	– 10.9
Fair value measurement of securities of financial assets	– 2.1	– 2.2
Valuation of derivatives	– 1.9	– 2.6
Interests of minority shareholders in GCS	– 0.7	– 0.6
	– 7.0	**– 16.3**
	21.9	**– 0.1**

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the fiscal year.

Frankfurt am Main, November 13, 2007

Fraport AG
Frankfurt Airport Services Worldwide

The Executive Board

Dr. W. Bender   Dr. S. Schulte   H. Mai   Dr. M. Zieschang

Financial Calendar

March 6, 2008	Press conference/Publication of the preliminary figures for fiscal year 2007
March 20, 2008	Publication of the annual financial statements 2007
May 8, 2008	3-month Interim Report as of March 31, 2008
May 28, 2008	Annual General Meeting 2008
August 7, 2008	6-month Interim Report as of June 30, 2008
November 6, 2008	9-month Interim Report as of September 30, 2008

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