Interim Report

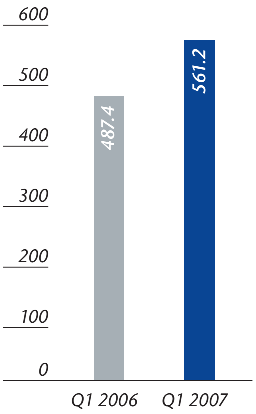
as at March 31, 2007

Fraport

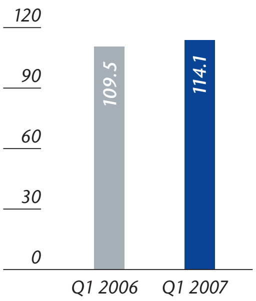
Contents

Highlights and key figures

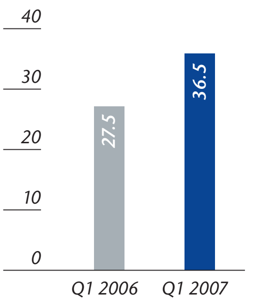
Revenue
€ million



EBITDA
€ million



Group profit
€ million



Business of the Fraport Consolidated Group continued its trend and grew in terms of revenue and earnings in the first quarter of 2007. We continue to hold on to the forecasts for the fiscal year.

The key data in relation to business development in the first three months of 2007 was as follows:

- Overall increase in passenger numbers by 10.5%.
- 5.4% more passengers at Frankfurt Airport, above-average development also due to the previous year's effects.
- Group revenue 15.1% above figures for the previous year at € 561.2 million; adjusted by the result neutral special effect, the increase is 3.3%.
- EBITDA increase by 4.2% to € 114.1 million.
- Group profit 32.7% higher than in the previous year at € 36.5 million.
- Increase in earnings per share to € 0.41.

The negotiations taking place for the final contracts based on the Letter of Intent signed between Fraport AG and Celanese AG/Ticona GmbH on November 2006 to close the production plant of Ticona at its site in Kelsterbach by June 30, 2011 or December 31, 2011 and to transfer the plots of land to Fraport, are still under way. After the political decision made by Ticona/Celanese to keep its location in the region, an agreement was reached on the basis of the negotiations to date, that Fraport will not be obliged to take over employees of Ticona for whom further employment will not be possible. At the same time, individual buildings and operating facilities, among which will also be the Ticona Head Office, will be taken over by Fraport and the land will be transferred as early as by the end of 2013. In addition to the amount of € 650 million agreed, Fraport will pay a consideration of € 20 million for the fact that there will be no takeover obligation, for the early return of land and the transfer of the plant facilities. Of this amount, € 10 million will be paid in 2010 and the remaining € 10 million will be paid in 2011.

Frankfurt Airport was once more in the focus of public interest in March, when the Airbus A380 long-distance practical tests took place. Test flights took off from Frankfurt Airport for example to New York, Hong Kong and Washington. Along with the ground handling tests, boarding tests were performed in this process with hundreds of interested Airport employees ready to participate.
All those involved – Airbus, Lufthansa and Fraport – were very satisfied with the results: The A380 passed its first comprehensive practical test with excellent results.

In connection with the commercial development of the Mönchhof site, the subsidiary Fraport Real Estate Mönchhof signed a purchase agreement on the purchase of a first plot of land on the Mönchhof site in the northwest of Frankfurt Airport.

As part of the real estate strategy the foundation stone was laid at the beginning of March for the Airrail Center which is planned to be completed by the end of 2009. In the first quarter, revenue and cost increases in the same amount resulted from the finance leases with the Airrail Center.

Key figures

€ million	**Q1 2006**	**Q1 2007**	**Change** *in %*
Revenue	487.4	561.2	15.1
EBITDA	109.5	114.1	4.2
EBITDA margin	22.5%	20.3%	–
EBIT	54.7	63.1	15.4
EBT	47.6	62.8	31.9
Group profit	27.5	36.5	32.7
Earnings per share in € (basic)	0.30	0.41	36.7
Shareholder's equity [1]	2,346.1	2,402.2	2.4
Total assets [1]	4,294.5	4,323.6	0.7
Operating cash flow	96.4	87.8	– 8.9
Free cash flow	20.0	– 22.4	–
Capital expenditures	97.3	110.8	13.9
Average number of employees	26,989	28,857	6.9

[1] On the record date December 31, 2006 and March 31, 2007.

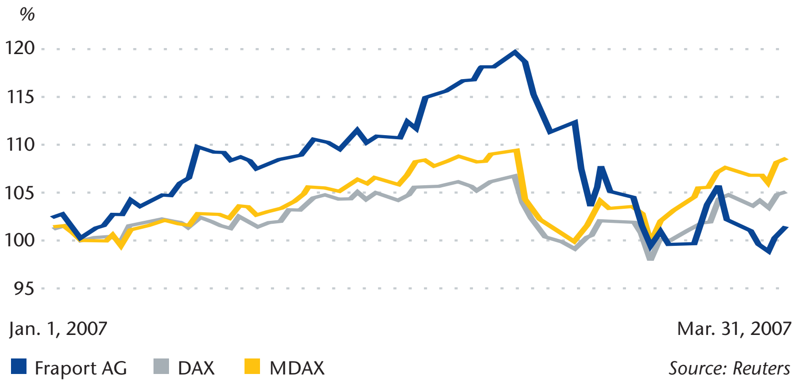
The Fraport Share

The closing price for Fraport shares on March 31, 2007 was € 54.68. This is an increase by 1.2% since the beginning of the year; the share thus underperformed the DAX and MDAX which in the same period rose by 4.9% and 8.5% respectively.

It was in particular the publication of the annual figures for 2006 at the beginning of March as well as the announcement to apply for slightly lower airport fees effective July 1, 2007 which had a dampening effect on the share price development.

Market capitalization as of March 31 totaled € 4,997 million. 268,609 shares were traded on average each day in the period under review compared with 274,756 in the previous year.

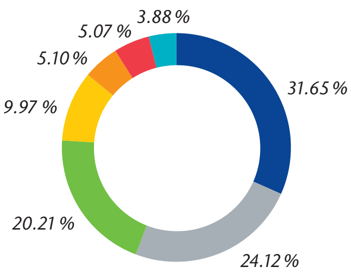
Share development of the Fraport share compared with the DAX and MDAX



Source: Reuters

Shareholder structure

Shareholder structure as at March 31, 2007*



State of Hesse
Free float
Stadtwerke Frankfurt am Main Holding GmbH
Deutsche Lufthansa AG
Julius Bär Holding AG
The Capital Group Companies, Inc.
Artisan Partners Ltd. Partnership

** The relative shares held by Julius Bär Holding AG and The Capital Group Companies, Inc. were adjusted to the current total number of shares existing as of March 31, 2007 and thus differ from the numbers given at the time of reporting an excess of the limit level. Deutsche Lufthansa disclosed in its current annual report that it held 9.97% of the Fraport shares.*

By letter of March 21, 2007 the Federal Republic of Germany informed us that it had sold its remaining interest of 6.6% in Fraport and thus ceased to be shareholder of Fraport AG. At the end of October 2005 the Federal Republic of Germany still held 18.2% of the shares. These were placed with financial investors in two tranches. 11.6% were sold directly. The second tranche was a combination of call options and an exchangeable bond with a term of 17 months. The buyers of this tranche had the right to take over the remaining 6.6% of the Federal Republic of Germany's shares in March 2007.

We were also informed at the end of March that Artisan Partners in the USA held 3.88% of the voting rights in Fraport AG. Taking into account these two changes, the free float now amounts to 24.12%.

Dividend policy

The Supervisory Board and Executive Board of Fraport AG will be proposing to the Annual General Meeting a dividend of € 1.15 per share for the 2006 fiscal year, a 27.8% increase on the € 0.90 paid out last year.

Business development

Development of air traffic

According to the preliminary figures from the Association of European Airlines (AEA), European air traffic experienced marked growth worldwide in the first quarter of 2007. Passenger numbers were 5.5% above the figures for the same period in the previous year.

The Airports Council International (ACI) reported for the first three months worldwide passenger growth of 5.7% and a growth of 2.3% in terms of freight tonnage compared to the period of the previous year. Passenger traffic at European airports reported by the ACI was up 7.3%, freight volume rose by 1.8%.

The passenger fleet of our main customer Lufthansa achieved an 8.0% increase in passenger numbers worldwide in the first three months of 2007 with passenger flights increasing by 4.8%. The cargo volume of Lufthansa Cargo AG was up by 4.1%.

Development of the Group airports

Between January and March 2007 14.9 million **passengers** used the six airports (majority-owned investments[1]) of the **Fraport Group**, 10.5% more than in the same period last year. The foreign investments contributed in particular to the Group's traffic growth.
Frankfurt Airport had 11.8 million passengers in the period under review, corresponding to a growth of 5.4% compared with the same period last year. A major reason for the above-average performance in the first quarter 2007 were the basis effects from the late onset of winter in March 2006 and a wave of strikes in other European countries last year which resulted in a large number of flight cancellations. The fact that, other than in the previous year, Easter holidays fell at the beginning of the first quarter, made an impact. Especially air traffic to traditional tourist destinations such as a number of countries bordering the Mediterranean saw two-digit growth rates. Furthermore, the "BetterFly" fares of Lufthansa increased the volume of traffic. As a result of these effects, European traffic was up by a good 8%.
Growth was also driven by new flights and a growing momentum in intercontinental air traffic. Except for a decrease in flights to South America, growth in all overseas markets was clearly on the increase.

Passenger numbers in **Frankfurt-Hahn** rose year-to-date by 20.1% to 843.2 thousand. This is mainly due to the range in the number of routes offered by Ryanair in the form of increased frequency and new destinations as well as new airlines and charter routes.

The terminal we operate at **Antalya** Airport benefited from a general increase in tourist travel to Turkey. On the other hand, the redistribution of traffic in favor of the Fraport terminal contributed to a significant increase by 226.2% to 495.6 thousand passengers.

Lima[1] continued to witness solid growth in traffic. In the first three months of 2007, passenger numbers rose by 22.2% to just under 1.7 million. With a rise of 33.2% domestic traffic was the major contributor to growth. International traffic, too, reflected a double-digit increase at 14.6%, with transfer-passenger traffic (36.4%) outperforming non-transfer traffic (12.1%).

As expected, the Bulgarian airports **Varna** and **Bourgas** were not yet able to report significant traffic volumes. Nonetheless, a solid increase was recorded outside the tourist season as well.

Cargo volume – in line with the generally declining growth dynamic in worldwide air freight traffic – was up by a mere 2.2% to 574 thousand tons as compared with the previous year. It were in particular the cargo flights on intercontinental routes which rose at Frankfurt Airport by some 7%

[1] *Because of the foreseeable full consolidation of Lima the traffic numbers of Lima Airport are shown already in the Group airports.*

in the period under review; the increase on Far-East routes was even 27%, starting from a lower level. Our second growth contributor proved to be Lima: Tonnage growth here was 11.8%, which is currently accounted for by the international market only. Due to the out-of-schedule cargo aircraft flights in the previous year – transport of humanitarian aid ordered by the German Federal Armed Forces – the cargo volume flown at Frankfurt-Hahn Airport was on the decline in the first quarter.

The number of **aircraft movements**[1] at all six airports in the Group was 5.8% higher than in the same period last year at 151,362. Along with the unusually large number of flight cancellations in the previous year's first quarter due to weather conditions and strikes, a slight increase in the maximum capacity of aircraft movements per hour compared with the winter season 2005/2006 caused aircraft movements to be up by 2.4%.

The **maximum take-off weights** in Frankfurt in the period under review ran to 6.6 million tons and were therefore 2.7% above the previous year's level. The share of widebody aircraft slightly rose by 0.3 percentage points to 24.7% due to the increase in heavy cargo aircraft. The seat load factor rose by 2.2 percentage points to 70.6%.

[1] Because of the foreseeable full consolidation of Lima the traffic numbers of Lima Airport are shown already in the Group airports.

Traffic figures for Fraport Group

Majority owned airports

Q1 2007	Share of the airport *in %*	Passengers [1] 2007	Change to 2006 *in %*	Cargo *(airfreight + airmail in t)* 2007	Change to 2006 *in %*	Movements 2007	Change to 2006 *in %*
Frankfurt Airport	100.00	11,824,573	5.4	509,183	2.3	116,694	2.4
Frankfurt-Hahn	65.00	843,178	20.1	21,739	– 15.2	9,390	6.9
Lima [2, 3]	42.75	1,699,109	22.2	43,028	11.8	20,198	11.8
Antalya [4]	100.00	495,589	226.2	n. a.	n. a.	3,458	153.5
Varna	60.00	46,612	54.1	n. a.	n. a.	1,135	48.2
Bourgas	60.00	3,201	99.4	139	239.0	487	198.8
Group		**14,912,262**	10.5	**574,089**	2.2	**151,362**	5.8

[1] Commercial traffic only in + out + transit.

[2] Because of the foreseeable full consolidation of Lima the traffic numbers of Lima Airport are shown already in the Group airports.

[3] Internal data provided by Lima.

[4] International Terminal 1.

Minority owned airports and management contracts [2]

Q1 2007	Share of the airport *in %*	Passengers [1] 2007	Change to 2006 *in %*	Movements 2007	Change to 2006 *in %*
Hanover	30.00	1,082,736	0.5	19,102	1.6
Saarbrücken	51.00	59,713	– 3.7	3,193	0.0
Delhi	10.00	5,709,665	23.0	54,375	20.6
Cairo	0.00	2,681,701	9.5	26,930	5.6
Total		**9,533,815**	15.8	**103,600**	11.9

[1] Commercial traffic only in + out + transit.

[2] Internal data.

Revenue and earnings

Fraport Group once again succeeded in increasing its revenue and earnings in the first quarter of 2007.

In comparison with the same period in the previous year, **revenue** between January and March 2007 increased by 15.1% to € 561.2 million. This surge was largely the result of revenue from finance leases with the Airrail Center balanced by costs in the same amount. Finance leases are generally treated as a sale in the balance sheet. Adjusted by this special effect, revenue was up by 3.3%. The major reason for this increase were in particular the higher income from airport fees caused by an increase in air traffic in Frankfurt and Antalya, higher Retail revenue especially at Frankfurt Airport and first-time revenue from the branch in India.

Total revenue was at € 576.8 million and thus 14.3% higher than in the previous year.

Operating expenses (non-staff costs and personnel expenses) increased in the period under review by 17.1% to € 462.7 million. As with revenue, the one-off effects from the recognition of the finance leases to the Airrail Center were reflected in this item. Adjusted by this effect, operating expenses were up by 2.5%.

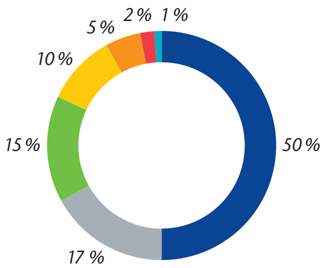
At € 263.5 million, **personnel expenses** were 0.5% higher than the comparable figure of the previous year. Here, there was an impact from contrary effects. Personnel expenses in the Ground Handling segment dropped due to an improved mix of personnel in spite of a rise in staff numbers. Increases resulted from the expansion of the ICTS business and the new consolidation of Twin Star. Personnel expenses as a percentage of revenue adjusted by the one-off effect of the finance lease to the Airrail Center were at 52.3% and thus by 1.5 percentage points below the previous year's amount; adjusted non-staff expenses as a percentage of revenue were at 28.1% and thus by 0.8 percentage points above the previous year's amount.

Non-staff costs reflect cost of materials and other operating expenses. Cost of materials adjusted by the one-off effect of the finance lease to the Airrail Center declined by 2.7% on the previous year's figure due to lower maintenance costs and reduced winter services. Other operating expenses totaled € 59.3 million up 22.5% on the previous year. This increase mainly results from higher capital expenditure costs and the branch in India.

Due to the positive development of revenue, **EBITDA** were up by 4.2% to € 114.1 million in the first three months of 2007. The EBITDA margin adjusted by the one-off effect of the finance lease to the Airrail Center rose by 0.2 percentage points to 22.7%.
As regards **depreciation and amortization** , the depreciation and amortization of additions was more than offset by the expiry of expected useful lives. It was down from € 54.8 million last year to € 51.0 million.
EBIT (operating profit) thus totaled € 63.1 million, compared with € 54.7 million in the first quarter of 2006.
The **financial result** was € – 0.3 million, versus the result for the previous year at € – 7.1 million. The positive development resulted from income from investments of our Spanish subsidiary Ineuropa Handling UTE, higher interest income from overnight and term money as well as the fair value measurement of securities.
The **effective tax rate** dropped from 42.2% to 41.9%.
The **Group result** was € 36.5 million, 32.7% higher than last year. The basic earnings per share rose from € 0.30 to € 0.41.

Asset and financial situation

Capital expenditures:
€ 110.8 million



- Terminal buildings
- Other buildings/plant/infrastructure
- Expansion
- Total capex in participations and financial assets
- Aircraft movement
- Administration and IT
- Planning and miscellaneous

Note: Because of the standardization of the investment categories in planning and reporting, the breakdown of capital expenditure is not identical to that of the previous year.

Capital expenditures

From the beginning of the year until March 31 the Fraport Group has invested a total of € 110.8 million. The figure in the same period last year was € 97.3 million.

Excluding any financial investment, € 99.6 million was invested in the Frankfurt site, compared with € 66.6 million in the same period last year. This significant increase was mainly the result of more capital being invested in the terminals and the planned airport expansion.
In total, € 55.0 million was spent on modernizing and partially expanding the existing terminals. It also includes the remodeling work in preparation for the Airbus A380, the implementation of EU security directives as well as the upgrading of fire protection facilities in the terminals and other buildings within the scope of the FRA-North projects. A total of € 17.1 million was invested in the planned expansion of Frankfurt Airport in the period under review. The dismantling of the former US Airbase in the South of Frankfurt Airport began in March so as to prepare the space for the future airport expansion.
Capital expenditure for financial assets dropped due to fewer cash investments made.

Cash flow statement

Cash flow from operating activities in the first three months of the fiscal year 2007 stood at € 87.8 million down from € 96.4 million in the comparative previous year's period. At € 117.7 million, net cash from operating activities was by € 15.7 million lower than in the first quarter of 2006. The reason for this change was in particular the increase in receivables and financial assets.

The **cash flow from investing activities** amounted to € 309.2 million and was 4.0% down on the previous year.
Capital expenditure on property, plant and equipment rose by € 31.1 million; it was incurred in particular at the Frankfurt location within the scope of the airport expansion. At € 51.6 million, our cash receipts from the sale of non-current assets were above the previous year's figure due to the costs of the finance lease in relation to the Airrail Center already prepaid.
€ 250.0 million were invested in a short-term cash investment as part of our Asset Management.

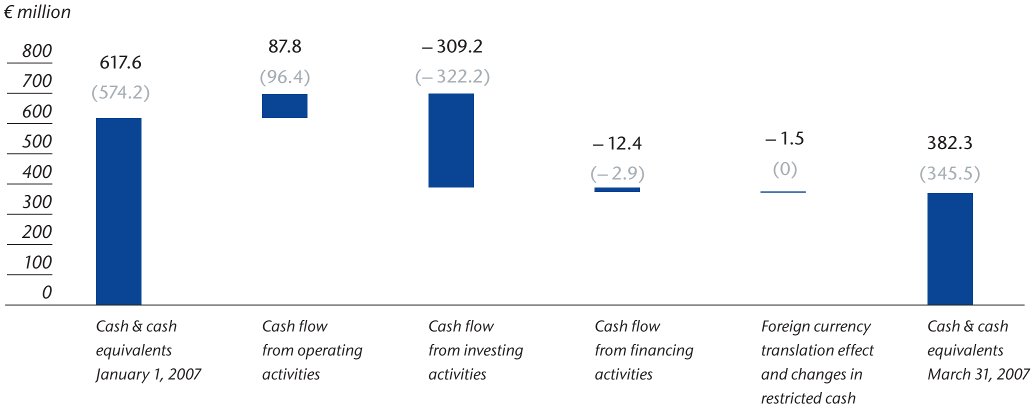
Due to the large amounts invested in property, plant and equipment, **free cash flow** dropped from € 20.0 million last year to € – 22.4 million in the first quarter of 2007.

The **cash flow from financing activities** in the amount of € 12.4 million mainly resulted from the repayment of bank loans.

Cash and cash equivalents were reduced mainly due to money investments, dropping from € 617.6 million at December 31, 2006 to € 382.3 million at March 31, 2007.

Change in cash and cash equivalents

(Data for Q1 2006)



Asset and capital structure

Total assets at the reporting date of March 31, 2007 amounted to € 4,323.6 million and were thus on the level of December 31, 2006.

Non-current assets fell slightly to € 3,361.7 million. The disposals from investment property mainly resulting from the Airrail finance lease could not be offset by the increase in property, plant and equipment due to additional capital expenditure for the modernization and expansion of the existing terminals and for the expansion at the Frankfurt location as well as the increase in other financial assets due to fair value measurement of investment securities.

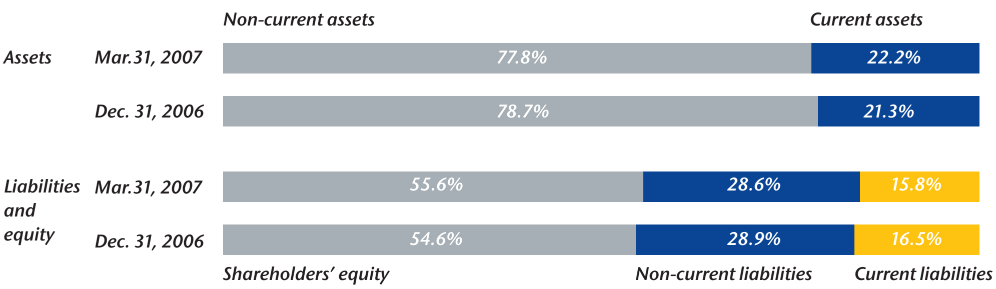
Current assets increased by 5.1% to € 961.9 million. This item reflected an increase in trade accounts receivable and current financial assets. There was also a shift from cash and cash equivalents to investment in short-term securities within the current assets.

Equity rose due to the net profit for the year and due to the increase in the revaluation surplus from the fair value measurement of securities. The **equity-to-assets ratio**[1] on March 31, 2007 rose slightly in comparison with the balance sheet date of 2006, reaching 52.5%.

The **non-current and current liabilities** dropped by 1.4% to € 1,921.4 million due to the repayment of loans.

Net financial liabilities rose due to the short-term investment of cash from € 211.5 million as of the balance sheet date 2006 to € 414.0 million as of March 31, 2007.

Balance sheet structure



[1] *Shareholders' equity before minority interests and the proposed dividend.*

Segment reporting

Since in view of the worldwide political development the security tasks at Frankfurt Airport become more and more important, the focus must be placed on the development of security concepts and of air and passenger safety. Therefore, the security segment of Fraport AG was restructured to become an independent strategic business unit, the Airport Security Management (ASM). The business of the ICTS subsidiary FIS GmbH at the locations in Frankfurt and Frankfurt-Hahn was separated into a direct subsidiary of Fraport AG, Fraport Security Services GmbH (FraSec), and directly allocated to the newly created unit. Due to this reclassification, the security business in Frankfurt and Frankfurt-Hahn so far allocated to the External Activities segment is now recognized under Aviation. The figures of the previous year were adjusted for comparison purposes.

Aviation

€ million	Q1 2006	Q1 2007	Change *in %*
Revenue	159.4	159.6	0.1
EBITDA	30.1	28.5	– 5.3
EBIT	10.6	11.7	10.4
Employees	6,016	6,316	5.0

Revenue in the Aviation segment in the first three months of the fiscal year 2007 remained constant compared with the previous year. The decrease in revenue from security services due to price reductions was offset by an increase in revenue from airport fees based on higher air traffic volumes.

Other income dropped because of one-off effects in connection with the reversal of provisions and accruals in the previous year.
The operating expenses were also on the previous year's level. With personnel expenses largely remaining unchanged, non-staff costs reflected an increased share in expenses for capital expenditure projects and an increase in internally generated IT services and with a decline in costs for winter services.

In total, segment EBITDA was € 1.6 million below the previous year's figure at € 28.5 million. Due to a decline in depreciation and amortization because of the expiry of useful lives, EBIT rose to € 11.7 million.

As regards the negotiations about the airport fees under way between Fraport, Lufthansa and other airlines, common consent appears to be reached for a moderate reduction of the airport fees.

Retail & Properties

€ million	Q1 2006	Q1 2007	Change *in %*
Revenue	91.4	155.3	69.9
EBITDA	74.6	82.5	10.6
EBIT	52.9	61.6	16.4
Employees	2,866	2,880	0.5

Segment revenue totaled € 155.3 million and was thus by 69.9% above the previous year's level. This surge was largely the result of the finance leases to the Airrail Center balanced by costs in the same amount.
Retail revenue significantly increased as a result of new openings and new contracts as well as well-targeted sales promotion campaigns. In the period under review retail revenue per passenger increased in comparison with the previous year from € 2.58 to € 2.86. Revenue from parking developed positively as well due to an increase in passenger numbers.

The unscheduled repayment of a loan of Airrail acquired under par had an additional increasing effect on total revenue.

The one-off effects from the recognition of the finance leases to the Airrail Center were reflected in operating expenses in the same amount as in revenue. Further increases are the result of expenses for capital expenditure projects and of IT services.

Because of the positive development, in particular in the retail business, EBITDA rose to € 82.5 million. Compared with the previous year's level this corresponds to an increase of 10.6%. A decrease in depreciation and amortization due to the assets' longer useful lives in the previous year meant that EBIT reached € 61.6 million, a rise of 16.4%.

Ground Handling

€ million	**Q1 2006**	**Q1 2007**	**Change** *in %*
Revenue	147.1	145.7	– 1.0
EBITDA	7.5	7.7	2.7
EBIT	2.0	2.2	10.0
Employees	7,655	7,980	4.2

Revenue from the Ground Handling segment totaled € 145.7 million, slightly down from the previous year's level. Here, there was an impact from contrary effects. Increased traffic and the increased market share in ramp-handling up by 0.6 percentage points to 88.2% resulted in revenue growth.
The unusually high demand for de-icing services in the first quarter of the previous year and the mild winter this year resulted in revenue declines in the period under review.

The mild winter is also reflected in operating expenses. Fewer de-icing services resulted in declines in expenses accordingly. Costs in the other segments were kept constant due to strict cost management. Although staff numbers rose due to increased traffic, personnel expenses were reduced since the mix of personnel was improved.

EBITDA thus rose from € 7.5 million to € 7.7 million, the EBIT rose in the same proportion to € 2.2 million.

External Activities

€ million	Q1 2006	Q1 2007	Change *in %*
Revenue	89.5	100.6	12.4
EBITDA	– 2.7	– 4.6	–
EBIT	– 10.8	– 12.4	–
Employees	10,452	11,681	12.6

Segment revenue in the first three months of 2007 rose by 12.4% to € 100.6 million. Whereas ICTS Europe was able to raise revenue in the UK, France and Turkey on a regional level, the increase in revenue generated by the Antalya investment was mainly accounted for by a year-on-year increase in passenger volumes. The other revenue rose due the branch in India.

The year-on-year increase in personnel expenses was mainly the result of the business expansion of ICTS and the new consolidation of Twin Star. Non-staff costs rose considerably compared with the first quarter 2006. This is mainly accounted for by the branch in India.

Due to the cost price resulting from the new consolidation of Twin Star and the seasonal business prevailing in that segment the EBITDA dropped by € 1.9 million to € – 4.6 million; the EBIT were at € – 12.4 million.

The segment's results do not include the results from associated companies and the results of investment accounted for using the equity method.

The business figures for the key associated companies outside Frankfurt before consolidation are shown below.

The subsidiary **ICTS** increased its revenue by 7.6% to € 70.4 million by expanding its business in the UK, France and Turkey. Due to start-up costs, operating expenses increased disproportionately in relation to revenue. At € 1.3 million, EBITDA was € 0.7 million higher than in the previous year.

Due to the continuing unequal division of traffic between the two competing terminals until April 2006, **Antalya** reflected an increase in passenger numbers of more than 200% compared with the previous year. As a result, revenue was up by € 3.4 million to € 5.3 million. With an effective cost management implemented at the same time, EBITDA rose to € 0.9 million from € – 2.1 million in the previous year.

In **Frankfurt-Hahn**, the increase in revenue from an increase in air traffic could not offset the revenue reductions from the new airport fee table and the fact that fewer de-icing measures were required because of the mild winter. Revenue dropped from € 9.6 million last year to € 9.0 million. Operating expenses could be kept constant; as a result, EBITDA dropped by only € – 2.2 million to € – 2.8 million.

The subsidiary **Fraport Twin Star Airport Management AD** established in the previous fiscal year, which operates the airports at the Bulgarian Black Sea resorts Varna and Bourgas within a 35-year concession, reported revenue in the first quarter 2007 in the amount of € 1.1 million. The operating expenses totaled € 3.6 million, the EBITDA thus amounting to € – 2.5 million. The airports are characterized by tourist travel and therefore earn most of the revenue in the summer season. The current operating costs exceed revenue in the low season. The company has been fully consolidated since its establishment.

Hanover-Langenhagen and Lima airports and their operating companies are accounted for using the equity method.
As regards revenue from **Hanover**[1], the traffic increase could not offset the decline in de-icing measures taken due to the mild winter. They dropped by 2.0% to € 29.8 million. With operating expenses remaining constant EBITDA fell from € 5.3 million to € 4.6 million.

Revenue and results in **Lima** developed positively in connection with the increased volume of traffic. Revenue rose by 10.7% to € 21.7 million. Operating expenses rose because of the increase in security costs. At € 5.4 million, EBITDA were 20.0% higher than in the previous year.

Fraport Ground Services Austria GmbH was awarded the contract to offer ground handling services at Vienna Airport for another seven years. Its concession was extended in the wake of an international bidding procedure.

Following an international bidding procedure, Fraport AG, together with partners, was awarded the contract to operate the planned new airport in Dakar for a period of 25 years. The new airport will be financed by the government and will be operated by a local company (with integration of Fraport) as soon as it is completed. Fraport will make available respective management services to the local company.Today already, Fraport experts are involved in the optimization of the construction plans and will organize the removal to the new airport as well.

Employees

In the period under review the number of people employed by the Fraport Group rose by 6.9% to an average of 28,857. In this period an average of 17,723 people were employed in Frankfurt, 3.5% more than in the previous year.

	Q1 2006	**Q1 2007**	**Change** *in %*	**2006**	**Change Q1 to 2006** *in %*
Fraport Group	26,989	28,857	6.9	28,246	2.2
of which in Frankfurt	17,118	17,723	3.5	17,528	1.1
Investments	14,982	17,003	13.5	16,293	4.4
of which ICTS	9,049	9,714	7.3	9,852	– 1.4

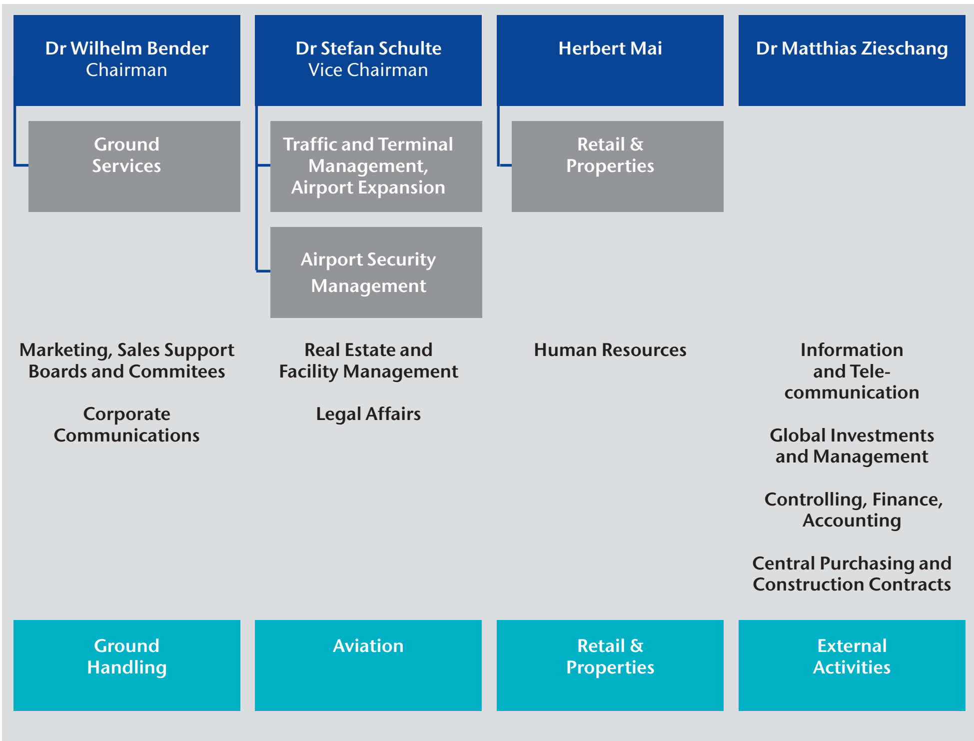
[1] *Data from the single-entity financial statements.*

Organizational structure

As of April 1, Dr Stefan Schulte took the position of the Vice Chairman Professor Manfred Schölch who left the company effective March 31, 2007. The finance position was filled by Dr Matthias Zieschang.

Since in view of the worldwide political development the security tasks at Frankfurt Airport become more and more important, the focus must be placed on the development of security concepts and of air and passenger safety. Therefore, the security segment of Fraport AG was restructured to become an independent strategic business unit, the Airport Security Management (ASM). The business of the ICTS subsidiary FIS GmbH at the locations in Frankfurt and Frankfurt-Hahn was separated into a direct subsidiary of Fraport AG, Fraport Security Services GmbH (FraSec), and directly allocated to the newly created segment. Due to this reclassification, the security business in Frankfurt and Frankfurt-Hahn so far allocated to the External Activities segment is now recognized under Aviation.

*Fraport structure with effect from April 1, 2007 **



** Excluding staff departments.*

Miscellaneous

Order situation

The summer flight schedule for 2007 at Frankfurt Airport lists 129 passenger-carrying airlines with 307 destinations – among them 138 intercontinental destinations – in 109 countries. 4,635 planned departures per week in scheduled passenger air traffic is a plus of some 0.5%. The driving force for the increase in capacities will be again passenger and cargo intercontinental traffic.

Stock option plan

A new stock option plan - the “Fraport Management Stock Option Plan 2005“ (Fraport MSOP 2005) was agreed at the Annual General Meeting of Fraport AG on June 1, 2005, replacing the old stock option plan. Among other things, the new stock option plan meets the requirements of the German Corporate Governance Codex for the identification of variable remuneration of members of the Board of Fraport AG, members of executive management from investments and other selected managerial staff at Fraport AG and the associated investments.
On the whole, the number of share options through both stock option plans at March 31, 2007 stood at 1,287,750. The current number of issued and still unused options under the 2001 stock option plan is 9,350. A total of 414,700 share options were issued for the Fraport MSOP 2005, 20,000 of which have expired and none of which could be exercised yet.

Treasury shares

Fraport AG held 104,679 treasury shares on March 31, 2007. This is a decrease of 5,049 shares in comparison with the end of the 2006 fiscal year. These were issued as part of the compensation of the Executive Board.

Contingent liabilities and other financial commitments

There were no major changes in contingent liabilities and the other financial commitments by comparison with December 31, 2006.

Changes in risk and opportunities reporting

The German Luftfahrtbundesamt requires from the airlines to continuously guard freight. This will change the lodging processes for Fraport with adverse effects, yet probably without any major impact on the economic performance.

As regards the negotiations about the airport fees under way between Fraport, Lufthansa and other airlines, common consent appears to be reached for a moderate reduction of the airport fees.

We had mentioned in our last management report that the investigations which were initiated by the Philippine National Bureau of Investigation against Fraport AG and various individuals from the Fraport AG organization on the suspicion of a violation of the "Anti-Dummy Law" were discontinued at the end of 2006 and that this decision had not yet been final and absolute at the time. Following an appeal, this decision of discontinuation was reversed on March 15, 2007 and it was recommended that a charge be brought forward. This decision in turn was subject to appeal on which no decision has yet been made.

At the airports in Varna and Bourgas operated by Fraport Twin Star Airport Management AD, Varna, Bulgaria, there is a risk of environmental pollution arising from kerosene tanks which are not up to industrial standards. The respective measures to meet such industrial standards have already been started.

Other changes in the risks and opportunities presented in the Annual Report 2006 (pages 73 et seq.) have not occurred. There are no risks currently identifiable which could jeopardize the Group as a going concern.

Significant events after the balance sheet date

At the beginning of April the Fraport Group signed the agreements on a 24.5% investment in the airport of the city of Xi'an in central China. According to these contracts, Fraport will take care in the future of the operational optimization and the commercial development of this airport. The share in the total project amounts to some € 50 million. The permits of the Chinese authorities and the completion of the transaction are expected for the third quarter in 2007.

A consortium led by Fraport AG won the bidding procedure in April for continuing to operate the terminals at Antalya Airport in Turkey. Effective mid-September 2007 Fraport and the Turkish IC Holding will operate Terminal 1 so far managed by Fraport and the domestic terminal and will take over operations as from September 2009 of the second international terminal so far operated by IC. The concession for operating all three terminals runs until the year 2024. The new operating company has agreed to make a total concession payment of about € 2.37 billion, of which 3% is due upon signing the contract and another 22% will be due by September 2008. The remaining amount will be paid by the operating company in installments over the duration of the contract from January 2010 until the year 2024.
Currently, the competing consortium consisting of Vienna Airport and Celebi consider to take action against the Turkish airport authority in connection with their being disqualified on the basis of faulty bidding documents. Fraport considers the chances of success to be very small.

Outlook

Passenger numbers

We expect an increase in passenger volume at Frankfurt Airport for 2007 of 1 to 2%. Therefore the overproportionate growth of the intercontinental traffic – which is important for the development of Frankfurt as an international hub – will continue. The earlier easter traffic will have a dampening effect on the April figures. Furthermore the additional passengers in 2006 because of the world cup will miss in the second quarter. Thus the good passenger numbers of the first quarter, reached through special effects, can not be extrapolated for the full year.

According to our estimates, the number of passengers handled by the whole Group (majority interests) will be noticeable greater than in the previous year.
Airfreight development has lost momentum in the last few months worldwide and in Europe and suffered a loss in some European hubs already. We therefore expect Group results to be on the previous year's level.

Group segments in 2007

As regards the **Aviation** segment, revenue from an increase in air traffic is expected to increase on the one hand; on the other hand, Fraport applies for reduction of the airport fees in the current year. By providing additional security services the revenue decline in the security business will probably not reach the amounts forecasted so far. As regards personnel expenses we expect the cost reductions due to the reorganization of the security business to more than offset the effects from collective labor agreements. We see the non-staff costs on the previous year's level. Depreciation and amortization expense will be affected by the capital expenditures mentioned. In total, the segment result – also with regard to non-recurring extraordinary effects in connection with the release of provisions and accruals in fiscal 2006 – is expected to fall below the previous year's result.

As regards the **Retail & Properties** segment, we expect a continued favorable effect from the expansion of the retail business, especially by creating additional retail space. Rental revenue adjusted by the Airrail finance lease is expected to decline again due to the demolition of buildings, which will be more than offset by winning back Lufthansa as an energy customer. We expect personnel expenses to increase due to the fact that more staff will be needed in connection with the IT centralization and the control of capital expenditure programs as well as in regard to the integrated investments. Non-staff costs will be affected by increased energy prices, the supply of Lufthansa with energy and the comprehensive cost portions resulting from capital expenditure projects. The one-off effects from the recognition of the Airrail finance leases will be reflected in non-staff costs in the same amount as in revenue. In total, EBITDA and EBIT should exceed the previous year's levels.

As regards the **Ground Handling** segment, we expect an increase in infrastructure fees due to the air traffic development. The expected increase in the market share for aircraft handling will probably not be able to entirely offset the price reductions due to existing agreements and the increased market pressure. In connection with a reduction of other operating income compared with the previous year from the release of provisions and accruals in fiscal 2006, we expect a total revenue which should be significantly below last year's amount. We should be able to reduce total costs with our strict cost management and expect an overall segment result below last year's level, which will nevertheless be on a good level.

As regards the **External Activities** segment, we expect an increase in revenue caused by the initial consolidation of the new subsidiary Twin Star and the full consolidation of Lima Airport after the acquisition of additional shares which still requires the approval from the grantor of the concession. In addition, ICTS and Frankfurt-Hahn Airport should achieve favorable developments.

As regards ICTS, an increase in revenue is to be expected from its business expansion. The forecasts for Frankfurt-Hahn Airport predict air traffic growth and an increase in revenue in connection with the expansion of the Ryanair services at this location.
A consortium led by Fraport AG won the bidding procedure in April for continuing to operate the terminals at Antalya Airport. Effective mid-September 2007 Fraport and the Turkish IC Holding will operate Terminal 1 so far managed by Fraport and the domestic terminal.
The development of personnel requirements in the segment should be in line with the revenue development. Non-staff costs in the segment should increase significantly in particular due to the full consolidation of Lima, since the company handles the operations by the use of external staff and services. In addition, the business-related non-staff costs at ICTS and Frankfurt-Hahn Airport are expected to increase. The segment result is expected to be at last year's level despite the omission of positive one-off effects – sale of TCR, Manila – in the previous year.

Group key figures for 2007

We expect a Group-wide increase in **revenue** in 2007 for the reasons mentioned. **Other income** is expected to drop clearly, since this item was affected in 2006 by comprehensive extraordinary effects.
Personnel expenses should increase moderately. ICTS Europe, Frankfurt-Hahn Airport and the ground handling subsidiary Airport Personal Services will post an increase in personnel expenses due to their planned business expansion. Additional costs will be incurred due to the initial consolidation of Twin Star and the investment in Lima.
Non-staff costs are expected to increase clearly. This will be mainly the result of the increase in the group of consolidated companies. The comprehensive capital expenditure program at the Frankfurt location is expected to increase the cost of the capital expenditure projects strongly. We expect to nearly offset this increase in Frankfurt by the respective cost reductions on the basis of our strict cost management.
Due to the positive one-off effects in the EBITDA in 2006, **EBITDA** is expected to be reduced in fiscal 2007. After deducting the one-off effects in EBITDA 2006, EBITDA in fiscal 2007 should be on or slightly above previous year's level especially because of the initial consolidation of the investments Twin Star and Lima Airport.
The effect on unadjusted EBITDA is expected to be intensified on **EBIT** level by slightly increasing **depreciation and amortization** based on shorter useful lives in connection with the airport expansion plans.
The **Group result** is expected to be burdened by a reduced **financial result**. This decline results from the fact, that in 2006 a payment of compensation was made for the terminal project in Manila. Also, an increase in planned financing costs from the terminal expansion in Lima will be recognized and a loss on income from our Spanish investment Ineuropa Handling U.T.E. due to the termination of the concessions. The interest result is expected to adversely affect income due to the expected borrowing for capital expenditures within the scope of the airport expansion.

Preview 2008

The relevant surveys of the industry continue to assume that global air traffic will increase in the coming years. This should also be the case at our Group airports; it will not be applicable to Frankfurt Airport to the same extent, however, due to the capacity limitations.

We expect the revenue trends of 2007 to continue in the **Aviation** segment to a lesser extent, with the airport fees having to be refixed. Non-staff costs in the years to come should reflect the increase in air traffic and airport expansion activities. We want to counteract this trend by implementing our "Focus Competition" project and by utilizing efficiency potential in the security business.

The **Retail & Properties** segment should benefit from a further increase in the retail space and retail revenue. Demand for more personnel will probably increase due to the increased business volume of the integrated investments of the segment. The development of non-staff costs reflects the cost portions of comprehensive capital expenditure activities. Since the increase in segment revenue should exceed the increase in operating expenses, EBITDA are expected to rise. EBIT are expected to develop similarly.

As regards the **Ground Handling** segment, revenue related to infrastructure fees is expected to grow in line with air traffic and remain stable in relation to ground handling services. The optimized mix of personnel should have a favorable impact on personnel expenses. In total, we want to continuously improve the segment's productivity in the years to come. The profit margin in this segment should be consolidated at a good level.

From today's point of view, a favorable development is expected in the **External Activities** segment. However, new investments and the increase or decrease in existing investments could have a major impact on consolidation.
In total, we expect an increase in revenue and earnings.

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 outside the control of Fraport AG Frankfurt Airport Services Worldwide and could have the effect that the actual results differ materially from the statements.These factors include not only but among other things the competitive environment in liberalized markets, regulatory changes, the success of the business operations as well as considerably less favorable general economic conditions on 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 these statements about the future.

Group Interim Report as at March 31, 2007

Consolidated income statement

€ million	Q1 2006	Q1 2007
Revenue	**487.4**	561.2
Change in work-in-process	0.0	0.1
Other internal work capitalized	4.1	3.6
Other operating income	13.1	11.9
Total revenue	**504.6**	576.8
Cost of materials	– 84.6	– 139.9
Personnel expenses	– 262.1	– 263.5
Other operating expenses	– 48.4	– 59.3
EBITDA	**109.5**	114.1
Depreciation and amortization of tangible and intangible non-current assets and investment property	– 54.8	– 51.0
EBIT/Operating profit	**54.7**	63.1
Interest income	3.1	5.5
Interest expense	– 10.4	– 11.2
Share of the profit or loss of investments accounted for using the equity method	– 1.3	– 0.3
Income from investments	0.0	2.6
Impairment of financial assets	0.0	0.0
Other financial result	1.5	3.1
Financial results	**– 7.1**	– 0.3
EBT/Result from ordinary operations	**47.6**	62.8
Taxes on income	– 20.1	– 26.3
Group profit	**27.5**	36.5
Profit or loss attributable to minority interests	– 0.2	– 0.9
Profit attributable to equity holders of Fraport AG	27.7	37.4
Earnings per € 10 share in €		
basic	**0.30**	0.41
diluted	**0.30**	0.40

Consolidated balance sheet

Assets

€ million	Balance at Dec. 31, 2006	Balance at Mar. 31, 2007
Non-current assets		
Goodwill	97.1	97.1
Other intangible assets	42.3	42.9
Property, plant and equipment	2,729.2	2,765.1
Investment property	66.9	11.6
Investments accounted for using the equity method	56.2	55.6
Other financial assets	302.1	312.0
Other receivables and other assets	36.8	30.0
Income tax receivable	32.2	32.2
Deferred tax assets	16.4	15.2
	3,379.2	**3,361.7**
Current assets		
Inventories	32.9	35.3
Trade accounts receivable	185.5	205.1
Other receivables and other assets	62.3	321.5
Income tax receivable	2.0	2.0
Cash an cash equivalents	632.5	398.0
	915.2	**961.9**
Non-current assets held for sale	0.1	–
	915.3	**961.9**
	4,294.5	**4,323.6**

Liabilities and equity

€ million	Balance at Dec. 31, 2006	Balance at Mar. 31, 2007
Shareholders' equity		
Issued capital	913.7	913.8
Capital reserves	558.8	559.4
Revenue reserves	746.3	758.1
Group retained earnings	105.2	105.2
Group result Jan. 1 – Mar. 31, 2007	–	37.4
Issued capital and reserve attributable to equity holders of Fraport AG	2,324.0	2,373.9
Minority interests, presented within equity	22.1	28.3
	2,346.1	**2,402.2**
Non-current liabilities		
Financial liabilities	718.8	715.3
Other liabilities	106.1	105.9
Deferred tax liabilities	127.6	134.2
Provisions for pensions and similar obligations	20.6	21.2
Provisions for income taxes	166.2	164.0
Other provisions and accruals	101.4	97.3
	1,240.7	**1,237.9**
Current liabilities		
Financial liabilities	125.2	96.7
Trade accounts payable	229.0	215.0
Other liabilities	118.1	129.2
Provisions for income taxes	16.4	14.9
Other provisions and accruals	218.8	227.7
	707.5	**683.5**
Liabilities in connection with assets held for sale	0.2	–
	707.7	**683.5**
	4,294.5	**4,323.6**

Consolidated cash flow statement

€ million	Q1 2006	Q1 2007	2006
Profit attributable to equity holders of Fraport AG	**27.7**	**37.4**	**229.3**
Taxes on income	20.1	26.3	111.3
Profit attributable to minority interests	0.2	– 0.9	– 0.4
Adjustments for:			
Depreciation/write-ups (non-current assets)	54.8	51.0	248.4
Interest results	7.3	5.7	25.9
Income from investments	0.0	– 2.6	– 6.8
Gains/losses from disposals of non-current assets	1.1	– 0.6	– 5.6
Unrealized foreign currency results	– 1.0	1.0	0.3
Changes in investments accounted for using the equity method	2.7	0.3	– 5.6
Changes in inventories	2.5	– 2.4	2.9
Changes in receivables and other assets	30.8	– 20.8	– 29.2
Changes in provisions	– 1.8	8.8	39.9
Changes in liabilities (w/o financial liabilities and provisions)	– 6.7	14.6	31.2
Reclassification in assets/liabilities held for sale	– 4.3	– 0.1	–
Operational activities	*133.4*	*117.7*	*641.6*
Financial activities			
Interest paid	– 10.4	– 11.2	– 44.9
Interest received	3.1	5.5	19.0
Dividends received	0.0	2.6	6.8
Taxes on income paid	– 29.7	– 26.8	– 137.6
Cash flow from operating activities	**96.4**	**87.8**	**484.9**
Capital expenditure for intangible assets	– 0.6	– 1.0	– 7.2
Capital expenditure for property, plant and equipment	– 75.8	– 106.9	– 443.9
Capital expenditure for investment accounted for using the equity method	–	– 0.6	– 0.6
Investment property	–	– 2.3	–
Changes in consolidation	–	–	13.2
Other financial investments (long-term)	– 20.8	–	– 80.5
Other financial investments (short-term)	– 225.0	– 250.0	–
Proceeds from disposal of non-current assets	–	51.6	19.6
Cash flow used in investing activities	**– 322.2**	**– 309.2**	**– 499.4**
Dividends paid to shareholders of Fraport AG	–	–	– 82.0
Dividends paid to minority shareholders	–	–	– 0.7
Capital increase	4.2	0.5	15.7
Change in financial liabilities	– 7.1	– 12.9	140.3
Cash outflow/inflow used in financing activities	**– 2.9**	**– 12.4**	**73.3**
Changes in consolidation	–	–	–
Foreign currency translation effect on cash and cash equivalents	–	– 0.7	– 0.5
Restricted cash	–	– 15.7	– 14.9
Change in cash and cash equivalents	**– 228.7**	**– 250.2**	**43.4**
Cash and cash equivalents at Jan. 1	574.2	617.6	574.2
Restricted cash previous year	–	14.9	–
Cash and cash equivalents at Mar. 31 resp. Dec. 31	**345.5**	**382.3**	**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	–	–	–	–	– 1.2	–	–	– 1.2	–	– 1.2
Fair value of financial assets held for sale	–	–	–	–	–	0.1	–	0.1	–	0.1
Fair value changes of derivatives	–	–	–	–	–	5.4	–	5.4	0.4	5.8
Net gain(+)/Net costs (–) directly included in equity	0.0	0.0	0.0	0.0	– 1.2	5.5	0.0	4.3	0.4	4.7
Capital increase Frankfurt-Hahn Airport	–	–	–	–	–	–	–	0.0	4.0	4.0
Issue of shares for employee investment plan	–	–	–	–	–	–	–	0.0	–	0.0
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	–	0.3	–	–	–	–	–	0.3	–	0.3
Distribution	–	–	–	–	–	–	–	0.0	–	0.0
Group profit Jan. 1 – Mar. 31, 2006	–	–	–		–	–	27.7	27.7	– 0.2	27.5
Consolidation activity/ other changes	–	–	–	– 0.2	–	–	–	– 0.2	–	– 0.2
Balance at Mar. 31,2006	**910.9**	**551.0**	**36.5**	**577.6**	**– 9.0**	**– 1.8**	**109.8**	**2,175.0**	**19.6**	**2,194.6**
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	–	–	–	–	0.6	–	–	0.6	–	0.6
Fair value of financial assets held for sale	–	–	–	–	–	8.9	–	8.9	–	8.9
Fair value changes of derivatives	–	–	–	–	–	1.1	–	1.1	–	1.1
Net gain(+)/Net costs (–) directly included in equity	0.0	0.0	0.0	0.0	0.6	10.0	0.0	10.6	0.0	10.6
Capital increase Frankfurt-Hahn Airport/Twin Star	–	–	–	–	–	–	–	0.0	7.4	7.4
Issue of shares for employee investment plan	–	–	–	–	–	–	–	0.0	–	0.0
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management stock option plan										
– Capital increase for exercise of options	–	–	–	–	–	–	–	0.0	–	0.0
– Value of performed services	–	0.5	–	–	–	–	–	0.5	–	0.5
Distribution	–	–	–	–	–	–	–	0.0	–	0.0
Group profit Jan. 1 – Mar. 31, 2007	–	–	–	–	–	–	37.4	37.4	– 0.9	36.5
Consolidation activity/ other changes	–	–	–	1.2	–	–	–	1.2	– 0.3	0.9
Balance at Mar. 31, 2007	**913.8**	**559.4**	**36.5**	**703.5**	**– 4.9**	**23.0**	**142.6**	**2,373.9**	**28.3**	**2,402.2**

Segment reporting

€ million	Q1	Aviation	Retail & Properties	Ground Handling	External Activities	Group
Revenue	2007	159.6	155.3	145.7	100.6	561.2
	2006	159.4	91.4	147.1	89.5	487.4
Personnel expenses	2007	61.4	40.1	86.2	75.8	263.5
	2006	61.8	40.2	87.7	72.4	262.1
EBITDA	2007	28.5	82.5	7.7	– 4.6	114.1
	2006	30.1	74.6	7.5	– 2.7	109.5
Depreciation and amortization	2007	16.8	20.9	5.5	7.8	51.0
	2006	19.5	21.7	5.5	8.1	54.8
EBIT	2007	11.7	61.6	2.2	– 12.4	63.1
	2006	10.6	52.9	2.0	– 10.8	54.7

Consolidated income statement, quarterly overview

€ million	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007
Revenue	**487.4**	**549.9**	**582.3**	**524.3**	**561.2**
Change in work-in process	0.0	0.1	0.1	– 0.2	0.1
Other internal work capitalized	4.1	6.0	5.6	7.4	3.6
Other operating income	13.1	28.8	13.6	27.8	11.9
Total revenue	**504.6**	**584.8**	**601.6**	**559.3**	**576.8**
Cost of materials	– 84.6	– 82.6	– 86.9	–99.2	– 139.9
Personnel expenses	– 262.1	– 270.1	– 273.7	–271.0	– 263.5
Other operating expenses	– 48.4	– 53.2	– 42.5	–97.6	– 59.3
EBITDA	**109.5**	**178.9**	**198.5**	**91.5**	**114.1**
Depreciation and amortization of tangible and intangible non-current assets and investment property	– 54.8	– 57.8	– 53.3	– 82.1	– 51.0
EBIT/Operating profit	**54.7**	**121.1**	**145.2**	**9.4**	**63.1**
Interest result	– 7.3	– 6.0	– 3.9	– 8.7	– 5.7
Share of the profit/loss of investments accounted for using the equity method	– 1.3	1.0	3.4	2.5	– 0.3
Income from investments	0.0	2.0	0.0	4.8	2.6
Impairment of financial assets	0.0	0.0	– 0.4	0.0	0.0
Other financial results	1.5	1.5	18.9	1.8	3.1
Financial result	**– 7.1**	**– 1.5**	**18.0**	**0.4**	**– 0.3**
EBT/Result from ordinary operations	**47.6**	**119.6**	**163.2**	**9.8**	**62.8**
Taxes on income	– 20.1	– 50.1	– 60.1	19.0	– 26.3
Group profit	**27.5**	**69.5**	**103.1**	**28.8**	**36.5**
Profit attributable to equity holders of Fraport AG	27.7	69.0	102.8	29.8	**37.4**
Profit attributable to minority interests	– 0.2	0.5	0.3	– 1.0	– 0.9

Notes

Accounting policies

This unaudited Interim Report as of March 31, 2007 for the Fraport Group was produced in accordance with IAS 34 in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). All official bulletins of the IASB with mandatory application from January 1, 2007 onwards have been taken into account. The key changes are indicated below.

IFRIC issued the interpretation IFRIC 8 "Scope of IFRS 2" on January 12, 2006. IFRIC 8 clarifies that IFRS 2 applies to arrangements where an entity makes share-based payments for apparently nil or inadequate consideration. IFRIC 8 applies to 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 that a business should check whether a contract contains an embedded derivative that should be separated from the main contract and accounted for as a separate derivative.
IFRIC 9 looks at the question of whether, according to IAS 39, such an assessment is to be made only when the company becomes a party in the hybrid contract or throughout the life of the contract. IFRIC 9 applies to fiscal years beginning on or after June 1, 2006.
The application of these interpretations will not have any major impact on the asset, financial and earnings situation of the Fraport Group.

IFRIC issued the interpretation IFRIC 10 "Interim Financial Reporting and Impairment" on June 20, 2006. 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 applies to fiscal years beginning on or after November 1, 2006. The Fraport Group complies with the obligation of not reversing any impairment loss as set out under IAS 36 and IAS 39 in its interim and annual financial statements.

The International Financial Reporting Interpretations Committee issued the interpretation IFRIC 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 to share-based payments involving an entity's own equity instruments or involving the equity instruments of another group company. IFRIC 11 will apply to fiscal years beginning on or after March 1, 2007. An earlier application is recommended. The application of IFRIC 11 will not have any major impact on the asset, financial and earnings situation of the Fraport Group.

IFRIC 12 provides guidance on the accounting for service arrangements by companies rendering public services for government bodies. IFRIC 12 will apply to fiscal years beginning on or after January 1, 2008. An earlier application is recommended.
Fraport AG has not yet applied IFRIC 12. The effects of IFRIC 12 are still under review. Currently, the interpretation could affect the asset situation in particular.

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

The IASB published the amendments to IAS 23 "Borrowing Costs" on March 29, 2007. The main change of this standard is the removal 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 applies to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009.

We will look into the future effects the revised IAS 23 might have. From today's point of view, the impact on the asset, financial and earnings situation of the Fraport Group will not be insignificant.

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

There are 89 consolidated companies altogether belonging to the wider Fraport consolidated Group.

On March 21, 2007, ICTS Europe established a 100 percent subsidiary, ICTS Czech s.r.o., Prague with a capital contribution of about € 18 thousand. The company is active in the field of security services. It was included in the ICTS subgroup at the time of its establishment.
On March 9, 2007 Fraport AG established Fraport Asia Ltd., Hong Kong. Fraport AG holds 100% of the equity shares in the nominal amount of HKD 10.0 thousand (some € 1.0 thousand). The company's purpose is to render services relating to the airport operation. The company was included for the first time in the Fraport consolidated financial statements at the time of its establishment.
The Saarbrücken Betriebsgesellschaft mbH Airport was consolidated as an associated company on the basis of the decision of Fraport AG not to assume the company's management and the intended sale of the shares as of January 1, 2007; it was reclassified into assets held for sale as of March 31, 2007.
Effective March 6, 2007 Airport Retail Solutions GmbH, Frankfurt am Main was sold. A gain on disposal amounting to € 0.1 million was achieved when the company was deconsolidated.
Within the scope of reorganizing the security business in the Group the subsidiaries of ICTS, FIS GmbH und die FIS Deutschland GmbH were restructured effective January 1, 2007. The Frankfurt business was allocated to FIS GmbH, the other German-wide security business was allocated to FIS Deutschland. On March 13, 2007 FIS GmbH changed its name into FraSec Fraport Security Services GmbH and FIS Deutschland GmbH was renamed FIS GmbH. Substantially effective April 1, 2007 FraSec GmbH was sold to Fraport AG. The company FraSec GmbH has been allocated to the Aviation 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	Q1 2006	Q1 2006 New	Change	Q1 2007
Revenue	159.0	159.4	0.4	159.6
EBITDA	26.7	30.1	3.4	28.5
EBIT	7.3	10.6	3.3	11.7
Employees	3,250	6,016	2,766	6,316

External Activities

€ million	Q1 2006	Q1 2006 New	Change	Q1 2007
Revenue	89.9	89.5	– 0.4	100.6
EBITDA	0.7	– 2.7	– 3.4	– 4.6
EBIT	– 7.5	– 10.8	– 3.3	– 12.4
Employees	13,218	10,452	– 2,766	11,681

Explanatory notes to selected income statement items

Interest result

€ million	Q1 2006	Q1 2007
Interest income	3.1	5.5
Interest expenses	– 10.4	– 11.2
	– 7.3	**– 5.7**

Result of associated companies accounted for using the equity method

€ million	Q1 2006	Q1 2007
Flughafen Hannover-Langenhagen GmbH	– 0.6	– 0.8
LAP Lima Airport Partners S. R. L.	–	0.5
Airrail Center Frankfurt GmbH	–	–
ASG Airport Service Gesellschaft mbH	0.1	0.1
Grundstücksgesellschaft Gateway Gardens GmbH	– 0.7	– 0.1
Others	– 0.1	–
	– 1.3	**– 0.3**

Income from investments

€ million	Q1 2006	Q1 2007
Ineuropa Handling UTE	–	2.6

Other financial results

€ million	Q1 2006	Q1 2007
Income		
Incoming payment from Manila project	–	1.2
Income from securities and loans	1.5	1.5
Foreign currency gains	1.3	–
Fair valuation for securities of financial assets	–	1.4
Valuation of derivatives	0.6	0.8
	3.4	**4.9**
Expenses		
Foreign currency losses	– 0.3	– 1.2
Fair valuation for securities of financial assets	– 1.4	–
Valuation of derivatives	–	– 0.4
Interests of minority shareholders in GCS	– 0.2	– 0.2
	– 1.9	**– 1.8**
	1.5	**3.1**

Frankfurt am Main, May 9, 2007
Fraport AG

Frankfurt Airport Services Worldwide
The Executive Board

Dr Bender   Dr Schulte   Mai   Dr Zieschang

Financial Calendar

May 30, 2007 . . . . Annual General Meeting
August 7, 2007 . . . . Interim Report on the 2nd quarter 2007
November 13, 2007 . . . . . . Interim Report on the 3rd quarter 2007

Contacts

Fraport AG
Frankfurt Airport Services Worldwide
60547 Frankfurt am Main
Germany

Phone: 01805 3724636 or 01805-FRAINFO
From abroad: +49 (0) 69 690-0
Internet: www.fraport.com

Investor Relations
Telephone : +49 69 690-74842
Fax: +49 69 690-74843
E-Mail: investor.relations@fraport.de

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