

Interim Report

as at June 30, 2007



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Imprint

Highlights and key figures

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

- Overall increase in Group passenger numbers by 6.7 %
- 2.5 % more passengers at Frankfurt Airport as against the previous year
- Group revenue 8.4 % above figures for the previous year at € 1,124.4 million; adjusted by the special effect, which is neutral on earnings level, the increase is 2.8 %
- EBITDA decrease by 5.3 % to € 273.0 million due to positive extraordinary effects in the previous year
- Group profit 6.0 % higher than in the previous year at € 102.8 million – due to lower tax rate
- Earnings per share up by 5.7 % to € 1.12

We entered into a framework agreement with Celanese AG/Ticona GmbH in mid-June 2007 in line with our letter of intent signed in November 2006. Under this agreement, Celanese AG/Ticona GmbH undertakes irrevocably to close the Ticona production plant in Kelsterbach by June 30, 2011 or by December 31, 2011 at the latest, and to refrain from any appeals and action against the existence or the expansion of Frankfurt Airport after having signed the agreement. The agreement stipulates in addition that the plots of land in Kelsterbach be transferred to Fraport after removal of all of the plant facilities, unless Fraport accepts to take these. Any land reclamation required for the commercial use of the land will be made by Celanese AG/Ticona GmbH.

With the signing of this agreement a major risk that the start of operation of the northwest landing runway could be delayed, was eliminated.

Fraport AG will pay a consideration of € 670.0 million to Celanese AG/Ticona GmbH. An installment of € 20.0 million was already paid in 2006 on the basis of a separate agreement for preparing the relocation of the chemical plant in Kelsterbach. The remainder will be paid in different tranches between 2008 and 2011.

Immediately after signing the framework agreement, Celanese AG/Ticona GmbH informed the responsible authorities on the agreed closure of production at Ticona in Kelsterbach and withdrew any appeal or action it had brought before the respective authorities and courts. One piece of land required for the new landing runway was transferred to Fraport immediately after signing the agreement.

Fraport therefore recognized the payment obligations in connection with the closure of operations, the withdrawal of any appeal or action and the transfer of the land in the amount of the discounted fair value of € 511.9 million on the liabilities side of its balance sheet and recognized them on the asset side under construction in process or land respectively.

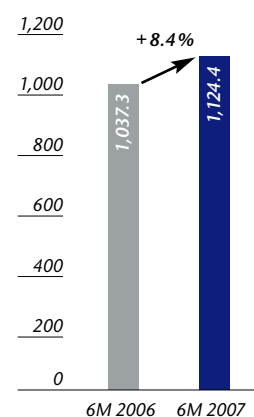
Within the scope of our external activities we won the bidding procedure in April 2007 together with the Turkish IC Holding to operate the entire Antalya Airport in Turkey. Effective mid-September 2007, together with IC Holding, we will operate Terminal 1 so far managed by Fraport and the domestic terminal. Effective September 2009 the consortium will take over operations of the second international terminal so far operated by IC. The concession for operating all three terminals will run until the year 2024.

On April 6, 2007 we signed the agreements on a 24.5 percent investment in the airport of the city of Xi'an in central China. As soon as the Chinese government will have given its approval, which is expected by the end of the year, we will take care in the future of the operational optimization and the commercial development of Xi'an airport.

The acts of the Executive Board and the Supervisory Board were approved at the Annual General Meeting held at the end of May. Fraport shareholders were paid a dividend in the amount of € 1.15 per share.

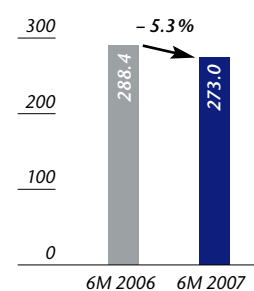
Revenue

€ million



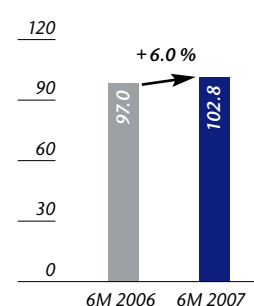
EBITDA

€ million



Group profit

€ million



Key figures

€ million	6M 2006	6M 2007	Change in %
Revenue ¹	1,037.3	1,124.4	8.4
EBITDA ²	288.4	273.0	- 5.3
EBITDA margin	27.8 %	24.3 %	-
EBIT	175.8	168.8	- 4.0
EBT	167.2	164.7	- 1.5
Group profit	97.0	102.8	6.0
Earnings per share in € (basic)	1.06	1.12	5.7
Shareholders' equity ³	2,346.1	2,377.9	1.4
Total assets ³	4,294.5	4,983.5	16.0
Operating cash flow	224.1	197.3	- 12.0
Free cash flow	54.4	- 85.5	-
Capital expenditures	245.2	796.2	>100
Average numbers of employees	27,683	29,741	7.4

¹ Including special effect finance lease Airrail Center of € 57.6 million in the first quarter 2007

² Including release of provisions of € 10.0 million and the sale of our 50 % subsidiary TCR of € 9.5 million in the second quarter 2006

³ On the record date December 31, 2006 resp. June 30, 2007

€ million	Q2 2006	Q2 2007	Change in %
Revenue	549.9	563.2	2.4
EBITDA ¹	178.9	158.9	- 11.2
EBITDA margin	32.5 %	28.2 %	-
EBIT	121.1	105.7	- 12.7
EBT	119.6	101.9	- 14.8
Group profit	69.5	66.3	- 4.6
Earnings per share in € (basic)	0.76	0.71	- 6.6

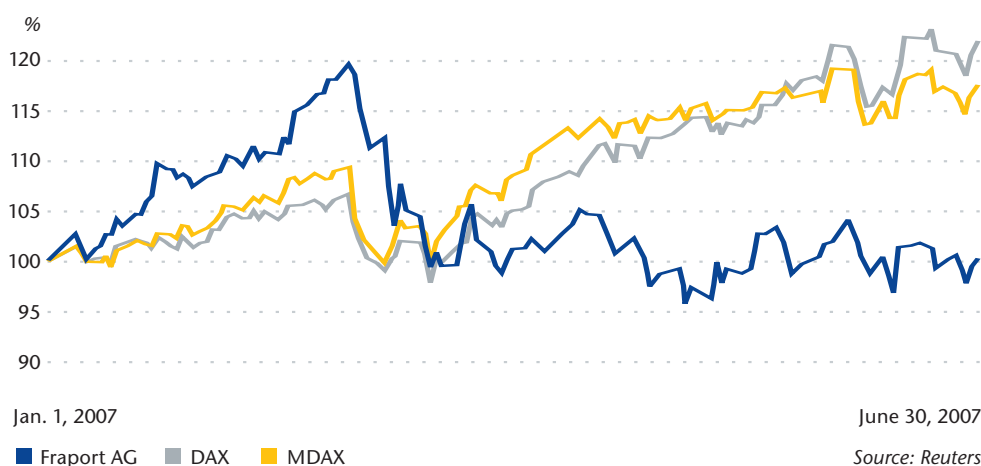
¹ Including release of provisions of € 10.0 million and the sale of our 50 % subsidiary TCR of € 9.5 million in 2006

The Fraport Share

The Fraport share closed the first six months at € 52.88. Whereas the comparative indices DAX and MDAX have recorded two-digit growth rates since the beginning of the year (DAX: +21.4 %; MDAX: +17.2 %), the Fraport share had not performed positively by the end of June. The publication of the figures for the fiscal year 2006 at the beginning of March and the cautious outlook for 2007 had a cushioning effect on the share price performance in the first six months. The capacity-related, below-average air traffic development at the main location in Frankfurt as a major contributor to Group revenue has also affected share performance.

The market capitalization totaled € 4,836 million as at June 30, 2007. 282,046 shares were traded on average each day in the period under review – this is an increase in the trading volume by 11 % compared with the previous year.

Development of the Fraport share compared with the DAX and MDAX



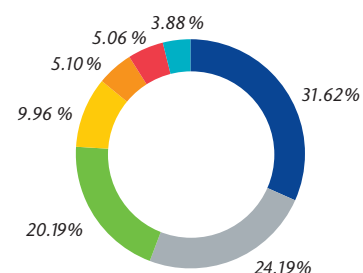
Shareholder structure

The shareholder structure changed only slightly due to the issue of shares within the scope of the employee investment plan and the exercise of stock options.

Dividend policy

The Annual General Meeting for 2007 of Fraport AG approved the proposal of the Supervisory Board and Executive Board that a dividend of € 1.15 per share should be paid out for the 2006 fiscal year. This is an increase by 27.8 % on the dividend paid fiscal 2005.

Shareholder structure as at June 30, 2007¹



- 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

¹ The relative shares held by Julius Bär Holding AG, The Capital Group Companies, Inc. and Deutsche Lufthansa AG were adjusted to the current total number of shares existing as of June 30, 2007 and thus differ from the numbers given at the time of reporting an excess of the limit level and/or Deutsche Lufthansa's own disclosures

Business development

Development of air traffic

The Airport Council International (ACI) reported worldwide passenger growth of 5.1 % for the first five months and a growth of 2.4 % in terms of freight tonnage compared to the period of the previous year. Passenger traffic at European airports reported by the ACI was up 5.5 %, freight volume rose by 2.2 %.

Development of the Group airports

Between January and June 2007, 34.1 million **passengers** used the six airports of the **Fraport Group**, 6.7 % more than in the same period last year. The foreign investments contributed in particular to the Group's traffic growth.

Frankfurt Airport had 25.7 million passengers in the period under review, which is an increase by 2.5 % compared with the same period last year. Growth was generated by foreign air traffic only. The significant Fifa World Cup effect of June 2006 was more than offset. The betterFly fares of Lufthansa continue to contribute significantly to the 3.4 percent growth of continental passenger traffic. Intercontinental air traffic increased even more in the comparative period, growing by just under four percent. Except for a decrease in flights to South America, growth in all overseas markets was clearly on the increase.

Air traffic to and from North America and the Middle East gathered considerable momentum. FRA recorded an increase of 5.8 % in USA flights in the first six months; the booming regions India (+14.2 %) and China (+18.6 %) grew again disproportionately.

Passenger numbers in **Frankfurt-Hahn** rose year-to-date by 14.7 % to more than 1.9 million. This is mainly due to the range in the number of routes offered by Ryanair in the form of increased frequency and new destinations. The Wizzair and Iceland Express flight offers included, our customers can choose among a total of 45 European destinations from our low-cost airport.

The terminal we operate at **Antalya** Airport benefited from a general increase in tourist travel to Turkey with tourists coming increasingly from Eastern European countries and Russia in particular. The redistribution of traffic in favor of the Fraport terminal since April 2006 has also contributed to the solid increase in passenger numbers by some 34.4 %. 2.1 million passengers were counted here in the first six months.

Lima continued to witness solid growth in air traffic. In the first six months of 2007, passenger numbers rose by 24.4 % to just under 3.5 million. With a rise of 32.3 % domestic traffic was the major contributor to growth. International traffic, too, reflected a very positive increase at 18.6 %, with transfer-passenger traffic (42.1 %) outperforming non-transfer traffic (16.0 %).

The two Bulgarian airports **Varna** and **Burgas** acquired in 2006 are still developing in opposite directions, with Burgas reflecting a + 9.8 % increase, thus more than offsetting the slight decrease in Varna (– 1.8 %). On total, passenger traffic at our subsidiary Twin Star was up in the first six months of 2007 by 4 %.

Cargo volume in the Group – in line with the generally declining growth dynamic in worldwide air freight traffic – was up by a mere 1.9 % to just under 1.2 million tons as compared with the previous year. It was in particular the cargo flights on intercontinental routes which rose at Frankfurt Airport by some 5 % in the period under review, on our Far-East routes by even almost 25 %.

Our second growth contributor proved to be Lima: Tonnage growth here was 12.7 %, which is currently accounted for by the international market only.

Due to the loss of 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 six months.

The number of **aircraft movements** at all six airports in the Group was 4.0 % higher than in the same period last year at 327,527. The known capacity bottlenecks at our runways in Frankfurt resulted in a but moderate growth of aircraft movements by 0.8 %.

The **maximum take-off weights** in Frankfurt in the period under review ran to just under 13.8 million tons and were therefore 1.0 % above the previous year's level. The share of wide-body aircraft was at 24.9 % and thus largely at the previous year's level. The seat load factor rose by 1.8 percentage points to 73.3 %.

Traffic figures for Fraport Group

Majority owned airports ¹

6M 2007	Share of the airport in %	Passengers ²		Cargo (airfreight + airmail in t)		Movements	
		2007	Change to 2006 in %	2007	Change to 2006 in %	2007	Change to 2006 in %
Frankfurt	100.00	25,692,761	2.5	1,043,076	1.5	241,701	0.8
Lima ^{1,3}	42.75	3,470,086	24.4	86,254	12.7	42,552	16.0
Antalya ⁴	100.00	2,104,261	34.4	n.a.	n.a.	12,977	25.6
Frankfurt-Hahn	65.00	1,936,315	14.7	48,022	- 8.1	20,363	4.9
Burgas	60.00	482,848	9.8	1,154	968.5	4,713	21.3
Varna	60.00	432,551	- 1.8	n.a.	n.a.	5,221	4.3
Group		34,118,822	6.7	1,178,506	1.9	327,527	4.0

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

² Commercial traffic only in + out + transit

³ Internal data provided by Lima

⁴ International Terminal 1

Minority owned airports and management contracts ¹

6M 2007	Share of the airport in %	Passengers ²		Movements	
		2007	Change to 2006 in %	2007	Change to 2006 in %
Delhi	10.00	11,548,346	23.1	109,654	20.4
Kairo	0.00	5,519,072	12.3	54,943	8.5
Hanover	30.00	2,553,185	- 2.4	42,555	0.1
Saarbrücken ³	51.00	135,391	- 26.4	6,850	- 7.9
Total		19,755,994	15.6	214,002	11.7

¹ Internal data

² Commercial traffic only in + out + transit

³ Investment was sold on June 30, 2007

Revenue and earnings

Revenue of the Fraport Group increased by 8.4 % to € 1,124.4 million compared with the first six months of 2006. This surge was largely the result of revenue from the finance lease in connection with the Airrail Center in the amount of € 57.6 million, which was balanced by costs in the same amount. Adjusted by this extraordinary effect, revenue was up group-wide by 2.8 %. Higher revenue was achieved at the Frankfurt location in particular because of the traffic-related increase in airport fees and additional revenue from retail and parking. In addition, the fact that we won back Lufthansa as an energy customer, increased revenue. As regards our external activities, the subsidiaries ICTS and Fraport Twin Star in particular and our Indian branch contributed favorably to our revenue figures.

Due to the previous year's extraordinary effects – release of provisions in the amount of € 10.0 million and the sale of our 50 percent subsidiary TCR for € 9.5 million – **total revenue** amounted to € 1,105.5 million adjusted by revenue from the Airrail Center finance lease; this is an increase year on year by 1.5 % or € 16.1 million.

Operating expenses (non-staff costs and personnel expenses) increased by 11.1 % to € 890.1 million. The one-off effect of the Airrail Center finance lease was recognized in this item in the same amount as in revenue. Adjusted by this effect, operating expenses were up by 3.9 %.

Personnel expenses rose by 3.3 % to € 549.5 million. The increase is mainly accounted for by our subsidiaries, by the progressive business expansion of ICTS on the one hand and the fact that Fraport Twin Star was for the first time fully consolidated on the other hand. In the process, the two Bulgarian airports have a disproportionate share in personnel expenses in the period under review due to their distinctly seasonal business.

At 51.5 %, the personnel expenses as a percentage of revenue ¹ was at the previous year's level, the adjusted non-staff expenses ratio amounted to 26.5 %, 0.6 percentage points up on the previous year.

Non-staff costs were comprised of cost of materials and other operating expenses. Cost of materials ¹ was up by 1.7 % year on year; fewer expenses for winter services compared with higher energy costs and costs incurred by the newly established subsidiary Twin Star. Other operating expenses rose disproportionately by € 11.4 million to € 113.0 million. This increase is mainly accounted for by our branch in India and the strong increase in costs for capital expenditures.

Due to the positive one-off effects in the previous year and the increase in operating expenses, **EBITDA** dropped in the first six months by 5.3 % to € 273.0 million. The EBITDA margin ¹ was at 25.6 %, a year-on-year decrease by 2.2 percentage points.

As regards **depreciation and amortization**, the depreciation of additions was more than offset by the expiry of expected useful lives. It dropped year on year by 7.5 % to € 104.2 million.

EBIT was therefore a mere 4.0 % below the previous year's amount at € 168.8 million.

The **financial result** improved from minus € 8.6 million in the previous year to minus € 4.1 million in the period under review. This improvement was mainly accounted for by an increase in the market value of derivatives and financial assets and a payment received in relation to the Manila project. This effect was able to more than offset the foreign exchange losses mainly incurred in relation to our investment in Antalya.

¹ Adjusted by the special effect from the Airrail Center finance lease

The **tax rate** dropped from 42.0 to 37.6 %. This decrease is mainly accounted for by tax effects in connection with our investments.

The **Group result** was € 102.8 million, 6.0 % higher than last year. The basic earnings per share rose from € 1.06 to € 1.12.

Asset and financial situation

Capital expenditures

The Fraport Group invested a total of € 796.2 million in the first six months of the 2007 fiscal year. The figure in the same period last year was € 245.2 million. € 511.9 million of this significant increase result from non-cash investments in the context of signing the framework agreement with Celanese AG/Ticona GmbH. In addition, we invested more in our FRA North project. Most of these investments (€ 108.3 million) were accounted for by the modernization and gradual expansion of the existing terminals. In addition, capital expenditure was incurred for refurbishing the Southern runway, upgrading the fire protection facilities in the terminals and the remodeling work in preparation for the Airbus A380. € 29.9 million were invested in the planned expansion of Frankfurt Airport – less the amounts spent in connection with the framework agreement signed with Celanese AG/Ticona GmbH. The amount was used inter alia for the dismantling of the former US Air Base in the south of Frankfurt Airport and other demolition measures. Other capital expenditures rose year on year due to the continued implementation of EU security directives and the modernization of ground service equipment.

Capital expenditure for financial assets dropped by € 74.0 million to € 1.5 million due to fewer money investments.

The significant increase in capital expenditure incurred by our investments is mainly accounted for by the prepayment made for the new concession to operate the terminals at Antalya Airport in the amount of € 35.2 million.

Cash flow statement

Cash flow from operating activities in the first six months of the current fiscal year stood at € 197.3 million compared with € 224.1 million in the previous year. At € 259.2 million, cash from operational activities was by € 44.6 million lower than in the first six months of 2006. The reason for this change was in particular the increase in receivables and financial assets.

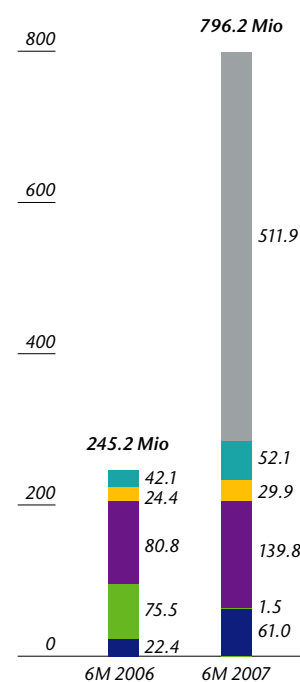
The **cash flow used in investing activities** in the amount of € 214.0 million was significantly below the previous year's figure (previous year: € 442.6 million) in spite of higher capital expenditure incurred in the period under review. This is mainly accounted for by the asset management shifts made in the first six months of 2006.

By contrast, capital expenditure for intangible assets and property, plant and equipment rose by € 111.7 million. Capital expenditure for intangible assets mainly relates to the prepayment for the new concession to operate the terminals at Antalya Airport. Capital expenditure for property, plant and equipment was mainly incurred for the modernization and extension of existing terminals and the expansion at the Frankfurt location.

Our proceeds from disposal of non-current assets increased by € 55.2 million on the previous year due to the rental income prepaid in the first quarter in relation to the Airrail Center finance lease.

Capital expenditures

€ million



Due to the large amounts invested in property, plant and equipment, **free cash flow** dropped from € 54.4 million last year to minus € 85.5 million.

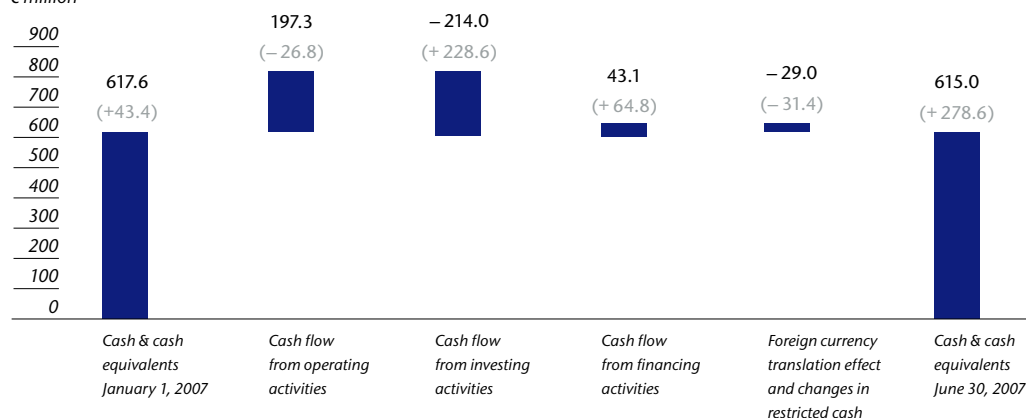
The **cash flow from financing activities** in the amount of € 43.1 million mainly resulted from new borrowing from banks.

Cash and cash equivalents rose from € 336.4 million as at June 30, 2006 to € 615.0 million as at June 30, 2007 mainly due to cash received from asset management shifts.

Change in cash and cash equivalents

(Change to 6M 2006)

€ million



Asset and capital structure

Total assets rose by 16.0 % to € 4,983.5 million from December 31, 2006.

Non-current assets were up by € 591.4 million to € 3,970.6 million. This significant increase mainly results from recognizing € 511.9 million in non-current assets in connection with the framework agreement signed with Celanese AG/Ticona GmbH. The strong increase in other intangible assets is mainly accounted for by the prepayment of € 35.2 million for the new concession to operate the terminals at Antalya Airport.

The disposals from investment property mainly resulting from the Airrail Center finance lease were more than offset by the increase in property, plant and equipment due to additional capital expenditure for the modernization and extension 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 10.7 % to € 1,012.9 million. This item reflected an increase mostly in our subsidiaries' trade accounts receivable and current financial assets due to a transfer from non-current assets.

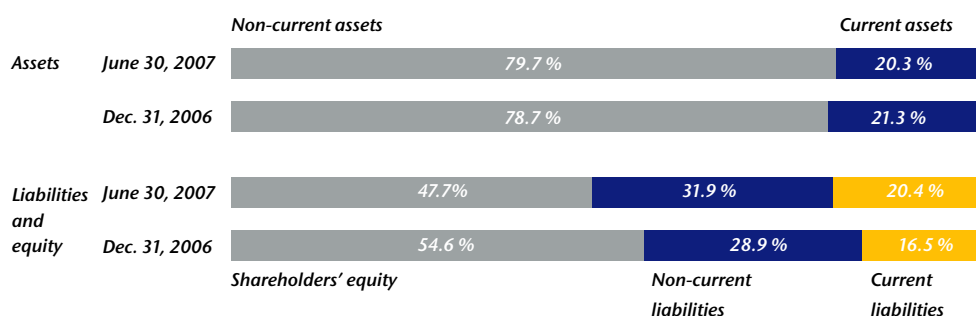
Equity rose slightly, especially due to the increase in the revaluation surplus from the fair value measurement of securities. The **equity-to-assets ratio**¹ on June 30, 2007 dropped in comparison with the balance sheet date of 2006, reaching 47.7 %.

¹ Equity before minority interests

The **non-current and current liabilities** increased by € 657.2 million to € 2,605.6 million. This increase in total liabilities is mainly accounted for by recognizing the discounted fair value under liabilities in the context of the framework agreement signed with Celanese AG/Ticona GmbH. Additional capital was borrowed for investments in the modernization and extension of existing terminals and the expansion at the Frankfurt location.

The **net financial debt** as of June 30, 2007 amounted to € 319.1 million. It had amounted to as much as € 472.3 million in the same period last year. **Gearing** therefore dropped year on year by 8.3 percentage points to 13.6 %.

Balance sheet structure



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 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. The figures of the previous year were adjusted for comparison purposes.

Aviation

€ million	Q2 2006	Q2 2007	Change in %	6M 2006	6M 2007	Change in %
Revenue	183.7	179.8	- 2.1	343.1	339.4	- 1.1
EBITDA	51.8	40.7	- 21.4	81.9	69.2	- 15.5
EBIT	33.1	23.1	- 30.2	43.7	34.8	- 20.4
Employees	6,248	6,305	0.9	6,132	6,311	2.9

Revenue in the Aviation segment in the first six months of the fiscal year 2007 decreased slightly compared with the previous year. The decrease in revenue from security services due inter alia to price reductions was offset only in part by the traffic-related increase in revenue from airport fees.

Other income dropped because of one-off effects in connection with the release of provisions in the previous year.

By contrast, operating expenses rose year on year. With personnel expenses largely remaining unchanged, non-staff costs reflected a strong increase in costs for capital expenditures which compared with fewer costs incurred for winter services.

In total, segment EBITDA was € 12.7 million below the previous year's figure at € 69.2 million especially due to the increase in the costs for capital expenditures. Due to a decline in depreciation based on the expiry of expected useful lives, EBIT dropped by € 8.9 million to € 34.8 million, a proportion which is different from that of EBITDA.

In response to the passenger growth in the first 6 months of this year, which was stronger than expected, and in order to maintain the strategic competitiveness of FRA among other hubs, we applied for a reduction of airport fees by an average of 1.5 % with the responsible regulatory authority effective July 1. Our request has been approved in the meantime.

Retail & Properties

€ million	Q2 2006	Q2 2007	Change in %	6M 2006	6M 2007	Change in %
Revenue ¹	99.1	101.1	2.0	190.5	256.4	34.6
EBITDA	83.5	91.4	9.5	158.1	173.9	10.0
EBIT	60.1	69.0	14.8	113.0	130.6	15.6
Employees	2,868	2,913	1.6	2,867	2,896	1.0

¹ Including special effect finance lease Airrail Center of € 57.6 million in the first quarter 2007

Segment revenue totaled € 256.4 million and was thus by 34.6 % above the previous year's level. This surge was largely the result of the Airrail Center finance lease which was 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 rose in comparison with the previous year from € 2.57 to € 2.72. In addition, the fact that we won back Lufthansa as an energy customer, increased revenue. Revenue from parking developed positively as well due to an increase in passenger numbers.

The repayment of a loan acquired under par in relation to the Airrail Center and the release of provisions for refund claims which became statute-barred, had an additional increasing effect on total revenue.

The extraordinary effect from the recognition of the Airrail Center finance lease was reflected in operating expenses in the same amount as in revenue.

Because of the positive development, in particular in the retail business and the extraordinary effects mentioned, segment EBITDA rose to € 173.9 million. Compared with the previous year's level this corresponds to an increase of 10.0 %. A slight decrease in depreciation and amortization meant that EBIT reached € 130.6 million, a rise of 15.6 %.

Ground Handling

€ million	Q2 2006	Q2 2007	Change in %	6M 2006	6M 2007	Change in %
Revenue	158.3	156.0	- 1.5	305.4	301.7	- 1.2
EBITDA ¹	27.9	12.0	- 57.0	35.4	19.7	- 44.4
EBIT ¹	22.4	6.2	- 72.3	24.4	8.4	- 65.6
Employees	7,806	8,103	3.8	7,730	8,041	4.0

¹ Including release of provision of € 10.0 million for the Lufthansa ground handling contract in the second quarter 2006

Revenue from the Ground Handling segment totaled € 301.7 million, slightly down from the previous year's level. Here, there was an impact from contrary effects. On the one hand, increased traffic resulted in revenue growth. On the other hand, 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. The loss of a key account in the cargo sector resulted in a decline in revenue as well. Other income dropped as the provisions established for the Lufthansa ground handling contract were released in the previous year.

Operating expenses rose only slightly. The weather-related little demand for de-icing services compared with a traffic-related increase in personnel expenses.

EBITDA mainly dropped for said reasons from € 35.4 million to € 19.7 million, EBIT fell in the same proportion to € 8.4 million.

External Activities

€ million	Q2 2006	Q2 2007	Change in %	6M 2006	6M 2007	Change in %
Revenue	108.8	126.3	16.1	198.3	226.9	14.4
EBITDA ¹	15.7	14.8	- 5.7	13.0	10.2	- 21.5
EBIT ¹	5.5	7.4	34.5	- 5.3	- 5.0	-
Employees	11,456	13,304	16.1	10,954	12,493	14.0

¹ Including special effect of € 9.5 million due to the sale of TCR in the second quarter of 2006

Segment revenue rose by 14.4 % to € 226.9 million in the first half of 2007. This significant increase is mainly accounted for by a rise in revenue of ICTS Europe in Great Britain, France and Greece and by the first time full-year consolidation of our Bulgarian subsidiary Fraport Twin Star. Our investment in Antalya increased revenue especially because passenger air traffic rose year on year and the division of traffic was improved. Other revenue was up year on year although there was an impact from contrary effects. On the one hand, the additional revenue recognized by our Indian branch had a favorable effect, on the other hand, the revenue from our 50 percent subsidiary TCR which we sold in May last year, was lost. Other income, as well, was affected by the sale of TCR. Revenue achieved from sales last year was not recognized in the period under review.

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

EBITDA dropped year on year by a total of € 2.8 million to € 10.2 million due to the extraordinary effects mentioned, while EBIT was at minus € 5.0 million.

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

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

€ million	Revenue				EBITDA				EBIT			
	Q2 2007	6M 2006	6M 2007	Δ %	Q2 2007	6M 2006	6M 2007	Δ %	Q2 2007	6M 2006	6M 2007	Δ %
ICTS ¹	81.0	139.2	151.4	8.8 %	3.3	2.2	4.6	>100	2.7	1.1	3.4	>100
Antalya	15.1	16.1	20.4	26.7 %	8.9	6.8	9.8	44.1 %	4.9	-0.3	1.6	-
Frankfurt-Hahn	10.3	20.6	19.3	-6.3 %	0.6	-2.9	-2.2	-	-1.7	-7.5	-7.1	-
Twin Star	10.3	-	11.4	-	2.6	-	0.1	-	2.3	-	-0.4	-
Hanover	34.9	66.4	64.7	-2.6 %	8.3	14.0	12.9	-7.9 %	3.5	4.8	3.4	-29.2 %
Lima	20.2	38.7	41.9	8.3 %	5.3	8.3	10.7	28.9 %	3.7	4.8	7.4	54.2 %

¹ Figures for 2006 adjusted by the respective shares of FraSec

Employees

The number of people employed by the Fraport Group rose in the period under review by 7.4 % to an average of 29,741 compared with the previous year.

In this period an average of 17,775 people were employed in Frankfurt, 2.7 % more than in the previous year.

€ million	6M 2006	6M 2007	Change in %	2006	Change in %
Fraport Group	27,683	29,741	7.4	28,246	5.3
of which in Frankfurt	17,300	17,775	2.7	17,528	1.4
Investments	15,682	17,914	14.2	16,293	9.9
of which ICTS	9,636	10,027	4.1	9,852	1.8

Miscellaneous

Personnel changes in the Executive Board

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.

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. According to the airlines' current planning, this general trend will continue in the winter season 2007/2008.

Stock option plan

Upon resolution of the Annual General Meeting held on June 1, 2005 the stock option plan of Fraport AG (MSOP 2005) became effective. This stock option plan fully complies with the recommendations of the German Corporate Governance Code.

On the whole, the number of stock options issued on June 30, 2007 stood at 1,507,700. The current number of issued and still unused options under the 2001 stock option plan is 9,350. A total of 634,650 stock options were issued for the Fraport MSOP 2005, none of which could be exercised as yet and 32,000 of which have expired.

Treasury shares

Fraport AG held 104,679 treasury shares on June 30, 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

In connection with the concession to operate the terminals at Antalya Airport (see also changes in companies consolidated) Fraport AG provided a performance bond in the amount of € 71.2 million in favor of the newly established joint venture Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS, Antalya.

The Fraport Group will have additional obligations in the amount of some € 1.2 billion resulting from future concession payments to be made by Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS, Antalya. The concession arrangement has been agreed for a term of 17 years.

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

Changes in risk and opportunities reporting

In our Group management report as at December 31, 2006 we reported on the letter of intent signed with Celanese AG/Ticona GmbH on the closure of Ticona's production in Kelsterbach. In mid-June 2007 we signed a corresponding framework agreement with Celanese AG/Ticona GmbH and thus eliminated a major risk for the timely start of operation of the northwest landing runway.

As a result of the framework agreement signed with Celanese AG/Ticona GmbH, the amount of capital expenditure incurred so far in connection with the northwest landing runway rose to € 890.0 million. If this alternative we prefer cannot be implemented, the value of the capital expenditures already made could be impaired significantly.

We reported in our risk and opportunities reporting as at March 31, 2007 that the German Luftfahrtbundesamt had requested the airlines to permanently monitor freight, a fact that would change the lodging processes at Fraport with adverse effects, yet probably without any major impact on its economic performance. This risk has ceased to exist, since the Luftfahrtbundesamt has given up its demand for permanent freight monitoring.

The negotiations with the airlines to reach an agreement on the airport fees for 2008 are still under way and have not yet been completed. We are planning a stable or even slightly declining price development for 2008 and 2009. We are currently discussing and negotiating this topic with the airlines.

We had mentioned in our Group management report as of December 31, 2006 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 was subject to another appeal on which no decision has yet been made.

At the airports in Varna and Burgas 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

After a two year negotiation and approval procedure, we were able to successfully close the acquisition of additional stakes in Lima Airport on August 1, 2007. Alterra Lima Holdings holds 57.25 % of the shares of Lima Airport Partners (LAP) as the only asset. Effective August 1, Fraport now holds 100 % of the shares of LAP. After the local administration proceedings will be finished, Fraport will resell up to 39.99 % of the shares to Peruvian Investors (20 %) and the International Finance Corporation, World Bank Group (IFC, 19.99 %). This sale will be on October 1, 2007 at the earliest.

Outlook

Passenger numbers

We expect an increase in the passenger volume at Frankfurt Airport for 2007 of between 1,5 – 2 %. The disproportionate growth in intercontinental traffic is set to continue, which is material for Frankfurt's development as a hub for international air traffic.

Given the use of suitably large aircraft and the significant increase in aircraft capacities, the Frankfurt location will continue to grow in spite of the known capacity bottlenecks and will therefore have its share in the continuously favorable global air traffic environment.

According to our estimates, the number of passengers handled by the whole Group will be significantly higher than in the previous year.

Airfreight development has lost momentum in the last few months worldwide and in Europe and suffered a temporary loss in some European hubs already. We therefore expect Group results in the airfreight business to be on the previous year's level.

Group segments in 2007

As regards the **Aviation** segment, revenue will increase as a result of growing air traffic; it will decline on the other hand due to the new airport fee arrangement effective July 1, 2007. 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. We expect the overall segment result to be below the previous year's level.

In 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 Center finance lease is expected to decline 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, by contrast, are expected to be below last year's level after the adjustment for the one-time recognition of the Airrail Center finance lease. On total we expect an increase in EBITDA and the segment result (EBIT).

As regards the **Ground Handling** segment, we expect a positive effect on revenue development on the basis of the increase in air traffic and an increase in the market share. This effect will not be sufficient however to offset the weather-related little demand for de-icing services and the loss of customers in the cargo sector. In connection with a reduction of other operating income in the period under review from the release of provisions in fiscal 2006, we expect a total revenue below last year's amount. We should be able to keep total costs on last year's level by establishing our strict cost management. We expect the overall segment result to be below the previous year's level.

As for the **External Activities** segment, we expect an increase in revenue caused by the first-time full consolidation for the whole year of the new subsidiary Twin Star and the planned 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 are expected to develop favorably. Revenue of our Antalya commitment will be below last year's level due to proportionate consolidation as of September 2007.

The development of personnel expenses in the segment should be below 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 are expected to increase. Due to the non-recurring income in the previous year – TCR sale, Manila compensation – and the start-up losses of the new concession in Antalya we expect a segment result below last year's level.

Group key figures for 2007

Revenue is expected to increase in the year under review 2007 throughout the Group due to the effects mentioned above, also when adjusted by the Airrail Center finance lease. **Other income** is expected to drop significantly, since this item reflected comprehensive extraordinary effects in 2006.

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 first-time full consolidation for the whole year of the new subsidiary Twin Star and the full consolidation planned for Lima Airport.

Even when adjusted by the effects from the Airrail Center finance lease, **non-staff costs** are expected to increase considerably. 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 portions of the capital expenditure projects. We expect to nearly offset this increase in Frankfurt by the respective cost reductions on the basis of our strict cost management.

After deducting the previous year's non-recurring effects, EBITDA and EBIT in fiscal 2007 is expected to be on or slightly exceed last year's level especially due to the first-time full consolidation of the new subsidiary Twin Star for the whole year and the full consolidation planned for Lima Airport.

The **financial result** will be below last year's level. This decline results from the fact, that in 2006 a payment of compensation was made for the terminal project in Manila. An increase in financing costs planned for the terminal expansion in Lima and an increase in interest expenses in particular from loans taken out by our investments will also account for this decline.

The previous year's **tax result** was affected by the positive impact of the once-only recognition of the corporation tax credit. The effects of the change in the tax rate as a result of the tax reform will favorably affect the calculation of deferred taxes in the period under review. We expect the tax rate to be at around 30 % in the period under review.

On total, we expect a **Group result** which will be below last year's level.

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 will strive to counteract this trend by implementing cost-cutting measures 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 larger business volume of the integrated investments of the segment. The development of non-staff costs reflects the costs for capital expenditures. Since the increase in segment revenue should exceed the increase in operating expenses, EBITDA is expected to rise. EBIT is 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 satisfactory 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 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 the statements made about the future.

Group Interim Report as at June 30, 2007

Consolidated income statement

€ million	Q2 2006	Q2 2007	6M 2006	6M 2007
Revenue	549.9	563.2	1,037.3	1,124.4
Change in work-in-process	0.1	0.1	0.1	0.2
Other internal work capitalized	6.0	7.2	10.1	10.8
Other operating income	28.8	15.8	41.9	27.7
Total revenue	584.8	586.3	1,089.4	1,163.1
Cost of materials	- 82.6	- 87.7	- 167.2	- 227.6
Personnel expenses	- 270.1	- 286.0	- 532.2	- 549.5
Other operating activities	- 53.2	- 53.7	- 101.6	- 113.0
EBITDA	178.9	158.9	288.4	273.0
Depreciation and amortization of tangible and intangible non-current assets and investment property	- 57.8	- 53.2	- 112.6	- 104.2
EBIT/Operating profit	121.1	105.7	175.8	168.8
Interest income	4.1	10.1	7.2	15.6
Interest expense	- 10.1	- 11.3	- 20.5	- 22.5
Share of the profit or loss of investments accounted for using the equity method	1.0	1.5	- 0.3	1.2
Income from investments	2.0	0.0	2.0	2.6
Impairment of financial assets	0.0	0.0	0.0	0.0
Other financial result	1.5	- 4.1	3.0	- 1.0
Financial results	- 1.5	- 3.8	- 8.6	- 4.1
EBT/Result from ordinary operations	119.6	101.9	167.2	164.7
Taxes on income	- 50.1	- 35.6	- 70.2	- 61.9
Group profit	69.5	66.3	97.0	102.8
Profit attributable to minority interests	0.5	1.2	0.3	0.3
Profit attributable to equity holders of Fraport AG	69.0	65.1	96.7	102.5
Earnings per € 10 share in €				
basic	0.76	0.71	1.06	1.12
diluted	0.75	0.71	1.05	1.11

Consolidated balance sheet

Assets

€ million	Balance at Dec. 31, 2006	Balance at June 30, 2007
Non-current assets		
Goodwill	97.1	97.1
Other intangible assets	42.3	82.8
Property, plant and equipment	2,729.2	3,352.9
Investment property	66.9	10.7
Investments accounted for using the equity method	56.2	55.3
Other financial assets	302.1	294.0
Other receivables and other assets	36.8	30.9
Income tax receivable	32.2	32.7
Deferred tax assets	16.4	14.2
	3,379.2	3,970.6
Current assets		
Inventories	32.9	35.9
Trade accounts receivable	185.5	211.2
Other receivables and other assets	62.3	109.8
Income tax receivable	2.0	0.0
Cash and cash equivalents	632.5	656.0
	915.2	1,012.9
Non-current assets held for sale	0.1	-
	915.3	1,012.9
	4,294.5	4,983.5

Liabilities and equity

€ million	Balance at Dec. 31, 2006	Balance at June 30, 2007
Shareholders' equity		
Issued capital	913.7	914.6
Capital reserves	558.8	563.6
Revenue reserves	746.3	769.0
Group retained earnings	105.2	-
Group result Jan. 1 – June 30, 2007	-	102.5
Issued capital and reserve attributable to equity holders of Fraport AG	2,324.0	2,349.7
Minority interests, presented within equity	22.1	28.2
	2,346.1	2,377.9
Non-current liabilities		
Financial liabilities	718.8	737.3
Trade accounts payable	-	321.2
Other liabilities	106.1	104.3
Deferred tax liabilities	127.6	140.8
Provisions for pensions and similar obligations	20.6	21.5
Provisions for income taxes	166.2	171.1
Other provisions and accruals	101.4	95.1
	1,240.7	1,591.3
Current liabilities		
Financial liabilities	125.2	237.8
Trade accounts payable	229.0	411.2
Other liabilities	118.1	142.0
Provisions for income taxes	16.4	15.2
Other provisions and accruals	218.8	208.1
	707.5	1,014.3
Liabilities in connection with assets held for sale	0.2	-
	707.7	1,014.3
	4,294.5	4,983.5

Consolidated cash flow statement

€ million	6M 2006	6M 2007	2006
Profit attributable to equity holders of Fraport AG	96.7	102.5	229.3
Taxes on income	70.2	61.9	111.3
Profit attributable to minority interests	0.3	0.3	- 0.4
Adjustments for:			
Depreciation/write-ups (non-current assets)	112.6	104.2	248.4
Interest results	13.3	6.9	25.9
Income from Investments	- 2.0	- 2.6	- 6.8
Gains/losses from disposals of non-current assets	- 8.1	- 1.3	- 5.6
Unrealized foreign currency results	- 2.6	4.6	0.3
Changes in investments accounted for using the equity method	0.3	- 1.2	- 5.6
Changes in inventories	1.8	- 3.0	2.9
Changes in receivables and other assets	17.4	- 34.9	- 29.2
Changes in provisions	- 27.5	- 11.7	39.9
Changes in liabilities (w/o financial liabilities and provisions)	31.4	33.5	31.2
Operational activities	303.8	259.2	641.6
Financial activities			
Interest paid	- 20.5	- 22.5	- 44.9
Interest received	7.2	15.6	19.0
Dividends received	2.0	2.6	6.8
Taxes on income paid	- 68.4	- 57.6	- 137.6
Cash flow from operating activities	224.1	197.3	484.9
Capital expenditures for intangible assets	- 1.3	- 38.3	- 7.2
Capital expenditures for property, plant and equipment	- 168.4	- 243.1	- 443.9
Capital expenditures for investments accounted for using the equity method	-	-	- 0.6
Investment property	-	- 1.4	-
Changes in consolidation	13.2	-	13.2
Other financial investments (long-term)	- 74.7	-	- 80.5
Other financial investments (short-term)	- 225.0	-	-
Proceeds from disposal of non-current assets	13.6	68.8	19.6
Cash flow used in investing activities	- 442.6	- 214.0	- 499.4
Dividends paid to shareholders of Fraport AG	- 82.0	- 105.1	- 82.0
Dividends paid to minority shareholders	- 0.3	- 1.3	- 0.7
Capital increase	9.5	11.8	15.7
Change in financial liabilities/other changes	51.1	137.7	140.3
Cash outflow/inflow used in financing activities	- 21.7	43.1	73.3
Foreign currency translation effect on cash and cash equivalents	2.4	- 2.9	- 0.5
Restricted cash	-	- 41.0	- 14.9
Change in cash and cash equivalents	- 237.8	- 17.5	43.4
Cash and cash equivalents at January 1	574.2	617.6	574.2
Restricted cash previous year	-	14.9	-
Cash and cash equivalents at June 30 resp. Dec. 31	336.4	615.0	617.6

Movements in consolidated shareholders' equity

€ million	Issued capital	Capital reserves	Revenue reserves			Group retained earnings	Equity attributable to shareholders of Fraport AG	Equity attributable to minority interests	Total	
			Legal reserves	Revenue reserves	Foreign currency reserves					Revaluation reserves
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
<i>Foreign currency translation differences</i>										
	-	-	-	-	- 13.1	-	-	- 13.1	-	- 13.1
<i>Fair value of financial assets held for sale</i>										
	-	-	-	-	-	-	-	0.0	-	0.0
<i>Fair value changes of derivatives</i>										
	-	-	-	-	-	8.6	-	8.6	0.6	9.2
<i>Net gain (+)/Net costs (-) directly included in equity</i>										
	0.0	0.0	0.0	0.0	- 13.1	8.6	0.0	- 4.5	0.6	- 3.9
<i>Capital increase Frankfurt-Hahn Airport</i>										
	-	-	-	-	-	-	-	0.0	6.3	6.3
<i>Issue of shares for employee investment plan</i>										
	0.8	3.7	-	-	-	-	-	4.5	-	4.5
<i>Transfer of treasury shares</i>										
	0.1	0.1	-	-	-	-	-	0.2	-	0.2
<i>Management stock option plan</i>										
<i>- Capital increase for exercise of options</i>										
	1.4	1.8	-	-	-	-	-	3.2	-	3.2
<i>- Value of performed services</i>										
	-	0.8	-	-	-	-	-	0.8	-	0.8
<i>Distribution</i>										
	-	-	-	-	-	-	- 82.0	- 82.0	- 0.3	- 82.3
<i>Group profit Jan. 1 - June 30, 2006</i>										
	-	-	-	-	-	-	96.7	96.7	0.3	97.0
<i>Consolidation activity/ other changes</i>										
	-	-	-	0.1	-	-	- 0.1	0.0	- 0.4	- 0.4
Balance at June 30, 2006	913.0	556.9	36.5	577.9	- 20.9	1.3	96.7	2,161.4	21.9	2,183.3
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
<i>Foreign currency translation differences</i>										
	-	-	-	-	2.0	-	-	2.0	-	2.0
<i>Fair value of financial assets held for sale</i>										
	-	-	-	-	-	11.9	-	11.9	-	11.9
<i>Fair value changes of derivatives</i>										
	-	-	-	-	-	9.1	-	9.1	-	9.1
<i>Net gain (+)/Net costs (-) directly included in equity</i>										
	0.0	0.0	0.0	0.0	2.0	21.0	0.0	23.0	0.0	23.0
<i>Capital increase Frankfurt-Hahn Airport/Twin Star</i>										
	-	-	-	-	-	-	-	0.0	7.4	7.4
<i>Issue of shares for employee investment plan</i>										
	0.7	3.5	-	-	-	-	-	4.2	-	4.2
<i>Transfer of treasury shares</i>										
	0.1	0.1	-	-	-	-	-	0.2	-	0.2
<i>Management stock option plan</i>										
<i>- Capital increase for exercise of options</i>										
	0.1	0.1	-	-	-	-	-	0.2	-	0.2
<i>- Value of performed services</i>										
	-	1.1	-	-	-	-	-	1.1	-	1.1
<i>Distribution</i>										
	-	-	-	-	-	-	- 105.1	- 105.1	- 1.3	- 106.4
<i>Group profit Jan. 1 - June 30, 2007</i>										
	-	-	-	-	-	-	102.5	102.5	0.3	102.8
<i>Consolidation activity/ other changes</i>										
	-	-	-	- 0.3	-	-	- 0.1	- 0.4	- 0.3	- 0.7
Balance at June 30, 2007	914.6	563.6	36.5	702.0	- 3.5	34.0	102.5	2,349.7	28.2	2,377.9

Segment reporting

€ million	6M	Aviation	Retail & Properties	Ground- Handling	External Activities	Group
Revenue	2007	339.4	256.4	301.7	226.9	1,124.4
	2006	343.1	190.5	305.4	198.3	1,037.3
Personnel expenses	2007	124.3	81.5	179.1	164.6	549.5
	2006	124.4	79.7	178.0	150.1	532.2
EBITDA	2007	69.2	173.9	19.7	10.2	273.0
	2006	81.9	158.1	35.4	13.0	288.4
Depreciation and amortization	2007	34.4	43.3	11.3	15.2	104.2
	2006	38.2	45.1	11.0	18.3	112.6
EBIT	2007	34.8	130.6	8.4	- 5.0	168.8
	2006	43.7	113.0	24.4	- 5.3	175.8

Notes

Accounting policies

This Interim Report as at June 30, 2007 for the Fraport Group was prepared in accordance with IAS 34 and – as the consolidated financial statements for the year ended 2006 – 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 major changes are explained below. This interim report was neither reviewed nor audited pursuant to section 317 of the German Commercial Code (HGB).

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 net assets 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 will for the first time apply to qualified assets which will be recognized 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.

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

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 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.

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.

A consortium led by Fraport AG won the bidding procedure on April 12, 2007 for continuing to operate the terminals at Antalya Airport in Turkey. For the purpose of financing and operating the terminals, the franchisees established the company 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 acquired 51 % of the share capital of Fraport IC Ictas Havalimani Isletme AS in the amount of some € 7.9 million and 51 % in Fraport IC Ictas Antalya Havalimani Terminal Yatirim ve Isletmeciligi AS in the amount of some € 28.0 thousand. Given the voting power as it is, the companies were included in the Fraport consolidated financial statements as joint ventures for the first time at the time of their establishment. The consolidation of the Turkish companies had an effect of € 37.0 million each on the assets and liabilities in the Fraport Group as at June 30, 2007.

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

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.

The agreement on the sale and assignment of 51 % of the shares in Flughafen Saarbrücken Betriebs-gesellschaft mbH was signed on May 4, 2007. The agreement took effect on June 30, 2007. At the same time the company was deconsolidated from the Fraport Group of consolidated companies. A gain on disposal amounting to € 0.3 million was achieved when the company was deconsolidated.

Maritime and Underwater Security Consultants USA LLC was closed as of June 11, 2007 and decon-solidated from the ICTS group of consolidated companies.

Effective June 18, 2007, ICTS assigned shares held in New Age Aviation Security US Inc. for USD 100. The deconsolidation of these two companies had only an immaterial impact on the consolidated financial statements.

Within the scope of reorganizing the security business in the Group the subsidiaries of ICTS, FIS GmbH and FIS Deutschland GmbH were restructured effective January 1, 2007. The Frankfurt busi-ness 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. FraSec was sold to Fraport AG with substantial effect from April 1, 2007. FraSec was allocated to the Aviation segment. This organiza-tional and corporate restructuring affected the presentation of segment reporting in the consoli-dated financial statements. The effects of the changes on revenue, EBITDA and EBIT are summarized in the following table:

Aviation

€ million	6M 2006	6M 2006 New	Change	6M 2007
Revenue	342.3	343.1	0.8	339.4
EBITDA	73.2	81.9	8.7	69.2
EBIT	35.1	43.7	8.6	34.8
Employees	3,253	6,132	2,879	6,311

External Activities

€ million	6M 2006	6M 2006 New	Change	6M 2007
Revenue	199.1	198.3	- 0.8	226.9
EBITDA	21.7	13.0	- 8.7	10.2
EBIT	3.3	- 5.3	- 8.6	- 5.0
Employees	13,833	10,954	- 2,879	12,493

Related party disclosures

As we reported in our Group Interim Report as at March 31, 2007, the Federal Republic of Germany sold all of its shares in Fraport AG in the first quarter of 2007. Thus, the Federal Republic of Germany and its majority-owned investments cease to be related parties of the Fraport Group.

There were no other material changes as of the balance sheet date. As we have disclosed in our Group notes 2006 under note (51), there are other numerous related party relationships which continue to be settled in arm's length transactions.

Explanatory notes to selected income statement items

Results of investments accounted for using the equity method

€ million	6M 2006	6M 2007
Flughafen Hannover-Langenhagen GmbH	0.5	-0.1
LAP Lima Airport Partners S.R.L.	-0.3	1.2
ASG Airport Service Gesellschaft mbH	0.3	0.4
Grundstücksgesellschaft Gateway Gardens GmbH	-0.8	-0.2
Asia Security Management	0.0	-0.1
	-0.3	1.2

Income from investments

€ million	6M 2006	6M 2007
Ineuropa Handling UTE	2.0	2.6

Other financial results

€ million	6M 2006	6M 2007
Income		
Incoming payment from Manila project	0.0	1.2
Income from securities and loans	2.4	3.1
Foreign currency gains	6.2	2.2
Fair valuation for securities of financial assets	0.0	3.2
Valuation of derivatives	3.3	2.0
	11.9	11.7
Expenses		
Foreign currency losses	-1.2	-9.7
Fair valuation for securities of financial assets	-4.7	-1.4
Valuation of derivatives	-2.5	-1.2
Interests of minority shareholders in GCS	-0.5	-0.4
	-8.9	-12.7
	3.0	-1.0

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, August 7, 2007

Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board



Dr Bender



Dr Schulte



Mai



Dr Zieschang

Financial Calendar

November 13, 2007	Interim Report as of September 30, 2007
March, 2008	Press conference/Publication of the preliminary figures for the whole year 2007
March, 2008	Publication of the annual financial statements 2007
May 8, 2008	Interim Report as of March 31, 2008
May 28, 2008	Annual General Meeting 2008
August 7, 2008	Interim Report as of June 30, 2008
November 6, 2008	Interim Report as of September 30, 2008

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