Interim Report

as at September 30, 2008

Fraport

Contents

Highlights and key figures

Key business data for the first nine months of 2008:

- 1.9 percent more passengers Group-wide, 0.1 percent more passengers at Frankfurt Airport
- With €1,599.8 million, Group revenue was 8.8 percent lower than in the same period last year; adjusted for extraordinary effects, Group revenue increased by 4.4 percent year-on-year
- EBITDA increased 0.4 percent to €492.5 million; the adjusted EBITDA advanced by 1.8 percent
- With €219.9 million, Group profit exceeds the previous year's level by 0.6 percent; earnings per share at €2.32; Group profit includes €41.9 million payment received for Manila project

On August 7, 2008, we received payment of €41.9 million under the German federal government's investment guarantee for capital investments outside Germany (GKA) in connection with Fraport's engagement in Manila. Fraport AG had concluded such a guarantee contract to protect against political risks for its equity investment made in the Manila project. The payment positively impacts Group profits in full.

Rehabilitation of Frankfurt Airport's 4,000 meter-long Runway West began in the night from July 28 to 29, 2008. The runway, which was inaugurated in 1984, will be reconstructed in several stages.

On August 20, 2008, Fraport AG became the first airport operator to join IATA's Cargo 2000 quality system. Cargo 2000 involves approximately 60 airlines, forwarders, groundhandling and IT providers and is designed to optimize processes along the cargo-handling chain, especially at interfaces linking the partners. The goal of this quality system is ongoing service improvements and cost reductions in freight handling.

The German-Chinese joint-venture for the operation of Xi'an Xianyang International Airport was presented to the public in an official celebration on September 9, 2008, in the attendance of Fraport AG's executive board chairman Dr. Wilhelm Bender. Holding a 24.5 percent share in the airport, Fraport is the first foreign airport operator to invest in a non-listed airport in China. Under this partnership agreement Fraport provides the COO and deputy CFO for the new company.

Key figures

€ million	9M 2007	9M 2008	Change	% Change
Revenue	1,754.6	1,599.8	– 154.8	– 8.8
EBITDA	490.3	492.5	2.2	0.4
EBITDA margin	27.9%	30.8%	–	–
EBIT	326.2	335.7	9.5	2.9
EBT	309.1	295.6	– 13.5	– 4.4
Group profit	218.6	219.9	1.3	0.6
Earnings per share in € (basic)	2.33	2.32	– 0.01	– 0.4
Shareholders' equity [1]	2,493.3	2,627.4	134.1	5.4
Total assets [1]	5,704.7	6,300.3	595.6	10.4
Operating cash flow	342.7	324.7	– 18.0	– 5.3
Free cash flow	– 167.9	– 347.3	– 179.4	–
Capital expenditures [2]	1,370.7	505.3	– 865.4	– 63.1
Average number of employees	30,517	23,978	– 6,539	– 21.4

[1] As at December 31, 2007 respectively September 30, 2008

[2] Figure for 2007 including capitalization of the discounted payment in connection with the Celanese AG/ Ticona GmbH basic agreement in the amount of €511.9 milllion and the capitalization of the discounted concession payment for Antalya of €448.6 million

€ million	Q3 2007	Q3 2008	Change	% Change
Revenue	630.2	555.3	– 74.9	– 11.9
EBITDA	217.3	207.1	– 10.2	– 4.7
EBITDA margin	34.5%	37.3%	–	–
EBIT	157.4	156.0	– 1.4	– 0.9
EBT	144.4	164.6	20.2	14.0
Group profit	115.8	126.9	11.1	9.6
Earnings per share in € (basic)	1.21	1.31	0.10	8.3

To be able to compare the nine-month results, figures were adjusted for the following extraordinary effects:
– Income and expenses from the Airrail Center finance lease in the amount of €57.6 million (Q1 2007)
– Repayment of a €2.1 million loan purchased below par in connection with the Airrail Center (Q1 2007)
– Revenue, other income, costs, as well as depreciation and amortization expenses from the second and third quarter 2007 generated by our ICTS security subsidiary (subgroup), which was deconsolidated as of April 1, 2008
– Release of provisions in the amount of €9.9 million for our expired Antalya concession (Q3 2007)
– Proceeds from a settlement with DB Station&Service AG amounting to €10 million from the second quarter of 2008
– A payment of €41.9 million received in the third quarter 2008 in connection with Fraport's Manila engagement

Hence, the adjusted income statement of the Fraport Group for the first nine months is as follows:

€ million	9M 2007 adjusted	9M 2008 adjusted	Change	% Change
Revenue	1,531.9	1,599.8	67.9	4.4
EBITDA	474.2	482.5	8.3	1.8
EBIT	311.4	325.7	14.3	4.6
Group profit	218.6	178.0	– 40.6	– 18.6

Given the significant effects from deconsolidating our ICTS security subsidiary (subgroup) as of April 1, 2008, and the first-time full consolidation of our Lima investment since August 1, 2007, the impact of both investments on the Fraport Group's income statement are as shown in the following table:

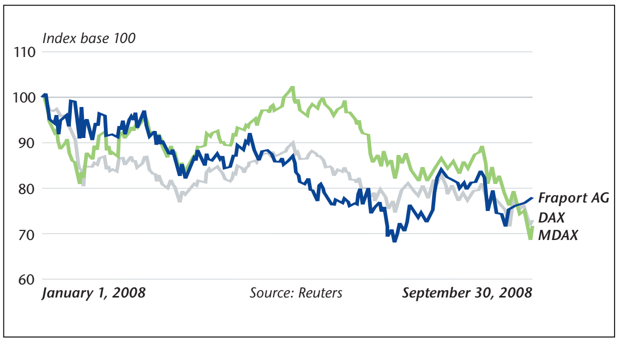
ICTS Europe Holdings B. V. – Subgroup			
€ million	9M 2007	9M 2008	Change
Revenue	233.9	67.3	– 166.6
EBITDA	4.1	– 0.1	– 4.2
EBIT	2.2	– 0.7	– 2.9

Lima Airport Partners S. R. L.			
€ million	9M 2007	9M 2008	Change
Revenue	16.5	67.3	50.8
EBITDA	4.7	19.1	14.4
EBIT	3.5	14.9	11.4

The Fraport Share

The Fraport Share closed the nine months ending September 30, 2008, at €42.00, approximately 22 percent below the year's opening price of €53.87 per share. In the same period, the comparative DAX and MDAX indices declined by 27.7 percent and 29.5 percent respectively. Fraport's negative share price performance since the beginning of the year was primarily influenced by general recession fears, the persistently high oil price, and the continuously strong euro. Compared with the market, the financial crisis rekindled since the collapse of a number of financial shares has had relatively little effect on Fraport AG's share price. Because of the sustained effects of the financial market crisis, the decline of the Fraport share accelerated after the end of the reporting period.

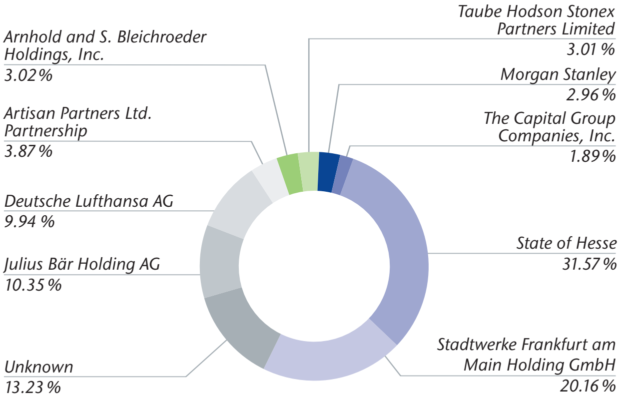
Development of the Fraport Share compared with the DAX and MDAX



Shareholder structure

There were no changes in Fraport's shareholder structure in the third quarter of 2008, compared to the half-year report 2008. Thus, the company's shareholder structure as at September 30, 2008, is as follows:

Shareholder structure as at September 30, 2008 *



* The relative ownership interest of the individual shareholders was adjusted to the current total number of shares existing as at September 30, 2008, and, therefore, may differ from the figures given at the time of reporting an excess/shortfall of the threshold or from the respective shareholders' own disclosures.

Dividend policy

A dividend of €1.15 per share was paid out for fiscal year 2007. Barring significant adverse factors, we expect the dividend per share for the 2008 reporting year to remain at least on the level of fiscal 2007.

Organization

Compared to the half-year 2008 report, there were no changes in the third quarter 2008.

Business development

Air traffic development

Airports Council International (ACI) reported worldwide growth of only 1.7 percent in passenger traffic and 1.1 percent in airfreight traffic for the first eight months of 2008 compared to the same period of the previous year. Following first slight drops in July, worldwide passenger traffic was down 2.1 percent and airfreight traffic 7.7 percent year-on-year in August. Traffic at European airports registered by ACI showed cumulative growth of 2.4 percent for passengers and 4.3 percent for airfreight over the eight-month period, while in August, both traffic categories were marked by stagnation compared to the same month last year. The Fraport Group's airports registered a 2.5 percent increase in passenger traffic and 4.1 percent rise in cargo (airfreight and airmail) throughput over the eight-month period 2008.

From January through September, well over 61 million **passengers** used the six (majority-owned) airports of the **Fraport Group**, 1.9 percent more than in the same period last year. The total number of passengers using the Fraport Group's airports (both majority-owned and minority-owned) rose by approximately 3.3 percent to 102.4 million in the reporting period.

With nearly 41.1 million passengers in the first nine months of 2008, activity at **Frankfurt Airport** slightly exceeded the previous year's level. The growth dynamics triggered by an expansion and optimization of flight offerings in the autumn of 2007 continued into the first quarter of 2008. In the second quarter, however, demand lost momentum. The economic uncertainty felt by the people in Germany as well as the UEFA European Football Championship further intensified the sluggish trend. In the third quarter, strikes within the Lufthansa Group negatively affected Frankfurt Airport. Finally, the implications of the international crises in the crude oil and financial markets affected air traffic development overall. Neither Frankfurt Airport nor the Fraport Group as a whole were able to avoid this negative impact. With cumulative growth of 1.9 percent, intercontinental traffic continued to be the major factor at Frankfurt Airport: Extensive flight service expansions reflected the booming demand in the surging South America market (+35.4 percent). Additional flight offerings stimulated traffic on routes to and from North America (+2.3 percent) and the Caribbean (+3.6 percent). Only Far East traffic experienced a 3.0 percent decline – with the exception of Vietnam (+1.7 percent) and Japan (+0.9 percent) – and prevented stronger growth in the intercontinental sector. European traffic slipped by a slight 0.4 percent on average. Flight service expansions (partly making use of the slots freed-up by service suspension on the Cologne/Bonn route) and special air fares offered by the classical scheduled airlines (in response to low cost competition) initially stimulated demand. With the progressive cooling of the world economy, however, demand for business travel decreased in addition to tourist travel activity. Domestic traffic suffered the most significant declines (– 2.8 percent). At the beginning of the year, domestic traffic still benefited from the repercussions of the German rail strikes, while figures for the nine-month period were depressed by frequency reductions, weather and strike-related flight cancellations and suspension of air services on the Cologne/Bonn route. Furthermore, the economic downturn also had a marked impact on domestic traffic and its high share of business travel.

With 3.1 million passengers, **Frankfurt-Hahn** Airport saw a 2.5 percent traffic decline in the first nine months of the year. Service reductions by Ryanair, flight cancellations by Wizz Air, and a drop in transfer passengers resulted in sliding passenger numbers in the first four months of the year. With the implementation of the summer timetable, passenger traffic at Frankfurt-Hahn picked up again. So far however, the increase could not compensate for the slide at the beginning of the year.

Antalya Airport (AYT) recorded total growth of 8.4 percent to approximately 7.5 million passengers in the reporting period. At the beginning of the summer season, growth at Terminal 1 strongly gathered momentum. Particularly high growth rates were achieved early in the season, i.e., in April and May. The major growth factor during this period, was an increase in tourists from Russia, Germany and Great Britain. The increase in passengers from Great Britain, Sweden, Norway, and Germany in the high season of tourism led to 13.7 percent traffic growth for the nine-month period. AYT's domestic terminal registered a 4.8 percent passenger drop in the first nine months.

Lima continued the pattern of solid high-level growth. With continued above-market rates of increase of 7 percent in the third quarter, Lima is spearheading growth within the Fraport Group. Reasons for the nearly 12 percent rise to 6.2 million passengers during the first nine months included airline flight service expansions, improved capacity utilization, and enhancement of Lima's hub function in the South American market.

Varna and **Burgas** airports in Bulgaria registered a slight combined drop of approximately 60,000 passengers. The rise in tourists from Russia and other East European countries and the strong increase in domestic traffic could not compensate for the loss of visitors from the traditionally strong West European travel markets (especially Germany and Great Britain) as well as from Scandinavia.

Cargo volume climbed 2.9 percent to 1.87 million metric tons Group-wide, despite higher global economic risks. Airfreight throughput at **Frankfurt Airport** climbed 1.0 percent. This figure includes a 1.2 percent rise in airfreight tonnage handled and a 3.1 percent decline in airmail tonnage, which resulted from the suspension of domestic overnight airmail flights to Hamburg since the beginning of the summer timetable. In addition to intercontinental cargo traffic, which rose 0.6 percent and accounted for approximately 87 percent of FRA's total freight volume, cargo tonnage on European and domestic routes increased strongly by 0.7 percent and 39.4 percent respectively. For the year to date, growth at FRA slightly exceeded the global level. **Lima** again proved to be a major force driving the Group's cargo growth: Lima Airport's cargo tonnage rose by 12.2 percent to well over 171,000 metric tons. At **Frankfurt-Hahn** Airport, expansion of flight services by Aeroflot, EgyptAir Cargo, Etihad and Emirates Skycargo resulted in a 22.7 percent rise in airfreight tonnage to approximately 94,000 metric tons.

Aircraft movements at the Group's six airports climbed 2.1 percent over the same period last year to 556,640 takeoffs and landings. At Frankfurt Airport, aircraft movements dropped by 0.7 percent. Stagnation in the first quarter was followed by a decline of 2.1 percent or 2,700 fewer movements in the third quarter. Service reductions and flight cancellations in the first nine months particularly affected domestic traffic, which plummeted 9.9 percent. The share of domestic flight movements shrank by 1.5 percentage points because of the suspension of flights on the Cologne route (an accumulated loss of 1,636 flights for the year to date), frequency reductions in passenger services on nearly all domestic routes, and further flight suspensions in the domestic overnight airmail service. Freed up slots were mainly used for structural improvements in international flight service offerings. In the continental sector, traffic declines to vacation destinations in southern and south-eastern Europe were easily compensated by capacity expansions on routes to and from northern, western and eastern Europe. The intercontinental passenger sector saw gratifying cumulative growth of 3.9 percent over the nine-month period, although growth dynamics for all regions slowed to 3 percent and 1 percent respectively in the second and third quarter. Up by 5.9 percent, freighter flights continued to be a stimulating factor at Frankfurt.

In contrast to aircraft movements, accumulated **maximum takeoff weights** (MTOWs) at Frankfurt Airport continued to increase in the reporting period. This was prompted by the

Traffic figures for the Fraport Group

Fully and proportionately consolidated airports

9M 2008	% share in the Airport	Passengers [1] 2008	% change over 2007	Cargo (airfreight and airmail in m. t.) 2008	% change over 2007	Aircraft movements 2008	% change over 2007
Frankfurt	100.00	41,079,458	0.1	1,604,933	1.0	368,236	– 0.7
Antalya [2]	51.00/34.00	7,462,472	8.4	–	–	53,689	16.2
Lima [3]	70.01	6,190,944	11.8	171,388	12.2	73,948	8.4
Frankfurt-Hahn	65.00	3,057,534	– 2.5	93,758	22.7	31,670	0.3
Burgas	60.00	1,891,205	– 0.7	1,362	– 11.7	15,805	5.2
Varna	60.00	1,343,009	– 3.5	–	–	13,292	1.9
Group		**61,024,622**	**1.9**	**1,871,441**	**2.9**	**556,640**	**2.1**

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

[2] Until September 13, 2007 old concession with 100 percent share in equity (only Terminal 1) since September 14, 2007 new concession including the Domestic Terminal, with 51 percent voting rights and a 34 percent share in equity (basis 2007 adjusted)

[3] Internal data from Lima

Minority owned airports and management contracts

9M 2008	% share in the Airport	Passengers [1] 2008	% change over 2007	Aircraft movements 2008	% change over 2007
Delhi	10.00	17,529,696	2.5	178,843	7.6
Kairo	0.00	10,735,569	16.6	101,909	16.1
Xi'an	24.50	8,719,342	1.4	90,808	0.3
Hanover	30.00	4,375,361	1.0	67,542	0.0
Total		**41,359,968**	**5.4**	**439,102**	**6.6**

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

ongoing structural change in flight offerings, which resulted from a more efficient use of slots – while runway capacity was stagnant. Concurrently, the trend away from short-haul flights with smaller aircraft continued in favor of more long-haul flights with heavy widebody aircraft. Add to this the disproportionately strong deployment of heavy freighter aircraft, and the drop in commercial and non-commercial small aircraft traffic. MTOWs at Frankfurt reached nearly 21.5 million metric tons, up 1.3 percent on the previous year's level. The share of widebody aircraft climbed 0.5 percentage points to 25.6 percent. The seat load factor increased by 0.3 percentage points to 76.1 percent. The number of passengers per aircraft (scheduled and charter) rose from 119.4 to 120.6.

Revenue and earnings

In the first nine months of fiscal year 2008, the Fraport Group's **revenue** declined by 8.8 percent to €1,599.8 million compared to the previous year. The strong decline can basically be attributed to the sale of Fraport's ICTS Europe security subsidiary effective April 1, 2008, and the ensuing loss of €165.1 million in revenue which the subsidiary generated in the second and third quarter of 2007 as well as to revenue of €57.6 million received in the previous year in connection with the Airrail Center finance lease. Adjusted for these two effects, revenue surged Group-wide by 4.4 percent. In particular, this increase can be attributed to the first-time full consolidation since August 2007 of Lima Airport (up €50.8 million). At Frankfurt Airport, higher revenue was achieved especially from additional income in the Ground Handling and Retail & Properties segments.

Other income increased in the reporting period, despite last year's positive extraordinary effects from the repayment of a €2.1 million loan acquired below par in connection with the Airrail Center, from the deconsolidation of our ICTS security subsidiary in the amount of €2.8 million, as well as from a release of provisions in the amount of €9.9 million for our expired concession in Antalya. Reasons for this increase included the settlement reached with DB Station&Service AG in connection with the action filed for payment of approximately €52 million, plus interest, arising from services rendered for the superstructure of the long-distance train station at Frankfurt Airport. The settlement calls for payments to be made by Fraport AG to DB Station&Service AG which are lower than the liabilities recognized. The resulting balance of €10 million positively influenced other income. Adjusted for the aforementioned extraordinary effects, **total revenue** rose by 4.9 percent over the adjusted previous year's figure to €1,661.7 million.

Operating expenses were down by 11.5 percent to €1,179.2 million in the reporting period. Adjusted for the aforementioned extraordinary effects from the Airrail Center and the ICTS sale, operating expenses were up by 6.2 percent on the adjusted previous year's figure. This rise can be primarily attributed to the first-time full consolidation of Fraport's Peruvian investment in Lima since August 2007 (+€36.4 million).

Personnel expenses of the Fraport Group sank by 14.7 percent to €706.4 million in the reporting period. Adjusted for the extraordinary effect from the deconsolidation of ICTS, personnel expenses grew under-proportionately by 3.6 percent compared to the same period last year, despite a rise in personnel figures and a newly negotiated collective pay settlement. The main reason for this moderate growth was an optimized personnel mix within the Group. Retroactively effective from the beginning of fiscal year 2008, the collective pay agreement boosted personnel expenses by approximately €17.0 million. The collective pay agreement will run for two years and includes a second pay increase of 2.8 percent effective January 1, 2009.

Non-staff costs (materials and other operating expenses) also declined from €503.6 million to €472.8 million due to the aforementioned extraordinary effects. On an adjusted basis, non-staff costs increased by 10.3 percent. The main reason also was the first-time full consolidation of our investment in Lima Airport. With 44.2 percent, staff costs as a percentage of revenue were level with the adjusted previous year's figure of 44.5 percentage points. Reaching 29.6 percent, non-staff costs as a percentage of revenue exceeded the previous year's level by 1.6 percentage points.

EBITDA in nine-month comparison rose 0.4 percent to €492.5 million. The EBITDA margin of 30.8 percent exceeded the previous year's figure by 2.9 percentage points. Adjusted for the extraordinary effects, EBITDA grew 1.8 percent or €8.3 million over the adjusted nine-month period in 2007 to €482.5 million. The adjusted EBITDA margin of 30.2 percent was only negligibly below the adjusted EBITDA margin of 31.0 percent in the same period last year.

Because of the expiry of the expected useful life of assets in 2007 **depreciation and amortization** dropped from €164.1 million to €156.8 million in the reporting period. **EBIT** correspondingly climbed by 2.9 percent over the previous year's level of €326.2 million to €335.7 million in the reporting period. The adjusted EBIT was up 4.6 percent year-on-year, rising from €311.4 million to €325.7 million.

The **Financial result** deteriorated noticeably from minus €17.1 million in the previous year to minus €40.1 million in the reporting period, despite the one-off payment of €41.9 million received under the German federal government's investment guarantee for capital investments outside Germany in connection with our engagement in Manila. Prime reasons included: a strong increase in interest expenses resulting from interest cost compounded on Fraport's non-current liabilities for the concession payments to operate Antalya as well as interest cost compounded on our non-current liabilities in connection with the basic agreement concluded with Celanese AG/ Ticona GmbH.

The **tax rate** dropped from 29.3 percent to 25.6 percent, largely because of the tax-neutral payment received under the German federal government's investment guarantee for capital investments abroad.

Group profit rose 0.6 percent year-on-year to €219.9 million. Basic earnings per share slipped slightly from €2.33 to €2.32.

Asset and financial situation

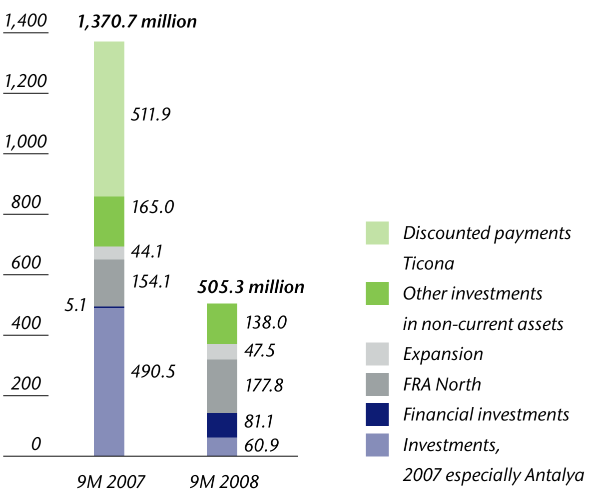
Capital expenditures

In the first nine months of fiscal year 2008, the Fraport Group invested a total of €505.3 million. The significant drop from the previous year's figure of €1,370.7 million resulted primarily from the €511.9 million financial commitment under the framework agreement with Celanese AG/Ticona GmbH, which was recognized on a discounted basis in the previous year, as well as from the concession to operate the terminals at Antalya Airport recognized on a discounted basis in the amount of €448.6 million. Investments at Frankfurt Airport amounted to approximately €363.3 million in the reporting period. With €177.8 million, the major part of these investments was spent on the FRA North project, especially on the Hall C expansion and construction of Pier C/D connecting Terminals 1 and 2. In addition, investments were made in ongoing reconstruction measures to prepare for the A380.

Since the beginning of fiscal 2008, capital expenditures for the implementation of EU security regulations as well as terminal fire-safety improvements have been reported in the item "Other investments in non-current assets" to provide for a better differentiation of investments in the FRA North projects. Furthermore, "Other investments in non-current assets" also include the modernization of ground-handling equipment as well as capital expenditures for the 100-percent baggage screening and control system. In this context, the previous year's values have been adjusted for comparative purposes.
Capital expenditures for the planned Frankfurt Airport Expansion program amounted to approximately €47.5 million in the reporting period.
Investment in Fraport subsidiaries and affiliated companies amounted to approximately €60.9 million.
Capital expenditures for financial assets totaled €81.1 million. This amount mainly covers the purchase of shares in Xi'an Airport and the planned capital increase at Delhi Airport, which will be used to finance further investments at that airport in India.

Total investments

€ million



Cash flow statement

Cash flow from operating activities in the reporting period totaled €324.7 million, some €18.0 million down from the corresponding period last year. With €427.6 million, cash inflow from operations dropped by €10.0 million below the level of the first nine months of 2007. The main reasons for the decline in operating cash flow included, in particular, outflow of cash from a usage of provisions as well as a decrease in liabilities caused inter alia by reversing the provisions for noise abatement measures and the payment of the obligation under the settlement reached with DB Station&Service AG.

Cash flow used in investing activities in the amount of €584.1 million exceeded the comparable previous year's level by €74.4 million. Prime reasons included: a partial payment of €200.0 million to Celanese AG/Ticona GmbH, accounted for under "Capital expenditures for property, plant and equipment"; investments at equity in connection with our engagement in Xi'an; and investments in other financial assets, which concern Delhi Airport in particular. The corresponding cash inflow resulted from the sale of our ICTS subsidiary as well as proceeds from the disposal of financial assets. In the same period last year, the prepaid rental income of €57.6 million from the Airrail Center finance lease was accounted for under the item disposal of non-current assets. In addition to ongoing capital expenditures, investments in airport operating projects encompass concession payments of €47.8 million for the operation of the terminals in Antalya.

Cash inflow from financing activities in the amount of €767.5 million resulted especially from the issue of a promissory note loan of approximately €720 million to finance Fraport's future investment requirements and from new bank borrowings. In the reporting period, we paid off long-term loans in the amount of approximately €31.5 million. Proceeds from the issue of a promissory note loan and new borrowings amounted to approximately €875 million.

The significant €535.4 million increase in **cash and cash equivalents** was primarily due to the inflow of funds from the promissory note loan. As a result, cash and cash equivalents amounted to €1,171.3 million as of September 30, 2008. Based on the new definition of net financial debt (see glossary), cash and cash equivalents as well as "Other financial investments" and "Other receivables and other financial assets" positions realizable in the short term, amounted to €1,310.0 million in the reporting period. In connection with financing the concession to operate Antalya, some €28.3 million cash in banks is subject to drawing restriction.

Because of the large amounts invested in property, plant and equipment, **free cash flow** (for definition see the glossary) in nine-month comparison dropped from minus €167.9 million to minus €347.3 million.

Asset and capital structure

Total assets of the Fraport Group rose by 10.4 percent to €6,300.3 million compared to December 31, 2007. The prime reason for this increase was the issue of a promissory note loan in the amount of €720 million for the backup funding of Fraport's future investment requirements in non-current financial liabilities.

The Fraport Group's **non-current assets** climbed by €213.0 million to €4,817.8 million, especially because of our investing activities at Frankfurt Airport. **Current assets** increased by €382.6 million to €1,482.5 million, due to the investment of borrowed funds. The partial payment of €200 million under the basic agreement signed with Celanese AG/Ticona GmbH and the sale of ICTS, which is accounted for under "Non-current assets held for sale", had a curbing effect.

Equity increased by 5.4 percent compared with the balance sheet date. The **equity-to-asset ratio** fell by 2.3 percentage points to 40.8 percent because of the increase in total assets.

Non-current and current liabilities rose to €3,672.9 million as a result of capital borrowings. The decline in trade accounts payble was also due to the partial payment of €200 million to Celanese AG/Ticona GmbH and the settlement reached with DB Station&Service AG.

Net financial debt (for definition see the glossary) of the Fraport Group as of the September 30, 2008, balance sheet date amounted to €736.9 million; based on the new definition, the previous year's figure was €217.5 million. Gearing (for definition see glossary) reached 28.7 percent in the reporting period, versus 8.9 percent in the same period last year.

Segment reporting

Aviation

Up by 0.7 percent, revenue in the Aviation segment developed positively in the first nine months of fiscal year 2008. This was primarily due to an increase in proceeds from security services, which overcompensated for the negative effect of the decline in passenger figures seen since June 2008. Operating expenses of the segment also increased year-on-year. This rise was mainly due to higher manpower requirements of our FraSec security subsidiary to meet the increased standards for security services and to the new collective pay agreement effective from the beginning of fiscal year 2008.

With €112.2 million, segment EBITDA in nine-month comparison declined by €14.6 million. Expiry of the expected useful economic life of assets in 2007 depressed depreciation and amortization by €6.3 million in the reporting period. Falling from €8.3 million to €63.8 million, segment EBIT therefore dropped at a smaller rate than EBITDA.

Retail & Properties

With €320.8 million, revenue in the Retail & Properties segment fell €35.0 million short of the comparable previous year's figure. This slump was exclusively due to non-recurring income of €57.6 million in the previous year from the Airrail Center finance lease. Adjusted for this extraordinary effect recognized directly in equity, segment revenue climbed by €22.6 million or 7.6 percent in the reporting period. Reasons for this increase again included higher proceeds from the retail business and from utility services of our Energy Air subsidiary. Retail revenue per passenger rose noticeably from €2.61 to €2.71 in nine-month comparison. Other segment income climbed by €8.7 million in the reporting period, despite positive extraordinary effects in the 2007 base year.

	€ million	9M 2007	9M 2008	Change	% Change	Q3 2007	Q3 2008	Change	% Change
Aviation	Revenue	529.8	533.5	3.7	0.7	190.4	190.3	– 0.1	– 0.1
	EBITDA	126.8	112.2	– 14.6	– 11.5	57.6	49.2	– 8.4	– 14.6
	EBIT	72.1	63.8	– 8.3	– 11.5	37.3	33.5	– 3.8	– 10.2
	Employees	6,321	6,668	347	5.5	6,341	6,760	419	6.6
Retail & Properties	Revenue	355.8	320.8	– 35.0	– 9.8	99.4	105.2	5.8	5.8
	EBITDA	261.0	287.8	26.8	10.3	87.1	99.4	12.3	14.1
	EBIT	194.7	229.6	34.9	17.9	64.1	81.9	17.8	27.8
	Employees	2,913	2,727	– 186	– 6.4	2,948	2,762	– 186	– 6.3
Ground Handling	Revenue	465.4	483.7	18.3	3.9	163.7	172.7	9.0	5.5
	EBITDA	42.7	45.8	3.1	7.3	23.0	25.6	2.6	11.3
	EBIT	24.7	21.3	– 3.4	– 13.8	16.3	15.8	– 0.5	– 3.1
	Employees	8,065	8,458	393	4.9	8,112	8,534	422	5.2
External Activities	Revenue	403.6	261.8	– 141.8	– 35.1	176.7	87.1	– 89.6	– 50.7
	EBITDA	59.8	46.7	– 13.1	– 21.9	49.6	32.9	– 16.7	– 33.7
	EBIT	34.7	21.0	– 13.7	– 39.5	39.7	24.8	– 14.9	– 37.5
	Employees	13,218	6,125	– 7,093	– 53.7	14,670	3,491	– 11,179	– 76.2

The reason was the settlement reached with DB Station&Service AG, which boosted other income by €10 million. The decrease in operating expenses mainly resulted from last year's recognition of the Airrail Center finance lease costs in the same amount as in revenue. In contrast, higher costs for utility services effected an increase in expenses.

Segment EBITDA overall climbed €26.8 million to €287.8 million. Because of lower depreciation and amortization, segment EBIT saw over-proportionate growth of €34.9 million or 17.9 percent to €229.6 million. The segment's EBITDA and EBIT margins reached 89.7 percent and 71.6 percent respectively, partly because of the extraordinary effect from the settlement with DB Station&Service AG.

Ground Handling

Revenue in the Ground Handling segment reached €483.7 million, up €18.3 million on the comparable period last year. The increase was mainly due to new services for passengers with reduced mobility and enhanced baggage screening services to meet the 100-percent baggage screening requirement. Other segment income remained largely unchanged compared to the same period in 2007. Operating expenses increased at a disproportionately lower rate than revenue. The major reason for the increase in expenses was the new collective pay settlement effective from the beginning of fiscal year 2008, which burdened the segment with additional costs of €8.3 million. The marked increase in segment personnel was required inter alia for the provision of new services for passengers with reduced mobility by Fraport's new FraCareS GmbH subsidiary.

Because of the positive revenue development, segment EBITDA in nine-month comparison climbed from €42.7 million to €45.8 million. Higher depreciation and amortization expenses – mainly because of the ongoing modernization of ground handling equipment and installations – resulted in decreasing segment EBIT. With €21.3 million, the segment EBIT fell €3.4 million short of the 2007 level.

External Activities

With €261.8 million, revenue in the External Activities segment was €141.8 million lower than in the comparable previous year's period. The decline can basically be attributed to the extraordinary effect from the sale of our ICTS subsidiary effective April 1, 2008, and the ensuing loss of €165.1 million in revenue, which the subsidiary had achieved in the second and third quarter of the previous year. Adjusted for this effect, segment revenue climbed 9.8 percent in the reporting period. In particular, this increase can be attributed to the first-time full consolidation since August 2007 of Lima Airport. Although Antalya Airport posted a revenue increase, its contribution to segment revenue was lower than in the comparable previous year's period, because the investment has been included in the financial statements only on a proportionate basis. Revenue from other Fraport shareholdings did not change significantly year-on-year. Because of the release of provisions in the amount of €9.9 million for the expired Antalya concession in the previous year other income dropped noticeably in the reporting period.
The segment's staff and non-staff costs increased when adjusted for the deconsolidation of Fraport's ICTS subsidiary. Like on the revenue side, the increase can be attributed to the first-time full-year consolidation of our Lima investment.

Segment EBITDA dropped from €59.8 million to €46.7 million. This drop resulted primarily from the high release of provisions in the previous year, the loss of profit contributions from Fraport's former ICTS subsidiary, and from Antalya being consolidated only on a proportionate basis. Segment EBIT dropped accordingly from €34.7 million to €21.0 million. The adjusted EBITDA in nine-month comparison increased by €0.9 million over the previous year's level of €45.8 million. The segment's EBITDA margin improved from 14.8 percent in the previous year to 17.8 percent in the reporting period.

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

		Revenue € million		
	Fraport interest	**9M 2007**	**9M 2008**	**Δ %**
ICTS [1]	100%/0%	238.4	69.2	– 71.0
Lima [2]	70.01%	66.4	67.3	1.4
Frankfurt-Hahn	65%	30.1	33.5	11.3
Antalya [3]	51%/34%	51.1	64.7	26.6
Twin Star	60%	38.4	37.7	– 1.8

		EBITDA € million		
	Fraport interest	**9M 2007**	**9M 2008**	**Δ %**
ICTS [1]	100%/0%	8.2	1.5	– 81.7
Lima [2]	70.01%	18.1	17.9	– 1.1
Frankfurt-Hahn	65%	– 1.0	0.4	> 100
Antalya [3]	51%/34%	24.8	49.2	98.4
Twin Star	60%	14.6	15.1	3.4

		EBIT € million		
	Fraport interest	**9M 2007**	**9M 2008**	**Δ %**
ICTS [1]	100%/0%	6.4	0.9	– 85.9
Lima [2]	70.01%	13.0	13.7	5.4
Frankfurt-Hahn	65%	– 8.7	– 7.8	–
Antalya [3]	51%/34%	10.9	22.3	> 100
Twin Star	60%	13.9	12.2	– 12.2

[1] *Investment sold effective April 1, 2008; figures for 2007 without the proceeds from the sale of FraSec*

[2] *Up to and including July 31, 2007, consolidation at equity; since August 1, 2007, full consolidation*

[3] *Up to and including September 13, 2007, old concession with equity share of 100 percent (Terminal 1 only); since September, 14, 2007, new concession, including the Domestic Terminal, with a voting right of 51 percent and an equity share of 34 percent; values correspond to 100 percent of the values before the proportionate consolidation*

Employees

The number of people employed by the Fraport Group dropped by approximately 21.4 percent to an average of 23,978 employees for the reporting period. This decline is mainly due to the sale of Fraport's labor-intensive ICTS Europe security subsidiary. With 18,044 employees, the work force at Frankfurt Airport exceeded the previous year's level by 1.3 percent on average. The increase is mainly due to our FraSec security subsidiary requiring more people to meet the increased standards for security services and to manpower requirements of our new FraCareS GbmH subsidiary for the provision of the new services for passengers with reduced mobility.

	9M 2007	9M 2008	Change	% Change
Fraport Group	30,517	23,978	– 6,539	– 21.4
thereof in Frankfurt	17,806	18,044	238	1.3
Investments	18,732	12,397	– 6,335	– 33.8

Miscellaneous

Business outlook

Relevant industry studies expect continued noticeable growth in global air traffic in the medium and long term. The airports of the Fraport Group should participate in this sustained positive overall trend; at Frankfurt Airport, however, capacity constraints will curb growth in the medium term. Because of the positive results in the first half of the year, world air traffic year is currently expected to show growth for the full year 2008. However, in the wake of the global financial crisis and the ensuing economic cooling there are first signs of traffic stagnation or decline in the second half of 2008. The Fraport Group will not be able to escape this change in trend. Under Frankfurt Airport's slightly reduced Winter Timetable 2008/2009 some 116 airlines provide passenger flights to 272 destinations in 106 countries around the world – including 141 intercontinental destinations. At Frankfurt Airport we expect a slight decline in passenger figures over-all for the full year 2008. In contrast to the general trend, the Fraport Group's Antalya, Lima, and Frankfurt-Hahn airports continued to register growth in the third quarter. Therefore, the Fraport Group's combined passenger traffic is expected to show growth for the full year 2008.

Stock option plan

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

As at September 30, 2008, the total number of stock options issued under both stock option plans amounted to 1,757,650. The current number of options issued but not yet exercised under the 2001 stock option plan amounts to 4,200. A total of 884,600 stock options were issued under the Fraport MSOP 2005, 61,300 of which have expired and 44,700 of which have been exercised. Further information on the Fraport MSOP is provided in the Fraport Annual Report 2007, beginning on page 122.

Treasury shares

Fraport AG held 96,695 treasury shares on September 30, 2008. This represents a decrease of 7,984 shares compared to the end of fiscal year 2007. These shares were issued as part of the Executive Board remuneration.

Contingent liabilities and other financial commitments

Fraport's capital payment obligations for the funding of investments at Delhi Indira Gandhi International Airport in India amount to INR1,400 million (approximately €21.0 million).
Other changes in contingent liabilities and other financial commitments compared to December 31, 2007, are negligible.

Changes in risk and opportunity reporting

Risks for Fraport AG's net assets, financial position and results may arise from the current financial market crisis and its effects on the overall economy, and, particularly, on liquidity and future bank lending practices.

In connection with the risk of losing contracts for aviation security services at Frankfurt Airport under section 5 of the Aviation Security Act, we reported in the Fraport Group's management report for the period ending December 31, 2007, that the Hesse government had announced plans to take over passenger and baggage controls. Based on our current knowledge, we assume that aviation security screening services will not be transferred to the state of Hesse. Thus the risk of negative effects from a loss of contracts continues for Fraport, if the German Ministry of the Interior (BMI) puts out to tender the respective services under section 5 of the Aviation Security Act. Fraport is currently negotiating with the BMI, with the goal that the services will be put out to tender in phases over an extended period of time in order to cushion the effects on the employees.

Regarding risks arising from equity investments, we reported in the Fraport Group's management report for the period ending December 31, 2007, that the EU Commission had received a complaint stating Frankfurt-Hahn Airport had granted unlawful aids to Irish Ryanair airline. In order to investigate the issue, the EU Commission submitted requests for information to the German federal government in September 2006 and February 2007. The German federal government responded to the requests on December 20, 2006, and June 29, 2007. In June 2008, the EU Commission instituted formal proceedings against the German federal government investigating potential state-aid to Frankfurt-Hahn Airport. In these proceedings, the EU Commission is looking into circumstances which, in the Commission's opinion, might be considered state aid. The German authorities have been invited to present their view on the issues. However, if the Commission comes to the conclusion that the investigated circumstances are to be considered state aid, there could be a considerable economic risk for Flughafen-Hahn GmbH, with consequences that could even jeopardize the company's ability to continue as a going concern. We currently proceed on the assumption that the circumstances investigated by the EU Commission do not constitute state aid and that there is a low probability that the risks will materialize – especially because a private investor test by an auditing company concluded that both Fraport AG and Flughafen Frankfurt-Hahn GmbH have acted like a private investor.

There were no other significant changes in the risks and opportunities presented in the Annual Report 2007 (page 46 et seq.) and in the interim reports of March 2008 and June 2008. Currently no risks are discernable that could jeopardize the Fraport Group's going concern.

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Outlook 2008

The forecasts for the Fraport Group's traffic and business development published in the company's Annual Report 2007 have been revised in the first nine months of fiscal year 2008 as follows:

Because of the current market development we expect passenger figures at Frankfurt Airport for the full year 2008 to decline by between 1 percent and 1.5 percent. Prime reasons include: a general weakness in demand due to higher energy prices, the financial market crisis, the slowing economy, as well as negative extraordinary effects from strike-related flight cancellations and their repercussions on customer booking behavior. Within this overall traffic decline, however, the intercontinental passenger sector will continue to climb by 1 percent. Furthermore, passenger traffic at all of the Fraport Group's (majority-owned) airports is expected to rise by approximately 1 percent.

Adjusted for the extraordinary financial income from the €41.9 million guarantee payment in connection with Fraport's engagement in Manila, Group profit will fall below the previous year's level of €213.7 million.

In contrast to previous expectations, revenue from security services in the Aviation segment is anticipated to increase. This revision is based mainly on growing security standards that involve enhanced controls and stronger demand for security services.

In contrast, the unexpectedly high collective pay settlement will have a negative impact, particularly on the results of the personnel-intensive Ground Handling segment. Because of the one-time negative effects in 2007, however, we continue to expect growing segment results.

Results (EBIT) in the Retail & Properties segment are expected to advance as a result of the settlement reached between Fraport and Station&Service AG.

Business in the External Activities segment will develop according to plan. However, segment profits could be curbed due to the weak U.S. dollar.

Despite the aforementioned changes, Fraport remains steadfast in its forecast to raise Group EBITDA above the 2007 figure. Likewise, revenue adjusted for the aforementioned extraordinary effects (income from the Airrail Center finance lease and de-consolidation of ICTS Europe) will exceed the previous year's level.

Group Interim Report as at September 30, 2008

Consolidated income statement

€ million	Q3 2007	Q3 2008	9M 2007	9M 2008
Revenue	**630.2**	**555.3**	**1,754.6**	**1,599.8**
Change in work-in process	0.0	0.1	0.2	0.2
Other internal work capitalized	5.8	6.4	16.6	22.4
Other operating income	23.0	11.4	50.7	49.3
Total revenue	**659.0**	**573.2**	**1,822.1**	**1,671.7**
Cost of materials	– 116.0	– 116.2	– 343.6	– 343.4
Personnel expenses	– 278.7	– 211.3	– 828.2	– 706.4
Other operating expenses	– 47.0	– 38.6	– 160.0	– 129.4
EBITDA	**217.3**	**207.1**	**490.3**	**492.5**
Depreciation and amortization	– 59.9	– 51.1	– 164.1	– 156.8
EBIT/Operating profit	**157.4**	**156.0**	**326.2**	**335.7**
Interest income	6.7	16.8	22.3	34.7
Interest expenses	– 22.9	– 45.4	– 45.4	– 102.6
Share of results from investments accounted for using the equity method	0.6	1.4	1.8	1.5
Income from investments	1.7	0.1	4.3	0.1
Other financial results	0.9	35.7	– 0.1	26.2
Financial result	**– 13.0**	**8.6**	**– 17.1**	**– 40.1**
EBT/Result from ordinary operations	**144.4**	**164.6**	**309.1**	**295.6**
Taxes on income	– 28.6	– 37.7	– 90.5	– 75.7
Group profit	**115.8**	**126.9**	**218.6**	**219.9**
Profit attributable to minority interests	**5.5**	**6.6**	**5.8**	**7.5**
Profit attributable to equity holders of Fraport AG	**110.3**	**120.3**	**212.8**	**212.4**
Earnings per €10-share in €				
basic	**1.21**	**1.31**	**2.33**	**2.32**
diluted	**1.19**	**1.30**	**2.30**	**2.30**

Consolidated Balance Sheet

Assets

€ million	Dec. 31, 2007	Sept. 30, 2008
Non-current assets		
Goodwill	22.7	22.7
Other intangible assets	43.9	41.3
Investments in airport operator projects	570.3	584.9
Property, plant and equipment	3,569.3	3,811.0
Investment property	10.1	10.1
Investments accounted for using the equity method	37.1	86.8
Other financial assets	252.2	159.9
Other receivables and financial assets	58.5	52.7
Income tax receivable	33.5	37.8
Deferred tax assets	7.2	10.6
	4,604.8	**4,817.8**
Current assets		
Inventories	38.6	41.1
Trade accounts receivable	154.6	174.7
Other receivables and other assets	76.6	59.7
Income tax receivable	13.2	7.4
Cash and cash equivalents	651.3	1,199.6
	934.3	1,482.5
Non-current assets held for sale	165.6	0.0
	1,099.9	**1,482.5**
	5,704.7	**6,300.3**

Liabilities

€ million	Dec. 31, 2007	Sept. 30, 2008
Equity		
Issued capital	914.6	916.1
Capital reserves	565.2	572.4
Revenue reserves	875.2	867.0
Group retained earnings	105.3	
Group result Jan. 1 – Sept. 30, 2008		212.4
Issued capital and reserves attrib. to equity holders of Fraport AG	2,460.3	2,567.9
Minority interests, presented within equity	33.0	59.5
	2,493.3	**2,627.4**
Non-current liabilities		
Financial liabilities	830.6	1,636.4
Trade accounts payable	365.6	194.0
Other liabilities	451.7	410.8
Deferred tax liabilities	89.6	82.9
Provisions for pensions and similar obligations	19.4	20.1
Provisions for income taxes	163.0	174.4
Other provisions and accruals	136.2	98.8
	2,056.1	**2,617.4**
Current liabilities		
Financial liabilities	367.8	410.5
Trade accounts payable	441.5	353.5
Other liabilities	75.7	106.7
Provisions for income taxes	14.2	15.3
Other provisions and accruals	185.3	169.5
	1,084.5	**1,055.5**
Liabilities in connection with assets held for sale	70.8	0.0
	1,155.3	**1,055.5**
	5,704.7	**6,300.3**

Consolidated cash flow statement

€ million	9M 2007	9M 2008	2007
Profit attributable to equity holders of Fraport AG	**212.8**	**212.4**	**208.7**
Taxes on income	90.5	75.7	83.9
Profit attributable to minority interests	5.8	7.5	5.0
Adjustments for:			
Depreciation	164.1	156.8	245.1
Interest results	23.1	67.9	46.5
Income from investments	– 4.3	– 0.1	– 5.3
Gains/losses from the disposal of non-current assets	3.1	18.7	11.4
Other	7.9	1.0	8.1
Changes in investments accounted for using the equity method	– 1.8	– 1.5	– 2.5
Changes in inventories	– 3.6	– 2.5	– 5.7
Changes in receivables and other financial assets	28.2	7.5	36.8
Changes in provisions	– 62.2	– 58.3	– 12.2
Changes in liabilities (w/o financial liabilities and provisions)	17.8	– 53.1	38.1
Changes in/reclassification of assets/liabilities held for sale	– 43.8	– 4.4	– 33.8
Operational activities	437.6	427.6	624.1
Financial activities			
Interest paid	– 38.2	– 64.5	– 63.5
Interest received	22.3	21.1	30.2
Dividends received	4.3	0.1	5.3
Income taxes paid	– 83.3	– 59.6	– 117.5
Cash flow from operating activities	**342.7**	**324.7**	**478.6**
Capital expenditures for intangible assets	– 4.6	– 3.8	– 8.0
Investments in airport operator projects	– 117.2	– 79.6	– 134.3
Capital expenditures for property, plant and equipment	– 387.5	– 588.6	– 583.8
Capital expenditures for investments accounted for using the equity method	–	– 45.6	–
Investment property	– 1.3	–	– 1.1
Other financial investments	–	– 32.6	–
Acquisition/disposal of consolidated companies	– 16.6	61.7	– 16.6
Changes due to consolidation	– 48.3	–	–
Proceeds from disposals of non-current assets	65.8	12.0	74.4
Proceeds from disposals of other financial assets	–	92.4	28.9
Cash flow used in investing activities	**– 509.7**	**– 584.1**	**– 640.5**
Dividends paid to shareholders of Fraport AG	– 105.1	– 105.2	– 105.1
Dividends paid to minority shareholders	– 1.3	– 1.1	– 1.3
Capital increase	11.8	13.0	11.8
Change in financial liabilities	288.9	860.8	274.5
Cash flow from financing activities	**194.3**	**767.5**	**179.9**
Consolidation effects on cash and cash equivalents	7.8	38.4	7.8
Foreign currency translation effect on cash and cash equivalents	– 3.6	1.8	– 7.0
Restricted cash	– 28.1	– 28.3	– 28.4
Change in cash and cash equivalents	**3.4**	**520.0**	**– 9.6**
Cash and cash equivalents on January 1	617.6	622.9	617.6
Restricted cash previous year	14.9	28.4	14.9
Cash and cash equivalents on Sept. 30 and Dec. 31 respectively	**635.9**	**1,171.3**	**622.9**

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, 2007	**913.7**	**558.8**	**36.5**	**702.3**	**– 5.5**	**13.0**	**105.2**	**2,324.0**	**22.1**	**2,346.1**
Foreign currency translation differences	–	–	–	–	1.4	–	–	1.4	–	1.4
Fair value of financial assets held for sale	–	–	–	–	–	6.8	–	6.8	–	6.8
Fair value changes of derivatives	–	–	–	–	–	5.6	–	5.6	–	5.6
Purchase price allocationLAP	–	–	–	–	–	1.1	–	1.1	–	1.1
Net gain (+)/Net costs (–) directly recorded in equity	0.0	0.0	0.0	0.0	1.4	13.5	0.0	14.9	0.0	14.9
Capital increase Frankfurt-Hahn Airport/Twin Star	–	–	–	–	–	–	–	0.0	7.4	7.4
Issue of shares for employee investment plan	0.7	3.5	–	–	–	–	–	4.2	–	4.2
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management stock option plan										
– Capital increase for the exercise of options	0.1	0.1	–	–	–	–	–	0.2	–	0.2
– Value of performed services	–	1.9	–	–	–	–	–	1.9	–	1.9
Distribution	–	–	–	–	–	–	– 105.1	– 105.1	– 1.3	– 106.4
Group profit Jan. 1 to Sept. 30, 2007	–	–	–	–	–	–	212.8	212.8	5.8	218.6
Consolidation activity/ other changes	–	–	–	2.1	–	–	– 0.1	2.0	– 0.3	1.7
Balance at Sept. 30, 2007	**914.6**	**564.4**	**36.5**	**704.4**	**– 4.1**	**26.5**	**212.8**	**2,455.1**	**33.7**	**2,488.8**
Balance at Jan. 1, 2008	**914.6**	**565.2**	**36.5**	**810.1**	**– 5.6**	**34.2**	**105.3**	**2,460.3**	**33.0**	**2,493.3**
Foreign currency translation differences	–	–	–	–	5.5	–	–	5.5	–	5.5
Fair value of financial assets held for sale	–	–	–	–	–	– 8.2	–	– 8.2	–	– 8.2
Fair value of changes of derivatives	–	–	–	–	–	– 5.3	–	– 5.3	–	– 5.3
Net gain (+)/Net costs (–) directly recorded in equity	0.0	0.0	0.0	0.0	5.5	– 13.5	0.0	– 8.0	0.0	– 8.0
Capital increase Frankfurt-Hahn/FraCareS	–	–	–	–	–	–	–	0.0	6.9	6.9
Disposal of interest in LAP	–	–	–	–	–	–	–	0.0	13.0	13.0
Issue of shares for employee investment plan	1.0	3.5	–	–	–	–	–	4.5	–	4.5
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management stock option plan			–	–	–	–	–	0.0	–	0.0
– Capital increase for the exercise of options	0.4	1.2	–	–	–	–	–	1.6	–	1.6
– Value of performed services		2.4	–	–	–	–	–	2.4	–	2.4
Distribution	–	–	–	–	–	–	– 105.2	– 105.2	– 1.1	– 106.3
Group profit Jan. 1 to Sept. 30, 2008	–	–	–	–	–	–	212.4	212.4	7.5	219.9
Consolidation activity/ other changes	–	–	–	– 0.2	–	–	– 0.1	– 0.3	0.2	– 0.1
Balance at Sept. 30, 2008	**916.1**	**572.4**	**36.5**	**809.9**	**– 0.1**	**20.7**	**212.4**	**2,567.9**	**59.5**	**2,627.4**

Notes

Accounting policies

The Fraport Group's interim financial statements for the period ending September 30, 2008, have been prepared in accordance with IAS 34 and – like the consolidated statement for fiscal year 2007 – in compliance with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations thereof by the International Financial Reporting Interpretations Committee (IFRIC). All official bulletins of the IASB, with mandatory application within the EU as of January 1, 2008, have been taken into account. This interim report also meets the requirements of German Accounting Standard GAS 16 on interim financial reporting approved on May 5, 2008, by the German Accounting Standards Committee/ GASC) and published by the German Ministry of Justice (BMJ) on July 24, 2008. Regarding the accounting policies used in Group accounting reference is made to the notes to the consolidated financial statements of the Fraport Group for the period ended December 31, 2007.
The interim financial statements were not reviewed or audited by an independent auditor.

Consolidated companies

A total of 56 companies have been consolidated in the Fraport Group as of September 30, 2008, including associated companies.

On April 29, 2008, the Fraport Saudi Arabia for Airport Management and Development Services Company Ltd, Riyadh, was established in connection with the management contract signed to operate and develop the Saudi Arabian airports of Riyadh and Jeddah. Fraport AG has acquired 90 percent and Fraport Malta Ltd. 10 percent of the shares for nominally SAR2.0 million (approximately €335,000). The company was included for the first time in the Fraport consolidated financial statements at the time of its establishment.

On June 6, 2008, Fraport's subsidiary Antalya Havalimani Uluslararasi Işletmeciliği Anonim Şírketi, Istanbul/Turkey (formerly Antalya,) together with Turkey's IC Group, founded Fraport IC Ictas Havalimani Yer Hizmetleri Anonim Sirketi (ICF Ground Handling). At the time of incorporation, Antalya took a 50 percent ownership interest in ICF amounting to YTL25,000.00 (approximately €12.7 thousand). The purpose of ICF is the provision of ground-handling services.

Effective August 1, 2008, Fraport AG acquired a 24.5 percent share amounting to €45.6 million in the newly established Xi'an Xianyang International Airport Co., Ltd. The company provides management and operational services for Xi'an Airport in central China. For the first time, the company was included in the consolidation as an associated company effective August 1, 2008.

Effective April 1, 2008, Fraport AG sold its wholly-owned ICTS Europe Holdings B.V. subsidiary to Deutsche Beteiligungs AG for €100.0 million. Income from deconsolidation amounted to €0.9 million and has been recognized in other operating income. The basis for deconsolidation was the subgroup financial statements of ICTS, which included a total of 35 subsidiaries, one joint venture, and one associated company.

On May 30, 2008, Fraport's wholly-owned Lima Holdings Ltd. subsidiary sold its 57.25 percent share in Lima Airport Partners S.R.L. to Fraport AG, a Peruvian investor, and the World Bank's investment fund (ICF). Some 29.99 percent of these shares were sold to third parties for US$19.3 million. Deconsolidation of the investment yielded a gain on disposal of €0.2 million.

Effective July 1, 2008, Fraport AG sold its 50-percent share in the joint venture AirIT International GmbH for €82,000. Deconsolidation of the company affected the Fraport Group only negligibly.

Related party disclosures

There were no material changes as of the balance sheet date. As disclosed in our Group notes 2007 under item 52, there are numerous other related party relationships. Fraport will continue to apply and adhere to the arm's length principle for all transactions carried out with related parties.

Procedure for determining income tax

In the interim reporting period, income tax is recognized on the basis of the best estimates made for the weighted average annual income tax rate expected for the full year.

Responsibility statement

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

Frankfurt am Main, November 6, 2008
Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

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

Glossary

Explanation of selected definitions

Free cash flow:
Cash flow from operating activities
– Capital expenditures for intangible assets
– Capital expenditures for investments in airport operator projects
– Capital expenditures for property, plant and equipment
– Capital expenditures for investment property
= *Free cash flow*

Gearing:
Net financial debt
/ Equity (less proposed dividend and minority interest)
= *Gearing*

Net financial debt:
Non-current financial liabilities
+ Current financial liabilities
– Cash and cash equivalents
– Accounts in "Other financial assets" and "Other receivables and other financial assets" realizable in short term
= *Net financial debt*

Financial Calendar

March 5, 2009	Publication of the preliminary business figures for fiscal year 2008
March 26, 2009	Publication of the Annual Financial Statements 2008
May 12, 2009	3-month Interim Report as of March 31, 2009
May 27, 2009	Annual General Meeting 2009
August 6, 2009	6-month Interim Report as of June 30, 2009
November 5, 2009	9-month Interim Report as of September 30, 2009

Traffic Calendar

November 13, 2008	Publication of the Traffic figures for October 2008
December 11, 2008	Publication of the Traffic figures for November 2008
January 15, 2009	Publication of the Traffic figures for December 2008/ Year 2008

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

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