Interim Report

as at June 30, 2008

Fraport

Contents

Highlights and key figures

Key business data for the first six months of 2008:

- 2.2 percent more passengers at Frankfurt Airport, Group-wide increase in passenger numbers by 3.7 percent
- At €1,044.5 million, Group revenue was 7.1 percent lower than in the same period last year, an increase by 5.8 percent after adjustment for extraordinary effects
- EBITDA increase by 4.5 percent to €285.4 million, increase by 2.4 percent after adjustment for extraordinary effects
- At €93.0 million, Group profit was 9.5 percent below the previous year's level
- Earnings per share at €1.01

The sale of the wholly-owned subsidiary ICTS Europe Holdings B. V. was completed upon payment of the purchase price on April 1. The company was deconsolidated at the same time, income from the deconsolidation amounted to €0.9 million.

In connection with our investment in Manila we were promised compensation by the Federal government in the amount of €41.9 million. The promise is based on Federal government investment guarantee contracts for capital investments outside Germany which we had signed to protect Fraport against political risks. Since the payment has not yet been made, the amount is not included in our six-month results. The expected payment will have a positive impact on our Group's profit.

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 of €1.15 per share.

On June 6, the Gateway Gardens area was inaugurated in Frankfurt. High-quality office and service buildings, hotels, meeting and conference facilities are planned for future use on the 35-hectare area near Frankfurt Airport.

Since mid-June we have been operating the Saudi Arabian airports in Riyadh and Jeddah by having signed two management agreements. The agreements have been concluded for a period of six years each. The commitment focuses on the development of the airports to become financially and legally independent enterprises, on sustained air traffic growth and the improvement in the service quality at these airports.

As part of our engagement at the airport of the city Xi'an, which is located in Central China, we have completed the capital investment for the foundation of the associated company on July 29, 2008 after having received the final approval from the Chinese government authorities and granting of the business license. With our shareholding of 24.5 percent in Xi'an Xianyang International Airport Co. Ltd., we are the first foreign airport operator having an interest in a Chinese airport not listed in the stock market.

Key figures

€ million	6M 2007	6M 2008	Change	% change
Revenue	1,124.4	1,044.5	– 79.9	– 7.1
EBITDA	273.0	285.4	12.4	4.5
EBITDA margin	24.3%	27.3%	–	–
EBIT	168.8	179.7	10.9	6.5
EBT	164.7	131.0	– 33.7	– 20.5
Group profit	102.8	93.0	– 9.8	– 9.5
Earnings per share in € (basic)	1.12	1.01	– 0.11	– 9.8
Shareholders' equity [1]	2,493.3	2,503.7	10.4	0.4
Total assets [1]	5,704.7	6,422.7	718.0	12.6
Operating cash flow	197.3	89.6	– 107.7	– 54.6
Free cash flow	– 85.5	– 394.2	– 308.7	–
Capital expenditures [2]	796.2	314.8	– 481.4	– 60.5
Average number of employees	29,741	25,193	– 4,548.0	– 15.3

[1] As at December 31, 2007 or June 30, 2008

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

€ million	Q2 2007	Q2 2008	Change	% change
Revenue	563.2	516.3	– 46.9	– 8.3
EBITDA	158.9	170.0	11.1	7.0
EBITDA margin	28.2%	32.9%	–	–
EBIT	105.7	116.2	10.5	9.9
EBT	101.9	97.2	– 4.7	– 4.6
Group profit	66.3	68.5	2.2	3.3
Earnings per share in € (basic)	0.71	0.73	0.02	2.8

To be able to compare the six-month results, the figures were adjusted by the following extraordinary effects:

- Income and expenses from the Airrail Center finance lease amounting to €57.6 million (Q1 2007),
- Repayment of €2.1 million of a loan purchased below par in connection with the Airrail Center (Q1 2007),
- Revenue, other income, costs, depreciation and amortization expense from the second quarter in 2007 generated by our security subsidiary ICTS (subgroup), which was deconsolidated as of April 1, 2008,
- and a settlement with DB Station&Service AG amounting to €10 million from the second quarter in 2008.

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

€ million	6M 2007 adjusted	6M 2008 adjusted	Change	% change
Revenue	987.2	1,044.5	57.3	5.8
EBITDA	268.9	275.4	6.5	2.4
EBIT	165.3	169.7	4.4	2.7

Given the material effects from deconsolidating our security subsidiary ICTS (subgroup) as of April 1, 2008 and the full consolidation of our Lima investment since August 2007, the effects of both investments on the income statement of Fraport Group are presented in the following table:

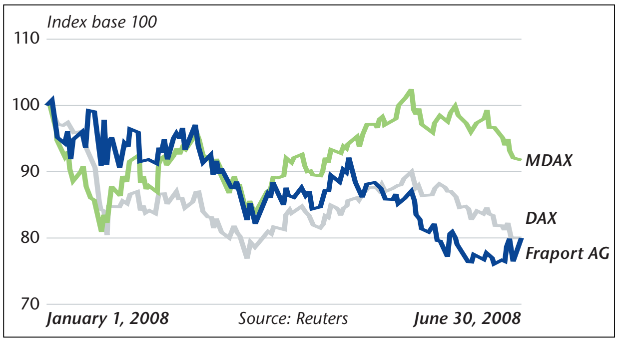
ICTS Europe Holdings B. V. – Subgroup			
€ million	6M 2007	6M 2008	Change
Revenue	148.4	67.3	– 81.1
EBITDA	2.0	– 0.1	– 2.1
EBIT	0.8	– 0.7	– 1.5

Lima Airport Partners S. R. L.			
€ million	6M 2007	6M 2008	Change
Revenue	0.0	42.7	42.7
EBITDA	0.0	12.1	12.1
EBIT	0.0	9.4	9.4

The Fraport Share

The Fraport Share, closing on June 30, 2008 at €43.10, eased by approximately 20 percent below the year's opening price of €53.87. The comparative indices DAX and MDAX dropped by 20.2 and 8.1 percent in the same period. The Fraport-Share price performance was primarily influenced by a persistently high price of oil, the capital market crisis, recession fears and the unabatedly strong euro.

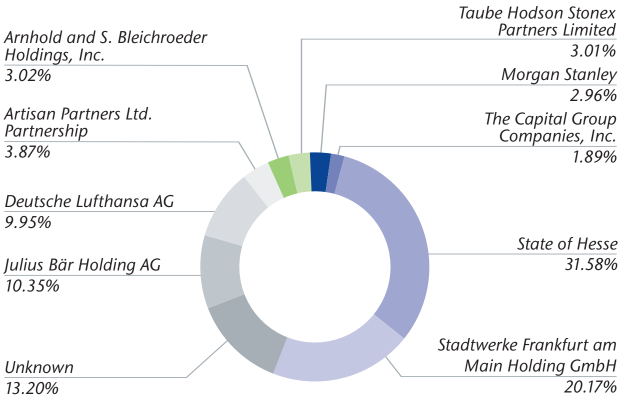
Development of the Fraport Share compared with the DAX and MDAX



Shareholder structure

Capital Research and Management Company, Los Angeles, USA, informed us on May 2, 2008 that it had fallen below the 3 percent threshold on April 28, 2008, and that henceforth its share in Fraport amounted to 1.89 percent. On June 9, 2008, Morgan Stanley informed us, that it had exceeded the 3 percent threshold for Fraport AG voting rights on May 28, 2008; falling below the threshold again on June 4, 2008, holding 2.96 percent of the voting rights in Fraport AG since then. Julius Bär Holding AG informed us on June 9, 2008 that it had initially exceeded the reporting threshold of 10 percent and fell below it on May 30, 2008. Julius Bär informed us on June 12, 2008 that it had exceeded the 10 percent threshold again and that it has been holding 10.03 percent of the voting rights since June 6, 2008. In addition, Arnhold and S. Bleichroeder Advisers LLC informed us on July 3, 2008 that its parent company Arnhold and S. Bleichroeder Holdings Inc. exceeded the 3 percent threshold on June 30,2008 and has owned 3.02 percent of the voting rights in Fraport AG since then. According to another report from Julius Bär of July 7, 2008 the Holding has owned 10.35 percent of the voting rights in Fraport AG since June 27, 2008.
As at June 30, 2008, this results in the following shareholder structure:

Shareholder structure as at June 30, 2008 *



* The relative ownership interest of the individual shareholders was adjusted to the current total number of shares existing as at June 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

The Annual General Meeting 2008 approved the proposal of the Supervisory Board and Executive Board that a dividend of €1.15 per share should be paid out for fiscal year 2007. This is the same amount as the previous year's payout. Provided that there are no significant adverse factors, we expect the dividend per share in the 2008 reporting year to remain at least on the previous year's level.

Organization

Within the scope of our seventh Annual General Meeting held on May 28, 2008, and in line with the provisions set out by the German Co-Determination Act, the Supervisory Board of Fraport AG was reelected.
The new Supervisory Board is composed as follows:

Representatives of shareholders	***Representatives of the employees***
Karlheinz Weimar	*Gerold Schaub (ver.di)*
Dr. Manfred Bischoff	*Ismail Aydin (Fraport AG)*
Jörg-Uwe Hahn	*Erdal Kina (Fraport AG)*
Lothar Klemm	*Arno Prangenberg (ver.di)*
Wolfgang Mayrhuber	*Gabriele Rieken (Fraport AG)*
Klaus-Peter Müller	*Petra Rossbrey (Fraport AG)*
Matthias von Randow	*Hans-Jürgen Schmidt*
Dr. h.c. Petra Roth	*(komba gewerkschaft)*
Lutz Sikorski	*Werner Schmidt (Fraport AG)*
Christian Strenger	*Edgar Stejskal (Fraport AG)*
	Peter Wichtel (Fraport AG)

The Chairman of the Supervisory Board is again Minister of State Mr. Karlheinz Weimar; vice chairman is again Mr. Gerold Schaub. The newly elected Supervisory Board will be in office until the end of the Annual General Meeting which will vote on the approval of its acts for the fourth fiscal year after the beginning of the office term.

Business development

Air traffic development

Airports Council International (ACI) reported 3.3 percent growth in passenger traffic worldwide and a 3.1 percent rise in airfreight tonnage for the first five months compared to the same period of the previous year. ACI's figures reported for European airports show a 4.0 percent rise in passengers and a 3.8 percent increase in freight volume. With a 4.1 percent rise in passenger traffic and 6.9 percent in cargo volumes (freight and mail), the Fraport Group is well positioned in the market in the corresponding comparative period.

In the period under review, the **Fraport Group's** six (majority-owned) airports welcomed 36.6 million **passengers**, 3.7 percent more than in the same period last year. The total number of passengers served by the Fraport Group's airports (including minority-owned and management contracts) rose by approximately 6.4 percent to 58.5 million in the reporting period.

Frankfurt Airport registered just under 26.3 million passengers in the first six months of 2008, 2.2 percent more than in the same period last year. Growth dynamic triggered in last year's autumn continued in the first quarter because of new services and improvement of flight offerings. Demand lost momentum, however, in the second quarter. The economic uncertainty felt by German citizens and the UEFA European Football Championship underlined this trend. The leap day in February raised the half-yearly growth rate by 0.6 percentage points. Intercontinental air traffic remained the principal growth driver. A large number of additional flight offerings reflected a surge in demand on the boosting South America traffic (+38.5 percent). New flight offerings also stimulated the North America (+3.1 percent) and the Caribbean traffic (+3.6 percent). Only the traffic to the Far East was slightly in the red (– 0.8 percent) except for China (+1.3 percent), Korea (+2.2 percent) and Japan (+2.9 percent), a fact that prevented even stronger growth of intercontinental air traffic. European traffic rose by an average of 2.0 percent. Additional flight offerings stimulated traffic demand for destinations in Northern, Eastern and Western Europe also because of the migration of Cologne air services to the rail network freed up slots and the classical scheduled airlines offered special air fares (in response to competition from low-cost carriers). With the seat load factor surging (+3.4 percentage points), domestic traffic slightly increased by one percent. Whereas domestic traffic benefited from the repercussions of the strikes by German Rail at the beginning of the year, flight cancellations due to warning strikes and adverse weather conditions depressed the six-month figures. An expansion of flight offerings on the Berlin route had the expected positive effect.

With 1.8 million passengers, **Frankfurt-Hahn** Airport saw a 5.8 percent deficit in the first six months. Service reductions by Ryanair, cancelation of several flights by Wizz Air and a drop in transit passengers caused a slide in passenger numbers in the first months of the year. The Summer Timetable brought passenger numbers to rise again at Frankfurt-Hahn Airport, the growth rate being not sufficient, however, to offset the deficit at the beginning of the year.

Antalya Airport registered a 9.5 percent increase in the reporting period to reach approximately 3.6 million passengers. The beginning of the summer season brought strong growth to Terminal 1. All in all, 22.7 percent more passengers were handled here in the 2nd quarter than in the same period last year. The four leading incoming nations Germany, Russia, Great Britain and Sweden accounted for just under 70 percent of passengers at the International Terminal, while the Swedish and British tourists accounted for the strongest growth rates (+58 percent and +30 percent respectively). Terminal 1 saw an increase in passenger numbers by 18.2 percent. The Domestic Terminal (operated by Fraport and included in the Fraport Group's statistics since mid-September 2007) experienced a 5.7 percent drop in passenger numbers.

Lima Airport continued the pattern of solid high-level growth. In the first six months of 2008, passenger figures rose by 14.6 percent to just under 4 million. International and domestic traffic contributed equally to this strong growth. Up by 28.0 percent, international transfer traffic climbed disproportionately faster than non-transfer traffic (+12.4 percent).

The Bulgarian airports **Varna** and **Burgas** posted moderate growth rates in the first half of the year outside the tourist season in July, August and September. The rise in Russian and other Eastern European tourists and a strong increase in domestic traffic compensated for the loss of tourists from the traditionally strong markets in Western Europe (especially Germany and the UK) and from Scandinavia.

Cargo volume increased by 6.1 percent to approximately 1.25 million metric tons, despite higher global economic risks. Cargo throughput at **Frankfurt Airport** rose by +3.7 percent. The figure includes the 3.9 percent growth of airfreight tonnage handled and the 1.2 percent decline in airmail tonnage, resulting from the cancellation of the night airmail flights to Hamburg with the beginning of the Summer timetable. Along with intercontinental traffic which rose by +3 percent and covers approximately 87 percent of the total freight volume, European and domestic airfreight traffic reported strong 7 percent and 28.6 percent increases in cargo tonnage. Growth at Frankfurt Airport year to date therefore was above global level. **Lima** again proved to be a major driving force for the Group's cargo growth: Lima's cargo tonnage increased by 21.9 percent to well over 105,000 metric tons. At **Frankfurt-Hahn** Airport, expanded airfreight offerings by Aeroflot, EgyptAir Cargo, Etihad and Emirates Skycargo led to a 30.6 percent rise in airfreight tonnage to approximately 63,000 metric tons.

The number of **aircraft movements** at the Fraport Group's six airports rose 3.0 percent over the same period last year to 348,915 takeoffs and landings. At Frankfurt Airport, aircraft movements stagnated – despite the leap day – because of weather and strike-related flight cancellations, service reductions over holidays, and a slight reduction in coordinated runway capacity in the morning hours until the end of march.

In contrast to aircraft movements, accumulated **maximum takeoff weights** (MTOWs) at Frankfurt Airport continued to increase in the first six months. This was prompted again by the structural change in flight offerings – with the simultaneous stagnation of runway capacity – resulting from a more efficient use of slots. Thus, the trend away from short-haul flights with smaller aircraft continued in favor of more long-haul flights with heavy widebody aircraft. The disproportionately high use of heavy cargo aircraft and the decline in commercial and non-commercial general air traffic contri-

Traffic figures for the Fraport Group

Fully and proportionately consolidated airports

6M 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	26,262,754	2.2	1,081,162	3.7	241,646	0.0
Lima [2]	70.01	3,970,741	14.6	105,182	21.9	48,483	13.9
Antalya [3]	51.00/34.00	3,637,242	9.5	–	–	27,779	14.9
Frankfurt-Hahn	65.00	1,823,852	– 5.8	62,703	30.6	19,937	– 2.1
Burgas	60.00	485,533	0.6	1,099	– 4.7	5,248	11.4
Varna	60.00	444,070	2.7	–	–	5,822	11.5
Group		**36,624,192**	**3.7**	**1,250,146**	**6.1**	**348,915**	**3.0**

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

[2] Internal data from Lima

[3] 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)

Minority owned airports and management contracts

6M 2008	% share in the Airport	Passengers [1] 2008	% change over 2007	Aircraft movements 2008	% change over 2007
Delhi	10.00	12,557,947	8.7	122,030	11.3
Kairo	0.00	6,652,947	20.7	65,847	19.8
Hanover	30.00	2,624,618	2.8	43,310	1.8
Total		**21,835,512**	**11.3**	**231,187**	**11.6**

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

buted to this trend. Accumulated MTOWs at Frankfurt Airport reached just under 14.1 million metric tons, up 2.0 percent on the previous year's level. The share of widebody aircraft climbed 0.8 percentage points to 25.7 percent. The seat load factor increased by 1.7 percentage points to 75.0 percent. The number of passengers per aircraft (scheduled and charter) rose from 115.1 to 117.7.

Revenue and earnings

Revenue of the Fraport Group declined year on year by 7.1 percent to €1,044.5 million in the first six months of 2008. On the one hand, this drop was the result of a €79.6 million loss of revenue in the second quarter from the sale of our subgroup (the security subsidiary ICTS) with effect from April 1, 2008, and on the other hand from €57.6 million of revenue generated last year in connection with the Airrail Center finance lease. Adjusted for these effects revenue surged Group-wide by 5.8 percent. This increase is mainly accounted for by the first-time full consolidation of our investment at Lima Airport in August 2007 (+€42.7 million). Higher revenue at Frankfurt Airport was recognized mainly for additional income in the Retail & Properties segment.

Despite last year's positive extraordinary effect from the repayment of €2.1 million for a loan acquired below par in connection with the Airrail Center and from the deconsolidated security subsidiary ICTS, other revenue rose in the reporting period. The reason for such income was 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 provided for the superstructure of the long-distance train station at Frankfurt Airport. The settlement provides for payments to be made by Fraport AG to DB Station&Service AG which are below the liabilities recognized. The resulting difference of €10 million has a positive impact on other revenue. Adjusted for the effects mentioned, **total revenue** was at €1,088.5 million, up by 6.6 percent on the adjusted previous year's amount.

Operating expenses were down 8.7 percent to €813.1 million in the reporting period. Adjusted for the effects mentioned, operating expenses were up 8.0 percent on the adjusted previous year. The reason for this increase is found mainly in the full consolidation of our investment in Lima Airport since August 2007 (+€30.6 million).

Personnel expenses in the Fraport Group dropped by 9.9 percent to €495.1 million in the reporting period. Adjusted for the effect from deconsolidating ICTS, personnel expenses increased year on year moderately by 3.6 percent despite a rising number of staff and the collective agreement signed. This moderate development was mainly accounted for by an optimized personnel mix within the Group. The collective agreement which became effective retroactively from the beginning of the fiscal year had an additional effect on personnel expenses of some €14 million. The collective agreement will run for two years and includes a second increase by 2.8 percent effective January 1, 2009.

Non-staff costs (materials and other operating expenses) also dropped from €340.6 million to €318.0 million due to the effects mentioned. Adjusted for these effects, non-staff costs were up 15.8 percent. The reasons included the first-time full consolidation of the investment in Lima Airport and higher costs for investments that cannot be capitalized.
At 47.4 percent, staff costs as a percentage of revenue were 1.0 percentage point below the adjusted previous year's level; at 30.4 percent, non-staff costs as a percentage of revenue exceeded the previous year's level by 2.6 percentage points.

EBITDA rose by 4.5 percent to €285.4 million compared with the same period last year. The EBITDA margin rose to 27.3 percent, exceeding the previous year's level by 3.0 percentage points. Adjusted for the extraordinary effects, EBITDA amounted to €275.4 million, exceeding the adjusted previous year's level by 2.4 percent or €6.5 million.

Depreciation and amortization expense increased slightly from €104.2 million to €105.7 million. EBIT thus reached €179.7 million, exceeding the previous year's amount by 6.5 percent.

The **financial result** deteriorated noticeably from – €4.1 million in the previous year to – €48.7 million in the reporting period. This deterioration was mainly due to a strong increase in interest expenses resulting from interest cost compounded on Fraport's non-current liabilities for the concession payments to operate Antalya and the liabilities in connection with the basic agreement signed with Celanese AG/Ticona GmbH.

The **tax rate** dropped from 37.6 percent to 29.0 percent, largely because of the German business tax reform that became effective on January 1, 2008.

Group profit dropped by 9.5 percent below the previous year's level to €93.0 million. Basic earnings per share fell from €1.12 to €1.01.

Asset and financial situation

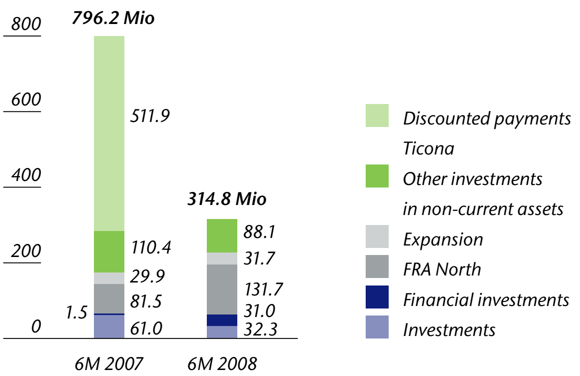
Capital expenditures

In the first six months of fiscal year 2008, the Fraport Group invested a total amount of €314.8 million. The noticeable reduction compared with the previous year's amount of €796.2 million mainly resulted from the capitalization of the discounted payment obligations amounting to €511.9 million in the previous year in connection with Fraport signing the basic agreement with Celanese AG/Ticona GmbH.
Approximately €251.5 million were invested at Frankfurt Airport in the reporting period. At €131.7 million, the largest part of this investment was spent on the FRA North projects, especially on the Hall C expansion and the connecting corridor between Terminal 1 and 2, the Pier C/D. In addition, investments were made in ongoing reconstruction measures to prepare for the Airbus A380.

In order to better defer capital expenditures in the FRA North projects, the amounts spent on the implementation of the EU security regulations and the upgrading of fire protection facilities in the terminals have been recognized under "Other investments in non-current assets" since the beginning of the fiscal year. Along with these accounts, other investments in non-current assets also include the modernization of ground handling equipment and capital spent for the 100 percent baggage control system. The previous year's amounts were adjusted for comparative purposes in this context.
Capital expenditures for the planned Frankfurt Airport Expansion program amounted to approximately €31.7 million in the reporting period.
Approximately €32.3 million were invested in Fraport's equity investments.
Capital expenditures for financial assets totaled €31.0 million. This amount mainly includes the planned capital increase at Delhi Airport, which will be used to finance further investments there.

Capital expenditures

€ million



Cash flow statement

Cash flow from operating activities in the first six months of the current fiscal year stood at a total of €89.6 million compared with €197.3 million in the previous year. At €142.4 million, cash flow from operating activities dropped by €116.8 million significantly below the level of the first six months of 2007. The reason for this significant decline in operating cash flow was in particular the decline in liabilities and provisions caused among other things by reversing the provision for noise abatement measures and the payment of the obligation under the settlement reached with DB Station& Service AG. In addition, the increase in receivables and financial assets contributed to the decline in operating cash flow.

€415.2 million of **cash flow used in investing activities** in the reporting period exceeded the amount in the same period last year by €201.2 million. The account " Capital expenditures for property, plant and equipment" includes among other items the €200.0 million partial payment to Celanese AG/ Ticona GmbH. Cash payments to acquire financial assets related in particular to our commitment at Delhi Airport. The disposal of consolidated subsidiaries refers to the sale of Fraport's security subsidiary ICTS. Proceeds from disposal of non-current assets include among other items the sale of shares in a currency fund. The first six months in 2007 reflected the €57.6 million of rental income prepaid under the Airrail Center finance lease.

Due to the large amounts invested in property, plant and equipment, **free cash flow** (for the definition see the glossary) dropped by €308.7 million from the last year to – €394.2 million.

Cash flow from financing activities amounting to €939.4 million mainly resulted from the issue of a promissory note loan of approximately €720 million to finance our future capital requirements and new borrowing from banks.

The significant increase in **cash and cash equivalents** by €665.4 million is mainly accounted for by the funds earned from the promissory note loan. Hence, cash and cash equivalents amount to €1,280.4 million as of June 30, 2008. If we take the new definition of our net financial debt (see glossary), cash and cash equivalents and the accounts "Other financial assets" and "Other receivables and other financial assets" realizable in short term, amount to €1,529.5 million in the reporting period. €27.8 million of bank balances are subject to a drawing restriction in the context of financing the concession to operate Antalya Airport.

Asset and capital structure

Total assets of the Fraport Group rose by 12.6 percent to €6,422.7 million compared to December 31, 2007. The reason for this increase was in particular the issue of a promissory note loan amounting to €720 million for the backup funding of Fraport's future investment requirements in non-current financial liabilities and the raising of overnight and term money in current financial liabilities.

Non-current assets in the Fraport Group rose by €138.5 million to €4,743.3 million in particular due to our investing activities at Frankfurt Airport. Due to investing the funds borrowed **current assets** rose by €579.5 million to €1,679.4 million. The partial payment of €200 million under the basic agreement signed with Celanese AG/Ticona GmbH and the sale of ICTS, which is reflected in the "Non-current assets held for sale" account, had a decreasing effect.

Up by 0.4 percent, **equity** remained nearly unchanged when compared with the balance sheet date. The **equity-to-assets ratio** dropped by 4.9 percentage points to 38.2 percent in conjunction with the increase in total assets and liabilities from raising the promissory note loan and borrowing overnight and term money.

Non-current and current liabilities rose to €3,919.0 million after the capital increase. The decline in trade accounts payable is further due to the partial sum paid to Celanese AG/ Ticona GmbH.

Net financial debt of the Fraport Group amounted to €699.3 million in the first six months of 2008; the previous year's amount according to the new definition was at €24.3 million. Hence, gearing (for a definition see the glossary) was at 28.5 percent in the reporting period and 1.0 percent last year.

Segment reporting

Aviation

The increase in revenue in the first six months of fiscal year 2008 in the Aviation segment is attributable to the 2.2 percent increase in passenger numbers at Frankfurt Airport, which was able to offset the 1.5 percent reduction in airport charges; it is also due to an increase in revenue from security services. The segment's operating expenses, by contrast, rose to a slightly greater extent than sales. Especially the fact that more staff was needed by Fraport's security subsidiary FraSec as a result of higher security standards required, and the fact that the new collective agreement took effect at the beginning of the fiscal year, were the major reasons for this increase.

Segment EBITDA dropped by €6.2 million to €63.0 million due to this effect. Depreciation and amortization expense decreased slightly by €1.7 million because of the expiry of expected useful lives of some of the assets. The drop of EBIT was therefore less pronounced than in EBITDA; EBIT fell from €34.8 million to €30.3 million.

Retail & Properties

At €215.6 million, revenue in the Retail & Properties segment was €40.8 million lower than in the previous year. This slump resulted exclusively from non-recurring income of €57.6 million earned under the Airrail Center finance lease. Adjusted for this extraordinary effect recognized in equity, segment revenue was up 8.5 percent on the previous year. Reasons for this increase were again higher proceeds from the retail business and from utility services of our Energy Air subsidiary. Retail revenue per passenger rose year on year from €2.72 to €2.78. Other income increased in the reporting period despite the positive effects in 2007. Reason for this was the settlement reached with DB Station&Service AG which had a positive €10 million effect on Fraport's other income. 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. Higher costs for investments that cannot be capitalized and higher costs for utility services brought expenses to increase on the other hand.

On total, segment EBITDA was up by €14.5 million to €188.4 million. Due to a slight drop in depreciation and amortization segment EBIT increased at a higher rate, rising by €17.1 million or 13.1 percent to €147.7 million. Hence, the segment EBITDA and EBIT margin were at 87.4 percent and 68.5 percent respectively.

	€ million	6M 2007	6M 2008	Change	% Change	Q2 2007	Q2 2008	Change	% Change
Aviation	Revenue	339.4	343.2	3.8	1.1	179.8	181.5	1.7	0.9
	EBITDA	69.2	63.0	– 6.2	– 9.0	40.7	38.5	– 2.2	– 5.4
	EBIT	34.8	30.3	– 4.5	– 12.9	23.1	21.2	– 1.9	– 8.2
	Employees	6,311	6,623	312	4.9	6,305	6,734	429	6.8
Retail & Properties	Revenue	256.4	215.6	– 40.8	– 15.9	101.1	112.8	11.7	11.6
	EBITDA	173.9	188.4	14.5	8.3	91.4	101.9	10.5	11.5
	EBIT	130.6	147.7	17.1	13.1	69.0	81.4	12.4	18.0
	Employees	2,896	2,709	– 187	– 6.5	2,913	2,722	– 191	– 6.6
Ground Handling	Revenue	301.7	311.0	9.3	3.1	156.0	160.5	4.5	2.9
	EBITDA	19.7	20.2	0.5	2.5	12.0	17.1	5.1	42.5
	EBIT	8.4	5.5	– 2.9	– 34.5	6.2	9.6	3.4	54.8
	Employees	8,041	8,420	379	4.7	8,103	8,491	388	4.8
External Activities	Revenue	226.9	174.7	– 52.2	– 23.0	126.3	61.5	– 64.8	– 51.3
	EBITDA	10.2	13.8	3.6	35.3	14.8	12.5	– 2.3	– 15.5
	EBIT	– 5.0	– 3.8	1.2	–	7.4	4.0	– 3.4	– 45.9
	Employees	12,493	7,441	– 5,052	– 40.4	13,304	3,098	– 10,206	– 76.7

Ground Handling

Segment revenue of Ground Handling reached €311.0 million, up €9.3 million on the previous year. This increase is mainly due to traffic growth and to enhanced baggage screening services to meet the 100 percent baggage screening requirements. Other segment income remained nearly unchanged compared with the previous year. Operating expenses increased to almost the same extent. The major reason for the increase in expense was the new collective agreement which proved to be a significant additional burden. The increase in segment personnel numbers was among other reasons attributable to new services for passengers with restricted mobility which are covered by Fraport's new subsidiary FraCareServices GmbH.

Segment EBITDA rose by €0.5 million to €20.2 million. Higher depreciation and amortization expenses – mainly accounted for by the ongoing modernization of ground handling operating and office equipment – caused EBIT to decrease. At €5.5 million it dropped by €2.9 million on last year's level.

External Activities

At €174.7 million, revenue in the External Activities segment was €52.2 million lower than the previous year's amount. This decline is mainly accounted for by the sale of our security subsidiary ICTS (subgroup) with effect from April 1, 2008 and the loss of its revenue earned in the previous year's second quarter in the amount of €79.6 million. Adjusted for this effect, segment revenue increased by 18.6 percent in the reporting period. This increase can basically be attributed to Lima Airport being fully consolidated since August 2007. Despite the revenue increase posted for Antalya Airport, its contribution to segment revenue was lower than in the previous year, as the investment is only proportionately consolidated since September 14, 2007. Revenue from our other investments did not change significantly year on year. Adjusted for the deconsolidated ICTS, personnel and non-personnel expenses rose in the segment. Again, this is mainly attributable to the full consolidation of Lima Airport since August 2007.

Segment EBITDA rose from €10.2 million to €13.8 million. EBIT improved from – €5.0 million to – €3.8 million. Comparing the second quarter of 2008 with 2007, the decline in EBITDA can be attributed to the sale of Fraport's security subsidiary ICTS and the change to a proportionate consolidation of Antalya Airport. The EBITDA margin improved after the sale of ICTS in the second quarter from 11.7 percent last year to 20.3 percent in 2008.

Pre-consolidation business figures for Fraport's key investments outside Frankfurt are as followed:

		Revenue € million		
	Fraport interest	6M 2007	6M 2008	Δ%
ICTS [1]	100%/0%	151.4	69.2	– 54.3
Lima [2]	70.01%	41.9	42.7	2.0
Frankfurt-Hahn	65%	19.3	20.5	6.4
Antalya [3]	51%/34%	20.4	27.9	36.8
Twin Star	60%	11.4	12.0	5.4

		EBITDA € million		
	Fraport interest	6M 2007	6M 2008	Δ%
ICTS [1]	100%/0%	4.6	1.5	– 67.4
Lima [2]	70.01%	10.7	11.1	3.8
Frankfurt-Hahn	65%	– 2.2	– 2.6	– 18.6
Antalya [3]	51%/34%	9.8	18.9	93.1
Twin Star	60%	0.1	0.4	> 100

		EBIT € million		
	Fraport interest	6M 2007	6M 2008	Δ%
ICTS [1]	100%/0%	3.4	0.9	– 73.5
Lima [2]	70.01%	7.4	8.4	13.1
Frankfurt-Hahn	65%	– 7.1	– 8.1	– 14.7
Antalya [3]	51%/34%	1.6	1.1	– 33.0
Twin Star	60%	– 0.4	– 1.7	< – 100

[1] Investment sold on April 1, 2008; Figures for 2007 without the proceeds of the FraSec sale

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

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

Employees

The number of people employed by the Fraport Group dropped by approximately 15.3 percent to an average of 25,193 in the reporting period. This decline is mainly attributed to the sale of Fraport's security subsidiary ICTS. An average of 18,001 people worked at Frankfurt Airport which is 1.3 percent more than last year. This increase is mainly accounted for by our security subsidiary FraSec requiring more people to meet the higher standards for security services and the new services for passengers with restricted mobility.

	6M 2007	6M 2008	Change	% Change
Fraport Group	29,741	25,193	– 4,548	– 15.3
thereof in Frankfurt	17,775	18,001	226	1.3
Investments	17,914	13,606	– 4,308	– 24.0

Miscellaneous

Order situation

Even if the second half of 2008 is expected to miss the growth figures posted in the first half of the year, relevant industry surveys expect continued growth of global air traffic for the entire year 2008, despite the current fuel debate. The airports of the Fraport Group are supposed to benefit from this overall positive trend, Frankfurt Airport however having to cope with capacity limitations. Frankfurt Airport's Summer Timetable for 2008 lists 125 passenger airlines which link Frankfurt Airport (FRA) to 307 destinations in 109 countries. However, for the full year 2008 we expect passenger figures at FRA to increase only moderately by between 1 and 2 percent. Because of structural capacity improvements, intercontinental traffic will drive FRA's traffic growth. Some 144 intercontinental destinations are served from FRA in passenger traffic, six more than in the previous year.
Passenger figures, by contrast, are expected to rise noticeably Group-wide, partly due to the additional domestic traffic at Antalya Airport, which has been included in the Fraport Group since the new concession was granted in mid-September 2007; it is included in the Group results only on a proportionate basis of 34 percent.

Stock option plan

Fraport AG's stock option plan (MSOP 2005) became effective upon resolution of the Annual General Meeting held on June 1, 2005. This stock option plan fully complies with the recommendations of the German Corporate Governance Code.
In total, the number of stock options issued on June 30, 2008 amounted to 1,757,650. The current number of options issued but not yet exercised under the 2001 stock option plan is 5,850. Under Fraport's MSOP 2005, a total of 884,600 stock options were issued, 52,500 of which have expired and 6,300 of which have been exercised. Further information on the Fraport MSOP is given in the Fraport Annual Report 2007 beginning on page 122.

Treasury shares

Fraport AG held 96,695 treasury shares on June 30, 2008. This is a decrease of 7,984 shares in comparison with the end of the 2007 fiscal year. They were issued as part of the remuneration of the Executive Board.

Contingent liabilities and other financial commitments

In connection with the new investment in the airport at the Chinese city of Xi'an, capital in the amount of CNY 490 million had to be contributed by June 30, 2008 (approximately €45.3 million). Fraport contributed the capital on July 29, 2008.

To finance the capital expenditures incurred at the Indian Delhi Indira Gandhi International Airport, Fraport will have to contribute INR 1,400 million (approximately €20.6 million).

Other changes in contingent liabilities and other financial commitments by comparison with December 31, 2007 were immaterial.

Changes in risk and opportunity reporting

As regards risks arising from equity investments, we reported in the Fraport Group's management report for the period ended December 31, 2007 that the EU Commission had received a complaint stating that Frankfurt-Hahn Airport had granted unlawful grants to the Irish airline Ryanair. In order to keep track of this issue, the EU Commission addressed letters of inquiry to the Federal government in September 2006 and February 2007 which were answered on December 20, 2006 and June 29, 2007. The EU Commission opened a procedure against the Federal Republic of Germany in June 2008 to investigate the application of state-aid rules with regard to Frankfurt-Hahn Airport. In this process, the EU Commission investigates matters which, in the Commission's opinion, could be state aid. The Federal Republic of Germany was requested to comment the issues brought up. If the matters investigated by the EU Commission are considered to be state aid, there could be a considerable economic risk for Flughafen Frankfurt-Hahn GmbH, even a risk which could jeopardize its existence as a going concern. We currently proceed on the assumption that the matters investigated by the EU Commission are no state aid and that there is a low probability that the risks will materialize especially since an accounting firm has carried out a private investor test concluding that both Fraport AG and Frankfurt-Hahn GmbH have acted like private investors.

Risks are no longer arising for Fraport Group from ICTS Europe losing orders in view of the large number of bidding procedures customary in the security industry, as Fraport had reported them for the year ended December 31, 2007, because the shares in ICTS Europe were sold in April 2008.

As regards the Manila project, we refer to our comments in the outlook section.

There were no other significant changes in the risks and opportunities presented in the Annual Report 2007 (pages 46 et seq.). There are no risks currently identifiable which could jeopardize the Fraport Group as a going concern.

Significant events after the balance sheet date

There were no significant events after the balance sheet date.

Outlook

The forecasts for future traffic and business development as the Fraport Group made them in its 2007 Annual Report were revised by the end of the first six months of 2008 as follows:

The payment of €41.9 million expected from the Federal government investment guarantee contracts for capital investments outside Germany in connection with our Manila project will have a positive impact on the Group's earnings. Adjusted for this extraordinary effect, Group profit will be below last year's figure.

In contrast to previous assumptions revenue from security services is expected to increase in the Aviation segment. This change will basically result from the required higher security standards which involve intensified controls and an increased demand for security services.

By contrast, the unforeseen high-level collective agreement will adversely affect Fraport AG's personnel-intensive Ground Handling segment in particular.

The Retail & Properties segment is expected to see an increase in the segment result (EBIT), now that a settlement has been reached between Fraport and DB Station&Service AG.

Business in the External Activities segment will develop according to plan. However, the segment's earnings may be negatively affected by the weak U.S. dollar.

Despite the aforementioned changes we are sure to increase the Group's EBITDA compared with 2007. Likewise, revenue adjusted for the aforementioned extraordinary effects (income from the Airrail Center finance lease and the ICTS deconsolidation) will exceed the previous year's level.

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

Group Interim Report as at June 30, 2008

Consolidated income statement

€ million	6M 2007	6M 2008
Revenue	**1,124.4**	**1,044.5**
Change in work-in process	0.2	0.1
Other internal work capitalized	10.8	16.0
Other operating income	27.7	37.9
Total revenue	**1,163.1**	**1,098.5**
Cost of materials	– 227.6	– 227.2
Personnel expenses	– 549.5	– 495.1
Other operating expenses	– 113.0	– 90.8
EBITDA	**273.0**	**285.4**
Depreciation and amortization	– 104.2	– 105.7
EBIT/Operating profit	**168.8**	**179.7**
Interest income	15.6	17.9
Interest expense	– 22.5	– 57.2
Share of results from investments accounted for using the equity method	1.2	0.1
Income from investments	2.6	0.0
Other financial results	– 1.0	– 9.5
Financial result	**– 4.1**	**– 48.7**
EBT/Result from ordinary operations	**164.7**	**131.0**
Taxes on income	– 61.9	– 38.0
Group profit	**102.8**	**93.0**
Profit attributable to minority interests	**0.3**	**0.9**
Profit attributable to equity holders of Fraport AG	**102.5**	**92.1**
Earnings per €10-share in €		
basic	**1.12**	**1.01**
diluted	**1.11**	**1.00**

Consolidated balance sheet

Assets

€ million	Dec. 31, 2007	June 30, 2008
Non-current assets		
Goodwill	22.7	22.7
Other intangible assets	43.9	39.5
Investments in airport operator projects	570.3	577.2
Property, plant and equipment	3,569.3	3,737.7
Investment property	10.1	10.1
Investments accounted for using the equity method	37.1	36.7
Other financial assets	252.2	199.2
Other receivables and financial assets	58.5	77.1
Income tax receivable	33.5	29.4
Deferred tax assets	7.2	13.7
	4,604.8	**4,743.3**
Current assets		
Inventories	38.6	37.8
Trade accounts receivable	154.6	162.8
Other receivables and other assets	76.6	161.5
Income tax receivable	13.2	8.8
Cash and cash equivalents	651.3	1.308.2
	934.3	1.679.1
Non-current assets held for sale	165.6	0.3
	1,099.9	**1,679.4**
	5,704.7	**6,422.7**

Liabilities

€ million	Dec. 31, 2007	June 30, 2008
Equity		
Issued capital	914.6	915.7
Capital reserves	565.2	570.6
Revenue reserves	875.2	872.7
Group retained earnings	105.3	
Group result Jan. 1 – June 30, 2008		92.1
Issued capital and reserves attrib. to equity holders of Fraport AG	2,460.3	2,451.1
Minority interests, presented within equity	33.0	52.6
	2,493.3	**2,503.7**
Non-current liabilities		
Financial liabilities	830.6	1,594.6
Trade accounts payable	365.6	189.8
Other liabilities	451.7	468.5
Deferred tax liabilities	89.6	87.2
Provisions for pensions and similar obligations	19.4	19.8
Provisions for income taxes	163.0	167.9
Other provisions and accruals	136.2	100.8
	2,056.1	**2,628.6**
Current liabilities		
Financial liabilities	367.8	634.2
Trade accounts payable	441.5	371.7
Other liabilities	75.7	97.2
Provisions for income taxes	14.2	10.9
Other provisions and accruals	185.3	176.2
	1,084.5	**1,290.2**
Liabilities in connection with assets held for sale	70.8	0.2
	1,155.3	**1,290.4**
	5,704.7	**6,422.7**

Consolidated cash flow statement

€ million	6M 2007	6M 2008	2007
Profit attributable to equity holders of Fraport AG	**102.5**	**92.1**	**208.7**
Taxes on income	61.9	38.0	83.9
Profit attributable to minority interests	0.3	0.9	5.0
Adjustments for:			
Depreciation	104.2	105.7	245.1
Interest results	6.9	39.3	46.5
Income from investments	– 2.6	–	– 5.3
Gains/losses from the disposal of non-current assets	– 1.3	– 0.1	11.4
Other	4.6	3.6	8.1
Changes in investments accounted for using the equity method	– 1.2	– 0.1	– 2.5
Changes in inventories	– 3.0	0.8	– 5.7
Changes in receivables and other financial assets	– 34.9	– 60.1	36.8
Changes in provisions	– 11.7	– 48.6	– 12.2
Changes in liabilities (w/o financial liabilities and provisions)	33.5	– 24.7	38.1
Changes in/reclassification of assets/liabilities held for sale	–	– 4.4	– 33.8
Operational activities	259.2	142.4	624.1
Financial activities			
Interest paid	– 22.5	– 34.7	– 63.5
Interest received	15.6	17.9	30.2
Dividends received	2.6	–	5.3
Income taxes paid	– 57.6	– 36.0	– 117.5
Cash flow from operating activities	**197.3**	**89.6**	**478.6**
Capital expenditures for intangible assets	– 3.1	– 2.3	– 8.0
Investments in airport operator projects	– 35.2	– 17.2	– 134.3
Capital expenditures for property, plant and equipment	– 243.1	– 464.3	– 583.8
Capital expenditures for investments accounted for using the equity method	–	–	–
Investment property	– 1.4	–	– 1.1
Acquisition/disposal of consolidated companies	–	61.7	– 16.6
Other financial investments (long-term)	–	– 30.6	–
Other financial investments (short-term)	–	–	–
Proceeds from the disposal of non-current assets	68.8	37.5	103.3
Cash flow used in investing activities	**– 214.0**	**– 415.2**	**– 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	11.6	11.8
Change in financial liabilities	137.7	1,034.1	274.5
Cash flow from financing activities	**43.1**	**939.4**	**179.9**
Consolidation effects on cash and cash equivalents	–	38.3	7.8
Foreign currency translation effect on cash and cash equivalents	– 2.9	4.8	– 7.0
Restricted cash	– 41.0	– 27.8	– 28.4
Change in cash and cash equivalents	**– 17.5**	**629.1**	**– 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 June 30 and Dec. 31 respectively	**615.0**	**1,280.4**	**622.9**

Movement in consolidated shareholders' equity

			Revenue reserves							
€ million	Issued capital	Capital reserves	Legal reserves	Revenue reserves	Foreign currency 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	–	–	–	–	2.0	–	–	2.0	–	2.0
Fair value of financial assets held for sale	–	–	–	–	–	11.9	–	11.9	–	11.9
Fair value changes of derivatives	–	–	–	–	–	9.1	–	9.1	–	9.1
Net gain (+)/Net costs (–) directly recorded in equity	0.0	0.0	0.0	0.0	2.0	21.0	0.0	23.0	0.0	23.0
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	–	1.1	–	–	–	–	–	1.1	–	1.1
Distribution	–	–	–	–	–	–	– 105.1	– 105.1	– 1.3	– 106.4
Group profit Jan. 1 to June 30, 2007	–	–	–	–	–	–	102.5	102.5	0.3	102.8
Consolidation activity/ other changes	–	–	–	– 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**
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	–	–	–	–	– 8.6	–	–	– 8.6	–	– 8.6
Fair value of financial assets held for sale	–	–	–	–	–	– 7.5	–	– 7.5	–	– 7.5
Fair value of changes of derivatives	–	–	–	–	–	14.3	–	14.3	–	14.3
Net gain (+)/Net costs (–) directly recorded in equity	0.0	0.0	0.0	0.0	– 8.6	6.8	0.0	– 1.8	0.0	– 1.8
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	0.9	3.5	–	–	–	–	–	4.4	–	4.4
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	0.1	0.2	–	–	–	–	–	0.3	–	0.3
– Value of performed services	–	1.6	–	–	–	–	–	1.6	–	1.6
Distribution	–	–	–	–	–	–	– 105.2	– 105.2	– 1.1	– 106.3
Group profit Jan. 1 to June 30, 2008	–	–	–		–	–	92.1	92.1	0.9	93.0
Consolidation activity/ other changes	–	–	–	– 0.7	–	–	– 0.1	– 0.8	– 0.1	– 0.9
Balance at June 30, 2008	**915.7**	**570.6**	**36.5**	**809.4**	**– 14.2**	**41.0**	**92.1**	**2,451.1**	**52.6**	**2,503.7**

Notes to the financial statements

Accounting policies

This Interim Report of the Fraport Group for the period ended June 30, 2008 was prepared in accordance with IAS 34 – and as the consolidated financial statements for the year ended 2007 – 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). We complied with all IASB pronouncements applicable since January 1, 2008 as they are adopted by the EU.
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.
As regards 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 by the auditors of financial statements.

Consolidated companies

A total of 55 companies are included in the Fraport Group by June 30, 2008, including also associated companies.

On April 29, 2008, the company Fraport Saudi Arabia for Airport Management and Development Services Company Ltd., Riyadh was established in connection with the management agreement signed to operate and develop the Saudi Arabian airports in Riyadh and Jeddah. Fraport AG acquired 90 percent, Fraport Malta Ltd. 10 percent of the shares for nominally SAR 2.0 million (approximately €335 thousand). The company was included for the first time in the Fraport consolidated financial statements at the time of its establishment.

Effective April 1, 2008, Fraport AG sold its wholly-owned subsidiary ICTS Europe Holdings B.V. to Deutsche Beteiligungs AG for €100.0 million. Income from deconsolidation amounts to €0.9 million and is recognized in other operating income. Basis for the deconsolidation were the subgroup financial statements of ICTS in which 35 subsidiaries, one joint venture and one associate were included.

Alterra Lima Holdings Ltd., a wholly-owned subsidiary of Fraport AG sold the entire 57.25 percent share in Lima Airport Partners S.R.L., to Fraport AG, a Peruvian investor and the investment fund of World Bank Group (IFC) on May 30, 2008. 29.99 percent of these shares were sold to third parties for USD 19.3 million (approximately €12.4 million). A gain on disposal amounting to €0.2 million was achieved upon deconsolidation.

Due to the intention of Fraport to sell AirIT International GmbH, the company's assets and liabilities were accounted for and recognized in accordance with IFRS 5. The assets and liabilities are allocated to the External Activities segment. AirIT International GmbH was sold on July 1, 2008 for €82 thousand.

Related party disclosures

There were no material changes as of the balance sheet date. As we have disclosed in our Group notes 2007 under note (52), there are other numerous related party relationships which continue to be settled in arm's length transactions.

Procedure of determining income tax

Income tax is recognized in the interim reporting period on the basis of the best estimates made for the weighted average annual income tax rate which is expected for the entire 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, August 7, 2008
Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

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 investsments 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

November 6, 2008	9-month Interim Report as of September 30, 2008
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

August 13, 2008	Publication of the Traffic figures July 2008
September 11, 2008	Publication of the Traffic figures August 2008
October 14, 2008	Publication of the Traffic figures September/9M 2008
November 13, 2008	Publication of the Traffic figures October 2008
December 11, 2008	Publication of the Traffic figures November 2008
January 15, 2009	Publication of the Traffic figures December 2008/Year 2008

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