Interim report Q2/6M 2016

Fraport

Contents

Group Interim Management Report

Information about reporting

The scope of consolidation in the first half of 2016 differed from that in the same period in the previous year as follows, in particular:

> Fraport sold its shares in the Group company Air-Transport IT Services on April 22, 2015. In the first half of 2015, the Group company generated revenue in the amount of €4.9 million, EBITDA of €0.3 million, EBIT of €0.1 million, and a result of €0.1 million.

> On November 2, 2015, Fraport also sold 51 % of its capital shares in the Group company Fraport Cargo Services (FCS). In the first six months of the previous year, the company generated revenue in the amount of €31.4 million, EBITDA of –€2.0 million, EBIT of –€2.8 million and a result of –€3.2 million for the Fraport Group. On account of the sale of shares, FCS has since been consolidated as a joint venture under companies accounted for using the equity method. In the first half of 2016, FCS made a negative contribution of –€0.5 million to earnings on a pro rata basis.

An overview of the calculation of financial key figures and a description of specialist terms are presented on page 204 of the 2015 Annual Report.

Overview of Business Development

> A slight drop in passenger numbers of 0.9 % at the Frankfurt site.
> Mixed developments in traffic at Group airports outside Frankfurt.
> A slight drop in Group revenue of 1.4 % to €1,224.8 million due to several factors, including the sale of shares in FCS in the previous year.
> Revenue adjusted by IFRIC 12 at €1,215.8 million (–1.5 %).
> Group EBITDA at €378.4 million, a decrease of 1.7 % against the previous year.
> A €3.3 million drop in the Group result to €99.7 million.
> Basic earnings per share at €1.00 (–€0.06).
> A €19.0 million decrease in operating cash flow to €257.6 million.
> Changes in working capital, higher cash flow used in investing activities and one-time tax effects in the first quarter of 2016 led to a €40.4 million decrease in free cash flow to €149.3 million.

Key figures

€ million	6M 2016	6M 2015	Change	Change in %
Revenue	1,224.8	1,241.9	–17.1	–1.4
Revenue adjusted by IFRIC 12	1,215.8	1,234.7	–18.9	–1.5
EBITDA	378.4	385.0	–6.6	–1.7
EBIT	214.6	221.9	–7.3	–3.3
EBT	145.8	152.2	–6.4	–4.2
Group result	99.7	103.0	–3.3	–3.2
Earnings per share (basic) (€)	1.00	1.06	–0.06	–5.7
Operating cash flow	257.6	276.6	–19.0	–6.9
Free cash flow	149.3	189.7	–40.4	–21.3
Shareholders' equity	3,493.8	3,511.7 [1]	–17.9	0.5
Liquidity	1,042.6	1,043.1 [1]	–0.5	0.0
Net financial debt	2,778.5	2,774.3 [1]	4.2	0.2
Total assets	8,810.0	8,847.3 [1]	–37.3	0.4
Average number of employees	20,323	20,691	–368.0	–1.8

€ million	Q2 2016	Q2 2015	Change	Change in %
Revenue	652.3	666.0	–13.7	–2.1
Revenue adjusted by IFRIC 12	648.2	662.3	–14.1	–2.1
EBITDA	232.8	231.9	0.9	0.4
EBIT	150.3	149.9	0.4	0.3
EBT	124.0	136.6	–12.6	–9.2
Group result	84.6	92.4	–7.8	–8.4
Earnings per share (basic) (€)	0.86	0.96	–0.10	–10.4
Operating cash flow	167.2	162.7	4.5	2.8
Free cash flow	104.1	124.5	–20.4	–16.4
Average number of employees	20,401	20,741	–340	–1.6

[1] Figures as at December 31, 2015.

Table 1

Situation of the Group

Changes during the Reporting Period

During the reporting period, there have been no significant changes to the situation of the Fraport Group as presented in the 2015 Group management report with respect to operating activities, strategy, and control (see 2015 Annual Report beginning on page 25).

Economic Report

General Statement of the Executive Board

In the first six months of fiscal year 2016, passenger traffic slightly decreased (– 0.9 %) at the Frankfurt site. Following a growth in passenger numbers in the first quarter (+3.3 %), various terrorist attacks in Europe and weather-related restrictions led to a significant drop in the passenger numbers in the second quarter. The cargo tonnage was around 1.0 million metric tons and thus 0.4 % higher than the previous year's figure. Passenger development was inconsistent at Group airports outside Frankfurt. Whereas the airports in Antalya, St. Petersburg, Ljubljana, and Hanover saw some significant decreases in traffic, passenger numbers at the other Group sites increased noticeably. The decreases at the Antalya and St. Petersburg sites were caused by the political situation in Turkey and by the difficult economic and political situation in Russia and the associated absence of Russian travelers.

Due to changes in the scope of consolidation, Group revenue was also €17.1 million (– 1.4 %) below the previous year's value, at €1,224.8 million. Adjusted for changes in the scope of consolidation, Group revenue increased by €19.2 million (+1.6 %). Revenue performance was affected positively by various factors, including more revenue from sales of land. Outside Frankfurt, the Group companies Lima and Twin Star in particular contributed to revenue growth.

Group EBITDA decreased by 1.7 % to €378.4 million, due in part to declining passenger numbers in Frankfurt coinciding with weaker retail business. With depreciation and amortization virtually unchanged, Group EBIT stood at €214.6 million (– 3.3 %). The slight improvement in the financial result and lower taxes on income led to a Group result of €99.7 million (– 3.2 %).

In light of the geopolitically difficult environment with some clear decline in traffic at the Fraport Group airports, the Executive Board nonetheless describes the Fraport Group's performance in the reporting period as solid.

Economic and Industry-Specific Conditions

Development of economic conditions

The world economy is currently growing at a moderate rate. In the first quarter of 2016, the pace of growth slowed in the United States, while gross domestic product in the Eurozone was up 0.5 %. Although China's growth is strong compared to other emerging countries, it is nonetheless significantly less dynamic than in previous years. This has put a strain on Chinese trade relations, which has had a dampening effect on world trade. Commodity-exporting countries such as Russia and Brazil are suffering from low crude oil and commodity prices. These have picked up in recent months, however, which can be seen as a sign that the global economy is recovering.

For the German economy, the first quarter of 2016 was a positive one. Gross domestic product grew by 0.7 % on a seasonally and price-adjusted basis during this period. The domestic economy remained the determining factor, although exports experienced a slight revival. Stable price levels, rising employment and the increase in private household income have led to a further increase in consumer spending.

Development of the legal environment

During the reporting period, there were no changes to the legal environment that had a significant influence on the business development of the Fraport Group.

Passenger and cargo development by region

Changes compared to the previous year in %	Passengers January to May 2016	Air freight January to May 2016
Germany	3.3	1.4
Europe	5.6	2.7
North America	4.8	– 2.3
Latin America	1.7	– 0.6
Middle East	10.1	4.2
Asia-Pacific	8.9	0.2
Africa	– 3.1	– 1.4
World	5.9	0.2

Source: ACI Passenger Flash and Freight Flash (ACI, July 14, 2016), ADV for Germany, with cargo instead of air freight (in and out), (June 28, 2016). Table 2

Development of the global aviation market

According to the preliminary figures from Airports Council International (ACI), global passenger traffic grew by 5.9% in the January to May 2016 period. In the same period, air freight volume rose by 0.2%. European airports achieved a slightly lower growth in passenger numbers of 5.6%. In air freight, the performance of the European airports was 2.7%, significantly higher than the overall performance. Passenger numbers at German airports grew by 3.3% up to and including May 2016. The cargo tonnage (air freight and air mail) developed above the global level with an increase of 1.4%.

Significant Events

The risk of terrorism affects air traffic in Europe

The recent terrorist attacks in Paris and at the international airports of Brussels-Zaventem and Istanbul-Ataturk are negatively impacting passengers' travel behavior. Especially traffic to North Africa, which consists primarily of tourists, has been declining as of last year with the terrorist attacks in Tunisia and Egypt. Many travel agents have removed destinations in North Africa from their product ranges. Turkey is now also experiencing pressure on its attractiveness as a holiday destination due to the ongoing terrorist threat. The number of leisure trips is decreasing significantly at present, not only to Istanbul, but also to Turkey's coastal tourist areas. Tourist traffic from intercontinental destinations to Frankfurt also appears to have been negatively affected by current events in Europe, however.

Acquisition of 14 Greek regional airports

The Executive Board expects to complete preparations for the integration of 14 Greek regional airports into the Fraport Group towards the end of this fiscal year. At that time, the concessionary companies will make the one-time payment of €1,234 million and takeover the operation of the airports. Once the conditions precedent have been fulfilled during the reporting period, in particular that of antitrust law approval by the European Union (EU), the Executive Board expects the project financing to be finalized as at the end of the year. The expected effects from the closing of the transaction on the short to medium-term asset, financial, and earnings position of the Fraport Group are included in the Outlook Report of the 2015 Annual Report from page 94 onwards.

No other events that have had or will have a significant effect on the business development of the Fraport Group have occured over the past reporting period.

Business Development

Development at Frankfurt site

At around 28.7 million, **passenger numbers** in the first half of 2016 were just under the previous year's level (–0.9%). While even higher numbers were achieved in the first quarter (further revived by the leap day in February), a phase of reduced demand began after Easter. The terrorist attacks that took place in various countries during this period caused increasing uncertainty regarding passengers' travel behavior in the second quarter of 2016. This led to a global drop in bookings. The most affected destinations were Turkey, Egypt, and Tunisia. The regional shift in demand did, however, benefit holiday destinations such as the Balearic Islands, as well as long-haul destinations like Cuba, Mexico, and Thailand. Overall, **intercontinental traffic** decreased (–0.4%). **European traffic** suffered the largest drop (–1.3%), while **domestic traffic** remained at the same level.

In the first half of 2016, **cargo volume** increased by 0.4% compared to the previous year to around 1.0 million metric tons. After a loss of 1.0% in the first quarter, freight traffic increased in the second quarter, recording growth of 2.3%. This development was accompanied by the upturn in the German logistics market and a rise in export forecasts in the German industrial sector. Tonnage with North and South America declined while Far Eastern traffic increased significantly, driven primarily by China.

Ongoing consolidation measures from airlines and the sustained tendency to use larger aircraft resulted in a 1.0% reduction in **aircraft movements** in the first six months of 2016, to around 227,000 take-offs and landings. In contrast, **maximum take-off weights** went up by 1.2%, reaching a new record high.

Development outside the Frankfurt site

At **Ljubljana** Airport, passenger numbers in the first six months of 2016 were 4.5% lower than in the same period in the previous year at around 598,000. While there were more passengers on routes to Paris and Belgrade, passenger numbers fell on routes to and from Istanbul, Zurich and Brussels.

Lima Airport again showed a strong increase in passenger numbers of 11.0% in the first half of 2016, to just over 8.9 million. Both domestic traffic (+13.3%) and international traffic (+8.4%) grew during the reporting period. Cargo throughput was around 123,000 metric tons. This figure was below the previous year's level (–6.4%).

The Bulgarian airports in **Varna** and **Burgas** carried some 1.2 million passengers in the reporting period, thus around 24.8 % more than in the first half of 2015. Both sites benefited from the tense geopolitical situation in Turkey and North Africa. Travelers from Germany, Poland and the UK in particular favored Bulgaria as a holiday destination.

At **Antalya** Airport, just over 7.3 million passengers in the first six months of 2016 signified a drop of 30.5 %. Whereas the number of Turkish domestic passengers continued to rise significantly by 10.7 % to almost 3.3 million, the number of international passengers decreased by 46.6 % to around 4.0 million. This decrease was due in particular to a lack of Russian and German leisure travelers.

At just under 5.7 million travelers, passenger traffic at **St. Petersburg** Airport saw a decrease in the reporting period of 6.5 % compared with the previous year. Whereas international traffic significantly decreased by 22.1 % due to the difficult economic and political situation in Russia, national traffic increased by 4.5 %.

With over 2.4 million passengers, the **Hanover** site experienced a slight drop of 0.7 % in the first six months of the 2016 fiscal year.

Xi'an Airport continued to show a dynamic development as passenger numbers increased by 11.3 % to approximately 17.5 million. High-volume domestic traffic rose by 10.7 % to around 16.3 million passengers. International traffic grew by 20.9 % to around 1.3 million passengers.

Delhi Airport achieved a significant increase of 21.5 % in the reporting period compared to the previous year with around 26.9 million travelers. Significant growth continued to be reported in domestic traffic, with a strong increase of 27.5 %. International passenger numbers increased by 8.0 %. Freight volume also showed a sharp rise again (+10.6 %).

Traffic development at the Group sites

Airport	Fraport share in %	Passengers [1]		Cargo (air freight and air mail in m. t.)		Movements	
		6M 2016	Change in %	6M 2016	Change in %	6M 2016	Change in %
Frankfurt	100	28,669,496	−0.9	1,025,476	0.4	227,187	−1.0
Ljubljana	100	598,271	−4.5	5,006	4.5	15,107	−2.6
Lima	70.01	8,945,334	11.0	122,506	−6.4	85,786	9.3
Burgas	60	684,154	25.2	6,522	25.7	6,031	19.1
Varna	60	499,737	24.3	94	>100	5,105	26.5
Antalya	51/50 [2]	7,331,506	−30.5	n.a.	n.a.	49,840	−27.9
St. Petersburg	35.5	5,695,855	−6.5	n.a.	n.a.	59,280	−11.6
Hanover	30	2,441,069	−0.7	9,689	12.5	36,513	1.0
Xi'an	24.5	17,534,343	11.3	110,253	15.0	139,065	8.7
Delhi	10	26,896,158	21.5	410,875	10.9	196,822	18.3

Airport	Fraport share in %	Passengers [1]		Cargo (air freight and air mail in m. t.)		Movements	
		Q2 2016	Change in %	Q2 2016	Change in %	Q2 2016	Change in %
Frankfurt	100	15,743,754	−4.1	528,712	2.0	121,343	−2.8
Ljubljana	100	352,805	−9.6	2,590	3.9	8,682	−2.2
Lima	70.01	4,462,866	10.6	61,358	−7.3	43,235	9.0
Burgas	60	649,622	25.8	3,392	−11.5	5,325	18.0
Varna	60	417,189	24.4	74	>100	3,997	29.6
Antalya	51/50 [2]	4,979,672	−38.7	n.a.	n.a.	33,040	−34.9
St. Petersburg	35.5	3,380,457	−6.6	n.a.	n.a.	33,710	−7.8
Hanover	30	1,433,066	−3.4	4,998	34.2	20,548	0.0
Xi'an	24.5	8,938,349	9.7	55,527	13.9	70,198	6.3
Delhi	10	13,766,950	20.2	211,282	6.1	101,762	16.2

[1] Commercial traffic only, in + out + transit.
[2] Share of voting rights: 51 %, dividend share: 50 %.

Table 3

Results of Operations

Group

Revenue and total revenue

Due to changes in the scope of consolidation, Group revenue in the first six months of 2016 was €17.1 million (– 1.4 %) below the previous year's figure, at €1,224.8 million. Adjusted for changes in the scope of consolidation from the sale of shares in FCS and the sale of Air-Transport IT Services, Group revenue increased by €19.2 million (+1.6 %). Negative effects on revenue resulted both from declining passenger numbers at the Frankfurt site and from the loss of the tender to perform security services at Pier B. Revenue performance was affected positively by various factors, including more revenue from sales of land (6M 2016: €11.6 million compared with 6M 2015: €4.1 million). Beyond Frankfurt, the Group companies Lima, Twin Star, and AMU Holdings Inc. contributed to the growth in revenue. Group revenue included revenue of €9.0 million in connection with the application of IFRIC 12 (previous year: €7.2 million).

Despite the gain from the sale of Air Transport IT Services realized during the reporting period of the previous year amounting to €8.0 million, other operating income increased, due in part to the release of allowances on accounts receivable of €19.2 million (previous year: €17.9 million). Total revenue reached a value of €1,258.8 (– 1.2 %).

Expenses

Operating expenses (material costs, personnel expenses, and other operating expenses) amounting to €880.4 million were €9.1 million lower than in the previous year. Adjusted for changes to the scope of consolidation, operating expenses were up by €29.1 million. Increased expenses were primarily due to increased concession fees, resulting from traffic volumes, from the Group company Lima (+€6.3 million) and higher costs associated with increased revenue from sales of land. Higher expenses were also due to collective wage agreements for Fraport AG employees (+€8.3 million), higher non-capitalizable capital expenditure in Frankfurt (+€4.2 million) and from marketing costs for the online shopping platform in Frankfurt of around €1.7 million.

EBITDA and EBIT

The €6.6 million fall in Group EBITDA to €378.4 million was due in particular to declining passenger numbers in Frankfurt coinciding with weaker retail business. The EBITDA margin was 30.9 % (previous year: 31.0 %). Virtually unchanged depreciation and amortization led to a reduced Group EBIT of €214.6 million, down €7.3 million (previous year: €221.9 million).

Financial result

At –€68.8 million, the negative financial result was almost completely consistent with the previous year's value (previous year: –€69.7 million). On the one hand, interest expenses were reduced due to a lower level of gross debt and lower average interest rates. On the other hand, the result from companies accounted for using the equity method worsened, particularly due to the negative development in Antalya (–€15.7 million). The other financial result in the previous year included in particular higher unrealized foreign currency losses resulting from the market valuation of a CHF loan.

EBT, Group result, and EPS

The stable development of the financial result led to an EBT that declined by €6.4 million to €145.8 million (– 4.2 %). At an expected tax rate of 31.6 %, (previous year: 32.3 %) and an income tax expense of €46.1 million (previous year: €49.2 million), the Group result reached a value of €99.7 million (–€3.3 million or – 3.2 %). Correspondingly, this resulted in basic earnings per share of €1.00 (–€0.06).

Segments

Aviation

€ million	6M 2016	6M 2015	Change	Change in %
Revenue	431.7	444.0	–12.3	–2.8
Personnel expenses	158.7	158.3	0.4	0.3
EBITDA	95.7	102.4	–6.7	–6.5
EBITDA margin	22.2%	23.1%	–0.9 PP	–
EBIT	33.5	42.9	–9.4	–21.9
Average number of employees	6,100	5,995	105	1.8

€ million	Q2 2016	Q2 2015	Change	Change in %
Revenue	231.7	243.6	–11.9	–4.9
Personnel expenses	80.5	81.6	–1.1	–1.3
EBITDA	66.0	71.7	–5.7	–7.9
EBITDA margin	28.5%	29.4%	–0.9 PP	–
EBIT	34.5	42.7	–8.2	–19.2
Average number of employees	6,109	6,015	94	1.6

Table 4

Retail & Real Estate

€ million	6M 2016	6M 2015	Change	Change in %
Revenue	239.9	233.1	6.8	2.9
Personnel expenses	25.5	24.7	0.8	3.2
EBITDA	182.3	183.9	–1.6	–0.9
EBITDA margin	76.0%	78.9%	–2.9 PP	–
EBIT	140.3	142.6	–2.3	–1.6
Average number of employees	644	617	27	4.4

€ million	Q2 2016	Q2 2015	Change	Change in %
Revenue	127.2	119.7	7.5	6.3
Personnel expenses	12.5	12.6	–0.1	–0.8
EBITDA	102.1	94.8	7.3	7.7
EBITDA margin	80.3%	79.2%	1.1 PP	–
EBIT	81.0	74.3	6.7	9.0
Average number of employees	643	623	20	3.2

Table 5

In the first six months of 2016, revenue in the Aviation segment decreased from €444.0 million to €431.7 million (–2.8%). Negative effects on revenue resulted both from declining passenger numbers at the Frankfurt site, as well as from the loss of the tender to perform security services at Pier B, the non-recurrence of one-time effects in the previous year, and the loss of revenue from the re-allocation of infrastructure costs. Virtually unchanged operating expenses led to segment EBITDA of €95.7 million (–6.5%). Due to slightly higher depreciation and amortization, segment EBIT dropped by €9.4 million to €33.5 million (–21.9%).

Revenue in the Retail & Real Estate segment increased in the first half of 2016 from €233.1 million to €239.9 million (+2.9%). Revenue performance was affected positively by various factors, particularly higher revenue from sales of land (6M 2016: €11.6 million compared with 6M 2015: €4.1 million) and the changed presentation of rental income due to changes in the scope of consolidation concerning the Group company FCS (+€3.3 million). In addition, among others, the release of allowances on accounts receivable increased the other income in the segment (+€7.7 million).

Segment revenue was negatively affected primarily by weaker retail business (–€5.0 million) due to changes in the passenger mix and a lower average spend per passenger, which was due in part to exchange rate effects. Net retail revenue per passenger was €3.51 (previous year: €3.63). Reduced passenger numbers to China, Russia, Japan, and Vietnam were one of the causes of this. Passengers on these routes tend to spend more. The depreciation of various currencies against the euro, including the Chinese renminbi and the Russian ruble, also resulted in a decline in purchasing power for the respective nationalities. The significant depreciation of the euro against the Swiss franc created further incentives to buy in the eurozone in the previous year.

Higher expenses resulted from marketing costs for the online shopping platform of around €1.7 million, non-capitalizable capital expenditure (+€1.9 million), and staff numbers and price effects (+€0.8 million). Additional expenses arose also from the allocation of infrastructure costs in the Aviation segment and higher expenses associated with increased revenue from sales of land. EBITDA was down slightly by €1.6 million on the previous year, at €182.3 million (–0.9%). Virtually unchanged depreciation and amortization led to EBIT of €140.3 million. Compared with the previous year, this was a fall of €2.3 million or 1.6%.

Ground Handling

€ million	6M 2016	6M 2015	Change	Change in %
Revenue	308.9	333.0	–24.1	–7.2
Personnel expenses	210.7	220.9	–10.2	–4.6
EBITDA	17.7	12.6	5.1	40.5
EBITDA margin	5.7%	3.8%	1.9 PP	–
EBIT	–1.7	–8.6	6.9	–
Average number of employees	8,738	9,342	–604	–6.5

€ million	Q2 2016	Q2 2015	Change	Change in %
Revenue	162.5	178.3	–15.8	–8.9
Personnel expenses	104.5	113.0	–8.5	–7.5
EBITDA	15.8	12.7	3.1	24.4
EBITDA margin	9.7%	7.1%	2.6 PP	–
EBIT	5.9	0.9	5.0	>100
Average number of employees	8,482	9,179	–697	–7.6

Table 6

External Activities & Services

€ million	6M 2016	6M 2015	Change	Change in %
Revenue	244.3	231.8	12.5	5.4
Personnel expenses	119.4	117.9	1.5	1.3
EBITDA	82.7	86.1	–3.4	–3.9
EBITDA margin	33.9%	37.1%	–3.2 PP	–
EBIT	42.5	45.0	–2.5	–5.6
Average number of employees	4,841	4,737	104	2.2

€ million	Q2 2016	Q2 2015	Change	Change in %
Revenue	130.9	124.4	6.5	5.2
Personnel expenses	60.1	58.7	1.4	2.4
EBITDA	48.9	52.7	–3.8	–7.2
EBITDA margin	37.4%	42.4%	–5.0 PP	–
EBIT	28.9	32.0	–3.1	–9.7
Average number of employees	5,167	4,923	244	5.0

Table 7

In the first half of 2016, revenue from the Ground Handling segment was down €24.1 million on the previous year at €308.9 million (–7.2%), due in particular to the sale of shares in FCS. Adjusted for the effects from the sale of shares, this segment saw growth in revenue of €7.3 million or 2.4%. The adjusted increase was caused by a number of factors, including a change in the presentation of personnel expenses as a result of changes in the scope of consolidation of the Group company FCS, as well as more revenue from infrastructure charges. Due in particular to the lower personnel expenses and cost of materials associated with the sale of shares in FCS in the previous year and the drop in passenger numbers, the segment achieved an EBITDA increase from €12.6 million to €17.7 million (+€5.1 million). EBITDA increased by approximately €3.1 million after adjustment for the direct negative contribution to EBITDA from FCS in 2015. Segment EBIT remained negative at –€1.7 million, but did improve year on year by €6.9 million. EBIT improved by €4.1 million in comparison with the previous year after adjustment for the direct negative contribution to EBIT from FCS.

In the first six months of 2016, revenue in the External Activities & Services segment increased by €12.5 million to €244.3 million (+5.4%). Adjusted for the sale of shares in Air-Transport IT Services, the segment recorded an increase in revenue of €17.4 million or 7.6%. This growth in revenue was driven by the Group companies Lima (+€11.6 million), Twin Star (+€3.1 million), AMU Holdings Inc. (+€1.0 million), and Ljubljana (+€0.3 million). Segment revenue included revenue of €9.0 million in connection with the application of IFRIC 12 (previous year: €7.2 million).

The gain of €8.0 million realized from the sale of Air Transport IT Services in the previous reporting period and increased expenses in the service sectors at the Frankfurt site led to a lower segment EBITDA of €82.7 million (–€3.4 million). Adjusted for changes to the scope of consolidation, this was a decrease of €3.1 million (–3.6%). At €42.5 million with slightly lower depreciation and amortization, the segment EBIT was €2.5 million below the level for the previous year (–5.6%). Adjusted for changes to the scope of consolidation, the decline was €2.4 million (–5.3%).

Development of the key Group companies outside Frankfurt
(IFRS values before consolidation)

Fully consolidated Group companies	Share in %	Revenue in € million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		6M 2016	6M 2015	Δ %	6M 2016	6M 2015	Δ %	6M 2016	6M 2015	Δ %	6M 2016	6M 2015	Δ %
AMU Holdings Inc.	100	29.7	28.7	3.5	6.0	6.3	–4.8	2.0	2.2	–9.1	2.0	2.2	–9.1
Ljubljana	100	16.3	16.0	1.9	5.7	5.6	1.8	0.5	0.6	–16.7	0.5	0.6	–16.7
Lima	70.01	142.9	131.3	8.8	52.7	47.4	11.2	44.1	38.5	14.5	24.1	19.7	22.3
Twin Star	60	16.5	13.4	23.1	8.5	5.8	46.6	2.7	0.1	>100	–0.3	–3.3	–

Group companies accounted for using the equity method	Share in %	Revenue in € million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		6M 2016	6M 2015	Δ %	6M 2016	6M 2015	Δ %	6M 2016	6M 2015	Δ %	6M 2016	6M 2015	Δ %
Antalya [2]	51/50	63.9	107.7	–40.7	44.7	87.1	–48.7	–4.4	38.2	>–100	–30.4	0.8	>–100
Pulkovo/Thalita	35.5	80.6	114.5	–29.6	39.1	55.5	–29.5	23.4	35.5	–34.1	–0.2	72.0	>–100
Hanover	30	70.2	69.7	0.7	13.1	12.0	9.2	3.1	2.0	55	1.1	–0.5	>100
Xi'an [3]	24.5	101.4	92.0	10.2	48.7	43.9	10.9	23.1	20.6	12.1	15.2	11.8	28.8

Fully consolidated Group companies	Share in %	Revenue in € million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		Q2 2016	Q2 2015	Δ %	Q2 2016	Q2 2015	Δ %	Q2 2016	Q2 2015	Δ %	Q2 2016	Q2 2015	Δ %
AMU Holdings Inc.	100	16.2	15.3	5.9	3.6	3.6	0.0	1.7	1.6	6.2	1.4	1.4	0.0
Ljubljana	100	8.9	9.2	–3.3	3.5	3.9	–10.3	0.8	1.4	–42.9	0.7	1.2	–41.7
Lima	70.01	71.4	67.8	5.3	26.2	24.5	6.9	21.9	20.0	9.5	11.3	9.5	18.9
Twin Star	60	14.2	11.5	23.5	9.5	7.3	30.1	6.5	4.5	44.4	5.0	2.7	85.2

Group companies accounted for using the equity method	Share in %	Revenue in € million [1]			EBITDA in € million			EBIT in € million			Result in € million		
		Q2 2016	Q2 2015	Δ %	Q2 2016	Q2 2015	Δ %	Q2 2016	Q2 2015	Δ %	Q2 2016	Q2 2015	Δ %
Antalya [2]	51/50	46.3	86.7	–46.6	36.6	75.5	–51.5	12.0	51.1	–76.5	2.3	31.5	–92.7
Pulkovo/Thalita	35.5	47.7	68.9	–30.8	27.3	36.3	–24.8	19.3	26.3	–26.6	7.9	38.1	–79.3
Hanover	30	38.4	38.7	–0.8	8.4	9.3	–9.7	3.4	4.3	–20.9	2.4	3.5	–31.4
Xi'an [3]	24.5	50.2	48.1	4.4	24.8	24.7	0.4	12.2	12.7	–3.9	8.1	8.0	1.3

[1] Revenue adjusted by IFRIC 12: Lima 6M 2016: €133.8 million (6M 2015: €124.2 million), Q2 2016: €67.1 million (Q2 2015: €64.2 million); Twin Star 6M 2016: €16.5 million (6M 2015: €13.3 million), Q2 2016: €14.2 million (Q2 2015: €11.5 million); Pulkovo/Thalita 6M 2016: €80.6 million (6M 2015: €100.7 million), Q2 2016: €47.7 million (Q2 2015: €57.1 million).

[2] Share of voting rights: 51%, dividend share: 50%.

[3] Figures according to the separate financial statement.

Table 8

In the first half of 2016, the Fraport Group company **AMU Holdings Inc.** achieved revenue amounting to €29.7 million, EBITDA of €6.0 million, EBIT of €2.0 million and a result of €2.0 million.

With falling passenger numbers, the Fraport Group company **Ljubljana** reported revenue of €16.3 million, EBITDA of €5.7 million, EBIT of €0.5 million and a result of €0.5 million in the first six months of 2016.

Helped by good traffic development, the Group company **Lima** realized strong growth in revenue, EBITDA, EBIT and results in the first half of 2016, with increases of €11.6 million, €5.3 million, €5.6 million and €4.4 million, respectively.

Thanks to a significant rise in passenger numbers, the Group company **Twin Star** recorded a mid single-digit € million rise in revenue, EBITDA, EBIT and results in the first half of 2016.

Owing to the significantly lower traffic volume, the **Antalya** Group company, which is accounted for using the equity method, saw a steep decline in financial figures in the first six months of 2016. Revenue shrank by €43.8 million to €63.9 million (–40.7%), EBITDA by €42.4 million to €44.7 million (–48.7%), EBIT from €38.2 million to –€4.4 million (>–100%) and the result fell from €0.8 million to –€30.4 million (>–100%).

Due to the outcome of currency fluctuations and traffic volumes, the **Pulkovo/Thalita** Group company, which is accounted for using the equity method, reported a decline in revenue of €114.5 million to €80.6 million (–29.6%) in the reporting period. The Group company's EBITDA of €39.1 million (–29.5%), EBIT of €23.4 million (–34.1%), and result of €0.2 million (>–100%) worsened significantly.

Despite a slightly negative traffic development at the **Hanover** Group company, which is accounted for using the equity method, revenue, EBITDA, EBIT and the result improved in the low single-digit € million range.

The **Xi'an** Group company, which is accounted for using the equity method, saw an increase in the site's traffic in the first six months of 2016, which was reflected in its revenue, EBITDA, EBIT, and result for the period.

Asset and Financial Position

Asset and capital structure

In comparison with the 2015 balance sheet date, the **total assets** of the Fraport Group fell slightly as at June 30, 2016 from €8,847.3 million to €8,810.0 million (– 0.4 %). The **non-current assets** were, on account of declining property, plant, and equipment, falling investments in companies accounted for using the equity method, and smaller "Other financial assets", €88.1 million below the level as at December 31, 2015 (– 1.1 %). **Current assets** increased by €50.8 million to €971.8 million (+5.5 %) due, inter alia, to maturity-related reclassifications.

Due to the pay-out of the profit earmarked for distribution for the previous fiscal year, **shareholders' equity** in the reporting period decreased slightly from €3,511.7 million to €3,493.8 million (– 0.5 %). The **shareholders' equity ratio** stood at 38.7 % (December 31, 2015: 37.4 %). **Non-current debts** were slightly down by €10.6 million to €4,220.0 million (– 0.3 %) and **current debts** also shrank on account of declining "Provisions" from €1,105.0 million to €1,096.2 million.

As at June 30, 2016, **gross debt** stood at €3,821.1 million, a €3.7 million increase over the level on December 31, 2015. After deducting the **Group's liquidity** of €1,042.6 million (December 31, 2015: €1,043.1 million), the **net financial debt** of €2,778.5 million was 0.2 % higher in comparison with the 2015 balance sheet date (December 31, 2015: €2,774.3 million). The **gearing ratio** reached a level of 81.4 % (December 31, 2015: 83.7 %).

Additions to non-current assets

In the first six months of fiscal year 2016, additions to non-current assets of the Fraport Group amounted to €177.0 million and were thus €68.9 million above the comparable figure for the previous year of €108.1 million. Of this amount, €113.7 million was attributed to property, plant, and equipment (previous year: €87.4 million), €50.8 million to "financial assets" (previous year: €4.5 million), €0.5 million to "investment property" (previous year: €5.1 million), and €12.0 million to "other intangible assets" and "airport operating projects" (previous year: €11.1 million). The capitalization of interest expenses relating to construction work amounted to €8.9 million (previous year: €7.7 million).

At €108.4 million, the greater part of additions was attributed to Fraport AG (previous year: €90.6 million). The focus areas were capital expenditure in the existing infrastructure as well as various construction activities for Terminal 3. Additions to financial non-current assets resulted in particular from securities and the positive contribution to earnings of the Group company Xi'an, which is accounted for using the equity method.

Statement of cash flows

Cash flow from operating activities (operating cash flow) in the first half of 2016 was down €19.0 million on the previous year at €257.6 million (– 6.9 %). The cause of the decline was higher payments in particular for taxes on income.

In the reporting period, the **cash flow used in investing activities without investments in cash deposits and securities** rose in comparison with the previous year by €30.9 million to –€106.6 million (+40.8 %). This was mainly caused by greater cash flow used in investing activities (– €22.5 million). The **free cash flow** fell by €40.4 million to €149.3 million due to the reduced operating cash flow (previous year: €189.7 million). Taking into account investments in, and proceeds from, securities and promissory note loans as well as returns from time deposits with a term of more than three months, **total cash flow used in investing activities** was €41.1 million (previous year: cash inflow of €58.2 million).

As a result of taking up loans amounting to €295.0 million and repayments of financial liabilities amounting to €471.3 million, **cash flow used in financing activities** was €150.3 million (previous year: €320.8 million). Taking into account exchange rate fluctuations, Fraport held **cash and cash equivalents** according to the statement of cash flows amounting to €294.0 million as at the end of the first half of 2016 (€104.5 million above the level of the first half of 2015).

In connection with the financing of the concession in Antalya, as at June 30, 2016, unchanged bank deposits of €23.3 million were subject to drawing restrictions. The following table shows a reconciliation to cash and cash equivalents as shown in the statement of financial position.

Reconciliation to the cash and cash equivalents as shown in the consolidated statement of financial position

€ million	June 30, 2016	June 30, 2015	December 31, 2015
Cash and cash equivalents in the statement of cash flows	294.0	189.5	230.7
Time deposits with a remaining term of more than three months	106.4	185.0	152.0
Restricted cash	23.3	23.3	23.3
Cash and cash equivalents in the statement of financial position	423.7	397.8	406.0

Table 9

Value Management

The schedule for reporting value management is once a year as at the end of the fiscal year. It is not reported quarterly.

Non-financial Performance Indicators

Indicators	6M 2016	6M 2015	Change
Global satisfaction (Frankfurt) [1]	82%	80%	2.0 PP
Punctuality rate (Frankfurt)	80.4%	80.2%	0.2 PP
Baggage connectivity (Frankfurt)	98.9%	98.7%	0.2 PP
Equipment availability rate (Frankfurt) [2]	96.9%	–	–
Employee satisfaction [3]	–	–	–
Rate per 1,000 employees [3]	–	–	–

Indicators	Q2 2016	Q2 2015	Change
Global satisfaction (Frankfurt) [1]	82%	80%	2.0 PP
Punctuality rate (Frankfurt)	77.8%	79.2%	–1.4 PP
Baggage connectivity (Frankfurt)	98.7%	98.7%	0.0 PP
Equipment availability rate (Frankfurt) [2]	96.8%	–	–
Employee satisfaction [3]	–	–	–
Rate per 1,000 employees [3]	–	–	–

[1] Global satisfaction is only surveyed quarterly at the Frankfurt site.
The Group airports in which Fraport holds a share of at least 50% collect the data on an annual basis.
[2] 2016 figure according to a new definition, 2015 figure not adjusted.
[3] Employee satisfaction and the rate per 1,000 employees are only surveyed on an annual basis.

Table 10

Customer satisfaction and product quality

Global satisfaction of passengers

The global satisfaction of passengers at the Frankfurt site was 82% in the first half of 2016, two percentage points above the level of the previous year (previous year: 80%). After reaching 82% in the first quarter, global satisfaction in the second quarter, too, was 82% (Q1 of the previous year: 79%, Q2 of the previous year: 80%).

Punctuality rate

The punctuality rate at the Frankfurt site in the first half of 2016 was 80.4% (previous year: 80.2%). Following a good first quarter of 2016 with a figure of 83.4% (previous year: 81.5%), the rate in the second quarter was 77.8% and therefore 1.4 percentage points lower than in the same period in the previous year (79.2%). In June 2016 in particular, the punctuality rate was negatively affected by numerous weather-related delays in air traffic and, at 70.2%, was the lowest monthly punctuality rate as of past five years.

Baggage connectivity

Baggage connectivity at the Frankfurt site improved to a level of 98.9% in the first half of 2016 (previous year: 98.7%). In the first quarter of 2016 in particular, connectivity rose by 0.4 percentage points (99.1% compared to 98.7% in the first quarter of 2015). In the second quarter of the reporting period, the level remained constant at 98.7% (Q2 2015: 98.7%).

Equipment availability rate

At the start of the current fiscal year, the method of determining the equipment availability rate was adjusted. Up to 2015, the rate was determined on the basis of technical availability; as of 2016 it has been determined on the basis of availability for passengers. There was no retroactive adjustment to the previous year's values. According to the adjusted calculation method, the equipment availability rate in the reporting period was 96.9%. In the second quarter, the rate reached a value of 96.8%. With an average availability of 88.7%, the availability of the Skyline train in particular had a negative effect on the total availability of the equipment in the reporting period due to a varied range of construction activities.

Appeal as an employer

Employee satisfaction

The employee satisfaction survey will be launched in the 16 participating Group companies towards the end of the third quarter of 2016.

Employee safety and health management

The rate per 1,000 employees is exclusively assessed on an annual basis as at the reporting date on December 31.

Employees

Development of employees in the Group

Average number of employees	6M 2016	6M 2015	Change	Change in %
Fraport Group	20,323	20,691	–368	–1.8
thereof Fraport AG	10,530	10,581	–51	–0.5
thereof in Group companies	9,793	10,110	–317	–3.1
thereof in Germany	18,470	18,897	–427	–2.3
thereof abroad	1,853	1,794	59	3.3
	Q2 2016	**Q2 2015**	**Absolute change**	**Change in %**
Fraport Group	20,401	20,741	–340	–1.6
thereof Fraport AG	10,528	10,565	–37	–0.4
thereof in Group companies	9,873	10,176	–303	–3.0
thereof in Germany	18,234	18,767	–533	–2.8
thereof abroad	2,167	1,974	193	9.8

Table 11

Compared with the same period of the previous year, the average number of employees in the Fraport Group (excluding apprentices and employees on leave) decreased to 20,323 in the first half of 2016 (previous year: 20,691). In Germany, there was less demand for manpower, particularly in the Group company APS Airport Personal Services (–177 employees), as a result of reduced traffic volume at the Frankfurt site. The average number of employees in the reporting period continued to decline owing to the sale of shares in the FCS Group company in November 2015 (–389 employees). The opposite effect on the development of employees in the Group could be seen from the increase in headcount in the FraSec Group company (+114 employees). Outside Germany, headcount rose because of the increased traffic in Bulgaria (+81 employees).

Development of total employees in the Group

Total employees as at the reporting date	June 30, 2016	June 30, 2015	Change	Change in %
Fraport Group	23,548	23,973	–425	–1.8
thereof Fraport AG	11,240	11,537	–297	–2.6
thereof in Group companies	12,308	12,436	–128	–1.0
thereof in Germany	20,443	20,919	–476	–2.3
thereof abroad	3,105	3,054	51	1.7

Table 12

Compared with the previous year's balance sheet date, the number of total employees (including joint ventures, temporary employees, apprentices, and employees on leave) of the Fraport Group as at June 30, 2016 fell by 425 to 23,548 (June 30, 2015: 23,973 employees). The decline as at the balance sheet date at Fraport AG of 297 employees is mainly due to employees taking up partial retirement. The reduction in Germany also resulted from the sale of shares in the FCS Group company in November 2015 (–416 employees). Abroad, there were lower levels of staffing inter alia on account of the sale of the Air-Transport IT Services Group company (–77 employees) and traffic-related reductions in the Antalya Group company (–134 employees). The opposite trend was registered by the Twin Star Group company because of growth in traffic (+226 employees).

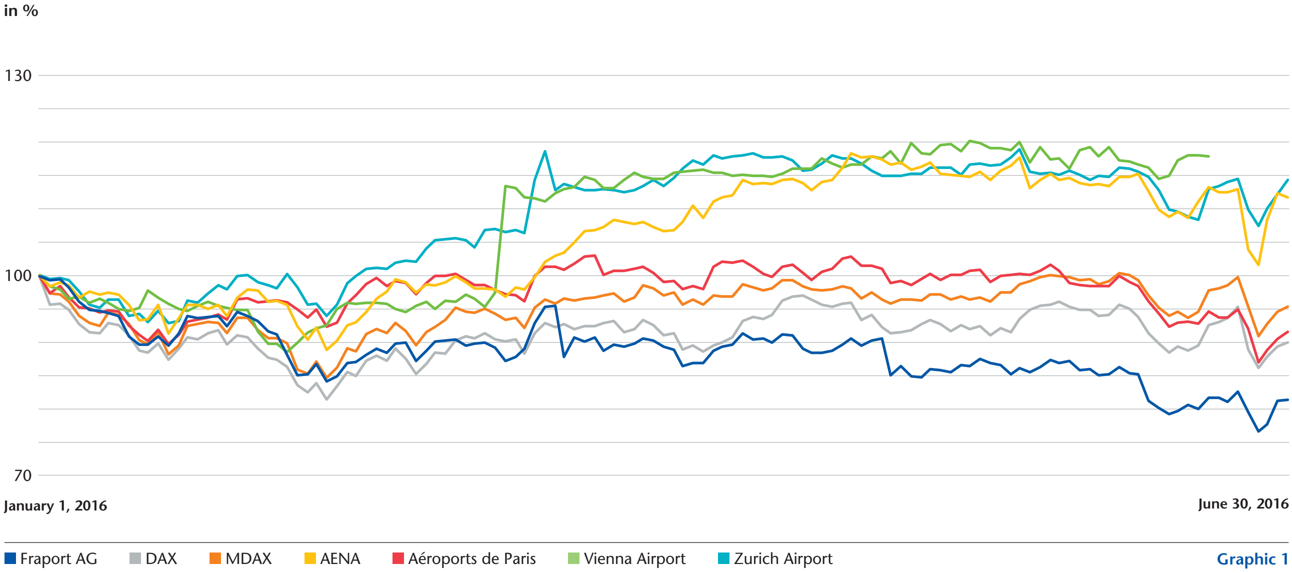
Research and Development

As stated in the 2015 Group management report, as a service-sector group, Fraport does not engage in research and development in the strict sense, therefore further disclosures in accordance with GAS 20 do not apply (see 2015 Annual Report, page 68). However, Fraport continues to utilize suggestions for improvements and innovations from employees, which play a successful role in retaining and expanding its international competitiveness (see 2015 Annual Report beginning on page 74).

There were no significant changes resulting from ideas and innovations influencing business development in the reporting period.

Share

Share price performance, index base 100



Graphic 1

Source: Bloomberg

Share performance

The German equity markets recorded a negative development in the first half of 2016. At 9,680 points, Germany's benchmark DAX index closed 9.9 % lower than the 2015 fiscal year's closing price. In the same period, the MDAX suffered a decline of 4.5 % and closed at 19,843 points as at the end of the first six months of 2016. In the first quarter of 2016 alone, the DAX lost 7.2 %, whereas the MDAX only faced a slight decline of 1.8 %. The slump on the German stock exchange continued in the second quarter of 2016. Above all, the expected negative consequences of the UK's decision to leave the EU following the referendum at the end of June 2016 led to a further worsening in mood. On the other hand, the low interest rates and overall slightly favorable economic conditions continued to have a positive impact.

The Fraport share developed negatively within this challenging market environment. After a price drop of 9.6 % in the first quarter of the current fiscal year, the share price once again fell significantly by 9.9 % to €48.03 in the second quarter. Cumulatively, the decline in the first half year was 18.5 % or, taking into account the dividend payment of May 23, 2016 amounting to €1.35 per share, 16.2 %.

The shares of other stock-exchange listed European airports performed as follows in the reporting period: AENA +11.8 %, Aéroports de Paris –8.4 %, Vienna Airport +14.2 %, and Zurich Airport +14.3 %.

The Fraport share

	6M 2016	Q2 2016
Opening price in €	58.94	53.31
Closing price in €	48.03	48.03
Absolute change [1]	–10.91	–5.28
Change in % [2]	–18.5 %	–9.9 %
Highest price in € (daily closing price)	58.94	53.93
Lowest price in € (daily closing price)	45.25	45.25
Average price in € (daily closing prices)	52.18	50.74
Average trading volume per day (number)	184,267	186,500
Market capitalization in € million (quarterly closing price)	4,439	4,439

[1] Change including dividend: 6M 2016: –€9.56, Q2 2016: –€3.93.
[2] Change including dividend: 6M 2016: –16.2 %, Q2 2016: –7.4 %.

Table 13

Development in shareholder structure

Fraport was notified of the following changes in shareholder structure in the reporting period:

Notification of voting rights pursuant to Section 21 of the German Securities Trading Act (WpHG)

Holders of voting rights	Date of change	Type of change	New share of voting rights
BlackRock, Inc. [1]	January 7, 2016	Fell below the 3% threshold	2.97%
BlackRock, Inc. [1]	January 8, 2016	Exceeded the 3% threshold	3.03%
BlackRock, Inc. [1]	January 20, 2016	Fell below the 3% threshold	2.63%
BlackRock, Inc. [1]	January 22, 2016	Exceeded the 3% threshold	3.01%
BlackRock, Inc. [1]	January 25, 2016	Fell below the 3% threshold	2.92%
Legg Mason, Inc. [1]	May 31, 2016	Fell below the 3% threshold	2.826%

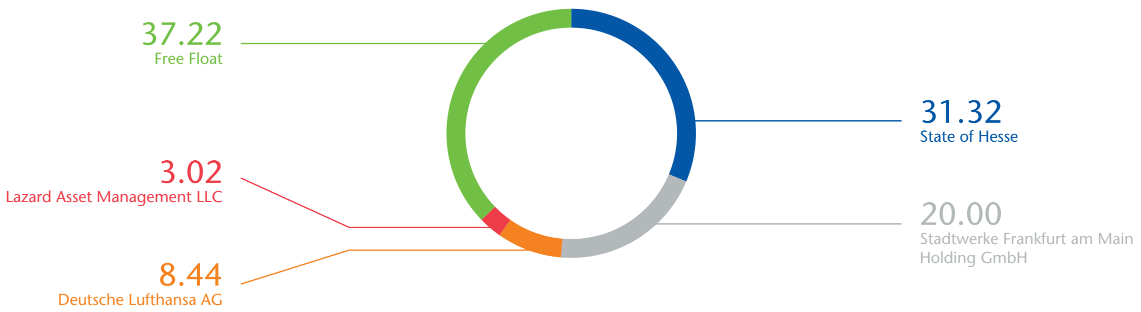
[1] All voting rights were allocated pursuant to Section 22 WpHG.

Table 14

As at June 30, 2016, the shareholder structure adjusted to the current total number of voting rights was as follows:

Shareholder structure as at June 30, 2016 [1]

in %



[1] The relative ownership interests were adjusted to the current total number of shares as at June 30, 2016 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Interests below 3% are classified under Free Float.

Graphic 2

Dividend for the fiscal year 2015 (resolution on the appropriation of earnings)

As in the previous year, the 2016 Annual General Meeting passed a resolution to pay out a dividend of €1.35 per share for the fiscal year 2015. Compared to the share closing price in 2015 of €58.94, this corresponded to a dividend yield of 2.3% (previous year: 2.8%). The profit earmarked for distribution used for this of €124.7 million (previous year: €124.7 million) therefore corresponded in relation to Fraport AG's result for the year 2015 of €211.7 million (previous year: €178.5 million) – to a pay-out ratio of 58.9% (previous year: 69.9%) or – in relation to the Group result attributable to shareholders of Fraport AG of €276.5 million – of 45.1% (previous year: 53.1%).

Significant Events after the Balance Sheet Date

Application to increase airport charges submitted

After the application for airport charges made on July 1, 2015 was withdrawn by Fraport on October 29, 2015, due to differences of opinion between Fraport and the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVL) with regard to the calculation of significant cost items in calculating the airport charges, Fraport submitted an amended application to HMWEVL for the Frankfurt site for the intended increase in airport charges by an average of 1.9 % for 2017. The submission of the application has no effect on the forecasted development of the asset, financial, and earnings position for the 2016 fiscal year.

Sale of shares in Thalita Trading Ltd.

Fraport AG Frankfurt Airport Services Worldwide (Fraport AG) obtained agreement on July 31, 2016, together with its consortium partners, to sell shares in Thalita Trading Ltd. to the Qatar Investment Authority. In doing so, Fraport AG will reduce its equity share in Thalita Trading Ltd. from 35.5 to 25 %. In conjunction with this, a subsidiary of Fraport AG will also sell loans provided to Thalita Trading Ltd. Fraport AG will continue to retain its role as airport operator. Closing of the transaction is still subject to approval by the Russian Government and the senior project finance lenders. Fraport AG now assumes that the approvals will be obtained and the transaction will be closed during the second half of 2016. Based on the current book values Fraport AG expects the total transaction to generate a gain between €30 million and €40 million, which will fully impact the Group EBITDA, EBIT, and EBT in the 2016 business year and will positively influence the Group result.

There were no other significant events after the balance sheet date for the Fraport Group.

Outlook Report

General Statement of the Executive Board

The Executive Board now forcasts an estimated slight decline in passenger development at the Frankfurt site for the 2016 fiscal year because of the challenging traffic development to date. Group-wide, the Executive Board expects inconsistent traffic development because of current geopolitical crises. Because of the sale of shares to the operating company of the Pulkovo airport in St. Petersburg (Thalita Trading Ltd.) and the current passenger forecast for Frankfurt airport, which is why the Executive Board continues to adhere to its forecasts for the Fraport Group's asset, financial, and earnings position in the 2016 fiscal year. Group-wide, positive as well as negative effects may continue to arise from exchange rate fluctuations, which may impact the purchasing power of passengers in the retail shops. Above all, the development at the St. Petersburg and Antalya sites may, because of the continuing tense economic and political situation in Russia and – in particular at the moment following the attempted coup in July 2016 – in Turkey, continue to influence both the traffic outlook and the forecasted group-wide results of operations.

At the closing of the reporting period, the Executive Board continues to assess that there are no significant risks that might jeopardize the Fraport Group as a going concern. The Executive Board continues to examine opportunities for optimizing the asset and financial position and aims to expand the external business with a focus on revenue. In connection with the acquisition of the 14 Greek regional airports, the Executive Board expects them to be taken over into the Fraport Group towards the end of the current fiscal year. The plan is to finalize the project financing for the end of the year. The forecast for the current 2016 fiscal year does not include any effects from the operation of this transaction. Further acquisitions or disposals of businesses are likewise not included in the forecast. The Executive Board continues to assess the financial situation in the forecasted period as stable.

Risk and Opportunities Report

In the 2015 Group Management Report, Fraport reported on potential risks for the Antalya Group company resulting from terrorist attacks, political unrest and conflicts on the border between Iraq and Syria (see 2015 Annual Report, beginning on page 88). Moreover, potential negative effects from recent tensions between Russia and Turkey were described that resulted in Russia imposing sanctions and an associated suspension of charter traffic as of January 1, 2016. The latter risk, which was assessed as being “likely” to occur and resulting in a “very high” level of damage, had developed as at March 31, 2016 such that an almost complete loss of Russian passengers was taken into account in the forecasted result for the Group company in 2016. Since Russia decided to lift sanctions against Turkey on June 30, 2016, it can be expected that charter traffic from Russia to Turkey will resume, which will result in a slight recovery. As a whole, the Executive Board now assumes, compared to the forecast of December 31, 2015 and of the first quarter of 2016, that there will be a slight improvement in Russian passenger numbers in the second half of 2016.

As already reported in the first quarter of 2016, the worsening security situation in Turkey has in the recent past given rise to the risk of additional negative development in other European passenger traffic. This risk assessment has been confirmed over the course of the year. If this risk is realized, “significant” negative consequences can be expected. If the traffic situation does not improve significantly, it is also possible that complying with the obligations in the financing agreement between Antalya and the financing banks cannot be fully guaranteed. The occurrence of this risk is rated “unlikely” owing among other things to the constant and constructive dialog with all interested parties; it could lead to “greatly” negative consequences, however, if this risk were to materialize.

Business Outlook

Forecasted situation of the Group for 2016

The forecasted situation of the Fraport Group for 2016 as presented in the 2015 Group management report remains unchanged with respect to operating activities, structure, strategy, and control of the Group (see 2015 Annual Report beginning on page 94).

Forecasted economic and industry-specific conditions for 2016

Development of the economic conditions

Financial and economic institutions expect weaker growth in the world economy for 2016. Following global economic growth of approximately 3.1 % in 2015, an increase of 2.4 to 3 % is expected for the current fiscal year. Global trade will rise by up to 2.7 %, according to current forecasts. In industrial countries, inflation at a restrained level is expected. The expansionary monetary policy of the central banks is counteracted by the price drop in energy. With regard to the € to US$ exchange rate, it is assumed that the slight depreciation trend will continue. There are currently no signs on the part of the US Federal Reserve of a change in the ongoing low interest-rate policy. The UK’s decision to leave the EU may further strain the exchange rate of the € to the US$. Overcapacity in the worldwide oil trade is continuing to result in a low oil price, as the oil industry in the USA was able to compensate for restrictions on the quantities of oil produced by OPEC. Consequently, the oil price may rise slightly if there is an expansion in the world economy, but a return to a high price level such as in 2014 appears unlikely.

The USA will continue to show positive growth in 2016 (GDP forecast is approximately 1.9 %). While only moderate development is anticipated in Japan – due to a limited economic policy stimulus and the consolidation of public finances – the growth rates for emerging countries are again expected to significantly exceed those for industrial countries. Growth in China is likely to weaken.

The short and medium-term effects of the pending UK departure from the EU on the economy of the eurozone are hard to forecast. Economic institutions as a whole are reducing their growth forecasts for Europe. For the 2016 fiscal year, growth in economic performance of approximately 1.6 % is forecasted. Given the close trading relations with the UK economy, moderate development in growth is expected for Germany in 2017, in particular. The forecast on export performance in particular is more conservative; however, it is not expected to harm domestic demand, because the drivers job market and construction investments continue to provide positive stimuli. Many forecasts for Germany therefore assume growth in the range of 1.5 % to 1.7 % and are thus slightly below the level for the previous year.

The following growth rates are expected for the countries with key investments: Bulgaria +2.3 %, China +6.6 %, Greece +0.6 %, Peru +3.7 %, Russia – 1.2 %, Slovenia +1.9 %, and Turkey +3.8 %.

Sources: OECD (June 2016), IMF (April 2016, July 2016), Deutsche Bank Research (July 2016), DekaBank (May 2016), Statistisches Bundesamt (May 2016).

Development of the legal environment

No further changes to the legal environment that would have a significant influence on the business development of Fraport can currently be discerned.

Development of the global aviation market

Based on the expected development of economic conditions, and taking into account the financial situation of the airlines, IATA anticipates global passenger growth of 6.2% in 2016, based on revenue passenger kilometer (RPK). Regionally IATA anticipates the following growth rates (also based on RPK): Europe: 4.9%, North America: 4%, Asia-Pacific: 8.5%, Latin America: 4.2%, Middle East: 11.2%, and Africa: 4.5%. Globally, cargo is expected to grow by 2.1%. While passengers are benefiting from the low price of jet fuel, cargo growth is suffering from the stagnation in world trade.

Source: IATA "Airline Industry Economic Performance" (June 2016).

Forecasted business development for 2016

Taking account of the economic and industry-specific conditions, business development to date, and the intensity that is hard to predict of any strikes and developments on key tourist markets that result from geopolitical crises as well as on account of terrorist threats, the Executive Board has adjusted its forecasted passenger traffic for the 2016 fiscal year for the Frankfurt site. Following positive traffic development in the first quarter, but worse in the second, uncertainties continue to result from political crises and the short-term yield and capacity management of the airlines. In this context, the Executive Board now expects a slight decline in passenger traffic. However, the extent of the decline is particularly difficult to predict for inbound intercontinental passenger traffic due to recent terror attacks. If the uncertainties described above continue or even increase, this might have a dampening effect on future growth in traffic. With regard to cargo tonnage handled, the Executive Board does not expect a recovery compared to 2015 in fiscal year 2016 and expects cargo throughput at around the level of 2015. The momentum of world trade remains weak, however the world economic climate has improved a little recently.

Since the economic and political development of Russia remains hard to predict and because of the latest political and terrorist incidents in Turkey, the traffic prospects of the **St. Petersburg** and **Antalya** airports continue to face great uncertainty. Whilst a decline in passenger numbers in the mid single-digit range is forecasted for St. Petersburg Airport, the Executive Board expects to lose close to one third of total passengers for Antalya Airport. The collapse in international passengers is once again expected to be significantly higher. As at the editorial deadline, the Executive Board still did not see any positive effects, despite the lifting of sanctions by Russia and the end of the previous related cessation of charter traffic to Turkey. The consequences of the attempted coup in July 2016 in particular may also have a dampening effect. The airports in **Varna** and **Burgas,** however, will develop very positively and may inter alia also benefit from the negative developments in other holiday regions. Therefore the Executive Board expects growth rates in the low double-digits for both locations. Based on the positive economic assumptions and tourism forecasts, the Executive Board expects further significant growth at **Lima** Airport at a high single-digit growth rate and at the **Xi'an** site at a low double-digit growth rate in the 2016 fiscal year. For the **Ljubljana** Group company, the Executive Board forecasts declines in the mid single-digit percent range.

Forecasted results of operations for 2016

Due to the sale of shares in the operating company of Pulkovo Airport in St. Petersburg (Thalita Trading Ltd.) and the slight decline now expected in passenger development in Frankfurt, the Executive Board continues to adhere to its forecasts for the asset, financial, and earnings position of the Fraport Group in the 2016 fiscal year (see Annual Report 2015 beginning on page 94).

Forecasted segment development for 2016

Within the segments the Executive Board expects – in contrast to the forecasts made in the 2015 Annual Report – due to the slight decline in passenger development at the Frankfurt site a significant worse development of the segment EBITDA and segment EBIT (forecast at the start of the fiscal year: slightly above the 2015 level or slightly better development). In Ground Handling, the Executive Board expects a slightly better development of the segment EBITDA and segment EBIT (forecast at the start of the fiscal year: value slightly above the level of the previous year or slightly stronger growth than the segment EBITDA). The sale of shares in the operating company of Pulkovo Airport in St. Petersburg will enhance the other income from the External Activities & Services segment and the Executive Board therefore expects a significant increase in segment EBITDA and EBIT (forecast at the start of the fiscal year: increase in segment EBITDA and EBIT of up to €10 million each).

Forecasted non-financial performance indicators for 2016

The Executive Board also confirms its forecast for the development of the non-financial performance indicators in the 2016 fiscal year (see 2015 Annual Report beginning on page 94).

Group Interim Financial Statements

Consolidated Income Statement

€ million	6M 2016	6M 2015	Q2 2016	Q2 2015
Revenue	**1,224.8**	**1,241.9**	**652.3**	**666.0**
Change in work-in-process	0.4	0.5	0.3	0.3
Other internal work capitalized	14.4	14.2	8.1	7.1
Other operating income	19.2	17.9	14.8	13.3
Total revenue	**1,258.8**	**1,274.5**	**675.5**	**686.7**
Cost of materials	−294.7	−289.3	−149.0	−146.0
Personnel expenses	−514.3	−521.8	−257.6	−265.9
Other operating expenses	−71.4	−78.4	−36.1	-42.9
EBITDA	**378.4**	**385.0**	**232.8**	**231.9**
Depreciation and amortization	−163.8	−163.1	−82.5	−82.0
EBIT/Operating result	**214.6**	**221.9**	**150.3**	**149.9**
Interest income	16.4	14.3	7.8	6.5
Interest expenses	−74.3	−82.8	−36.8	−40.7
Result from companies accounted for using the equity method	−11.2	1.9	1.1	15.0
Other financial result	0.3	−3.1	1.6	5.9
Financial result	**−68.8**	**−69.7**	**−26.3**	**−13.3**
EBT/Result from ordinary operations	**145.8**	**152.2**	**124.0**	**136.6**
Taxes on income	−46.1	−49.2	−39.4	−44.2
Group result	**99.7**	**103.0**	**84.6**	**92.4**
thereof profit attributable to non-controlling interests	7.2	5.0	5.6	4.3
thereof profit attributable to shareholders of Fraport AG	92.5	98.0	79.0	88.1
Earnings per €10 share in €				
basic	1.00	1.06	0.86	0.96
diluted	1.00	1.06	0.85	0.95

Table 15

Consolidated Statement of Comprehensive Income

€ million	6M 2016	6M 2015	Q2 2016	Q2 2015
Group result	**99.7**	**103.0**	**84.6**	**92.4**
Remeasurements of defined benefit pension plans	–2.9	–0.5	–2.9	–0.5
(Deferred taxes related to those items	0.9	0.2	0.9	0.2)
Items that will not be reclassified subsequently to profit or loss	**–2.0**	**–0.3**	**–2.0**	**–0.3**
Fair value changes of derivatives				
Changes directly recognized in equity	17.0	20.4	20.7	23.7
realized gains (+)/losses (–)	5.0	0.4	13.6	10.7
	12.0	**20.0**	**7.1**	**13.0**
(Deferred taxes related to those items	–3.7	–6.2	–2.2	–4.0)
Fair value changes of financial instruments held for sale				
Changes directly recognized in equity	4.6	11.2	3.3	–3.1
realized gains (+)/losses (–)	0.0	4.6	0.0	4.6
	4.6	**6.6**	**3.3**	**–7.7**
(Deferred taxes related to those items	–0.9	1.5	–0.1	1.8)
Currency translation of foreign Group companies	**–4.2**	**13.1**	**3.8**	**–5.5**
Income and expenses from companies accounted for using the equity method directly recognized in equity	**–2.5**	**7.3**	**–0.3**	**–6.1**
(Deferred taxes related to those items	–0.4	0.5	–0.2	0.1)
Items that will be reclassified subsequently to profit or loss	**4.9**	**42.8**	**11.4**	**–8.4**
Other result after deferred taxes	**2.9**	**42.5**	**9.4**	**–8.7**
Comprehensive income	**102.6**	**145.5**	**94.0**	**83.7**
thereof attributable to non-controlling interests	6.4	7.3	6.5	3.1
thereof attributable to shareholders of Fraport AG	96.2	138.2	87.5	80.6

Table 16

Consolidated Statement of Financial Position

Assets

€ million	June 30, 2016	December 31, 2015
Non-current assets		
Goodwill	41.7	41.7
Investments in airport operating projects	490.5	500.9
Other intangible assets	156.7	161.2
Property, plant and equipment	6,016.1	6,045.4
Investment property	74.5	74.5
Investments in companies accounted for using the equity method	214.4	237.6
Other financial assets	635.6	659.2
Other receivables and financial assets	169.3	167.0
Income tax receivables	6.0	5.4
Deferred tax assets	33.4	33.4
	7,838.2	**7,926.3**
Current assets		
Inventories	40.6	42.8
Trade accounts receivable	168.0	154.0
Other receivables and financial assets	330.6	310.8
Income tax receivables	8.9	7.4
Cash and cash equivalents	423.7	406.0
	971.8	**921.0**
Total	**8,810.0**	**8,847.3**

Table 17

Liabilities and equity

€ million	June 30, 2016	December 31, 2015
Shareholders' equity		
Issued capital	923.6	923.1
Capital reserve	596.4	594.3
Revenue reserves	1,891.5	1,919.9
Equity attributable to shareholders of Fraport AG	3,411.5	3,437.3
Non-controlling interests	82.3	74.4
	3,493.8	**3,511.7**
Non-current liabilities		
Financial liabilities	3,273.6	3,273.8
Trade accounts payable	40.9	42.5
Other liabilities	429.1	447.7
Deferred tax liabilities	173.2	172.2
Provisions for pensions and similiar obligations	34.2	30.7
Provisions for income taxes	67.2	62.1
Other provisions	201.8	201.6
	4,220.0	**4,230.6**
Current liabilities		
Financial liabilities	547.5	543.6
Trade accounts payable	148.7	143.1
Other liabilities	188.3	129.4
Provisions for income taxes	23.6	56.0
Other provisions	188.1	232.9
	1,096.2	**1,105.0**
Total	**8,810.0**	**8,847.3**

Table 18

Consolidated Statement of Cash Flows

€ million	6M 2016	6M 2015	Q2 2016	Q2 2015
Profit attributable to shareholders of Fraport AG	**92.5**	**98.0**	**79.0**	**88.1**
Profit attributable to non-controlling interests	7.2	5.0	5.6	4.3
Adjustments for				
Taxes on income	46.1	49.2	39.4	44.2
Depreciation and amortization	163.8	163.1	82.5	82.0
Interest result	57.9	68.5	29.0	34.2
Gains/losses from disposal of non-current assets	0.7	3.0	0.2	2.9
Others	–6.0	1.3	–5.6	–6.5
Fair value changes of companies accounted for using the equity method	11.2	–1.9	–1.1	–15.0
Changes in inventories	2.2	–1.2	2.4	–0.4
Changes in receivables and financial assets	–22.1	–23.6	–2.8	–3.9
Changes in liabilities	39.5	–7.1	26.3	–25.6
Changes in provisions	–33.8	–3.8	–21.1	5.5
Operating activities	**359.2**	**350.5**	**233.8**	**209.8**
Financial activities				
Interest paid	–26.2	–46.5	–16.5	–32.1
Interest received	4.8	10.6	1.1	6.3
Taxes on income paid	–80.2	–38.0	–51.2	–21.3
Cash flow from operating activities	**257.6**	**276.6**	**167.2**	**162.7**
Investments in airport operating projects	–9.2	–7.7	–3.9	–3.7
Capital expenditure for other intangible assets	–2.8	–3.4	–2.0	–0.7
Capital expenditure for property, plant and equipment	–119.7	–92.5	–62.2	–46.2
Investment property	–0.5	–6.1	–0.1	–2.4
Sale of fully consolidated subsidiaries	0.0	10.0	0.0	10.0
Dividends from companies accounted for using the equity method	23.9	22.8	5.1	14.8
Proceeds from disposal of non-current assets	1.7	1.2	1.2	–0.9
Cash flow used in investing activities without investments in cash deposits and securities	**–106.6**	**–75.7**	**–61.9**	**–29.1**
Financial investments in securities and promissory note loans	–45.1	–125.9	–14.6	–50.0
Proceeds from disposal of securities and promissory note loans	65.0	234.8	38.0	128.9
Decrease of time deposits with a term of more than three months	45.6	25.0	67.7	–30.0
Cash flow used in/from investing activities	**–41.1**	**58.2**	**29.2**	**19.8**
Dividends paid to shareholders of Fraport AG	–124.6	–124.6	–124.6	–124.6
Dividends paid to non-controlling interests	–1.3	–3.6	–1.3	–1.0
Capital increase	2.6	2.4	2.6	2.4
Acquisition of non-controlling interests	0.0	–4.1	0.0	–0.7
Cash inflow from long-term financial liabilities	295.0	0.0	235.0	0.0
Repayment of long-term financial liabilities	–471.3	–272.0	–442.3	–266.7
Changes in short-term financial liabilities	149.3	81.1	195.4	76.1
Cash flow used in financing activities	**–150.3**	**–320.8**	**–135.2**	**–314.5**
Change in cash and cash equivalents	66.2	14.0	61.2	–132.0
Cash and cash equivalents as at January 1 and April 1	230.7	167.8	230.2	325.5
Foreign currency translation effects on cash and cash equivalents	–2.9	7.7	2.6	–4.0
Cash and cash equivalents as June 30	**294.0**	**189.5**	**294.0**	**189.5**

Table 19

Consolidated Statement of Changes in Equity

€ million	Issued capital	Capital reserve	Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to share–holders of Fraport AG	Non–controlling interests	Equity (total)
Balance as at January 1, 2016	**923.1**	**594.3**	**1,886.4**	**47.7**	**–14.2**	**1,919.9**	**3,437.3**	**74.4**	**3,511.7**
Foreign currency translation effects	–	–	–	–3.4	–	–3.4	–3.4	–0.8	–4.2
Income and expenses from companies accounted for using the equity method directly recognized in equity	–	–	–	–4.7	1.8	–2.9	–2.9	–	–2.9
Remeasurements of defined benefit plans			–2.0			–2.0	–2.0		–2.0
Fair value changes of financial instruments held for sale	–	–	–	–	3.7	3.7	3.7	–	3.7
Fair value changes of derivatives	–	–	–		8.3	8.3	8.3	–	8.3
Other result	–	–	–2.0	–8.1	13.8	3.7	3.7	–0.8	2.9
Issue of shares for employee investment plan	0.5	2.1	–	–	–	–	2.6	–	2.6
Distributions	–	–	–124.6	–	–	–124.6	–124.6	–1.3	–125.9
Group result	–	–	92.5	–	–	92.5	92.5	7.2	99.7
Capital contributions to the Airports of Greece companies	–	–	–	–	–	–	–	2.8	2.8
Consolidation activities/other changes	–	–	–	–	–	–	–	–	–
Balance as at June 30, 2016	**923.6**	**596.4**	**1,852.3**	**39.6**	**–0.4**	**1,891.5**	**3,411.5**	**82.3**	**3,493.8**
Balance as at January 1, 2015	**922.7**	**592.3**	**1,731.8**	**26.6**	**–52.3**	**1,706.1**	**3,221.1**	**64.9**	**3,286.0**
Foreign currency translation effects	–	–	–	10.8	–	10.8	10.8	2.3	13.1
Income and expenses from companies accounted for using the equity method directly recognized in equity	–	–	–	9.9	–2.1	7.8	7.8	–	7.8
Remeasurements of defined benefit plans	–	–	–0.3	–	–	–0.3	–0.3	–	–0.3
Fair value changes of financial instruments held for sale	–	–	–	–	8.1	8.1	8.1	–	8.1
Fair value changes of derivatives	–	–	–	–	13.8	13.8	13.8	–	13.8
Other result	–	–	–0.3	20.7	19.8	40.2	40.2	2.3	42.5
Issue of shares for employee investment plan	0.4	2.0	–	–	–	–	2.4	–	2.4
Distributions	–	–	–124.6	–	–	–124.6	–124.6	–3.6	–128.2
Group result	–	–	98.0	–	–	98.0	98.0	5.0	103.0
Transactions with non–controlling interests	–	–	–	–	–	–		–4.7	–4.7
Consolidation activities/other changes	–	–	–0.1	–	–	–0.1	–0.1	–	–0.1
Balance as at June 30, 2015	**923.1**	**594.3**	**1,704.8**	**47.3**	**–32.5**	**1,719.6**	**3,237.0**	**63.9**	**3,300.9**

Table 20

Segment Reporting

€ million		Aviation	Retail & Real Estate	Ground Handling	External Activities & Services	Recon-ciliation	Group
	6M 2016	431.7	239.9	308.9	244.3		1,224.8
Revenue	6M 2015	444.0	233.1	333.0	231.8		1,241.9
	6M 2016	11.7	13.0	4.8	4.5		34.0
Other income	6M 2015	10.1	5.3	5.2	12.0		32.6
	6M 2016	**443.4**	**252.9**	**313.7**	**248.8**		**1,258.8**
Third-party revenue	**6M 2015**	**454.1**	**238.4**	**338.2**	**243.8**		**1,274.5**
	6M 2016	43.2	108.4	23.7	183.7	–359.0	
Intersegment revenue	6M 2015	40.3	118.9	21.8	180.1	–361.1	
	6M 2016	**486.6**	**361.3**	**337.4**	**432.5**	**–359.0**	**1,258.8**
Total revenue	**6M 2015**	**494.4**	**357.3**	**360.0**	**423.9**	**–361.1**	**1,274.5**
	6M 2016	95.7	182.3	17.7	82.7		378.4
EBITDA	6M 2015	102.4	183.9	12.6	86.1		385.0
	6M 2016	62.2	42.0	19.4	40.2		163.8
Depreciation and amortization of segment assets	6M 2015	59.5	41.3	21.2	41.1		163.1
	6M 2016	**33.5**	**140.3**	**–1.7**	**42.5**		**214.6**
Segment result (EBIT)	**6M 2015**	**42.9**	**142.6**	**–8.6**	**45.0**		**221.9**
	June 30, 2016	**3,866.5**	**2,397.8**	**619.1**	**1,878.3**	**48.3**	**8,810.0**
Book value of segment assets	**December 31, 2015**	**3,853.8**	**2,414.8**	**620.4**	**1,912.1**	**46.2**	**8,847.3**

Table 21

Selected Notes

Accounting and Valuation Policies

The 2015 consolidated financial statements were prepared 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 (IFRS IC) as applicable in the European Union. These abbreviated interim financial statements of the Fraport Group for the period ending June 30, 2016 have been prepared in accordance with IAS 34. As far as they apply to the Fraport Group, all official bulletins of the IASB as at January 1, 2016 have been taken into account. The interim report also meets the requirements of German Accounting Standard No. 16 (GAS 16) on interim financial reporting.

With respect to the accounting and valuation methods applied in Group accounting, please see the 2015 Annual Report (see 2015 Annual Report beginning on page 115).

The interim financial statements were not reviewed or audited by an independent auditor.

Disclosures on Carrying Amounts and Fair Values

The following tables present the carrying amounts and fair values of the financial instruments as at June 30, 2016 and December 31, 2015, respectively:

Financial instruments as at June 30, 2016

€ million	Measured at amortized costs		Measured at fair value			June 30, 2016
Measurement category according to IAS 39	Loans and receivables		Recognized in profit or loss / Held for trading	Available for sale	Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	
Financial assets						
Cash and cash equivalents	423.7	423.7				423.7
Trade accounts receivable	168.0	168.0				168.0
Other financial receivables and assets	144.3	147.4		215.2		362.6
Other financial assets						
Securities				381.9		381.9
Other investments				93.6		93.6
Loans to joint ventures	4.3	4.3				120.3
Loans to associated companies	120.3	120.3				
Other loans	35.3	35.3				35.3
Total	**895.9**	**899.0**	**0.0**	**690.7**	**0.0**	**1,585.4**

	Other financial liabilities		Held for trading	IAS 17 Liability		Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount	Fair value	Carrying amount [1]	
Financial liabilities							
Trade accounts payable	189.6	194.4					194.4
Other financial liabilities	321.6	483.4					483.4
Financial liabilities	3,821.1	4,006.3					4,006.3
Liabilities from finance leases				24.4	29.5		29.5
Derivative financial liabilities							
Hedging derivative						67.3	67.3
Other derivatives			35.3				35.3
Total	**4,332.3**	**4,684.1**	**35.3**	**24.4**	**29.5**	**67.3**	**4,816.2**

[1] The carrying amount equals the fair value of the financial instruments.

Table 22

Financial instruments as at December 31, 2015

€ million	Measured at amortized costs			Measured at fair value		December 31, 2015
Measurement category according to IAS 39			Recognized in profit or loss	Available for sale	Hedging derivative	Total fair value
	Loans and receivables		Held for trading			
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount [1]	Carrying amount [1]	
Financial assets						
Cash and cash equivalents	406.0	406.0				406.0
Trade accounts receivable	154.0	154.0				154.0
Other financial receivables and assets	126.1	126.1		213.3		339.4
Other financial assets						0.0
Securities				408.2		408.2
Other investments				91.8		91.8
Loans to joint ventures	4.3	4.3				4.3
Loans to associated companies	120.3	120.3				120.3
Other loans	34.6	34.6				34.6
Total	**845.3**	**845.3**	**0.0**	**713.3**	**0.0**	**1,558.6**

	Other financial liabilities		Held for trading	IAS 17 Liability		Hedging derivative	Total fair value
	Carrying amount	Fair value	Carrying amount [1]	Carrying amount	Fair value	Carrying amount [1]	
Financial liabilities							
Trade accounts payable	185.5	190.3					190.3
Other financial liabilities	343.9	438.0					438.0
Financial liabilities	3,817.4	3,987.9					3,987.9
Liabilities from finance leases				27.7	30.1		30.1
Derivative financial liabilities							
Hedging derivative						79.4	79.4
Other derivatives			34.1				34.1
Total	**4,346.8**	**4,616.2**	**34.1**	**27.7**	**30.1**	**79.4**	**4,759.8**

[1] The carrying amount equals the fair value of the financial instruments.

Table 23

Given the short terms, the carrying amounts of cash and cash equivalents, trade accounts receivable, and current other financial receivables and assets as at the reporting date correspond to the fair value.

The fair values of listed securities are identical to the stock market prices on the reporting date. The valuation of unlisted securities was based on market data applicable on the valuation date using reliable and specialized sources and data providers. The values are determined using established valuation models.

The derivative financial instruments relate to interest rate hedging transactions. The fair values of these financial instruments are determined on the basis of discounted future expected cash flows, using market interest rates corresponding to the terms to maturity.

In order to determine the fair value of financial liabilities, the future expected cash flows are determined and discounted based on the yield curve on the reporting date. The market-driven and maturity-linked risk premium of the respective borrower on the reporting date is added to the cash flows.

Other investments mainly relate to shares in Delhi International Airport Private Ltd. The fair value was determined based on a current bid and taking current foreign currency rates into account.

The fair values of loans to joint ventures and associated companies, as well as other non-current financial assets, are determined as the present value of future cash flows. Discounting was applied using the current maturity-linked interest rate as at the balance sheet date. The fair value of the loan including interest receivables to NCG is mainly affected by cash flow forecasts and interest rate developments.

The carrying amounts of other loans correspond to the respective fair values. Some of the other loans are subject to a market interest rate, and their carrying amounts therefore represent a reliable valuation for their fair values. Another part of the other loans is reported at present value as at the balance sheet date. The remaining other loans are promissory note loans with a remaining term of less than four years. Due to the lack of an active market, no information is available on the risk premiums of their respective issuers. As the promissory note loans are mainly floating interest rate loans, their carrying amounts were used as the most reliable value for their fair values. There is no intention to sell as at the balance sheet date.

Non-current liabilities are recognized at their present value. Interest rates with similar terms on the date of addition are used as a basis for discounting future cash outflows. To determine fair value, the respective cash outflows are discounted at interest rates with similar terms and with the Fraport credit risk as at the reporting date. The carrying amounts of current liabilities are equal to the fair value. There is a general interest rate risk for fixed-interest loans that are extended at the ends of their terms.

The fair values of financial instruments belong to the following measurement categories of the hierarchy pursuant to IFRS 13:

€ million	June 30, 2016	Level 1 Quoted prices	Level 2 Derived prices	Level 3 Prices that cannot be derived
Financial assets				
Other financial receivables and financial assets				
Available for sale	215.2	215.2	0.0	0.0
Loans and receivables	147.4	0.0	82.2	65.2
Other financial assets				
Securities	381.9	323.9	58.0	0.0
Other investments	93.6	0.0	93.6	0.0
Loans to joint ventures	4.3	0.0	4.3	0.0
Loans to associated companies	120.3	0.0	0.0	120.3
Other loans	35.3	0.0	35.3	0.0
Total	**998.0**	**539.1**	**273.3**	**185.5**
Financial liabilities				
Trade accounts payable	194.4	0.0	194.4	0.0
Other financial liabilities	483.4	0.0	483.4	0.0
Financial liabilities	4,006.3	0.0	4,006.3	0.0
Liabilities from finance leases	29.5	0.0	29.5	0.0
Derivative financial liabilities				
Derivatives without hedging relationships	35.3	0.0	35.3	0.0
Derivatives with hedging relationships	67.3		67.3	0.0
Total	**4,816.2**	**0.0**	**4,816.2**	**0.0**

Table 24

As at December 31, 2015, the financial instruments recognized at fair value in the statement of the financial position belonged to the following measurement categories of the hierarchy pursuant to IFRS 13:

€ million	December 31, 2015	Level 1 Quoted prices	Level 2 Derived prices	Level 3 Prices that cannot be derived
Financial assets				
Other financial receivables and financial assets				
Available for sale	213.3	213.3	0.0	0.0
Loans and receivables	126.1	0.0	69.7	56.4
Other financial assets				
Securities	408.2	350.3	57.9	0.0
Other investments	91.8	0.0	91.8	0.0
Loans to joint ventures	4.3	0.0	4.3	0.0
Loans to associated companies	120.3	0.0	0.0	120.3
Other loans	34.6	0.0	34.6	0.0
Total	**998.6**	**563.6**	**258.3**	**176.7**
Financial liabilities				
Trade accounts payable	190.3	0.0	190.3	0.0
Other financial liabilities	438.0	0.0	438.0	0.0
Financial liabilities	3,987.9	0.0	3,987.9	0.0
Liabilities from finance leases	30.1	0.0	30.1	0.0
Derivative financial liabilities				
Derivatives without hedging relationships	34.1	0.0	34.1	0.0
Derivatives with hedging relationships	79.4		79.4	0.0
Total	**4,759.8**	**0.0**	**4,759.8**	**0.0**

Table 25

Companies included in Consolidation

At the start of the year, two inactive companies, Fraport Frankfurt Airport Services Worldwide (Greece) Monoprosopi EPE, Athens/Greece and Fraport IC Ictas Havalimani Yer Hizmetleri Anonim Sirketi, Antalya/Turkey, were disposed from the scope of consolidation. The deconsolidations of the companies has had no material effect on the Group interim financial statements.

As at June 30, 2016, a total of 65 companies including associates were consolidated in the Fraport Group.

Disclosures on Related Parties

There were no material changes arising regarding type and scope as at June 30, 2016. As disclosed in note 49 of the Group notes to the 2015 Annual Report (see 2015 Annual Report beginning on page 183), there continue to be numerous business relationships with related parties, which continue to be concluded under conditions customary in the market.

Disclosures on the Procedure for Determining Taxes on Income

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

Disclosures on the Calculation of Earnings per Share

The calculation of earnings per share was based on the following parameters:

	6M 2016 basic	6M 2016 diluted	6M 2015 basic	6M 2015 diluted
Group result attributable to shareholders of Fraport AG in € million	92.5	92.5	98.0	98.0
Weighted number of shares	92,317,580	92,526,565	92,271,967	92,530,295
Earnings per €10 share in €	1.00	1.00	1.06	1.06

	Q2 2016 basic	Q2 2016 diluted	Q2 2015 basic	Q2 2015 diluted
Group result attributable to shareholders of Fraport AG in € million	79.0	79.0	88.1	88.1
Weighted number of shares	92,327,448	92,536,433	92,278,552	92,536,880
Earnings per €10 share in €	0.86	0.85	0.96	0.95

Table 26

Disclosures on the Development of Shareholders' Equity

The breakdown and development of shareholders' equity from January 1 to June 30, 2016 is presented in the statement of changes in equity in the Group interim financial statements as at June 30, 2016. The statement of changes in equity also shows the development for the previous year.

Disclosures on Contingent Liabilities and Other Financial Commitments

Compared to December 31, 2015, order commitments related to capital expenditure on non-current assets increased by €70.5 million from €196.1 million to €266.6 million as at June 30, 2016. The increase is due in part to Terminal 3.

There were no significant changes in contingent liabilities and other financial commitments as at June 30, 2016 compared to December 31, 2015.

Further Information

Responsibility Statement

To the best of our knowledge, in accordance with the applicable accounting principles for interim financial reporting and taking the generally accepted German accounting principles into account, the Group interim financial statements give a true and fair view of the asset, financial, and earnings position of the Group. Furthermore, the Group interim management report presents the development and performance of the business and situation of the Group in such a way as to give a true and fair view and describes the material opportunities and risks associated with the expected development of the Group for the remaining fiscal year.

Frankfurt/Main, Federal Republic of Germany, August 4, 2016
Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

Dr Schulte Giesen Müller Dr Zieschang

Financial Calendar

Thursday, November 3, 2016
Interim release Q3/9M
Online publication, press conference, and conference call with analysts and investors

Friday, March 17, 2017
2016 Annual Report
Online publication, press conference, and conference with analysts and investors

Tuesday, May 9, 2017
Interim release Q1/3M
Online publication, conference call with analysts and investors

Tuesday, May 23, 2017
2017 Annual General Meeting
Frankfurt/Main, Federal Republic of Germany, Jahrhunderthalle

Friday, May 26, 2017
Dividend payment

Thursday, August 3, 2017
Interim report Q2/6M
Online publication, conference call with analysts and investors

Thursday, November 2, 2017
Interim release Q3/9M
Online publication, press conference, and conference call with analysts and investors

Traffic Calendar

(Online publication)

Wednesday, August 10, 2016
July 2016

Monday, September 12, 2016
August 2016

Thursday, October 13, 2016
September 2016/9M 2016

Thursday, November 10, 2016
October 2016

Monday, December 12, 2016
November 2016

Friday, January 13, 2017
December 2016/FY 2016

Friday, February 10, 2017
January 2017

Friday, March 10, 2017
February 2017

Wednesday, April 12, 2017
March 2017/Q1 2017

Thursday, May 11, 2017
April 2017

Tuesday, June 13, 2017
May 2017

Wednesday, July 12, 2017
June 2017/6M 2017

Thursday, August 10, 2017
July 2017

Tuesday, September 12, 2017
August 2017

Thursday, October 12, 2017
September 2017/9M 2017

Friday, November 10, 2017
October 2017

Tuesday, December 12, 2017
November 2017

Monday, January 15, 2018
December 2017

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[1)] 20 Cents (€) per call from a German landline; maximum of 60 Cents (€) per call from a German cell phone.

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Disclaimer
In case of any uncertainties which arise due to errors in translation, the German version of the Group interim report is the binding one.

Rounding
The use of rounded amounts and percentages means slight discrepancies may occur due to commercial rounding.


Abflug
Departures
Wegezeiten
Time to gates
A1-11
2-4 min
A13-25
3-8 min
A26-40
5-13 min
A50-69
4-11 min
Infokiosk