

November 2, 2017

## Overview by the Executive Board

In the first nine months of 2017, the airports of the Fraport Group recorded strong passenger development. At approximately 48.9 million, passenger numbers at Frankfurt Airport reached an all-time high (+4.6%). In line with the global economic development, cargo volume rose by 5.1% to over 1.6 million metric tons. The Group airports consistently posted strong – in part double-digit – growth rates in passenger numbers.

Group revenue increased by 13.7% in the first nine months of 2017 to €2,228.8 million (+€269.1 million). At the Frankfurt site, the increase is also due to higher airport charges based on passenger growth and the increase in charges on average by 1.9% as of January 1, 2017, increased income from security services, higher revenue in connection with the sale of land as well as higher retail revenue. Beyond the Frankfurt site, the take-over of operations of the Greek Regional Airports (hereinafter referred to as: Fraport Greece) and the Group company Lima primarily contributed to revenue growth.

An increase in operating expenses was mainly due to higher personnel expenses at Fraport AG, a rise in traffic-related concession payments in Lima and slightly higher expenses in connection with the increase in revenue from the sale of land in the Retail & Real Estate segment as well as the take-over of operations of the Greek Regional Airports in the External Activities & Services segment.

Correspondingly, Group EBITDA and Group EBIT rose significantly, coming in at €807.7 million (+19.4%) and €540.2 million (+25.7%), respectively. The improved financial result (from –€79.0 million to –€65.6 million) triggered a noticeable increase in Group EBT to €474.6 million (+35.3%).

The good Group-wide operating development, in particular the operating result of Fraport Greece, led to a significant rise in operating cash flow, and also impacted the free cash flow, which increased by €77.8 million to €388.0 million in the first nine months of 2017 (+25.1%). Net financial debt increased mainly due to the financing in connection with Fraport Greece as well as the take-over of concessions of the Brazilian airports Fortaleza and Porto Alegre (hereinafter referred to as: Fraport Brasil) by €1,201.0 million to €3,556.9 million. The gearing ratio reached a level of 92.1%.

Given the take-over of concessions as well as the planned capital expenditure in connection with Fraport Brasil, as already reported as at March 31, 2017, the Executive Board expects for the fiscal year 2017 a further increase in net financial debt of approximately €300 million compared to the forecast as at December 31, 2016. The Executive Board therefore expects an overall increase in the Group net financial debt in fiscal year 2017 of approximately €1.2 billion (2016 Annual Report: an increase of approximately €900 million). In this regard, the Executive Board – as already reported as at June 30, 2017 – also expects start-up costs of up to €15 million in the current fiscal year, which will be incurred in the segment External Activities & Services. Following the end of the first nine months of 2017, the Executive Board maintains its further forecasts for the Group's asset, financial, and earnings position as well as its forecasts for segment development for the fiscal year 2017.

Overall, the Executive Board describes the operating and financial performance in the reporting period as positive.

## Key figures

€million	9M 2017	9M 2016	Change	in %
Revenue	2,228.8	1,959.7	+269.1	+13.7
Revenue adjusted by IFRIC 12	2,205.8	1,944.6	+261.2	+13.4
EBITDA	807.7	676.7	+131.0	+19.4
EBIT	540.2	429.7	+110.5	+25.7
EBT	474.6	350.7	+123.9	+35.3
Group result	342.3	238.8	+103.5	+43.3
Earnings per share (basic) (€)	3.35	2.35	+1.0	+42.6
Operating cash flow	687.4	500.5	+186.9	+37.3
Free cash flow	388.0	310.2	+77.8	+25.1
Shareholders' equity	4,032.1	3,841.4 <sup>1</sup>	+190.7	+5.0
Liquidity	1,140.7	1,247.5 <sup>1</sup>	-106.8	-8.6
Net financial debt	3,556.9	2,355.9 <sup>1</sup>	+1,201.0	+51.0
Gearing ratio (%)	92.1	65.4 <sup>1</sup>	+26,7 PP	-
Total assets	11,017.6	8,872.8 <sup>1</sup>	+2,144.8	+24.2
Average number of employees	20,659	20,467	192	+0.9

€million	Q3 2017	Q3 2016	Change	in %
Revenue	873.4	734.9	+138.5	+18.8
Revenue adjusted by IFRIC 12	860.6	728.8	+131.8	+18.1
EBITDA	387.7	298.3	+89.4	+30.0
EBIT	299.5	215.1	+84.4	+39.2
EBT	284.3	204.9	+79.4	+38.8
Group result	205.4	139.1	+66.3	+47.7
Earnings per share (basic) (€)	1.96	1.35	+0.6	+45.2
Operating cash flow	298.1	242.9	+55.2	+22.7
Free cash flow	189.9	160.9	+29.0	+18.0
Average number of employees	21,008	20,754	+254	+1.2

<sup>1</sup> Figures as at December 31, 2016.

## Note on quarterly figures

The quarterly figures concerning the asset, financial, and earnings position have been determined in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU. The interim release does not include complete interim financial statements in accordance with International Accounting Standard (IAS) 34. The interim release was not reviewed or audited by an independent auditor.

The following change in particular occurred in the first nine months of 2017 compared to the same period of the previous year:

On April 11, 2017, Fraport took over operations of 14 Greek Regional Airports. Revenue generated in the first nine months of 2017 was €181.4 million, which stood in contrast to operating expenses amounting to €74.6 million. Fraport Greece generated EBITDA of €106.2 million, EBIT of €84.8 million, and a result of €29.0 million.

## Operating Performance

### Traffic development at the group sites

Airport	Share in %	9M 2017 Passengers <sup>1</sup>	%	9M 2017 Cargo <sup>2</sup>	%	9M 2017 Movements	%
Frankfurt	100	48,865,648	+4.6	1,627,955	+5.1	357,453	+1.1
Ljubljana	100	1,297,877	+20.4	8,705	+15.2	26,008	+3.5
Fraport Greece	73.4	23,902,927	+10.5	n.a.	n.a.	193,482	+11.4
Lima	70.01	15,268,377	+9.0	199,549	- 0.3	137,996	+4.6
Twin Star	60	4,679,739	+6.4	11,432	+17.4	34,348	+2.7
Antalya	51/50 <sup>3</sup>	21,731,114	+43.7	n.a.	n.a.	126,834	+28.8
Hanover	30	4,498,550	+8.4	12,069	- 14.1	58,117	- 1.0
St. Petersburg	25	12,609,960	+23.8	n.a.	n.a.	116,456	+17.0
Xi'an	24.5	31,177,364	+13.1	190,301	+13.7	238,110	+10.3
Delhi	10	46,365,485	+13.7	717,746	+14.6	329,827	+10.1

Airport	Share in %	Q3 2017 Passengers <sup>1</sup>	%	Q3 2017 Cargo <sup>2</sup>	%	Q3 2017 Movements	%
Frankfurt	100	18,910,979	+4.9	548,239	+4.8	129,895	+2.9
Ljubljana	100	574,934	+19.8	3,050	+19.6	9,693	- 3.2
Fraport Greece	73.4	14,263,509	+9.7	n.a.	n.a.	111,431	+13.7
Lima	70.01	5,583,736	+10.4	76,868	- 1.1	48,747	+5.8
Twin Star	60	3,385,014	+5.3	4,568	+46.3	23,050	+3.4
Antalya	51/50 <sup>3</sup>	12,243,435	+57.1	n.a.	n.a.	67,044	+37.8
Hanover	30	1,936,952	+13.3	3,205	- 26.6	21,984	- 0.9
St. Petersburg	25	5,466,990	+21.8	n.a.	n.a.	45,783	+16.4
Xi'an	24.5	11,116,965	+10.7	67,788	+18.6	84,033	+9.5
Delhi	10	15,462,641	+11.3	247,066	+15.3	112,854	+9.9

<sup>1</sup> Commercial traffic only, in + out + transit.

<sup>2</sup> Air freight + air mail in m.t.

<sup>3</sup> Share of voting rights: 51%, Dividend share: 50%.

The passenger traffic in Frankfurt set a new record in the first nine months of 2017 with nearly 48.9 million passengers (+4.6%). Adjusted for cancellations due to strikes and weather in the reporting period as well as the fact that this is not a leap year, the growth rate would be approximately 5.3%. Both the European and intercontinental traffic developed positively. In addition to the expansion of services offered mainly on inner-European connections, this was particularly due to a high level of growth in tourism-related traffic to Southern Europe and North Africa which benefited from weak traffic to Turkey. In addition, high-volume markets in the Far East such as China, Korea, and Japan achieved high growth rates.

Without exception, the airports beyond the Frankfurt site posted strong passenger growth with, in part, double-digit growth rates. In particular, the passenger development in Antalya recovered significantly compared to the previous year.

## **Financial Performance**

### **The group's results of operations**

#### **Revenue**

Group revenue increased by 13.7% in the first nine months of 2017 to €2,228.8 million (+€269.1 million). In Frankfurt, the increase is also due to higher airport charges based on passenger growth and the increase in charges on average by 1.9% as of January 1, 2017, increased income from security services, higher revenue in connection with the sale of land (9M 2017: €20.8 million compared to 9M 2016: €13.7 million) as well as higher retail revenue (+€4.2 million). Outside of Frankfurt, significant contributions to revenue growth came from Fraport Greece (+€181.4 million) and the Group company Lima (+€19.7 million). Group revenue included revenue of €23.0 million in the reporting period in connection with the application of IFRIC 12 (9M 2016: €15.1 million).

#### **Expenses**

Operating expenses (cost of materials, personnel expenses, and other operating expenses) amounting to €1,473.1 million were €140.6 million higher than in the previous year. The higher amount in expenses resulted from collective bargaining agreements for employees of Fraport AG (+€13.5 million), from the increased provision for the personnel restructuring program (+€9.1 million) due to postponements of individual options within the package of measures, higher concession payments in Lima related to traffic (+€10.3 million) as well as slightly higher expenses related to the increase in revenue from the sale of land (+€3.0 million). The take-over of operations of the Greek Regional Airports also increased the Group operating expenses (+€74.6 million). Group expenses included €23.0 million in the reporting period in connection with the application of IFRIC 12 (9M 2016: €15.1 million).

#### **EBITDA and EBIT**

Group EBITDA increased by €131.0 million, coming to €807.7 million (+19.4%). An EBITDA contribution of €106.2 million was attributed to Fraport Greece. Higher depreciation and amortization, in particular in connection with Fraport Greece (+€21.3 million), as well as unscheduled depreciation and amortization due to the loss of the concessions tender for the Boston Airport within the Group company Fraport USA (+€6.1 million) stood in contrast to lower depreciation and amortization expenses for Fraport AG (–€6.9 million). Accordingly, Group EBIT was €540.2 million (+€110.5 million or +25.7%).

#### **Financial result**

The significant improvement in the negative financial result (from –€79.0 million to –€65.6 million) was primarily due to higher earnings from companies accounted for using the equity method, which developed positively mainly as a result of the Group company Antalya (+€30.0 million) and the Group company Xi'an (+€3.8 million). In the other financial result, the market valuation of derivatives had a positive effect. The interest result worsened due to interest expenses related to financing the initial payment as well as the compounding of concession liabilities within the scope of the take-over of the operations of the Greek Regional Airports (–€26.8 million).

#### **EBT, Group result, and EPS**

The improved financial result led to a significant increase in EBT by €123.9 million to €474.6 million (+35.3%). With expenses from taxes on income of €132.3 million (9M 2016: €111.9 million), the Group result was €342.3 million (+€103.5 million). This resulted in basic earnings per share of €3.35 (+€1.00).

## Results of operations for segments

Segment	Revenue			Personnel expenses			EBITDA			EBIT		
	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %
Aviation	721.0	693.3	+4.0	247.7	237.7	+4.2	201.3	192.4	+4.6	113.7	98.5	+15.4
Retail & Real Estate	394.2	370.9	+6.3	40.2	37.9	+6.1	288.2	281.9	+2.2	225.6	218.5	+3.2
Ground Handling	482.6	478.2	+0.9	323.7	310.3	+4.3	38.1	44.9	-15.1	8.5	15.5	-45.2
External Activities & Services	631.0	417.3	+51.2	206.0	179.1	+15.0	280.1	157.5	+77.8	192.4	97.2	+97.9

Segment	Revenue			Personnel expenses			EBITDA			EBIT		
	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %
Aviation	271.5	261.6	+3.8	81.6	79.0	+3.3	100.5	96.7	+3.9	74.5	65.0	+14.6
Retail & Real Estate	126.0	131.0	-3.8	12.7	12.4	+2.4	94.5	99.6	-5.1	75.0	78.2	-4.1
Ground Handling	174.2	169.3	+2.9	105.3	99.6	+5.7	26.2	27.2	-3.7	17.2	17.2	0.0
External Activities & Services	301.7	173.0	+74.4	67.4	59.7	+12.9	166.5	74.8	>100	132.9	54.7	>100

**Aviation**

Revenue increased by 4.0% to €721.0 million (+€27.7 million). In addition to the passenger growth, positive factors at the Frankfurt site were the increase in airport charges as of January 1, 2017 by an average of 1.9% as well as higher revenue from security services. Additional expenses resulted, in particular, in connection with the increased provision for the personnel restructuring program (+€2.1 million), higher wages at Fraport AG (+€2.9 million) and at the Group company FraSec GmbH (+€4.7 million). In addition, the increased expenses in connection with capital expenditure that could not be capitalized had an increasing effect on the segment's non-staff costs (+€4.0 million).

EBITDA was up by €8.9 million on the previous year, at €201.3 million (+4.6%). Lower depreciation and amortization led to an EBIT of €113.7 million (+15.4%).

**Retail & Real Estate**

At €394.2 million, revenue was 6.3% above the previous year's value (+€23.3 million). The positive revenue development was due to, among other things, higher proceeds from the sale of land (9M 2017: €20.8 million compared to 9M 2016: €13.7 million). In addition, passenger growth had a positive effect on retail revenue (+€4.2 million) – this included additional advertising revenue amounting to €2.5 million – as well as on parking revenue (+€4.1 million). The net retail revenue per passenger decreased by 2.1% to €3.31 compared to the previous year (9M 2016: €3.38). In addition to the depreciation of various currencies against the Euro, which led to reduced purchasing power, the reasons for this decrease were also changes to the passenger mix and a disproportionate increase in the number of passengers on European routes. Other income decreased by €3.9 million, primarily as a result of allowances on accounts receivable released in the reporting period of the previous year.

A moderate increase in personnel expenses (+€2.4 million) as well as slightly higher cost of materials associated with increased proceeds from the sale of land (+€3.0 million) led to EBITDA of €288.2 million (+2.2%). With depreciation and amortization virtually unchanged, segment EBIT stood at €225.6 million (+3.2%).

## Ground Handling

In the reporting period, revenue was slightly above the previous year's level (+0.9%) at €482.6 million. This is mainly due to increased revenue from ground services at the Frankfurt site. Personnel expenses, in particular, rose due to higher wages at Fraport AG (+€5.1 million) as well as in connection with the increased provision for the personnel restructuring program (+€4.0 million). Correspondingly, EBITDA decreased to €38.1 million (–€6.8 million). The segment EBIT was €8.5 million (–€7.0 million).

## External Activities & Services

Revenue in the External Activities & Services segment grew significantly by €213.7 million on the previous year to reach €631.0 million (+51.2%). Revenue development was mainly driven by Fraport Greece (+€181.4 million) and the Group company Lima (+€19.7 million). Revenue included €23.0 million in connection with the application of IFRIC 12 (9M 2016: €15.1 million).

Operating expenses increased in part due to the increased provision for the personnel restructuring program (+€1.8 million) and due to higher wages (+€3.5 million), both at the Frankfurt site. The take-over of operations of the Greek Regional Airports also increased the segment's operating expenses (+€74.6 million). In addition, there were higher traffic-related concession payments in the Group company Lima (+€10.3 million) and higher expenses in the service units at the Frankfurt site. Segment expenses included €23.0 million in connection with the application of IFRIC 12 (9M 2016: €15.1 million). Correspondingly, EBITDA recorded a significant increase by €122.6 million to €280.1 million (+77.8%). Higher depreciation and amortization in connection with Fraport Greece (+€21.3 million), as well as unscheduled depreciation and amortization due to the loss of the concession tender for the Boston Airport within the Group company Fraport USA (+€6.5 million) resulted in EBIT of €192.4 million (+€95.2 million).

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

Fully consolidated Group companies	Share in %	Revenue in €million <sup>1</sup>			EBITDA in €million			EBIT in €million			Result in €million		
		9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %
Fraport USA	100	48.9	46.6	+4.9	10.2	9.8	+4.1	-2.0	3.7	-	3.2	3.5	-8.6
Fraport Slovenija	100	31.4	27.0	+16.3	12.6	11.2	+12.5	5.3	3.5	+51.4	4.7	3.6	+30.6
Fraport Greece <sup>2</sup>	73.4	181.4	-	-	106.2	-	-	84.8	-	-	29.0	-	-
Lima	70.01	244.2	224.5	+8.8	91.3	82.4	+10.8	78.4	69.0	+13.6	47.8	39.5	+21.0
Twin Star	60	62.5	59.9	+4.3	40.2	39.5	+1.8	31.6	30.8	+2.6	25.0	23.9	+4.6

Group companies accounted for using the equity method	Share in %	Revenue in €million <sup>1</sup>			EBITDA in €million			EBIT in €million			Result in €million		
		9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %	9M 2017	9M 2016	Δ %
Antalya <sup>3</sup>	51/50	215.7	141.9	+52.0	187.8	112.4	+67.1	106.2	30.9	>100	42.4	-17.6	-
Hanover	30	118.6	111.8	+6.1	26.0	22.7	+14.5	11.0	7.7	+42.9	7.0	4.7	+48.9
Pulkovo/Thalita	25	205.7	143.8	+43.0	123.5	81.1	+52.3	95.3	56.0	+70.2	-15.0	2.9	-
Xi'an <sup>4</sup>	24.5	173.4	155.6	+11.4	87.4	74.3	+17.6	50.1	36.1	+38.8	41.2	25.2	+63.5

## Interim Release Q3/9M 2017

Fully consolidated Group companies	Share in %	Revenue in €million <sup>1</sup>			EBITDA in €million			EBIT in €million			Result in €million		
		Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %
Fraport USA	100	16.9	16.9	-	3.8	3.8	-	-1.2	1.7	-	1.1	1.5	-26.7
Fraport Slovenija	100	12.9	10.7	+20.6	6.9	5.5	+25.5	4.6	3.0	+53.3	3.7	3.1	+19.4
Fraport Greece <sup>2</sup>	73.4	123.2	-	-	81.0	-	-	69.6	-	-	32.6	-	-
Lima	70.01	84.0	81.6	+2.9	31.8	29.7	+7.1	28.0	25.2	+11.1	17.9	15.7	+14.0
Twin Star	60	44.9	43.4	+3.5	31.5	31.0	+1.6	28.6	28.1	+1.8	24.6	24.2	+1.7

Group companies accounted for using the equity method	Share in %	Revenue in €million <sup>1</sup>			EBITDA in €million			EBIT in €million			Result in €million		
		Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %	Q3 2017	Q3 2016	Δ %
Antalya <sup>3</sup>	51/50	129.9	78.0	+66.5	119.1	67.6	+76.2	92.1	40.7	>100	50.5	17.2	>100
Hanover	30	46.1	41.6	+10.8	13.4	9.6	+39.6	8.5	4.6	+84.8	7.0	3.6	+94.4
Pulkovo/Thalita	25	85.9	63.2	+35.9	57.3	42.0	+36.4	48.5	32.6	+48.8	8.2	3.6	>100
Xi'an <sup>4</sup>	24.5	59.4	54.2	+9.6	29.5	25.6	+15.2	17.8	13.0	+36.9	14.3	10.0	+43.0

<sup>1</sup> Revenue adjusted by IFRIC 12: Lima 9M 2017: €230.6 million (9M 2016: €209.4 million), Q3 2017: €79.2 million (Q3 2016: €75.6 million);

Fraport Greece 9M 2017: €172.0 million, Q3 2017: €115.2 million.

<sup>2</sup> Operations from April 11, 2017.

<sup>3</sup> Share of voting rights: 51%, Dividend share: 50%.

<sup>4</sup> Figures according to the separate financial statement.

## Asset and capital structure

At €11,017.6 million, **total assets** as at September 30, 2017 were €2,144.8 million above the comparable value as at December 31, 2016 (+24.2%). **Non-current assets** increased primarily due to higher investments in airport operating projects in connection with the take-over of operations of the Greek Regional Airports – these included the paid initial payment, capitalized minimum concession payments, and capital expenditure in the infrastructure of the airports – by €2,120.1 million to €9,817.8 million. **Current assets** rose slightly – despite a decline in cash and cash equivalents from the financing of Fraport Greece – mainly due to higher trade accounts receivable as at the balance sheet date by €24.7 million to €1,199.8 million (+2.1%).

**Shareholders' equity** increased by €190.7 million in comparison to the 2016 balance sheet date to €4,032.1 million (+5.0%). This is mainly due to the positive Group result and the payment of shareholders' equity by the minority shareholder of Fraport Greece. The **shareholders' equity ratio** was at 35.1% (December 31, 2016: 40.6%). **Non-current liabilities** increased significantly due to higher financial liabilities and other liabilities by €1,769.3 million to €5,881.8 million (+43.0%). **Current liabilities** rose noticeably in the reporting period from €918.9 million to €1,103.7 million (+20.1%). This was primarily due to an increase in other liabilities and provisions for taxes on income. The current and non-current liabilities particularly increased as part of the financing of Fraport Greece.

**Gross debt** was €4,697.6 as at September 30, 2017 (December 31, 2016: €3,603.4 million). **Liquidity** declined by €106.8 million to €1,140.7 million. As a result of the financing activities in connection with Fraport Greece and Fraport Brasil, the **net financial debt** correspondingly rose by €1,201.0 million to €3,556.9 million (December 31, 2016: €2,355.9 million). The **gearing ratio** reached a level of 92.1% (December 31, 2016: 65.4%).

## **Statement of cash flows**

The **cash flow from operating activities (operating cash flow)** increased significantly by €186.9 million to €687.4 million (+37.3%) in the first nine months of 2017. This increase was due to the significant improvement of the operating activities due to the operating contribution from Fraport Greece.

The **cash flow used in investing activities excluding investments in cash deposits and securities** was substantially up €1,581.5 million on the previous year at €1,770.1 million. This is mainly due to the initial payment of approximately €1.2 billion at the beginning of the take-over of operations of the Greek Regional Airports, which increased capital expenditure for airport operating projects. The distributed dividends of the previous year of the Group company Antalya, which is accounted for using the equity method, had a countering effect. Due to the increased operating cash flow, **free cash flow** also rose by €77.8 million to €388.0 million. Taking into account investments in and revenue from securities and promissory note loans as well as payments from time deposits, the **cash outflow for investments** was €1,532.9 million (9M 2016: cash outflow of €152.0 million).

As a result of new financial liabilities from the financing of Fraport Greece, and corresponding capital contributions from non-controlling interests, there was a **cash inflow from financing activities** as at September 30, 2017 of €1,002.8 million (9M 2016: cash outflow of €330.1 million). Taking into account exchange rate fluctuations, Fraport reported cash and cash equivalents based on the statement of cash flows of €610.4 million as at September 30, 2017 (9M 2016: €245.6 million).

## **Events after the Balance Sheet Date**

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

## **Report on Forecast Changes**

### **Risk and opportunities report**

In the first nine months of 2017, there were the following changes to the risks and opportunities as presented in the risk and opportunities report in the 2016 Annual Report starting on page 75:

There have been ongoing discussions between the Fraport AG works council and the company's Executive Board since April 2017 due to an amendment subsequently put forth by the works council in regard to determining the budget amount for the 2016 employee profit-sharing plan. This matter is currently undergoing a legal review. After attempts to settle out of court were unsuccessful, the works council of Fraport AG initiated legal proceedings. In the event that the risk materializes, this would result in a "substantial" negative effect, unchanged as reported as at June 30, 2017.

Fraport AG carries out its capital expenditure for construction in two separate programs: "FRA-Nord" for projects in infrastructure and "Extension" for projects meant to expand capacity. In the Group management report as at December 31, 2016, Fraport reported on the potential risks of these capital expenditure projects and the Expansion South project (see 2016 Annual Report starting on page 86). After transferring the Extension South project to the subsidiary established in the previous fiscal year, FAS GmbH, and the corresponding reorganization of the capital expenditure projects and the capital expenditure budget, a risk position specific to this project will be calculated and evaluated. This will show, in particular, the risks of future supply based on developments in the supply markets as well as the developments of various market requirements of customers. The potential loss from the capital expenditure projects (thus far up to €300 million net, see 2016 Annual Report on page 86) increases by adding the risk elements of Expansion South to up to €400 million net (impact level: "very high"). Taking the project-related monitoring measures into account, the probability of the risk materializing is "possible".



## **Business outlook**

### **Forecasted business development for 2017**

Due to the significant rise in demand and increases in offers, and the current traffic development, the Executive Board, as already reported as at June 30, 2017, expects a growth rate of around 5% for the fiscal year 2017 at the **Frankfurt** site (2016 Annual Report: passenger growth between 2% and 4%). As also already reported as at June 30, 2017, regarding the **cargo tonnage** handled, the Executive Board anticipates for the fiscal year 2017 an increase of 4% compared to 2016 (Interim release Q2/6M: up to 4%, 2016 Annual Report: moderate increase).

For the 14 **Greek Regional Airports**, the Executive Board – based on the development of traffic in the reporting period – now expects an increase in passenger numbers by approximately 10% in 2017 (2016 Annual Report: over 5%). The traffic outlook for the Group airports St. Petersburg, Antalya, Varna, Burgas, Lima, Xi'an, and Ljubljana as reported as at June 30, 2017 remains unchanged: The development of traffic at **St. Petersburg** Airport has recovered significantly in the current fiscal year and, in comparison to 2016, passenger growth in the double-digit percentage range is now expected (2016 Annual Report: slight recovery). The Executive Board also expects significant double-digit passenger growth for **Antalya** Airport as compared to the previous year (2016 Annual Report: growth in the low double-digit percentage range). In particular, traffic from Russia recovered in the reporting period due to the lifting of sanctions by Russia and the resumption of charter traffic in Turkey. However, demand from Western Europe is expected to decrease slightly. The airports in **Varna** and **Burgas** will also develop positively, although at a lower growth rate of just over 5% as compared to the previous year (2016 Annual Report: growth in the single-digit percentage range). The Executive Board expects the Varna Airport to see a rise of over 10%, which is primarily due to the increased activity on the part of the low-cost carriers. The Burgas site is expected to report only slight growth. The drop in Russian traffic is expected to be only slightly compensated by the other destinations. Based on the positive economic assumptions and tourist forecasts, significant growth in the high single-digit percentage range is expected at the **Lima** Airport for the fiscal year 2017. The positive trend from last years will continue at the **Xi'an** site. Growth in the low double-digit percentage range is expected for 2017 (2016 Annual Report: growth in the mid-single-digit percentage range). For the **Ljubljana** site, the Executive Board is forecasting a rise in traffic in the low double-digit percentage range (2016 Annual Report: growth in the low single-digit percentage range).

### **Forecasted asset, financial, and earnings position for 2017**

Given the take-over of concessions as well as planned capital expenditure in connection with Fraport Brasil, the Executive Board – as already reported as at March 31, 2017 – expects a further increase in the net financial debt by around €300 million for the 2017 fiscal year. The Executive Board therefore expects an overall increase in the Group net financial debt in fiscal year 2017 of approximately €1.2 billion (2016 Annual Report: increase of approximately €900 million). In this regard, the Executive Board also expects start-up costs of up to €15 million in the current fiscal year, which will be incurred in the segment External Activities & Services.

Following the end of the first nine months of 2017, the Executive Board maintains its further forecasts for the Group's asset, financial, and earnings position for fiscal year 2017 (see 2016 Annual Report starting on page 93 et seqq.).

### **Forecasted segment development for 2017**

Upon completion of the first nine months of 2017, the Executive Board reaffirms the forecasted developments of the segments in the 2017 fiscal year (see 2016 Annual Report starting on page 93 et seqq.). In connection with Fraport Brasil, the Executive Board expects start-up costs of up to €15 million for the segment External Activities & Services in the current fiscal year.

Consolidated income statement (IFRS)

€million	9M 2017	9M 2016	Q3 2017	Q3 2016
<b>Revenue</b>	<b>2,228.8</b>	<b>1,959.7</b>	<b>873.4</b>	<b>734.9</b>
Change in work-in-process	0.6	0.5	0.2	0.1
Other internal work capitalized	27.6	24.0	9.8	9.6
Other operating income	23.8	25.0	9.5	5.8
<b>Total revenue</b>	<b>2,280.8</b>	<b>2,009.2</b>	<b>892.9</b>	<b>750.4</b>
Cost of materials	-529.3	-459.6	-193.1	-164.9
Personnel expenses	-817.6	-765.0	-267.1	-250.7
Other operating expenses	-126.2	-107.9	-45.0	-36.5
<b>EBITDA</b>	<b>807.7</b>	<b>676.7</b>	<b>387.7</b>	<b>298.3</b>
Depreciation and amortization	-267.5	-247.0	-88.2	-83.2
<b>EBIT/Operating result</b>	<b>540.2</b>	<b>429.7</b>	<b>299.5</b>	<b>215.1</b>
Interest income	22.8	24.2	6.8	7.8
Interest expenses	-132.9	-107.5	-51.9	-33.2
Result from companies accounted for using the equity method	36.0	1.9	26.5	13.1
Other financial result	8.5	2.4	3.4	2.1
<b>Financial result</b>	<b>-65.6</b>	<b>-79.0</b>	<b>-15.2</b>	<b>-10.2</b>
<b>EBT/Result from ordinary operations</b>	<b>474.6</b>	<b>350.7</b>	<b>284.3</b>	<b>204.9</b>
Taxes on income	-132.3	-111.9	-78.9	-65.8
<b>Group result</b>	<b>342.3</b>	<b>238.8</b>	<b>205.4</b>	<b>139.1</b>
thereof profit attributable to non-controlling interests	33.0	21.7	24.4	14.5
thereof profit attributable to shareholders of Fraport AG	309.3	217.1	181.0	124.6
<b>Earnings per €10 share in €</b>				
basic	3.35	2.35	1.96	1.35
diluted	3.34	2.35	1.95	1.35

Consolidated statement of comprehensive income (IFRS)

€million	9M 2017	9M 2016	Q3 2017	Q3 2016
<b>Group result</b>	<b>342.3</b>	<b>238.8</b>	<b>205.4</b>	<b>139.1</b>
Remeasurements of defined benefit pension plans	0.0	-4.9	0.0	-2.0
(deferred taxes related to those items)	0.0	1.5	0.0	0.6)
<b>Items that will not be reclassified subsequently to profit or loss</b>	<b>0.0</b>	<b>-3.4</b>	<b>0.0</b>	<b>-1.4</b>
<b>Fair value changes of derivatives</b>				
Changes recognized directly in equity	1.0	-0.9	-12.2	-17.9
Realized gains (+)/losses (-)	-19.2	-20.0	-21.4	-25.0
	<b>20.2</b>	<b>19.1</b>	<b>9.2</b>	<b>7.1</b>
(deferred taxes related to those items)	-5.7	-5.9	-2.7	-2.2)
<b>Fair value changes of financial instruments available for sale</b>				
Changes recognized directly in equity	-1.4	9.0	-3.8	4.4
Realized gains (+)/losses (-)	0.0	0.0	0.0	0.0
	<b>-1.4</b>	<b>9.0</b>	<b>-3.8</b>	<b>4.4</b>
(deferred taxes related to those items)	0.6	-0.9	-0.1	0.0)
<b>Currency translation of foreign Group companies</b>				
Changes recognized directly in equity	-30.8	-4.9	-10.7	-0.7
<b>Income and expenses from companies accounted for using the equity method directly recognized in equity</b>				
Changes recognized directly in equity	-16.1	-0.9	-12.5	1.6
Realized gains (+)/losses (-)	-10.1	0.0	-10.1	0.0
	<b>-6.0</b>	<b>-0.9</b>	<b>-2.4</b>	<b>1.6</b>
(deferred taxes related to those items)	-2.1	-0.7	-1.6	-0.3)
<b>Items that will be reclassified subsequently to profit or loss</b>	<b>-25.2</b>	<b>14.8</b>	<b>-12.1</b>	<b>9.9</b>
<b>Other result after deferred taxes</b>	<b>-25.2</b>	<b>11.4</b>	<b>-12.1</b>	<b>8.5</b>
<b>Comprehensive income</b>	<b>317.1</b>	<b>250.2</b>	<b>193.3</b>	<b>147.6</b>
thereof attributable to non-controlling interests	26.9	20.8	22.8	14.4
thereof attributable to shareholders of Fraport AG	290.2	229.4	170.5	133.2

Consolidated statement of financial position (IFRS)

Assets

€million	September 30, 2017	December 31, 2016
<b>Non-current assets</b>	<b>9,817.8</b>	<b>7,697.7</b>
Goodwill	19.3	19.3
Investments in airport operating projects	2,697.2	516.1
Other intangible assets	135.5	146.7
Property, plant and equipment	5,915.5	5,954.2
Investment property	79.6	79.6
Investments in companies accounted for using the equity method	257.4	209.7
Other financial assets	514.9	561.7
Other receivables and financial assets	166.2	173.3
Income tax receivables	0.2	0.2
Deferred tax assets	32.0	36.9
<b>Current assets</b>	<b>1,199.8</b>	<b>1,175.1</b>
Inventories	30.5	37.9
Trade accounts receivable	216.8	129.6
Other receivables and financial assets	259.2	259.7
Income tax receivables	7.2	11.9
Cash and cash equivalents	686.1	736.0
<b>Total</b>	<b>11,017.6</b>	<b>8,872.8</b>

Liabilities and equity

€million	September 30, 2017	December 31, 2016
<b>Shareholders' equity</b>	<b>4,032.1</b>	<b>3,841.4</b>
Issued capital	923.9	923.6
Capital reserve	598.5	596.3
Revenue reserves	2,341.4	2,220.4
Equity attributable to shareholders of Fraport AG	3,863.8	3,740.3
Non-controlling interests	168.3	101.1
<b>Non-current liabilities</b>	<b>5,881.8</b>	<b>4,112.5</b>
Financial liabilities	4,314.5	3,236.9
Trade accounts payable	39.9	41.8
Other liabilities	1,106.7	408.0
Deferred tax liabilities	170.7	173.6
Provisions for pensions and similar obligations	34.1	33.2
Provisions for income taxes	77.4	71.8
Other provisions	138.5	147.2
<b>Current liabilities</b>	<b>1,103.7</b>	<b>918.9</b>
Financial liabilities	383.1	366.5
Trade accounts payable	167.3	146.7
Other liabilities	260.5	145.7
Provisions for income taxes	84.9	42.9
Other provisions	207.9	217.1
<b>Total</b>	<b>11,017.6</b>	<b>8,872.8</b>

## Consolidated statement of cash flows (IFRS)

€million	9M 2017	9M 2016	Q3 2017	Q3 2016
<b>Profit attributable to shareholders of Fraport AG</b>	<b>309.3</b>	<b>217.1</b>	<b>181.0</b>	<b>124.6</b>
Profit attributable to non-controlling interests	33.0	21.7	24.4	14.5
Adjustments for				
Taxes on income	132.3	111.9	78.9	65.8
Depreciation and amortization	267.5	247.0	88.2	83.2
Interest result	110.1	83.3	45.1	25.4
Gains/losses from disposal of non-current assets	3.5	0.4	0.3	-0.3
Others	-3.4	-6.6	-2.4	-0.6
Changes in the measurement of companies accounted for using the equity method	-36.0	-1.9	-26.5	-13.1
Changes in inventories	7.4	4.0	0.0	1.8
Changes in receivables and financial assets	-71.9	13.8	-8.3	35.9
Changes in liabilities	140.0	32.9	14.8	-6.6
Changes in provisions	-20.5	-40.2	1.6	-6.4
<b>Operating activities</b>	<b>871.3</b>	<b>683.4</b>	<b>397.1</b>	<b>324.2</b>
<b>Financial activities</b>				
Interest paid	-100.5	-87.0	-67.6	-60.8
Interest received	8.5	6.9	1.4	2.1
Paid taxes on income	-91.9	-102.8	-32.8	-22.6
<b>Cash flow from operating activities</b>	<b>687.4</b>	<b>500.5</b>	<b>298.1</b>	<b>242.9</b>
Investments in airport operating projects	-1,581.9	-18.9	-273.8	-9.7
Capital expenditure for other intangible assets	-6.8	-4.0	-2.9	-1.2
Capital expenditure for property, plant, and equipment	-186.8	-190.7	-74.3	-71.0
Capital expenditure for "Investment property"	-0.6	-0.8	-0.2	-0.3
Investments in companies accounted for using the equity method	-3.0	0.0	0.0	0.0
Dividends from companies accounted for using the equity method	3.4	24.1	0.7	0.2
Dividends from other investments	2.2	0.0	2.2	0.0
Proceeds from disposal of non-current assets	3.4	1.7	1.8	0.0
<b>Cash flow used in investing activities excluding investments in cash deposits and securities</b>	<b>-1,770.1</b>	<b>-188.6</b>	<b>-346.5</b>	<b>-82.0</b>
Financial investments in securities and promissory note loans	-68.9	-60.1	-1.3	-15.0
Proceeds from disposal of securities and promissory note loans	117.9	157.0	10.9	92.0
Increase/decrease of time deposits with a term of more than three months	188.2	-60.3	0.4	-105.9
<b>Cash flow used in investing activities</b>	<b>-1,532.9</b>	<b>-152.0</b>	<b>-336.5</b>	<b>-110.9</b>
Dividends paid to shareholders of Fraport AG	-138.5	-124.6	0.0	0.0
Dividends paid to non-controlling interests	-6.0	-2.9	-3.8	-1.6
Capital increase	2.5	2.5	0.0	0.0
Capital contributions for non-controlling interests	47.1	0.0	0.0	0.0
Cash inflow from long-term financial liabilities	1,206.0	295.0	141.0	0.0
Repayment of long-term financial liabilities	-289.7	-504.7	-30.2	-33.4
Changes in current financial liabilities	181.4	4.6	68.5	-144.8
<b>Cash flow used in/from financing activities</b>	<b>1,002.8</b>	<b>-330.1</b>	<b>175.5</b>	<b>-179.8</b>
Changes in restricted cash and cash equivalents	23.3	0.0	23.3	0.0
<b>Change in cash and cash equivalents</b>	<b>180.6</b>	<b>18.4</b>	<b>160.4</b>	<b>-47.8</b>
Cash and cash equivalents as at January 1 and July 1	448.8	230.7	455.9	294.0
Foreign currency translation effects on cash and cash equivalents	-19.0	-3.5	-5.9	-0.6
<b>Cash and cash equivalents as at September 30</b>	<b>610.4</b>	<b>245.6</b>	<b>610.4</b>	<b>245.6</b>

## Consolidated statement of changes in equity (IFRS)

€million	Issued capital	Capital reserve	Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Shareholders' equity (total)
<b>As at January 1, 2017</b>	<b>923.6</b>	<b>596.3</b>	<b>2,136.2</b>	<b>58.9</b>	<b>25.3</b>	<b>2,220.4</b>	<b>3,740.3</b>	<b>101.1</b>	<b>3,841.4</b>
Foreign currency translation effects	-	-	-	-24.3	-	-24.3	-24.3	-6.5	-30.8
Income and expenses from companies accounted for using the equity method directly recognized in equity	-	-	-8.1	-8.3	8.3	-8.1	-8.1	-	-8.1
Fair value changes of financial assets available for sale	-	-	-	-	-0.8	-0.8	-0.8	-	-0.8
Fair value changes of derivatives	-	-	-	-	14.1	14.1	14.1	0.4	14.5
<b>Other result</b>	<b>-</b>	<b>-</b>	<b>-8.1</b>	<b>-32.6</b>	<b>21.6</b>	<b>-19.1</b>	<b>-19.1</b>	<b>-6.1</b>	<b>-25.2</b>
Issue of shares for employee investment plan	0.3	2.2	-	-	-	-	2.5	-	2.5
Distributions	-	-	-138.5	-	-	-138.5	-138.5	-6.0	-144.5
Group result	-	-	309.3	-	-	309.3	309.3	33.0	342.3
Transactions with non-controlling interests	-	-	-28.4	-	-	-28.4	-28.4	-	-28.4
Capital contributions Fraport Greece	-	-	-	-	-	-	-	47.1	47.1
Consolidation activities / other changes	-	-	-2.3	-	-	-2.3	-2.3	-0.8	-3.1
<b>As at September 30, 2017</b>	<b>923.9</b>	<b>598.5</b>	<b>2,268.2</b>	<b>26.3</b>	<b>46.9</b>	<b>2,341.4</b>	<b>3,863.8</b>	<b>168.3</b>	<b>4,032.1</b>
<b>As at January 1, 2016</b>	<b>923.1</b>	<b>594.3</b>	<b>1,886.4</b>	<b>47.7</b>	<b>-14.2</b>	<b>1,919.9</b>	<b>3,437.3</b>	<b>74.4</b>	<b>3,511.7</b>
Foreign currency translation effects	-	-	-	-4.0	-	-4.0	-4.0	-0.9	-4.9
Income and expenses from companies accounted for using the equity method directly recognized in equity	-	-	-	-4.9	3.3	-1.6	-1.6	-	-1.6
Remeasurements of defined benefit pension plans	-	-	-3.4	-	-	-3.4	-3.4	-	-3.4
Fair value changes of financial assets available for sale	-	-	-	-	8.1	8.1	8.1	-	8.1
Fair value changes of derivatives	-	-	-	-	13.2	13.2	13.2	-	13.2
<b>Other result</b>	<b>-</b>	<b>-</b>	<b>-3.4</b>	<b>-8.9</b>	<b>24.6</b>	<b>12.3</b>	<b>12.3</b>	<b>-0.9</b>	<b>11.4</b>
Issue of shares for employee investment plan	0.5	2.0	-	-	-	-	2.5	-	2.5
Distributions	-	-	-124.6	-	-	-124.6	-124.6	-2.9	-127.5
Group result	-	-	217.1	-	-	217.1	217.1	21.7	238.8
Capital contributions Fraport Greece	-	-	-	-	-	-	-	2.8	2.8
<b>As at September 30, 2016</b>	<b>923.6</b>	<b>596.3</b>	<b>1,975.5</b>	<b>38.8</b>	<b>10.4</b>	<b>2,024.7</b>	<b>3,544.6</b>	<b>95.1</b>	<b>3,639.7</b>

Further information on the accounting and valuation methods used can be found in the most recent annual report at <http://www.fraport.com/en/investor-relations/events-und-publications/publications.html>

---

**Next publications**

Friday, November 10, 2017	Traffic figures October 2017
Tuesday, December 12, 2017	Traffic figures November 2017
Monday, January 15, 2018	Traffic figures December 2017/FY 2017
Tuesday, February 13, 2018	Traffic figures January 2018
Tuesday, March 13, 2018	Traffic figures February 2018
Friday, March 16, 2018	2017 Annual Report
Friday, April 13, 2018	Traffic figures March 2018/3M 2018
Wednesday, May 9, 2018	Interim Release Q1 2018
Tuesday, May 15, 2018	Traffic figures April 2018
Tuesday, May 29, 2018	2018 Annual General Meeting
Wednesday, June 13, 2018	Traffic figures May 2018
Thursday, July 12, 2018	Traffic figures June 2018/6M 2018
Wednesday, August 8, 2018	Interim Report Q2/6M 2018
Monday, August 13, 2018	Traffic figures July 2018
Thursday, September 13, 2018	Traffic figures August 2018
Friday, October 12, 2018	Traffic figures September 2018/9M 2018
Wednesday, November 7, 2018	Interim Release Q3/9M 2018
Tuesday, November 13, 2018	Traffic figures October 2018
Thursday, December 13, 2018	Traffic figures November 2018
Tuesday, January 15, 2019	Traffic figures December 2018

---

**Other disclosures and information**

Where the statements made in this document relate to the future rather than the past, they 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, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations, and a substantial deterioration in basic economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its Group companies operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.

Editorial deadline was November 1, 2017.

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

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

---

**Imprint**

Fraport AG  
Finance & Investor Relations  
60547 Frankfurt/Main  
www.fraport.com

Telephone: +49 (0) 69 690-74840  
Fax: +49 (0) 69 690-7843  
Investor.relations@fraport.de