

2017 kompaktno

Gute Reise! Mi bomo poskrbeli za to



Slovenian
version





Fraport has been operating under a new mission statement for two years now. Processes and infrastructure are focused on our customers having a “gute Reise”, a good trip. We’ve stated our objective in no uncertain terms: “We successfully operate airports for our customers worldwide, and offer associated services. We create the conditions needed for international interconnectedness, economic development and prosperity. In doing so, we want to offer our partners a platform for their business model, and be an economic force and job engine in the respective regions as well as an attractive employer and responsible partner.”

The cover photo once again reflects our slogan. Airports around the world are fascinating places, and Frankfurt Airport is no exception. It is not just visitors and passengers, but also the employees of Fraport who are fascinated, each in their own way, by the various experiences that Frankfurt Airport has to offer. The “2017 Compact” report presents the favorite spots of Fraport’s employees who contribute to making airports fascinating places. One of them is Charalampos Karakousis, who along with his colleagues at the General Aviation Terminal in the south of Frankfurt Airport is responsible for a special service provided to passengers traveling by private aircraft.

Gute Reise! We make it happen



Contents

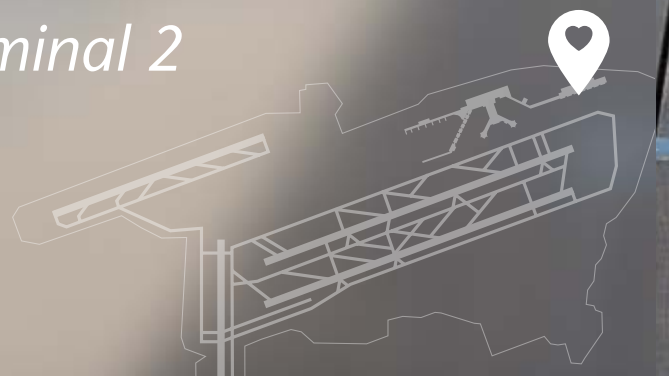
Foreword	14
Highlights 2017	16
Our Group	20
Governance and compliance	27
Responsibility	30
Our program	36
Economic enhancement	43
Customer satisfaction and product quality	44
Economic efficiency	48
Growth and development in the Group	50
Ideas and innovation	52
Employees	57
Attractive and responsible employer	58
Occupational health and safety	60
Community	65
Value generation and engagement in the regions	66
Noise abatement	70
Environment	77
Climate protection	78
Conservation of nature and resources	80
Key figures	85
About this Report/Imprint	91

Company Portrait	
Fraport USA Inc.	40
Fraport Slovenija, d.o.o.	54
Lima Airport Partners S.R.L.	62
Fraport Twin Star Airport Management AD	74
Fraport Regional Airports of Greece	82



Visitors' Terrace at Terminal 2

"Frankfurt Airport is Germany's door to the world. I can see it close-up from my favorite spot. But I also have a favorite time: When the different shades of red glow on the horizon and you can take your time watching the planes in the sky as they take off and land, that's when I enjoy the visitors' terrace the most."



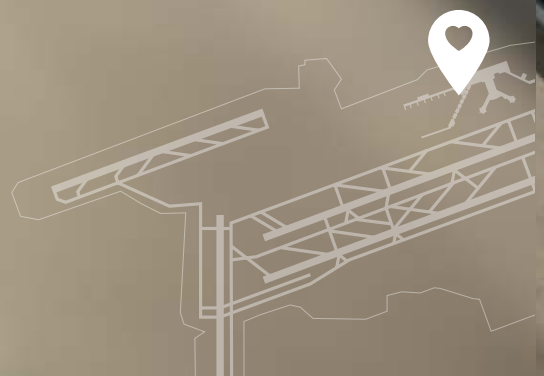






Baggage handling system

"The numerous transit passengers in a wide-body aircraft such as the A380 need to reach up to 100 connecting flights in a short period of time. Promptly reloading their baggage is one of the main challenges of baggage management at a hub like Frankfurt Airport. You can see this amazing logistics service in full swing at my favorite spot: the 80-km long baggage conveyor system."





Terminal 1

"My favorite spot is where the world meets! To make sure that every passenger truly has a 'Gute Reise', all the processes at the terminal must be perfectly coordinated. This is a big challenge, especially on peak days when there are over 200,000 passengers using the airport. It's all the more fascinating when everyone involved pulls together so that even on such days, things stay calm and under control..."





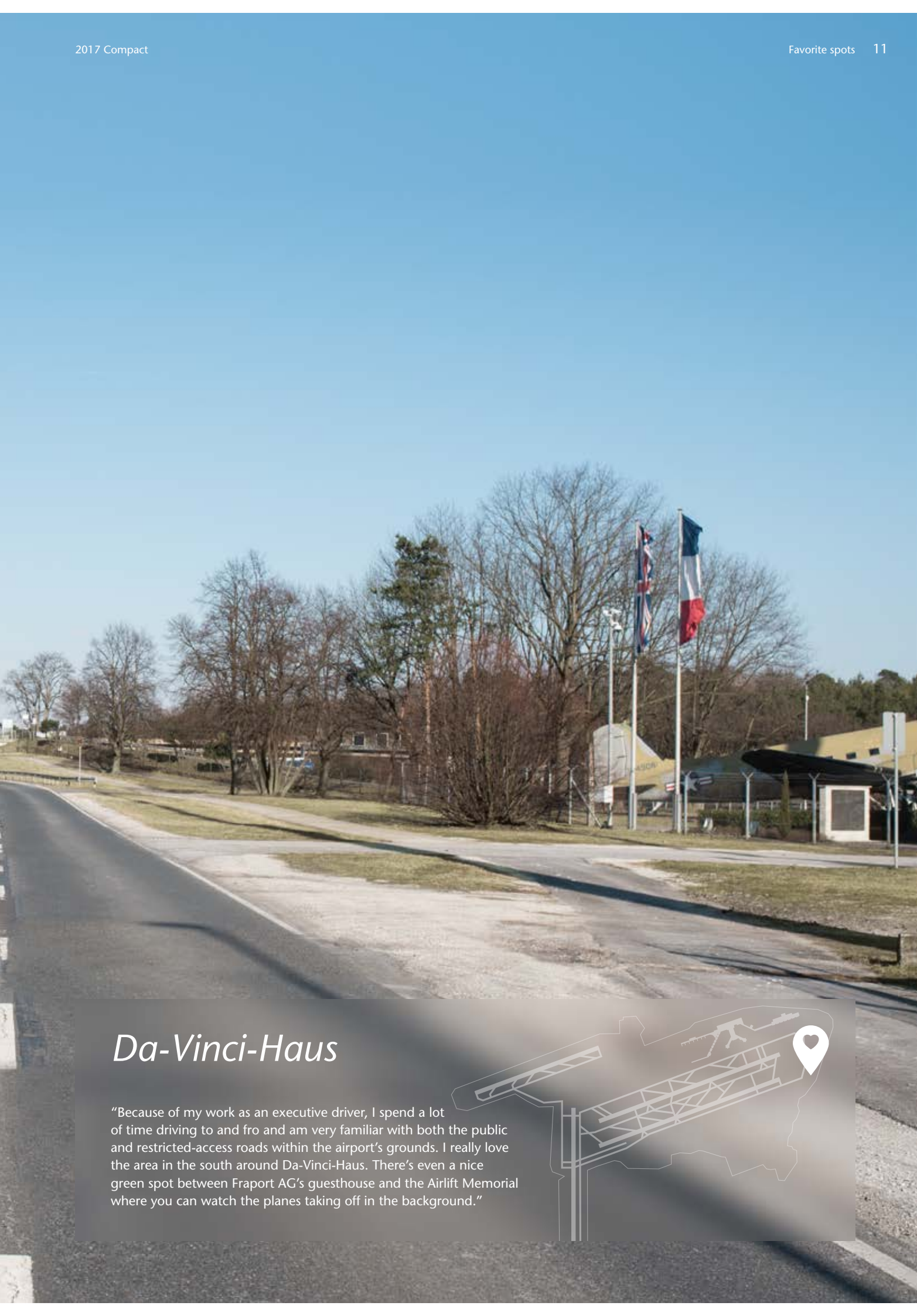






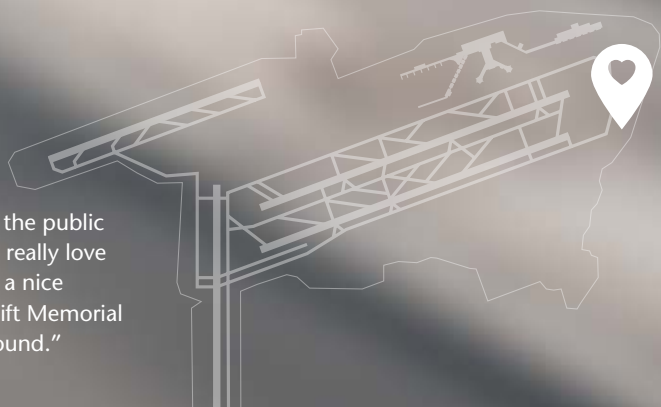
Frank
Deichmeier

Fraport



Da-Vinci-Haus

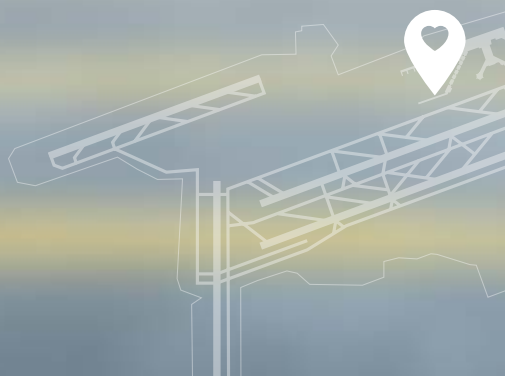
"Because of my work as an executive driver, I spend a lot of time driving to and fro and am very familiar with both the public and restricted-access roads within the airport's grounds. I really love the area in the south around Da-Vinci-Haus. There's even a nice green spot between Fraport AG's guesthouse and the Airlift Memorial where you can watch the planes taking off in the background."

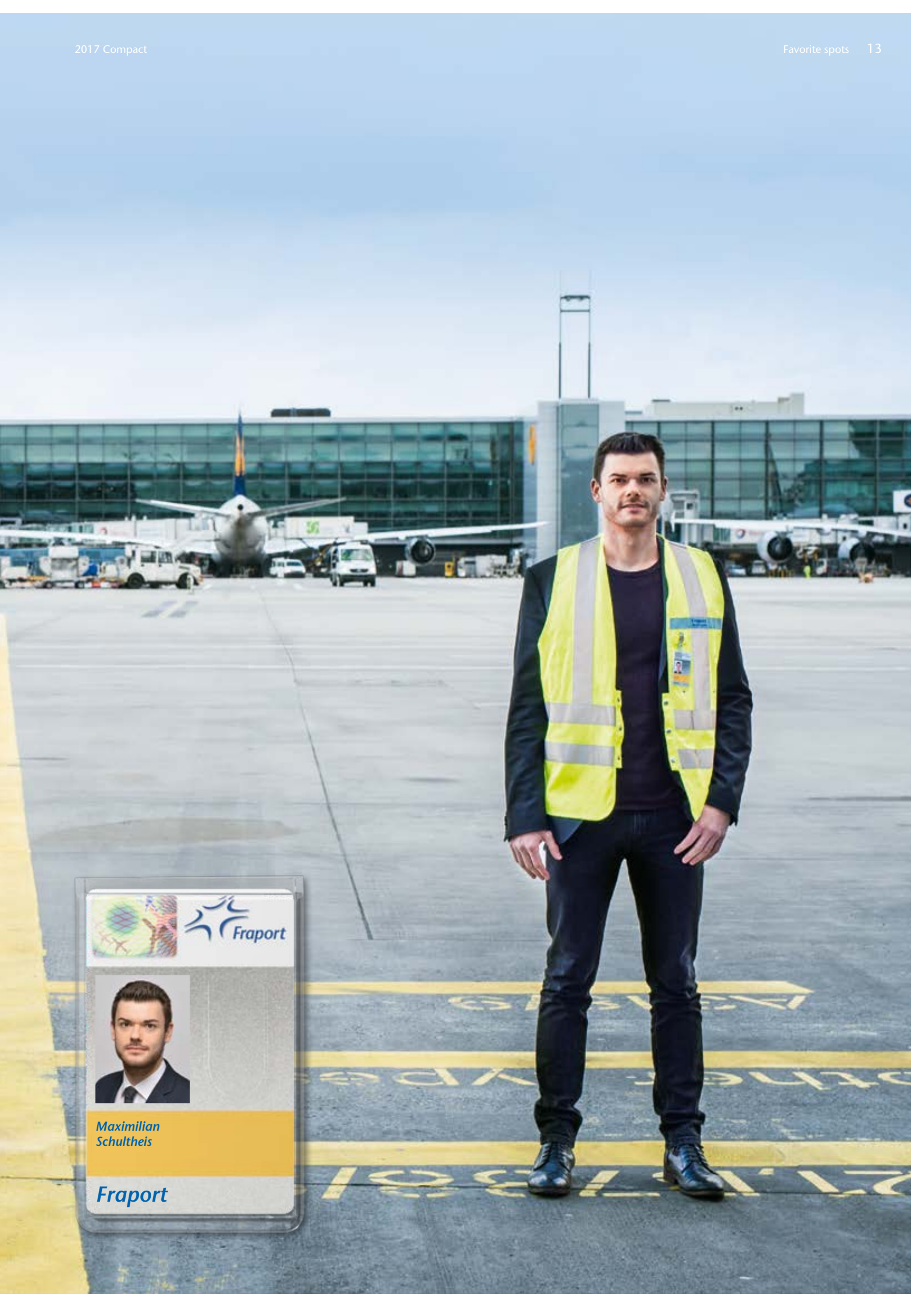




Apron

"The apron is the ideal place to see how everything works in concert at the airport. It clearly shows how important it is for processes to be coordinated perfectly and to be able to trust in your colleagues. This is the only way that Fraport can ensure that its customers, both airlines and passengers, enjoy a high level of performance. You can clearly observe this process from my favorite spot."





Foreword

Dear Reader,

In the past fiscal year, Fraport achieved a very good result. With over 64.5 million passengers, Frankfurt Airport grew by more than six percent, setting a new record. We also served a significantly greater number of passengers at all Group airports compared to the previous year. With the addition of the two Brazilian airports as well as the successful take-over of 14 Greek airports in the past year, we were also able to continue to expand our international portfolio. As a result, we have made good progress in the goal to continuously increase the result contribution of our international business activities.

At the same time, growth at Frankfurt Airport presents us with the challenge of creating the capacities necessary for it in good time. In Terminals 1 and 2, we are intensively working with our partners on measures to improve processes and capacities. The most important aspects for meeting the challenge of increasing passenger numbers during peak hours are security checks as well as passport controls for entry into and departure from the country. Customer satisfaction once again increased, with 85 % of our passengers stating that they were satisfied with the travel process as a whole. This new record is certainly proof of our excellent performance and the great commitment of our airport employees and partners. At the same time, improving these processes remains an ongoing task, as this year's current development shows once again.

In particular, we are creating capacity for 14 million additional passengers in Frankfurt with the construction of Terminal 3, which should commence operations in 2023 with piers H and J. The construction of this terminal is on schedule. In order to be prepared for the anticipated passenger growth as well as offering our customers even better and more tailored services, the schedule for the construction of pier G with an annual capacity of four to five million passengers will also be brought forward. The building application for pier G was submitted last year, and construction work is set to start in the second half of 2018.

As you can see, we are in a good position in Frankfurt to meet future traffic demands despite the currently robust traffic growth. Developing capacities based on demand while at the same time keeping customer satisfaction at a high level are the challenges that we set ourselves both in Frankfurt and at our airports internationally. For example, after taking over the Greek airports, we immediately started implementing important modernization measures as well as efficient processes to noticeably improve the travel experience for our guests from all over the world. The next step will include extensions to and new constructions of terminal facilities, including more attractive service and shopping offers.

With the take-over of the two Brazilian airports of "Pinto Martins" in Fortaleza and "Salgado Filho" in Porto Alegre on January 2 of this year, we completed a further step in the expansion of our international business. These airports welcomed nearly 14 million passengers in total in 2017, an increase of 4.4 percent compared to the previous year. Drawing on our expertise, we will significantly develop both airports for the benefit of the country. For our customers, whether airlines or passengers, we will expand terminal capacity and improve processes and services as well as add attractive retail and food & beverage offerings.

Our experience shows that well-managed airports prove themselves to be true engines of economic growth in their respective regions. The best example of this can be seen at our airport in Lima. One of the most successful airports in our portfolio, "Jorge Chávez International Airport" has achieved consistently high growth rates and a high level of customer satisfaction, while receiving numerous awards. For this reason, we will build an additional runway as well as a new passenger terminal at the airport. This is the only way we can meet the growing traffic volume in Lima, and continue to steadily improve the range of high-level offerings and services for passengers.



In this regard, we warmly thank our employees throughout the entire Group, who now number over 24,500. It is due to their efforts and performance that we have achieved such a positive result despite the challenges we face.

Our commitment to the issues of active noise abatement and noise reduction shows that growth and responsibility are not mutually exclusive. These continue to have a high priority. Together with our partners such as Deutsche Flugsicherung, Deutsche Lufthansa, and other players from politics and the industry, in the past year we have improved our role of international pioneer in noise abatement at the Frankfurt site. Frankfurt is now the first hub airport worldwide that is equipped with state-of-the-art navigation technology on all runways and supports an approach procedure that allows for noise reduction in the areas most affected by the landing approaches. We have taken these and additional measures in a conscious effort to shoulder our corporate responsibility.

This also includes identifying non-financial performance indicators, which arise from the Group's strategy. We made a few changes in the 2018 fiscal year. The quota of women in management positions,

the sickness rate, and the CO₂ emissions, which were already included among the most important non-financial performance indicators in the 2017 reports, have now been included in the Group management report. The selected indicators also include the key figures for overall passenger satisfaction, baggage connectivity, and employee satisfaction. These are of course also part of our sustainability program, which can be found starting on page 36. We hope you find this report interesting and informative, and we look forward to your responses.

Dr. Stefan Schulte
Chairman of the
Executive Board

Anke Giesen
Executive Director
Operations

Michael Müller
Executive Director
Labor Relations

Dr. Matthias Zieschang
Executive Director
Controlling and Finance

Highlights 2017



Jan

Fraport among the top 100 most sustainable companies in the world

Fraport AG is one of the world's top 100 most sustainable companies. This was announced at the World Economic Forum in Davos by the Canadian media and investment consulting agency Corporate Knights. This also meant Fraport AG's inclusion in the index of the "2017 Global 100 Most Sustainable Corporations in the World (Global 100)". For the ranking, 4,973 companies worldwide were assessed according to factors such as economy, the environment and social benefit.

Feb

"Excellence Award" for FRA Cargo Airport

Frankfurt Airport was awarded the "STAT Trade Times International Award for Excellence in Air Cargo" for the second time in a row in the category of best international airport. The ceremony for the award of the renowned trade magazine "STAT Trade Times International" took place during the international trade fair for air freight "Air Cargo Africa" in Johannesburg (South Africa).

March

Contract for two Brazilian airports

As part of the privatization program of the Brazilian government, Fraport AG won the tender for both Fortaleza Airport and Porto Alegre Airport. With a bid in the amount of 1,505.75 million reais (approximately €446.81 million) for the Fortaleza Airport and 382.01 million reais (approximately €113.36 million) for the Porto Alegre Airport, Fraport won out against strong international competition. In addition to the concession price, Fraport will pay a commercial fee of five percent annually. The terms for the two concession agreements are 30 years for Fortaleza and 25 years for Porto Alegre.



May

Dividend of €1.50 per share

At the 16th Annual General Meeting of Fraport AG, the shareholders approved the proposed dividend of €1.50 per share. The approval rate was 99.99 %. Thus, the dividend for the 2016 fiscal year has increased by 15 cents per share. Lastly, the dividend for fiscal year 2014 was increased. In addition, the shareholders approved the actions of the Executive Board (99.76 % approval rate) and the Supervisory Board (96.05 % approval rate) for fiscal year 2016.

Decrease in CO₂ emissions of 65 % by 2030

In 2016, Fraport AG achieved the climate protection targets which it set for itself for 2020 significantly ahead of schedule. As such, it has set new climate protection targets in line with the German government's climate protection plan. The CO₂ emissions produced by the business activity of Fraport AG at the Frankfurt site are expected to be lowered to 80,000 metric tons by 2030. Compared to the levels in 1990, the base year of the international climate protection agreement, this corresponds to a reduction of 65 %.

Occupational health management awarded

HR management in Fraport AG has always focused on preserving the health, performance and therefore productivity of employees in the long term. The airport operator was lauded for its exemplary occupational health management with the German Corporate Health Award (Deutscher Unternehmenspreis Gesundheit) of the BKK Dachverband e.V. in the category "Trade/Transport/Traffic".

Jun

New Sky Line Station C at Frankfurt Airport

The new stop now connects Area C in the eastern part of Terminal 1 with the Sky Line train. Here, transit passengers can board and disembark, and get to their connecting flights comfortably and quickly. Since the passengers remain in the non-Schengen area during the entire transit procedure, no passport controls are required. Fraport invested a total of €24 million for the new station building.

Advisory agreement with Bahrain Airport

Fraport AG won a contract from Bahrain Airport Company for a multi-year consulting project for Bahrain Airport. It includes advisory and other services for the smooth inauguration of new airport facilities. The mandate extends to the new terminal buildings and other infrastructure systems such as the apron areas, a fire station, fuel depot, and aircraft maintenance hangars.

Apr

Fraport Greece takes over operations of 14 Greek airports

With the concession of over 40 years, Fraport Greece is assuming responsibility for the management and further development of the 14 airports, which are located both on the mainland and on the islands of Greece. Fraport AG has also paid the prescribed concession fee of €1.234 billion into the Greek state privatization fund. In addition, Fraport Greece will pay an annual fixed concession fee of €22.9 million, as well as an amount equivalent to 28.5 % of the annual operating profit, to the Greek state.



Jul

FRA best connected in the world

The European airport association ACI Europe confirmed in its connectivity report that the Frankfurt air traffic hub was again number one in the category “Total Hub Connectivity” in 2017, with a massive lead in terms of flight connections ahead of the airports Amsterdam Schiphol and Dallas/Fort Worth. Frankfurt received this rating for this first time in 2005 and has been able to confirm it time and again over the past decade.

Lima Airport to be expanded

The Fraport Group company Lima Airport Partners, S.R.L. and the Peruvian government have agreed to expand Lima Airport. Lima has developed into one of the fastest growing airports in South America. The expansion program will begin in 2018 and involves an investment volume of approximately US\$1.5 billion. Plans include, among other things, a second runway and a new passenger terminal.

Aug

Group result increases significantly

The Group revenue of Fraport AG increased by 10.7% in the first six months of 2017 to almost €1.4 billion (+€130.6 million). The positive change in Frankfurt is due, among other things, to significant passenger growth, increased income in connection with the sale of land, and higher retail sales. Outside of the Frankfurt site, Fraport Greece in particular, which took over operations on April 11, 2017, and the Group company Lima made substantial contributions to revenue growth.

Building application submitted for Pier G in Frankfurt

By moving up the schedule for the construction of the new pier, Fraport is responding to passenger growth. Pier G was originally planned for the second phase of construction of Terminal 3 but should now be completed and inaugurated earlier. The pier has a capacity of 4 to 5 million passengers per year and will cost up to €200 million.

Sept

New historic daily record in Frankfurt

For the first time in its history, Frankfurt Airport (FRA) exceeded the 220,000-passenger mark in a single day on 15 September. In terms of passenger satisfaction, FRA is in tenth place worldwide according to the Skytrax ranking. In terms of punctuality, the airport is in third place among the large airports in Europe according to the OAG Punctuality League.



Oct

Large mandate for the property division

The property experts of Fraport AG have received the contract for the management of seven high-value properties of TRIUVA Kapitalverwaltungsgesellschaft mbH. The properties are all in top downtown locations in Frankfurt am Main and Mannheim. Fraport's specialized division for property development and marketing manages assets with a total value of €2.3 billion.

Self-driving shuttle tested at Frankfurt Airport

Fraport, in partnership with R+V Versicherung, successfully tested a self-driving minibus for the transport of employees on the company premises. The test took place on a 1.5-kilometer section of a busy street. The highly automated minibus proved that it can maneuver itself in a realistic, busy street scenario with pedestrians and a wide range of different types of transport.

Nov

Fraport training initiative selects winner

The Fraport training initiative offers associations and institutions the possibility to submit innovative training measures for children and teenagers as a project. The prizes on offer came to a total of €25,000. The winner of the contest was KinderHelden Förderverein FrankfurtRheinMain e.V., which received prize money of €10,000. Nine other clubs were also delighted to receive funding.

Dec

Fraport USA extends concession at Cleveland Airport

The Airmall Cleveland business unit of Fraport USA extended the retail concession at Cleveland Airport until 2024. The Fraport subsidiary has been successfully managing the retail and restaurant offers since 2008. Since then, employment in the concession division has increased by 60%, and the revenue per departing passenger has increased by 88% to US\$10.46.



From Frankfurt to the world

The Fraport Group (hereinafter: Fraport) is among the leading global airport groups with its international portfolio. Thereby, Fraport provides all airport and terminal operation services and associated services. We also provide planning and consultancy services and run both operational and administrative activities. Passenger traffic, which impacts on a majority of the services the Group provides, is key to the Group's revenue and earnings performance.

The Group's business activities can fundamentally be broken down by Group site and by the services provided there. Here, the main site is Frankfurt Airport, one of the biggest passenger and cargo airports in the world. Fraport AG Frankfurt Airport Services Worldwide (hereinafter: Fraport AG) is the owner of Frankfurt Airport. With more than 10,200 employees, Fraport AG, which has

been stock exchange-listed since 2001, is also the biggest single company of the Group, which has more than 20,600 employees.

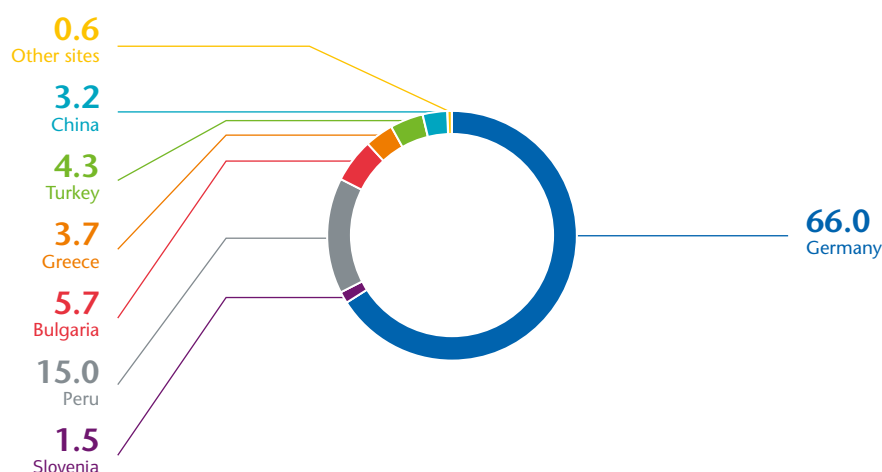
The Fraport Group is divided into four segments: Aviation, Retail & Real Estate, Ground Handling, and External Activities & Services. Fraport's strength lies in an integrated business model in airport management, which guarantees comprehensive know-how in all airport services. Fraport provides the entire range of airport and airport-related services at the Frankfurt site.

Germany – almost exclusively Frankfurt Airport – was once again the most important site of the Fraport Group in the past fiscal year with a share of 66.0% in the Group result (2016: 63.7%). Among others, the share of the Slovenia site rose compared with the previous year, to 1.5% (2016: 0.8%). The

contribution to earnings (3.7%) from the Greece site (hereinafter: Fraport Greece) was added in 2017. The Turkey site recovered in fiscal year 2017 and made a positive contribution of 4.3% (in the previous year: negative contribution). In contrast, the Brazil site, due to start-up costs without offsetting revenue in preparation for the operational take-over of the Brazilian airports in January 2018, and the USA site, due to the extraordinary impairment loss for the concession in Boston, made a negative contribution to the Group result.

Share in the Group result by site

in %



Organization

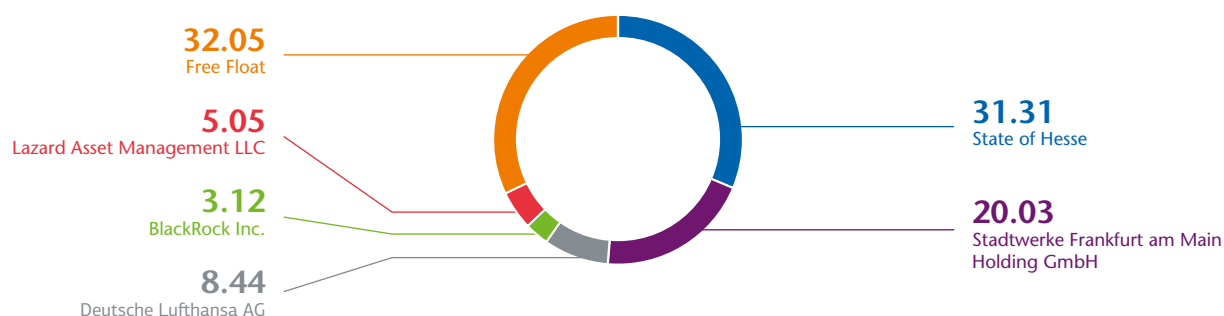
Fraport AG is a publicly listed corporation registered in Germany. As such, its management and control are divided into three independent bodies. As a management body, the Executive Board bears the strategic and operational responsibility for the Group. At the end of 2017, it comprised four members, Dr. Stefan Schulte (Chairman), Anke Giesen (Executive Director Operations), Michael Müller (Executive Director Labor Relations), and Dr. Matthias Zieschang (Executive Director Controlling and Finance).

The Supervisory Board appoints the Executive Board and controls the latter's activities. It exists under German law and, as a result of the size of the parent company, comprises 20 members who are appointed or elected by shareholders and company employees in equal numbers.

As an additional decision-making and control body, Fraport AG's shareholders exercise their participation and voting rights in the company at the Annual General Meeting. The ordinary Annual General Meeting takes place in the first six months of each fiscal year and makes decisions on all tasks assigned to it by law and the Group's articles of association, such as appropriation of profit, election and discharge of the Supervisory Board, and discharge of the Executive Board. Each share grants one voting right.

Shareholder structure as at Sunday, December 31, 2017 ¹⁾

in %

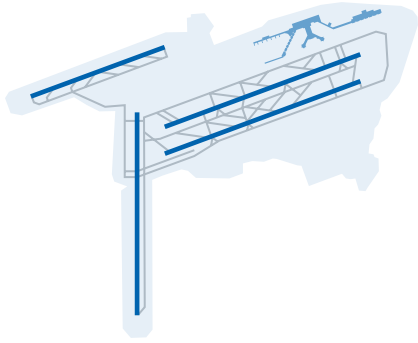


¹⁾ The relative ownership interests were adjusted to the current total number of shares as at Sunday, December 31, 2017 and therefore may differ from the figures given at the time of reporting or from the respective shareholders' own disclosure. Shares below 3 % are classified under "Free Float".

Group airports

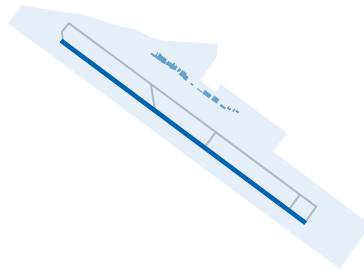
(with an interest of more than 10%)

Frankfurt/Main



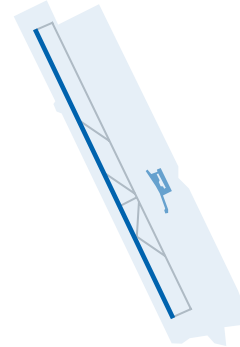
Name	Frankfurt Airport
Company	Fraport AG
Type	Group headquarters
Shares	100%
Employees	10,204
Passengers	64.5 million
Cargo (air freight + air mail)	2.2 million metric tons
Movements	476,000

Ljubljana



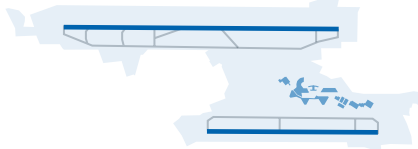
Name	Ljubljana Jože Pučnik Airport
Company	Fraport Slovenija d.o.o.
Type	Group company
Shares	100%
Employees	409
Passengers	1.7 million
Cargo (air freight + air mail)	12,000 metric tons
Movements	34,000

Lima



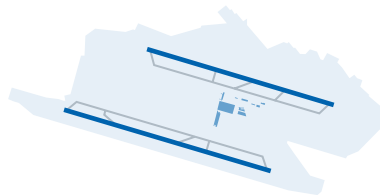
Name	Aeropuerto Internacional Jorge Chávez
Company	Lima Airport Partners S.R.L.
Type	Concession until at least 2041
Shares	70.01%
Employees	494
Passengers	20.6 million
Cargo (air freight + air mail)	284,000 metric tons
Movements	187,000

Hanover



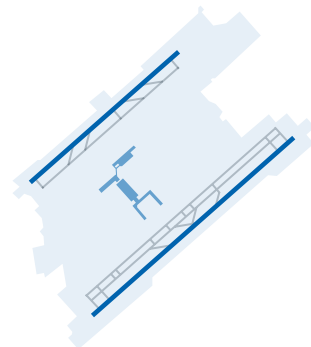
Name	Hanover-Langenhagen Airport
Company	Flughafen Hannover-Langenhagen GmbH
Type	Group company
Shares	30%
Employees	665
Passengers	5.9 million
Cargo (air freight + air mail)	18,000 metric tons
Movements	75,000

St. Petersburg



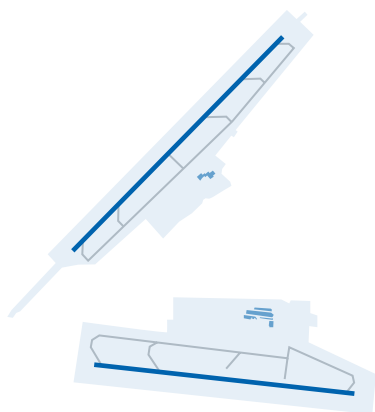
Name	Pulkovo Airport
Company	Northern Capital Gateway LLC
Type	Concession until 2040
Shares	25%
Employees	3,458
Passengers	16.1 million
Cargo (air freight + air mail)	n/a
Movements	152,000

Xi'an



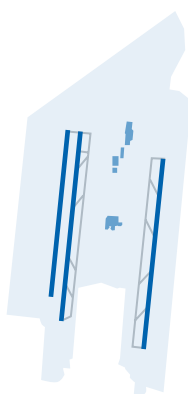
Name	Xi'an Xianyang International Airport
Company	Xi'an Xianyang International Airport Co.
Type	Group company
Shares	24.5%
Employees	3,697
Passengers	41.9 million
Cargo (air freight + air mail)	259,000 metric tons
Movements	318,000

Burgas/Varna

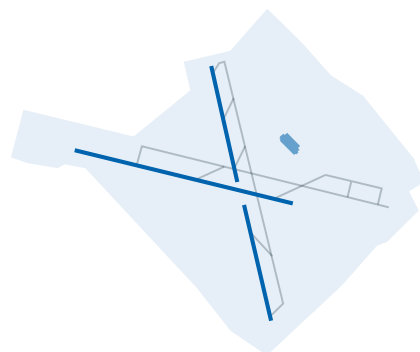


Name	Burgas Airport/Varna Airport
Company	Fraport Twin Star Airport Management A.D.
Type	Concession until 2041
Shares	60%
Employees	1,037
Passengers	4.95 million
Cargo (air freight + air mail)	14,500 metric tons
Movements	37,000

Antalya

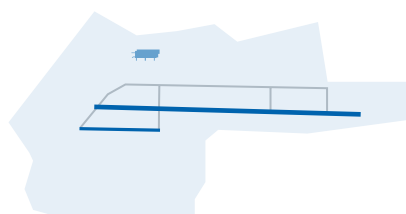


Name	Antalya Airport
Company	Fraport IC Ictas Antalya Airports
Type	Concession until 2024
Shares	51%
Employees	422
Passengers	26.4 million
Cargo (air freight + air mail)	n/a
Movements	157,000

Greek regional airports
(example: Thessaloniki)

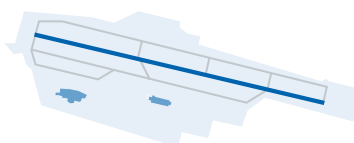
Company	Fraport Greece ¹⁾
Type	Concession until 2056
Shares	73.4%
Employees	525
Passengers	27.6 million
Cargo (air freight + air mail)	n/a
Movements	226,000

Porto Alegre



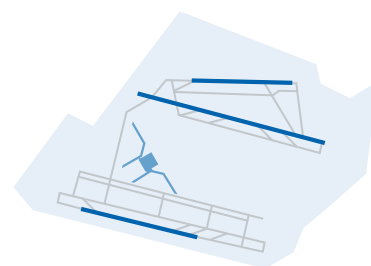
Name	Aeroporto Internacional de Porto Alegre
Company	Fraport Brasil S.A. Aeroporto Porto Alegre ²⁾
Type	Concession until 2042
Shares	100%
Employees	161
Passengers	n/a
Cargo (air freight + air mail)	n/a
Movements	n/a

Fortaleza



Name	Aeroporto Internacional de Fortaleza
Company	Fraport Brasil S.A. Aeroporto Fortaleza ²⁾
Type	Concession until 2047
Shares	100%
Employees	91
Passengers	n/a
Cargo (air freight + air mail)	n/a
Movements	n/a

Delhi

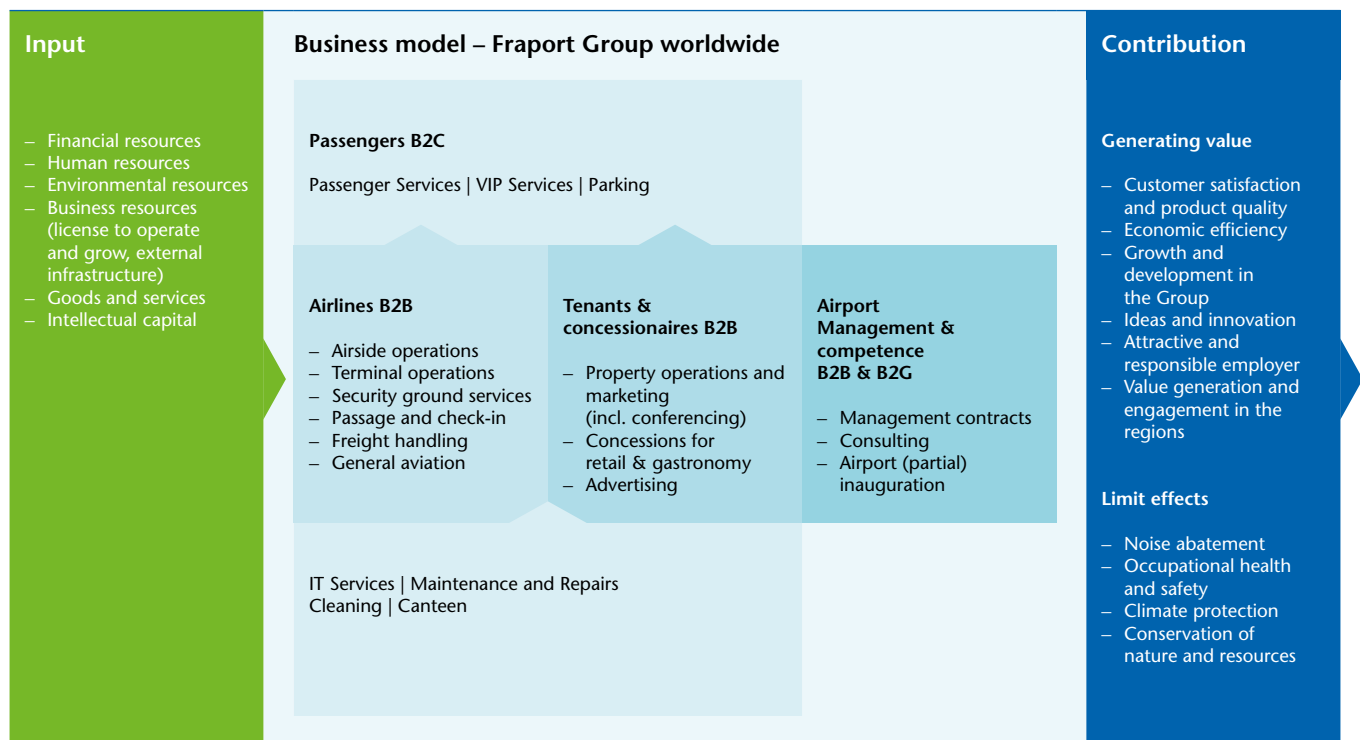


Name	Indira Gandhi International Airport
Company	Delhi International Airport Limited
Type	Concession
Shares	10%
Employees	1,403
Passengers	63.5 million
Cargo (air freight + air mail)	966,800 metric tons
Movements	448,000

¹⁾ Fraport Regional Airports of Greece Management Company S. A.; Fraport Regional Airports of Greece – A, S. A.; Fraport Regional Airports of Greece – B, S. A.
Start of concession: 2017

²⁾ Start of operations on 1/2/2018

Key business fields in the value generation chain



Our business activities are divided into four segments: “Aviation”, “Retail & Real Estate”, “Ground Handling”, which are largely active at the Frankfurt site, as well as “External Activities & Services”, which primarily includes the Group companies outside of Frankfurt. The segments encompass the strategic business

units and service units of Fraport AG and also include the Group companies involved in each of these business processes. In addition, ten central units of Fraport AG in Frankfurt provide services, among other things, across the entire Group.

Segment structure

Fraport Group				
Segments ¹⁾	Aviation	Retail & Real Estate	Ground Handling	External Activities & Services
Directly assigned strategic business units and service units of Fraport AG	Airside and Terminal Management, Corporate Safety and Security	Retail and Properties Management	Ground Services	Global Investments and Management Integrated Facility Management Information and Telecommunication Airport Expansion South Corporate Infrastructure Management
Central units				
Controlling Finance and Investor Relations Internal Auditing HR Top Executives Human Resources Accounting Legal Affairs and Compliance Corporate Development, Environment and Sustainability Corporate Communications Central Purchasing, Construction Contracts				

¹⁾ Including assigned Group companies.



Strategy

Fraport continues to guide its strategy by the long-term forecasted development of the global aviation market and its market trends. Here, renowned aviation associations and aircraft manufacturers expect long-term stable growth of the aviation market. This is derived, in particular, from projected global economic growth and the continuing global expansion of the middle class, which consumes more. Supporting effects continue to result from the continuing internationalization of labor and education. Increasing traffic is also forecasted from migration and tourism. The intense competition between airlines has the effect of promoting growth. Business models which focus their performance purely on transport lead to relatively cheap ticket prices. Disproportionate growth is still expected from and in the economic emerging markets.

Despite the long-term growth forecasts, the short-term development of aviation markets continues to be marked by uncertainties in individual markets. These primarily result from geopolitical conditions, such as in Ukraine or the wider Middle East, potential terrorist attacks, and the possible spread of epidemics, but also from the economically uncertain situations of various economies. In addition, the various companies in the aviation industry, and airlines in particular,

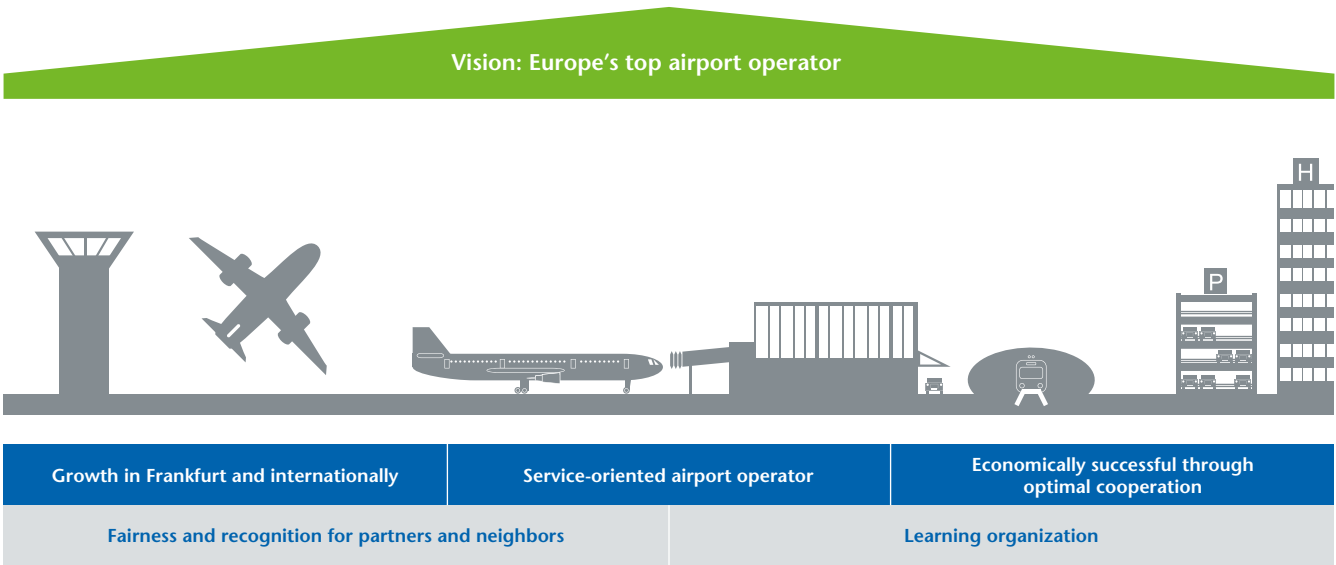
continue to be negatively influenced by intense competition, the rolling out of national taxes, such as the German aviation tax, and potential labor disputes. Positive and negative effects also arise from the appreciation and depreciation of currencies and from price fluctuations on commodity markets.

The aforementioned uncertainties also affect Frankfurt Airport, as it is an international hub. Individual Group airports may see shifts in passenger flows, albeit temporarily, to other destinations. For example, Antalya Airport was significantly affected by this in 2016 in particular. Due to the high share of Russian-dominated traffic, the St. Petersburg, Varna, and Burgas sites are also affected by political uncertainties related to Russia.

Fraport monitors various lead indicators to identify trends in travel or freight flows at an early stage. At an economic level, these include industrial production, purchasing managers indices, the logistics indicator or private consumption in different economies. In addition, indicators specific to flight markets such as booking forecasts or the airlines' publications of flight plans are part of such monitoring activities.

Vision

"Fraport – from Frankfurt to the world. We are Europe's best airport operator and set standards worldwide." This is the vision for the Fraport Group. It clearly indicates the company's close connection with its home location in Frankfurt. This is the source of the impetus for our international activities. In Europe, we measure ourselves against other airport operators. Fraport is successfully building a network worldwide and setting standards in the operation of international airports and associated services.



Group Mission Statement

The changing conditions in global aviation influence the entire air aviation sector. Price wars between airlines as well as passengers’ price-conscious travel behavior are leading to more competition among airports. At the same time, the quality of the service as well as providing reliable and fast processes are increasingly gaining importance as competitive factors.

The continued development of the Group strategy, based on the mission statement implemented in 2015/2016, draws on existing and anticipated changes to general and market conditions, and gears the Fraport Group to achieving success in this dynamic environment. The mission statement’s vision of establishing Fraport as Europe’s best airport operator while setting standards worldwide is the basis of the Group strategy. We offer our customers a platform for their businesses at all our sites which stands out from the competition through its quality as well as attractive pricing. As a result of this offering in Frankfurt and throughout the world, possibilities have been created to meet the mobility needs of society and to strengthen the economic power of the regions concerned.

From the passengers’ perspective, airports are becoming increasingly interchangeable. Transfer passengers can often choose between several airlines or alliances and thus different hubs. Price-sensitive passengers have a wide range of low-cost carriers (LCC) to choose from. We have responded to this expanding market by opening up the Frankfurt site to LCC. For Fraport, a factor critical for competitive success is to offer various customer groups the appropriate products upon departure, arrival or transfer at Frankfurt Airport. With the mission statement “Gute Reise! We make it happen”, the focus of the entire company that is needed for this has been placed on customer. The further penetration of the mission statement’s aspirations throughout the company will also be continued at the segment level and in the Group companies over the next few years.

The values of competence, commitment, openness, reliability, courage, and trust are the core values of our culture. The vision, the new motto, and the five objectives set a clear direction for the future.

- The five objectives are:
- Growth in Frankfurt and internationally
 - Service-oriented airport operator
 - Economically successful through optimal cooperation
 - Learning organization
 - Fairness and recognition for partners and neighbors
- The implementation of the strategy is subject to company-wide planning and management based on numerous measures in which representatives of various business units and companies are involved. Strategic teams draw up annual targets to put the strategic goals of the mission statement in concrete terms. In total, ten programs are being pursued in order to promote the achievement of the objectives. In addition, sub-strategies are drawn up and pursued within the segments, which do not deviate from the overarching Group objectives. They operationalize the Group objectives in a manner specific to the different sections and make recommendations.

Governance and compliance

The basis of ensuring legal and compliant behavior in the Fraport Group as well as at Fraport AG is the corporate culture as it has been laid out, in particular, in the code of conduct for employees. The Code of Conduct applicable to all employees worldwide takes into account the United Nations' anti-corruption conventions and is based on the ten Global Compact principles, the OECD guidelines, and the ILO Core Labor Standards.

In accordance with the values in the Fraport Code of Conduct, Fraport intends to operate in a socially, economically and ecologically sustainable manner. This responsibility is defined in the Code of Conduct for all employees. The same values are contained in the Fraport Supplier Code of Conduct. Fraport expects its suppliers and service providers to comply with the same standards.

The Code of Conduct and the Compliance Guidelines are available to all employees on the internal information portals. The certified electronic whistleblower system (BKMS® System), which is used to report conduct damaging the company, is an important tool for preventing or uncovering violations. Fraport has also appointed an external lawyer as an ombudswoman. She is a trusting contact for all of the Fraport Group's employees as well as customers, suppliers, and other business partners and also receives information on corruption issues. An internal ombudsperson is also available to employees in Germany.

Management systems

We have numerous management systems in our business processes to ensure responsible corporate governance. This includes, for example, environmental, health and safety, and quality management. (Regarding the environmental management system, see page 80 et seq., regarding occupational safety, see page 60 et seq.) Under the umbrella term of "process-oriented quality management", Fraport AG runs a system which serves to

maintain and further develop a process-oriented corporate organization and to align it with our new mission statement of "Gute Reise". In this system, the key processes of Fraport AG are systematically checked and constantly developed in order to offer the customer a consistently high level of quality and ensure that our company is competitive. A certification of the quality management system according to ISO 9001 was already successfully completed back in 1996. From 2000, the certification was also extended to Group companies and a certification association was formed. This association currently comprises 16 companies.

Anti-Corruption and Bribery Matters

The Fraport Code of Conduct covers corruption prevention and antitrust law, among other things. The Executive Board is expressly committed to these principles as well as the zero tolerance principle, in particular

in respect to corruption and violations of antitrust and competition law. This Code of Conduct is a key part of the Compliance Management System (CMS) policy for the Group companies and of Fraport AG's CMS. The comprehensive analysis of compliance risks forms an important part of the CMS. There is a focus on anti-corruption and antitrust and competition law.

The value-based corporate culture is the basis of the stable development of the CMS. The CMS is designed to be preventive and should enable our employees to become aware of compliance risks and violations at an early stage and respond to them appropriately. For Fraport AG, the Executive Board has expressly committed to this value-based compliance. With the Group-wide code of conduct as well as various communication measures, the Executive Board supports the managing directors and their managers within the Group to meet their responsibility to continuously implement the compliance objectives.



Dr. Stefan Schulte
Chairman of the
Executive Board

»For many years, Fraport has been committed to complying with internationally recognized codes of conduct with regard to responsible corporate governance. These include the ten principles of the UN Global Compact, to which we have been expressly committed since 2007. The UN 2030 Agenda and the objectives contained therein for sustainable development are part of our voluntary commitments.«



Conduct standards flesh out Fraport AG's value-based compliance and help employees to adhere to existing laws and internal company rules. To prevent accusations of bribery, it clearly describes – using examples – in what form it is acceptable to give or receive gifts, benefits and invitations.

Compliance due diligence is a standard process in Fraport AG's strategic business unit Global Investments and Management, meaning that significant compliance aspects, such as reviews of business partners on the topics of corruption, price fixing, and fraud, are taken into account for each capital expenditure project and for consulting services. The obligation for all fully consolidated Group companies to adopt the Group CMS policy also ensures that the Fraport standards for the CMS are implemented in the relevant Group companies.

Fraport has taken preventative corruption measures for the foreign Group companies in accordance with the CPI (Corruption Perceptions Index) issued by Transparency International. Here, the focus is on compliance risk analysis, which mainly looks at corruption risks. The analysis also considers risks resulting from fraud and competition law. Measures to prevent corruption are derived by the Group companies on this basis. These include, for example, training measures, reviews of business partners, and documentation of compliance-related processes. Within the scope of large financing projects, measures against corruption

and bribery are implemented in the Group companies, in part as stipulated by external lenders.

The aforementioned organizational concepts for identifying and reporting irregularities ensure that the Executive Board gains direct knowledge of any cases of corruption and bribery. In fiscal year 2017, there were no agreements with any business partner terminated due to allegations of corruption.

Respect for Human Rights

Fraport rejects any form of forced or child labor. Among other things, the minimum age permitting full-time employment in compliance with the relevant national regulations is observed within the Fraport Group. The Code of Conduct and the Group Compliance Management System (CMS) policy are available to all employees on the internal information portals.

Regulations on working hours and complaints mechanisms, for example, are implemented in large financing projects, some of which are also demanded by external lenders. The Environmental and Social Action Plan (ESAP), which requires the implementation of a human resource policy as well as a management and a monitoring system, is, for example, a prerequisite for the financing of Fraport Greece. The plan applies not only to Fraport's employees, but also to suppliers and subcontractors. The ESAP also regulates

the conditions for employees along the supply chain in order to prevent, for example, suppliers from employing refugees under inappropriate working conditions.

We support the police where possible in pursuing and combating international human trafficking – for example at Frankfurt Airport by providing video material in certain justified cases. Before any data is exchanged, the relevant data protection officers are asked to review the data and approve the transfer. Furthermore, technical security systems were installed in cooperation with the German Federal Police and the German Customs Office. One example of this are ID card locks that prevent repeated use of the same ID card on doors within a short period of time. Wherever possible, check points for staff between Schengen and non-Schengen areas will be installed in close proximity to a border inspection post. In addition, there are clear guidelines for all ID card holders in the airport use regulations and the identification regulations as well as rules for abuse thereof up to the withdrawing of ID cards or access permissions.

During the period under review, there were no complaints related to human rights submitted to Fraport AG and the Group companies by way of the formal organizational complaint mechanisms.

Procurement

Unlike manufacturing companies, Fraport's management does not focus on the supply chain, but on the quality of the services offered and the functionality of the infrastructure required for this. Irrespective of this, it is crucial that business partners and suppliers are selected carefully. The Group companies each have their own procurement management.

In Germany, we require business partners and suppliers to comply with our Supplier Code of Conduct and the law as part of our General Terms and Conditions (AGB). The Supplier Code of Conduct details how to treat employees correctly, including compliance with human rights, environmental and climate protection, and integrity in the course of business, for example the prohibition of corruption and bribery. A violation of this code may result in the termination of the business relationship. A contractual penalty

may be imposed and a claim for lump-sum damages may be raised in the event of antitrust violations and serious misconduct. Business partners and suppliers must also undertake to observe these principles in dealings with their own suppliers.

Fraport AG undertakes to focus on sustainability criteria when purchasing products and services. In addition, the company was one of the first in Hesse to sign a target agreement initiated by the Hessian Ministry of the Environment, Climate Protection, Agriculture and Consumer Protection in 2016. Consequently, social and ecological criteria are considered in purchasing decisions in addition to economic criteria.

Fraport AG has a heterogeneous requirement structure. Its requirements range from architectural services to the construction of entire buildings and maintenance of such buildings, from office materials to IT services and aircraft push-backs. More than 68% (approximately €663 million) of Fraport AG's order volume of approximately €972 million was awarded to companies in the Rhine-Main area in 2017.

Fraport AG had around 2,950 active suppliers and service providers in 2017. Around 98% of the order volume was awarded to suppliers and service providers based in Germany, approximately 1% to those based in the EU and about 1% to those based in the US and Switzerland. As there are comparable legal standards in these countries, in particular in relation to respect for human rights as well as anti-corruption and bribery matters, the first level of Fraport AG's supply chain is not deemed critical. Although orders with business partners and suppliers based outside the aforementioned countries seem insignificant in relation to the total order volume, of which they make up less than one percent, business relationships with suppliers from risk countries, known as the "Primary Impact Countries" (in accordance with the FTSE4Good Index), in particular require special care.

If contracts for product groups that include suppliers or service providers from risk countries are to be put out to tender and awarded, the potential contractors will be reviewed depending on the order value. This also applies to orders for work clothes, for example. The location of production sites is periodically checked. If a business relationship is started with a supplier from one of these countries,

sanction lists are extensively checked in advance. Sanction lists are official lists of people, groups or organizations subject to economic or legal restrictions. If there are irregularities, further checks are planned which may result in the withdrawal of an order.

Own process for Terminal 3

A separate procurement process via the Group company Fraport Ausbau Süd (FAS) was defined for the Expansion South project, in particular Terminal 3 at Frankfurt, due to the size and complexity of the project. By submitting an offer in this procurement process, building companies are obliged to comply with all requirements in the Posted Workers Act (Arbeitnehmer-Entsendegesetz, AEntG) and the Minimum Wage Act (Mindestlohngesetz, MiLoG), to make contributions to the collective bargaining parties' joint facilities, and also to only engage subcontractors or other third parties that meet these requirements. The Fraport Supplier Code of Conduct also forms part of any agreement.

A due diligence review process was defined for purchases made for the construction of Terminal 3, which has since been carried out depending on the order value. In addition to mandatory checking of sanction lists and company information, this includes extensive research online on potential business partners before business relationships are started.

Fraport AG's four largest suppliers by order volume are service companies in which Fraport AG has a stake. These are the Group companies FraSec, FraGround, FraCareServices, and GCS. This concerns among others Ground Services, Security, Cleaning Services, and IT Services. As fully consolidated Group companies, they must adopt the Code of Conduct for employees and are also obliged to comply with the Group Compliance Management System (CMS) policy. These guidelines include instructions to make the Supplier Code of Conduct part of the General Terms and Conditions and to use it insofar as this is possible for the Group companies pursuant to national law. If such inclusion in the General Terms and Conditions is not possible, or is only possible if the Supplier Code of Conduct is modified, the local management shall inform the department dealing with compliance at Fraport AG. Fraport AG's fifth-largest supplier, Arbeitsgemeinschaft Baugrube T3, is not part of the Fraport Group and is engaged by FAS. It is subject to the award conditions described above.

The international Group companies must also comply with all components of the Group CMS policy. This applies in particular to large construction projects such as the new terminal at Lima Airport. In that project, compliance with the Fraport Supplier Code of Conduct is a mandatory part of the tender for the general contractor.





Responsibility

For us, sustainable action means creating the future responsibly. We understand sustainable development to be a continuous process. We are convinced that the company's scope of action can only be secured by consistently including non-economic aspects in management processes.

The topic of sustainability or responsibility falls under the remit of the central unit "Corporate Development, Environment, and Sustainability", which is assigned to the Chairman of the Executive Board. The section brings together the strategically relevant themes relating to responsible corporate governance and initiates their development. It is also in charge of environmental management, and drawing up the materiality matrix and the program. Responsibility for reporting and managing rankings and assessments lies with the "Finance & Investor Relations" section.

Stakeholder dialog

Airports are of great interest to the general public. They are often the cause of social and political debates, particularly in the case of Frankfurt Airport, which is one of the largest hubs in Europe. As an operator, Fraport AG is caught between very different demands.

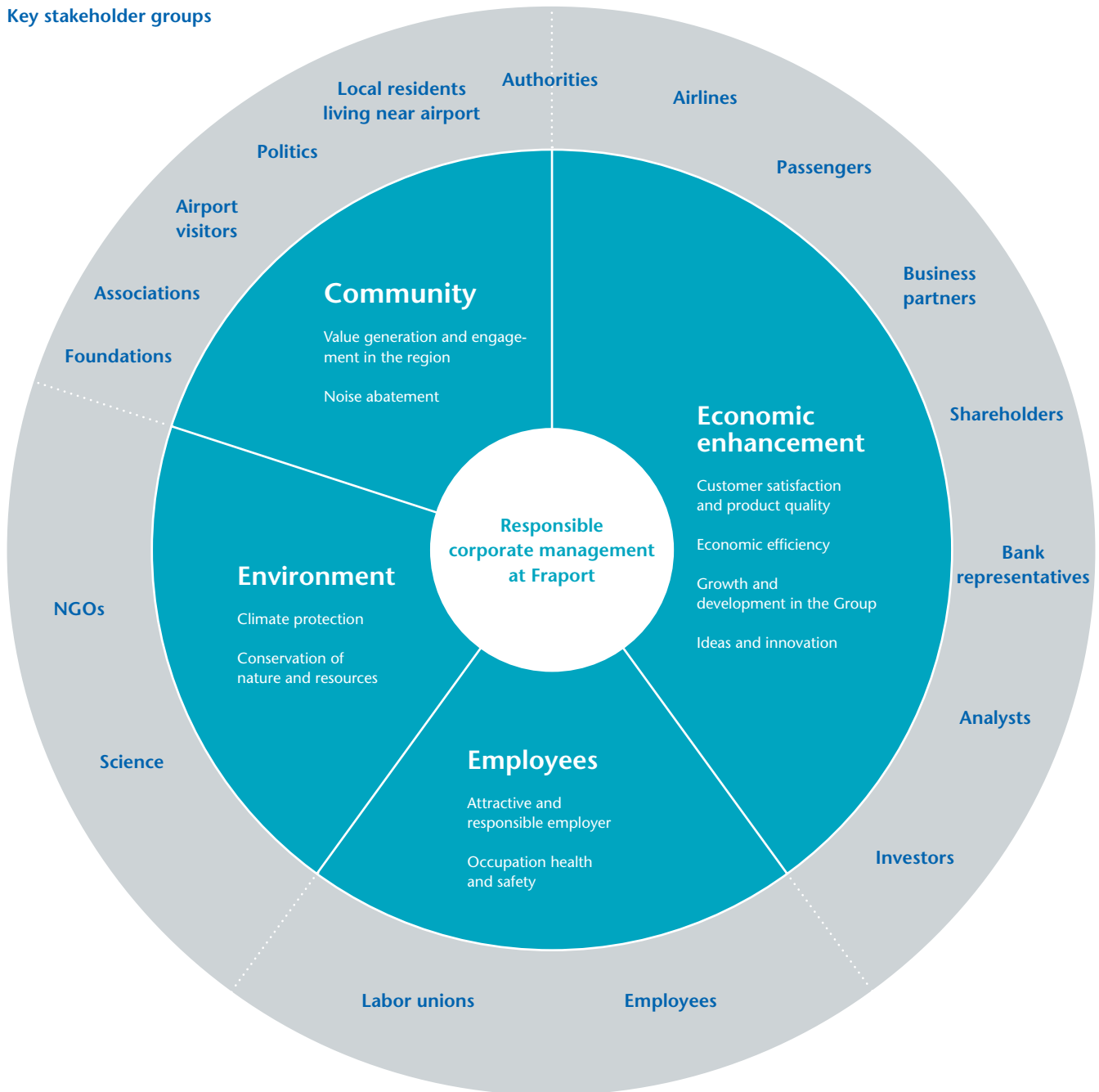
For many of our stakeholders, our contribution to connectivity with the world and thus to their business activities or their travel needs are of primary importance. Other stakeholders are concerned with issues surrounding the Group's financial value creation and its competitiveness, as well as maintaining and creating secure, attractive jobs. Global challenges such as climate change are also seen as a relevant issue by some stakeholders. Noise from airplanes is an extremely important issue for many people in the proximity of an airport.

The concerns submitted to us are extremely diverse. We firmly believe that exchanging information with all stakeholders contributes to mutual understanding and developing widely accepted solutions.

With its stakeholder dialog activities, Fraport addresses all of the company's key stakeholders in a targeted manner. They include passengers, business partners, analysts, property owners as well as civil society, political, and government representatives. Special attention is given to neighbors affected by aircraft noise at our sites and airport employees. At Frankfurt Airport alone, the largest workplace in Germany, there are around 81,000 employees. In this regard, we bear direct responsibility for Fraport employees in particular. The Fraport Group also maintains close contact with its main customers – airline companies – to regularly exchange information on a range of issues and coordinate operational measures.

We consider dialog to be an important tool with which we can develop proposals regarding the strategic orientation of the company and information for risk management. As a "learning organization" we also strive to achieve progress in science and technology.

Key stakeholder groups



Examples of stakeholder communication in 2017

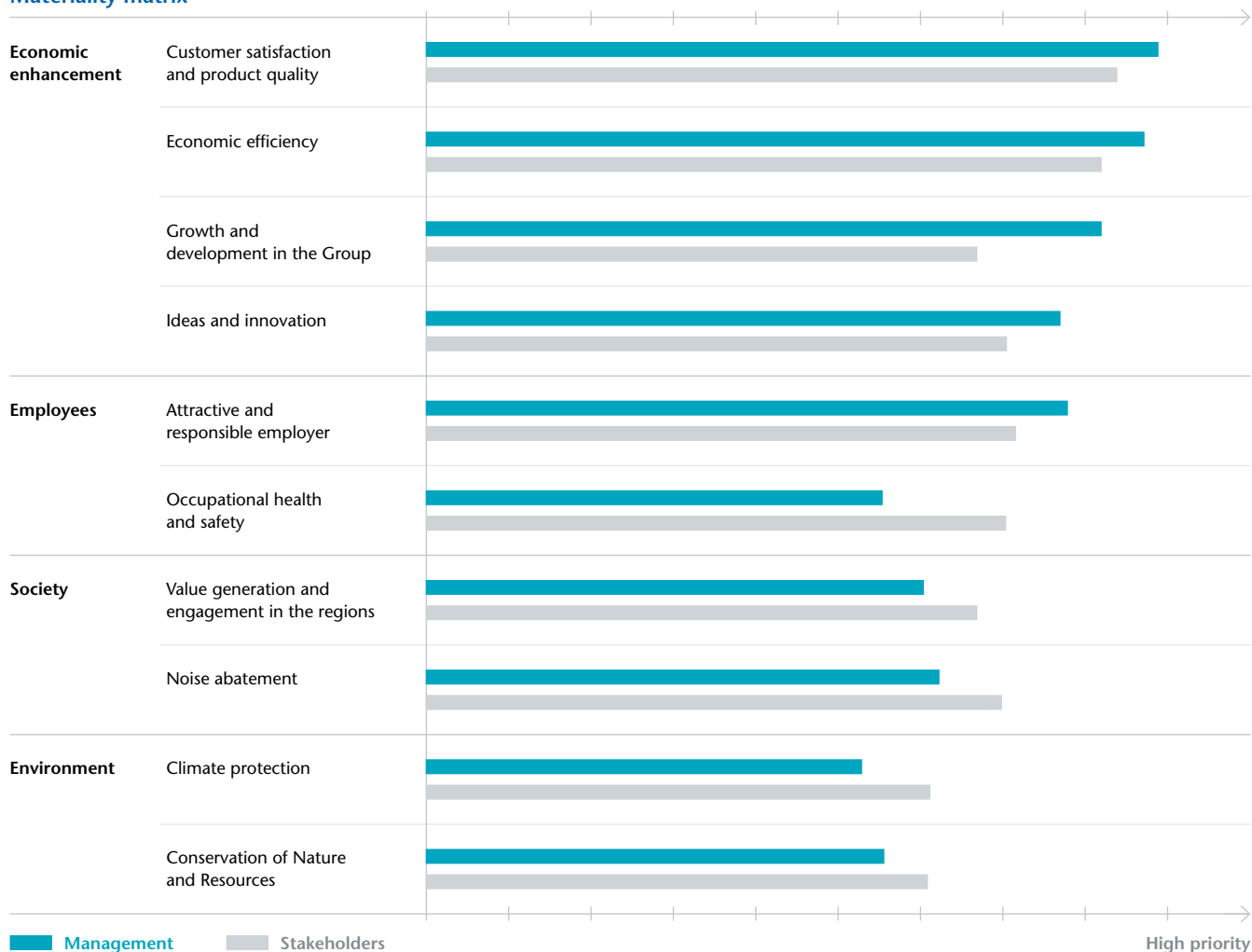
External:

- 2016 Annual Report
- “2016 Compact”
- 2017 Environmental Statement
- Noise abatement reports
- Website www.fraport.de
- Social media activities
- Customer Advisory Board for passengers
- “Air Cargo Community Frankfurt” association
- Customer magazines “Aviation World” and “Retail World”
- Participation in Airport and Regional Forum (Forum Flughafen und Region)
- Informational events for airport neighbors
- Involvement with associations
- Talks with authorities

Internal:

- Employees meetings
- Management conference
- “Fraport World” employee newspaper
- Intranet “Skynet” and extranet “Galaxynet”
- “Fraport Barometer” employee survey
- Dialog with Executive Board members
“Ask the Executive Board” or “Meet the Executive Board”

Materiality matrix



Updates to the materiality matrix

Our systematic talks with internal and external stakeholders provide us with inspiration for the strategic orientation of the company. Since 2010, we have used this to create a materiality matrix that depicts the company's future challenges.

The matrix is reviewed annually to ensure it is up-to-date and, if necessary, adjusted. Fraport's management and representatives of our most important stakeholders (airline companies, passengers, business partners, shareholders, analysts, employees, employee representatives, political bodies and authorities, foundations, associations,

scientific bodies, NGOs, local residents living near the airport) will also be surveyed regularly regarding the relevance of the areas of activity for the company's sustainability. The current materiality matrix was approved by the Executive Board in 2015. In 2017, a check to ensure that the matrix is up to date was made and the matrix's validity was confirmed.

Definitions of the areas of activity

Customer satisfaction and product quality: Continuous improvement of our services, reflected by a high level of customer satisfaction. Safeguarding of the Frankfurt hub function and preservation of the Group's competitiveness.

Economic efficiency: Return-oriented utilization of present and future assets while securing profitability and liquidity.

Growth and development in the Group: Growth, consolidation, and expansion of the Group's portfolio.

Ideas and innovation: Development of new products or approaches that solve a problem more efficiently or fulfill a need better than existing solutions while bringing (added) benefit.

Attractive and responsible employer: Protection of jobs across the Group and provision of a working environment that is characterized by diversity, equal opportunities, fairness, and respect. Creating good labor conditions and development opportunities to recruit, qualify, and retain dedicated personnel.

Occupational health and safety: Maintaining and promoting the physical and mental performance of our employees by means of suitable measures in the areas of safety at work and health.

Value generation and engagement in the regions: Positive contribution to the economic development of the regions. Charitable involvement in the neighborhood of the airport and dialog with our stakeholders.

Noise abatement: Noise abatement in nearby residential areas and reduction of those affected by aircraft noise.

Climate protection: Increase in energy efficiency, monitoring and minimization of the emission of climate-relevant gases caused by airport operations (e.g. CO₂).

Conservation of nature and resources: Conservation of natural resources; minimization of waste and emissions of air pollutants caused by airport operations as well as maintenance and improvement of the biodiversity on the airport grounds.

Our program

Our program regarding strategically important topics for responsible corporate governance is structured analogously to the areas of activity included in the materiality matrix. We have set ourselves concrete targets and defined the actions required to achieve them. Every target is measurable and recorded using at least one key performance indicator (KPI). The KPIs allow the extent to which targets are achieved to be presented in a transparent manner.

The program is reviewed and updated annually. Its scope is essentially the Fraport Group, i.e., all companies that are included in the scope of consolidation for financial reporting. Nevertheless, there are targets that, at the current time, only apply to Group companies in Germany and the Frankfurt site or the parent company. They are identified in the program accordingly. To achieve

these targets, the scope of application will gradually be extended to the entire Group. The responsibility for implementing the measures and achieving the targets lies with the relevant departments. You can find the entire program on pages 36 to 39.

Notable changes in the program are the adoption of a target for CO₂ emissions at Group level and the addition of two further KPIs: Baggage connectivity at the FRA site in the "Customer satisfaction and product quality" area of activity and the Group-wide sickness rate in the "Occupational health and safety" area of activity.

For the "Women in management positions" KPI in the "Attractive and responsible employer" area of activity, the Executive Board decided to place the focus on management levels 1 and 2 in future. The decision is in line

with the uniform reporting on the legal percentage of women and allows better target control, especially at the Group companies. The KPIs above, together with the "Global satisfaction" and "Employee satisfaction" KPIs, are part of the non-financial performance indicators decided upon by the Executive Board in 2017. This unified the KPIs of the annual report with those of the program.

In the "Noise abatement" area of activity, the "Noise units per traffic unit" and "Residents in protection zone 1/night protection zone" KPIs were replaced by the "Area affected by a Leq of 55 dB(A) day" KPI.

We report key opportunities and risks in our current annual report on www.fraport.de in the "Investor Relations" section.



Common goals for global challenges

With Agenda 2030 for Sustainable Development, the international community is expressing its conviction that global challenges can only be solved if we all work together. The Agenda provides the basis for making global economic progress in line with social justice and within the ecological limits of our planet.

Agenda 2030 was adopted by all member states at a United Nations summit in September 2015. The heart of the agenda consists of 17 Sustainable Development Goals (SDGs). For the first time, the SDGs give equal weighting to all three dimensions of sustainability – social, environmental, economic.

In January 2017, the Federal Cabinet adopted the “German Sustainability Strategy – Revised 2016”. This is mainly modeled on the UN Agenda 2030 and its sustainable development goals.

As a signatory to the UN Global Compact, Fraport AG is particularly committed to the objectives of Agenda 2030 and the Sustainable Development Goals.

Our focus in this regard is on eleven SDGs which, in our view, lie within the scope of what we are able to influence by our actions. These are as follows.



Fraport AG assumes responsibility for the health of its employees and offers comprehensive benefits to maintain and promote their physical and mental performance.

As transport hubs, airports are sites where resources are used intensively; it is our aim to organize this so that resources and nature are conserved as well as possible. Our noise abatement goals contribute to noise abatement in nearby residential areas and reduction in the number of those affected by noise at the Frankfurt site.

Areas of activity

- “Occupational health and safety”
- “Conservation of nature and resources”
- “Noise abatement”



Well-trained employees are required in a specialized field such as managing and operating an airport. We therefore provide a wide range of ongoing training opportunities and offer numerous traineeships every year. Through our own environmental fund, we also support projects, institutions and facilities that improve the employability of young people in the region, as well as research and environmental education activities.

Areas of activity

- “Attractive and responsible employer”
- “Value generation and engagement in the regions”



Fraport AG is committed to ensuring a working environment that is characterized by diversity, equal opportunities, fairness, and respect.

Area of activity

- “Attractive and responsible employer”



Operating an airport requires a lot of water and simultaneously generates a large amount of waste water. When dealing with the legally protected resource of water, Fraport takes all aspects of modern water management into account and conserves natural resources.

Area of activity

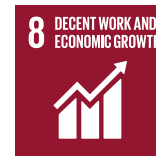
- “Conservation of nature and resources”



The use of renewable energy is an essential component for achieving the climate protection targets of Fraport AG. We continually examine the options for use of renewable energies and manage our electricity purchasing portfolio to keep our emissions factor below the national average. When our energy efficiency measures are exhausted, we increase the renewable proportion in the purchasing portfolio to bridge the gap to achieving our climate protection targets.

Area of activity

- “Climate protection”



Fraport is internationally one of the leading companies in the airport business and has set itself the goal of profitable growth and the long-term achievement of a positive value added in all business fields (economic enhancement). This includes creating good labor conditions and development opportunities to recruit, qualify, and retain dedicated personnel.

With our value generation, we also make a positive contribution to the economic development of the regions in which our sites are located.

Areas of activity

- “Economic efficiency”
- “Growth and development in the Group”
- “Customer satisfaction and product quality”
- “Attractive and responsible employer”
- “Value generation and engagement in the regions”



Innovations are a key to competitiveness for Fraport AG. The aim is to introduce new technologies and continuously optimize complex processes to meet a wide range of customer demands while staying true to our economic and business requirements. This is also part of the constant further development of our airport infrastructure.

Area of activity

- “Ideas and innovation”
- “Customer satisfaction and product quality”



We want to operate our business model as sustainably as possible. To this end, compliance with international regulations on occupational health and safety is the obvious course for us. We consider ourselves responsible for protecting the environment, and we expect our suppliers and service providers to do the same.

Areas of activity

- “Occupational health and safety”
- “Climate protection”
- “Conservation of nature and resources”



Operating an airport and air traffic have an effect on the environment. Fraport is committed to the due and proper consideration of the environmental requirements associated with this. This includes, in particular, increasing energy efficiency, monitoring and minimization of the emission of climate-relevant gases caused by airport operations.

Area of activity

- “Climate protection”



As transport hubs, airports make extensive use of resources. We are committed to the maintenance and improvement of the biodiversity of the airport grounds and their surroundings.

Area of activity

- “Conservation of nature and resources”










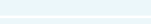





As a company with operations throughout the world, Fraport bears responsibility at both a national and an international level. We have made a commitment to comply with internationally recognized standards of conduct and are a member of national and international working groups to promote sustainable development.

Our program

Area of activity	Objective	Key performance indicator	Target level
Customer satisfaction and product quality  	We want to maintain and further improve our customers' satisfaction.	Global satisfaction Passengers	≥ 80 % ¹⁾
		Customer Service Index Airline	At the level of the previous year (2016: 77.2%)
		Baggage connectivity	> 98.5 %
Economic efficiency 	We want to maintain our financial strength at a high level, despite future capital expenditure, and increase the company's value in the long term.	Group Result	2017: between around €310 million and around €350 million 2018: between around €400 million and around €430 million
		ROFRA	2017: slightly below the previous year's figure 2018: at roughly the same level as in the previous year
		Net financial debt	2017: an increase of approximately €900 million 2017 adjusted: an increase of approximately €1.2 billion 2018: up to €4 billion
		Free cash flow	2017: at level of previous year or slightly below it 2018: significantly below the previous year's level and negative
Growth and development in the Group 	We want to increase passenger numbers organically and optimize our portfolio.	Frankfurt passengers	2017: between 2% and 4% 2017 adjusted: growth of around 5% 2018: Range of approximately 67 to approximately 68.5 million passengers
		Group passengers	2017: growth at Group sites, with a slight recovery expected for St. Petersburg and a recovery in a percentage range in the low double digits expected for Antalya 2018: growth in all Group airports
Ideas and innovation 	We want to promote and exploit the knowhow and skills of our employees and incorporate the input of our stakeholders.	Benefit of implemented ideas (in €)	At least €300,000/year
Attractive and responsible employer   	We want to create good working conditions and increase employee satisfaction.	Employee satisfaction	Better than or equal to 3.0
	We want to increase the number of women in management positions.	Women in management positions (first and second level below the Executive Board)	30 % ⁴⁾
	We want to offer good development opportunities to recruit and retain motivated employees.	Traineeships	≥ 110

¹⁾ From 2021 with Pier G: 82.5 %, from 2025 with Terminal 3: 85 %.

²⁾ The majority of the performance areas were assessed slightly worse and some changes were made in the survey content Flight and Terminal Operation Services (limited comparability)









Term	Area of application	Measures (as at the end of 2017)	Status as at end of 2017	Achievement of objective As at end of 2017
2021	FRA site	<ul style="list-style-type: none"> Continuation of the service program "Great to have you here!" or the adjusted subsequent model, consisting of over 100 individual measures and projects designed to improve the orientation, services and the environment Implementation of special training structures for employees who have direct customer contact in order to improve customer service at the airport (a total of 3,400 participants took part in service training in 2017, of whom close to 2,200 are Group employees) Establishing the Service Quality Committee, an association of the most important partners at the site for the purpose of further developing service quality matters, including joint service training sessions (see previous paragraph) and service guidelines for employees 	85 %	
2018	FRA site	<ul style="list-style-type: none"> Regular exchange of views with airline representatives 	75.4 % ²⁾	
2018	FRA site	<ul style="list-style-type: none"> Continuous development of improvement measures, which are agreed upon in close coordination with the customers during regular performance meetings. 	98.5 %	
2018	Group	<ul style="list-style-type: none"> Maintaining the competitive integrated business model at the Frankfurt site Reinforcing cooperation within the Group Reduction of costs and complexity 	€359.7 million	
2018	Group	<ul style="list-style-type: none"> Execution of the company-wide program to support the HR structure transformation 	10 % (–1.4 PP)	
2018	Group	<ul style="list-style-type: none"> Fall in energy consumption by 20 % by 2020 compared to fiscal year 2013 without major capital expenditure Achievement of potential for growth to access new sources of income 	Increase of €1.16 billion (€3,512.4 million)	
2018	Group		€393.1 million (+30.3 %)	
2018	FRA site	<ul style="list-style-type: none"> Continued development of the Frankfurt site as a hub Dialog with Deutsche Lufthansa regarding a middle- and long-term intensification of the partnership Further development of low-cost traffic at the Frankfurt site 	Growth of 6.1 % (64.5 million passengers)	
2018	Group	<ul style="list-style-type: none"> Construction and inauguration of Terminal 3 Expansion of the international portfolio Implementation of comprehensive modernization and expansion measures at the Greek airports Take-over of the operations of the Brazilian Fortaleza and Porto Alegre Airports, as well as implementation of measures for further infrastructure development 	Passenger growth in all Group airports	
2018	FRA site	<ul style="list-style-type: none"> Award of an ideas and innovation prize Topic-specific campaigns to generate ideas for selected problems Creation of an online platform for employees to share knowledge and develop solutions 	€557,133	
2018	Group	<ul style="list-style-type: none"> Joint project BASE of the Ground Services section and Group company FraGround: as part of a pilot project, leaner processes and structures are tested with employee involvement Workshops for motivation and feedback; segment-specific workshops and regular communication to help managers to develop and to obtain assessments of the development of absenteeism and to derive measures Improvement of the support and personal development of employees by establishing a "Human Resources Development Program" for young employees 	2.87 ³⁾	
2021	Group	<ul style="list-style-type: none"> Review and improve existing instruments and measures to increase the number of women in management positions: <ul style="list-style-type: none"> Communication of the objective in management training Ensuring transparency in selection procedures in terms of consideration of qualified and suitable women for management positions Development of a structured process which enables women to qualify for management positions at all levels Group-wide 	28 % ⁵⁾	
2018	FRA site	<ul style="list-style-type: none"> Varied range of training with one-year job guarantee Continuation of the vocational preparation program "Ready for Take-off" 	110 traineeships offered, 106 traineeships filled	

³⁾ This includes Fraport AG and twelve Group companies at the Frankfurt site as well as the Group companies Twin Star and Fraport Slovenija.

⁴⁾ Adjustment of the target figure through a focus on management levels 1 and 2

⁵⁾ Includes Fraport AG and the German Group companies.

Our program

Area of activity	Objective	Key performance indicator	Target level	
Occupational Health and Safety  	We want to constantly reduce workplace accidents.	Workplace accidents per 1,000 employees	≤ 25	
	We want to stabilize the sickness rate in the medium term and reduce it in the long term.	Sickness rate	≤ 7.2%	
Value generation and engagement in the regions  	We want to make a positive contribution to the economic and social development of the regions.	Gross value generation (company performance)	at least +2% compared with previous year ¹⁾	
Noise abatement 	We want to keep the area affected by aircraft noise below the noise ceiling during the day.	LOG noise area: Area affected by a Leq of 55 dB(A) per day	≤ 22,193 ha	
Climate protection   	We want to reduce the CO ₂ emissions of the Fraport Group.	Absolute emissions (sum of scope 1 and 2 GHG Protocol) of the Fraport parent company and the fully consolidated Group airports in metric tons of CO ₂	125,000 t CO ₂ ²⁾	
	We want to reduce the CO ₂ emissions of Fraport AG at the FRA site.	Absolute emissions (sum of scope 1 and 2 GHG Protocol) in metric tons of CO ₂ Specific emissions (sum of scope 1 and 2 GHG Protocol) in kilograms of CO ₂ /traffic unit	80,000 t CO ₂ 0.9 kg CO ₂ /traffic unit	
Conservation of nature and resources    	We want to provide our services in the Group while always taking environmental concerns into account and to constantly improve our environmental performance.	Proportion of fully consolidated, environmentally relevant Group companies with certified environmental management systems (EMAS or ISO 14001), weighted according to revenue.	100%	

¹⁾ Subject to maximum net financial debt of 4–6× EBITDA.

²⁾ If necessary, the goal will be adjusted for changes within the Fraport airport portfolio.

³⁾ Includes Fraport AG and the Group companies GCS, FraGround, Fraport Slovenija, Lima, and Twin Star.

⁴⁾ Decrease compared to status in previous year because of the first-time consideration of Fraport Greece. The environmental management system of Fraport Greece is still in the process of expansion.

Term	Area of application	Measures (as at the end of 2017)	Status as at end of 2017	Achievement of objective As at end of 2017
2020	Group	<ul style="list-style-type: none"> – Reduction of workplace-related risks through rigorous implementation of the measures stated in the risk assessments – Enhancement of the prevention culture through targeted training measures and projects with managers and employees, with a focus on “safe behavior in the workplace” – Rigorous development of the instruments of the occupational safety management system and their implementation in all Group companies – Implementation and further development of load-reducing technical solutions in the ground services section 	25.5	■ ■ ■ ■ ■ □
2025	Group	<ul style="list-style-type: none"> – Fitness training for employees close to their homes through cooperation with fitness chains – Communication campaign to reduce motivation-related absenteeism – New evaluation options for sick leave and training for managers 	7.5 %	■ ■ ■ ■ ■ □
2020	Group	<ul style="list-style-type: none"> – Operational and financial improvements at Group sites – Capital expenditure on existing airports to meet the future transport requirements of the particular regions and markets¹⁾ – Expansion of the Group portfolio, e.g. through acquisitions 	+5.1 % (around €3.1 billion)	■ ■ ■ ■ ■ ■
Up to limit	FRA site	<p>Active noise abatement measures such as</p> <ul style="list-style-type: none"> – Encouraging the replacement of fleets with quieter aircraft through the charges schedule – Increase in approach glide angle for the northwest runway to 3.2 degrees – GBAS-based noise-abatement flight approach procedures, especially increase in angle of approach glide to 3.2 degrees for south and central line – Incentivization of GBAS as a component of the application for airport charges 	16,952 ha	■ ■ ■ ■ ■ ■
2030	Group	<ul style="list-style-type: none"> – Improvement of energy efficiency in terms of running buildings and airport infrastructure – Increased use of vehicles and ground handling equipment with alternative motors – Use of alternative energies in accordance with the given local circumstances. 	209,668 t CO ₂ ²⁾	■ ■ ■ □ □ □
2030	Fraport AG	<ul style="list-style-type: none"> – Improvement of the energy efficiency of existing buildings of Fraport AG <ul style="list-style-type: none"> • in the terminals • in offices and services buildings – Planning and operation during construction of an energy-efficient new terminal (T3) 	190,065 t CO ₂	■ ■ ■ □ □ □
2030	Fraport AG	<ul style="list-style-type: none"> – Implementation of energy measures in the baggage handling system by 2020 – Expansion of electric vehicle fleet (focus on ground services) by 2020 	2.2 kg CO ₂ /traffic unit	■ ■ ■ □ □ □
2020	Group	<ul style="list-style-type: none"> – Assessment of Group companies in terms of their environmental relevance – Expansion of environmental management systems in the Group companies GCS and FraGround in 2017 – Expansion of environmental management systems in other Group companies that are environmentally relevant based on their portfolio 	89.3 % ⁴⁾	■ ■ ■ ■ ■ □



Company Portrait

Fraport USA Inc.

(formerly AMU Holdings Inc.)

Fraport USA was founded in 1992 at Pittsburgh International Airport. In collaboration with airport operators in North America, Fraport USA develops creative retail and restaurant concepts which appeal to both domestic travelers and a diverse international audience. Based on Fraport AG's slogan, "Gute Reise! We make it happen", the concept of service and customer satisfaction is always a top priority for the Chairman and CEO Ben Zandi and his on-site teams.

At the end of 2017, Fraport USA was operating in a total of three airport sites: Baltimore/Washington, Cleveland, and Pittsburgh. Almost 46 million passengers used the terminals of these three aviation hubs in 2017. Over two dozen new businesses were opened in 2017 as part of the airport's projects. In total, Fraport USA manages over

282 retail and gastronomy outlets in an area measuring approximately 20,400 m² (approximately 220,000 ft²), which are operated by regional, national, and international concessionaires.

Extension of contract for retail program in Cleveland

As the largest airport in the metropolitan region around the US capital city of Washington D.C., the Baltimore/Washington Airport (IATA code: BWI) received over 26 million passengers in 2017 – a record for the third year in a row. A large share of these passengers are passengers of the largest low-cost carrier in the USA, Southwest Airlines, which uses Baltimore/Washington as an important hub on the east coast. In

collaboration with important partners such as the Maryland Aviation Administration, Fraport USA Maryland was able to win additional concessionaires for the airport. In addition, Baltimore/Washington Airport saw the launch of the innovative Airport Sherpa app, which offers passengers a baggage transportation service to their gate. As a result of a two-year process of modernization for around US\$15 million, Fraport USA has doubled revenue at the site since the take-over in 2003. With a targeted development of the airport's layout to accommodate new passenger flows as well as marketing oriented toward target groups, the company achieved a new record revenue in 2017 of US\$10.71 per passenger.

In December 2017, Fraport USA signed the renewal until 2024 of its contract for the retail concession program at Cleveland Hopkins



Lillian Tan,
Vice President, Fraport USA at JFK Airport

»We are thrilled to begin our journey with JetBlue at its state-of-the-art home terminal T5 at JFK. Our collaboration will provide a world-class airport experience that reflects the best of Fraport USA's innovative approach, JetBlue's operational excellence and New York City's vibrant culture.«

International Airport (IATA code: CLE). Since 2008, Fraport USA has revamped the retail and restaurant program at CLE Airport by doubling the area for concessions to around 5,600 m² (just over 60,000 ft²) with 51 units, including new and local brands. The number of employees engaged in concessions rose by 60%, and sales per passenger grew by 88% to US\$10.46.

At Pittsburgh International Airport (IATA code: PIT) revenue per passenger is well above the country's average. In 2017, this figure was US\$14.53, making the airport one of the top earners in North America. This solid development is the result, among other things, of the customer surveys conducted by Fraport USA and the subsequent adjustment of the product portfolio. Continuous capital expenditure in the development of passenger areas also contribute to the increase in revenue. In addition to the premium brands introduced at PIT Airport, Fraport USA integrated a large number of local concepts and expanded its successful "POP-OPPs" program. In this way, products

can be advertised cost-effectively in a small retail space and tested without significant financial risk for the business involved. This will support local brands and facilitate market entry.

From April 2018, Fraport USA will be taking over the center management at Terminal 5 of John F. Kennedy International Airport in New York, and thereby the responsibility for the entire restaurant and shopping offering at the home base of the American airline JetBlue. Fraport USA and JetBlue are working together to further improve the range of shops and restaurants, which is expected to include a selection of offerings inspired by New York City. Fraport USA will be managing 86 units in Terminal 5.

Support for young entrepreneurs

Fraport USA promotes small businesses, companies managed by members of a minority, and companies whose owners belong to a disadvantaged population, e.g. by orga-

nizing training or networking events. In this way, the company meets the requirements of the national ACDBE guideline (Airport Concession Disadvantaged Business Enterprise) and is currently one of the leading US companies in this area. And the engagement is paying off: For example, at Cleveland Airport 45% of the revenue is generated by ACDBE companies.

At all airports where Fraport USA is active, the company offers opportunities to young entrepreneurs, women, and members of minority groups from across the entire country who are managing or would like to start a business. The aim is to promote small business owners with entrepreneurial potential who are highly motivated and to help them to develop their business idea. The innovative LaunchPad program at BWI Airport offers opportunities to owners of very small businesses and supports future ACDBE operators. The program will be extended to other airports in 2018, starting with CLE.

Company

Fraport USA Inc.

Airports

Baltimore/Washington
Cleveland
Pittsburgh
New York (Terminal 5)

Sickness rate

1.85 %

(-)

Awards

–

ACI-NA Excellence in Airport Concessions Awards:
Best Retail Program, large airport,
2nd place: BWI

–

Revenue News (ARN)
Best Management Team: PIT

–

Greater Baltimore Urban League:
David M. Sampson Corporate
Award 2017: BWI

–

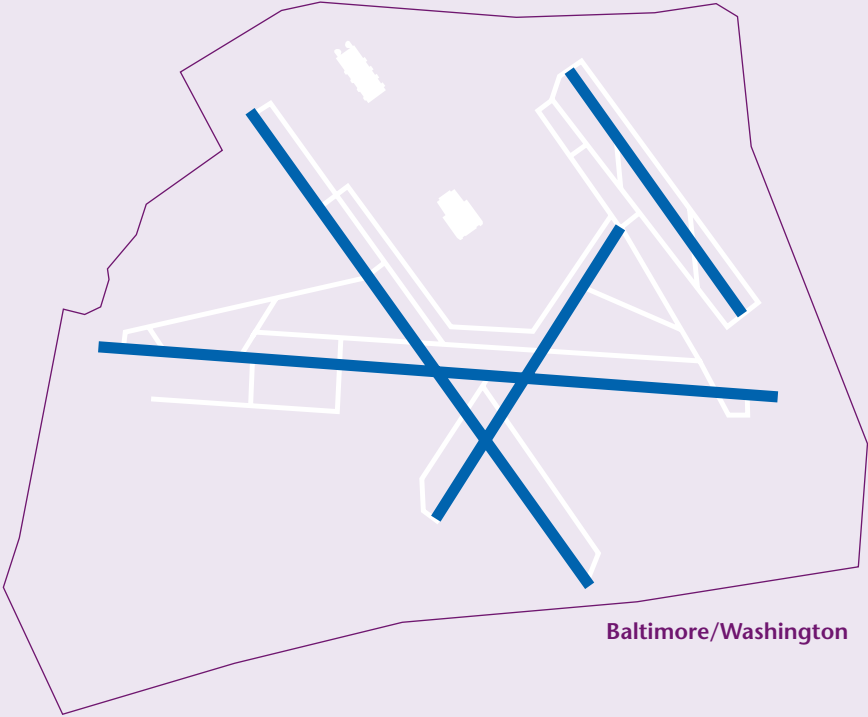
Thrillist:
Best Airport Restaurants in America:
Obrycki's Restaurant & Bar/BWI

–

Travel + Leisure:
10 Best Domestic Airports: PIT

–

USA Today/ARN 10 Best Readers'
Choice Travel Awards:
Best Airport for Dining: BWI
Best Airport Sitdown Dining:
Gachi/BWI
Best Airport for Shopping: PIT
Best Airport Grab-and-Go:
The Strip Market/PIT



Economic enhancement

We see our economic enhancement as the continuous improvement of our corporate value, securing and improving profitability, while maintaining a financial balance. The goal of economic enhancement is to achieve profitable growth and the long-term generation of a positive value added in all non-regulated business fields. We control the development of the Group according to the principles of value-oriented management in this respect. Our main parameter in this regard is Fraport value added.¹⁾

¹⁾ Fraport value added means the difference between EBIT and capital costs
(= Fraport assets × cost of capital).

Customer satisfaction and product quality

*Continuous improvement of our services, reflected by a high level of customer satisfaction.
Safeguarding of the Frankfurt hub function and preservation of the Group's competitiveness.*



Together we offer the best service

The customer comes first for Fraport. This is also reflected by our mission statement, “Gute Reise! We make it happen.” The Group aims to establish itself as Europe’s best airport operator and also to set global standards. This ensures the development of the company’s value and competitiveness in the long term. The objective is to win over our main customers, i.e. passengers, airlines, the freight community, and retail concessionaires, with attractive offers and the best service. Fraport works closely with the Federal Police in particular to ensure that security and passport control processes are efficient and that a high volume of passengers is handled in sufficient time.

Passenger satisfaction is considered the main indicator for all customers. It is therefore the most important criterion for service quality. Global satisfaction describes passengers’ satisfaction with the services offered and the overall service at Frankfurt Airport. Fraport is committed to the objective of maintaining and increasing customer satisfaction continuously. Despite the expected temporary

overload of terminal infrastructure due to traffic growth in the next few years, Fraport AG aims for a target of at least 80% global satisfaction at Frankfurt Airport. With the inauguration of the Pier C, passenger satisfaction should be at least 82.5% as of 2021. From 2025, Fraport AG’s goal is 85% based on the capacity increase from Terminal 3.

Passenger satisfaction rises to 85 percent

In Frankfurt, passenger satisfaction is mainly recorded using surveys. The global satisfaction of passengers at the Frankfurt site was 85% in 2017, three percentage points above the level of the previous year (previous year: 82%), setting a new historical record. This value of 85% was reached in all four quarters (previous year: Q1 81%, Q2 82%, Q3 83%, and Q4 82%). Numerous service and infrastructure measures had a very positive impact on individual satisfaction criteria. For example, more than three out of four respondents evaluated opportunities to pass the

time until departure as very good or good. With 85% passenger satisfaction in terms of cleanliness of the terminal, Frankfurt Airport can still improve significantly in this area of great importance to customers.

Passenger satisfaction is important for international Group companies, too. The fully consolidated Group airports that are operated through concession agreements (see also the “Situation of the Group” section of the 2017 Annual Report) are contractually required to carry out surveys on passenger satisfaction. Passenger satisfaction is measured at the different sites using various key figures (see also the “Non-financial Performance Indicators” section of the Group management report). Where appropriate, this system of collecting data is to be harmonized in the medium term.

Frankfurt Airport, the site with the most passengers, is in particular the focus in the Group portfolio. The following will therefore discuss the service quality management implemented at that site.



“Great to have you here!” is the name of the service program launched in 2010, which has been able to increase passenger satisfaction at Frankfurt Airport significantly. The service program was further developed at the start of 2014 with the aim of offering passengers a better and more tailored service. As part of five sub-initiatives, directions and signposting, ambience and comfort, and the range of relaxation, work and entertainment options on offer in the terminals were all significantly improved. At the same time, employees undergo systematic training in direct passenger contact in a separate program, in order to further improve hospitality and service orientation at Frankfurt Airport.

Deutsche Lufthansa, the security companies working at Frankfurt, retail concessionaires, Deutsche Bahn, and others have also been directly exchanging ideas on service, hospitality, and customer satisfaction in the Service Quality Committee since 2016. The first important milestone was the definition and approval of the Service Guidelines for FRA. In these guidelines, the partners reiterate their desire and their joint responsibility to strengthen the Frankfurt site and to further develop service quality and trusting co-operation. The objective is to ensure that common passengers, customers, and guests

keep a good impression of Frankfurt Airport in addition to improving overall satisfaction, the willingness to recommend us, satisfaction with the hospitality, and improving the sense of security.

Baggage connectivity stable at high level

The reliable loading of luggage for departing flights and the fast delivery of luggage to the baggage claim for arriving flights have a major impact on customer satisfaction. The baggage connectivity figure provides information about the percentage of departure baggage at Frankfurt Airport that is loaded on time in relation to the total departing baggage. A high level of connectivity proves the good quality of baggage processes, which is one of the main responsibilities of Ground Services. This is particularly important because Frankfurt has a high proportion of transfer baggage with a transfer share of more than 55%. The objective is to achieve baggage connectivity in the long term of more than 98.5%. This key figure has been stable at a high level since 2012. In the past fiscal year, connectivity at the Frankfurt site amounted to 98.5% and was therefore worse than the previous year's figure, 0.2 percentage points below the target. In particular,

flights that were not always on time, weather conditions, and an IT malfunction in December had an impact on the on-time loading of baggage. In order to stabilize connectivity at its current high level in the future coupled with increasing number of baggage items, Fraport is constantly working on optimization measures that are closely coordinated with airlines within the scope of regular performance discussions.

The area manager receives daily reports about the development of baggage connectivity so that in the event of a decline in performance short-term countermeasures can be taken to restore the quality. Twice a year, Fraport AG holds a Committee meeting with all airlines on the use of the infrastructure and presents any quality assurance measures if necessary. As the main customer at Frankfurt Airport, Deutsche Lufthansa receives a monthly report as per agreement.

Other parameters for measuring and increasing customer satisfaction and service quality at Frankfurt Airport include quality audits by the consultancy Skytrax. Frankfurt Airport was ranked 10th in 2017 in the annual ranking of the top 100 airports worldwide, based on online passenger surveys. As recently as 2007, Frankfurt Airport placed 94th.



Individualized guidance

An important element of digitalization throughout the travel process is the Interactive Airport Desk (I-AID). The touchscreen offers passengers customized information about shops, restaurants, and services digitally and individually in German, English, and Chinese. With five locations in both terminals, the 46-inch multitouch display is available both landside in the check-in halls as well as in the security areas to passengers, people who are picking up arriving passengers, and visitors. Thanks to a scan function for boarding cards and the intuitive operation of the touchscreen, all the relevant information can be accessed quickly. Passengers are able to transfer their route, taking into account real-time information, to their smartphones.

German Design Award 2018 gave I-AID first place in the category “Excellent Product Design/Retail”. The prize was awarded by the international jury of the Frankfurt Design Council. The jury highlights innovative products and projects that set the trend in German and international design. The clear, futuristic design of I-AID was assessed positively.

All-round service and innovation for airlines

We offer our airline customers support for all their needs related to the Frankfurt Airport (FRA) site. This includes strategic questions regarding flight operations recording, route potentials, frequency increases, or slot allocation. In addition to the simulation of passenger flows or advice regarding possible collaborations and distribution channels, it also primarily includes the implementation of joint marketing actions in the services portfolio for airlines. Furthermore, a program to give incentives for new passenger traffic was established. For example, in this way, we were able to gain Ryanair, Wizzair, and Easyjet as new customers in 2017. Existing customers such as Lufthansa and Condor also benefit from the offers and expanded their offering of international routes departing from FRA. The Customer Service Center offers all airline partners a direct point of contact for any questions regarding operations. In addition to early information about construction works or changes to operations, the CSC primarily provides professional support to the airline stations through regular visits to customers.

The ground services improve the ground handling processes through selected technical innovation projects and digitalization. This should, for example, encourage passengers to make more use of the self-service check-in so as to avoid any waiting times at the baggage counter. The passenger checks in independently online and prints his or her baggage tag at home or at the airport. The baggage is then checked in independently at one of Fraport's patented check-in counters.

Another project is the automation of around 120 passenger bridges. First, the bridge is retracted by an employee at the bridge's supporting pillar on the apron. Camera images are used to check whether any passengers are still in the bridge. The aim is for bridges to be retracted from a central location by members of the operations management. In the future, the docking of the bridge to the aircraft could also be controlled remotely. The advantage for the people controlling the bridge is that their process is easier because they no longer have to be on-site. Last-minute changes such as pre-positioning can be reacted to in a faster and more customer-friendly way, and additional sensors and cameras increase the safety of ground personnel. These changes will not be noticed by passengers.

Fraport measures success of the measures for the airline customers by using the Customer Service Index Airlines KPI. The aim every year is to achieve at least the level of the previous year. Due to changes in the survey system, which results in limited comparability, the figure for the past year has stayed at the same high level of 75.4%, slightly below the previous year's figure of 77.2%. The survey primarily includes the airline-relevant areas of the airport, i.e. the baggage checking performed by ground services, flight and terminal management services, and corporate security.

Successful digitalization of freight processes

We are also driving forward digitalization and automation at FRA cargo airport with new products and solutions. This has enabled us to become a leading innovator in the air freight industry. Over 50 carriers now take part in the FAIR@Link cargo community system, as well as many providers of cargo preparation services and Lufthansa Cargo. 25% of all consignments at the site are already being executed via FAIR@Link.

In addition, Fraport is working on a shipper platform for hazardous goods. Since the portal transfers all consignment data electronically through just one interface from the consignor to the other parties involved in the process chain, the hazardous goods process is completely digitized and thus

more predictable and transparent. Errors in documentation and the associated delays and costs are therefore avoided. A portal for public authorities is also under construction. Together with the Air Cargo Community Frankfurt, we will connect all EU border inspection points at the airport. Processes can be made even more efficient by automating the submission of official and customs applications.

In addition to numerous events with our local partners, we have been organizing conferences with carriers and consignors both in Germany and abroad since 2017 in order to address this target group and understand their needs.

In the analysis of the satisfaction of cargo customers, a large majority of the airlines, carriers, general sales agents, and cargo handlers surveyed said that they were again very satisfied with the site. The general satisfaction rate improved compared to the previous year. The cargo site of Frankfurt Airport remains very attractive and the future prospects are also seen to be positive.

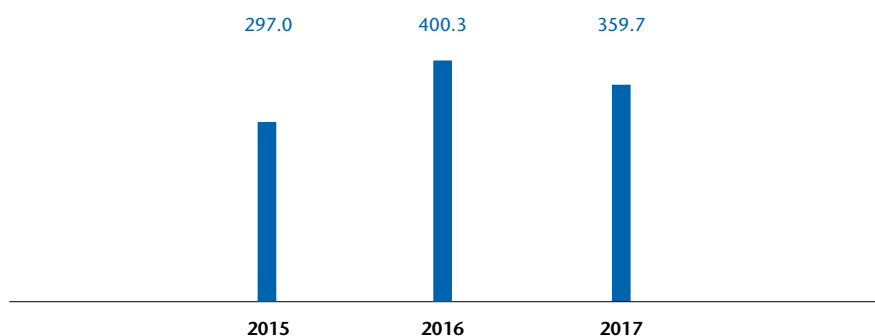
In addition, the website innoFRAtor.com, which addresses the topic of innovation, has been online since 2017. Information about current topics related to innovation in the air cargo, transport, and logistics industries are published on this website. The annual Frankfurt Air Cargo Innovation Lab provides a framework of exchange within the industry regarding these topics.



Economic efficiency

Income-oriented utilization of present and future assets while securing profitability and liquidity.

Group result in € million



Revenue growth within and outside of Frankfurt

Financially, the Fraport Group had an overall positive performance in fiscal year 2017. In addition to the strong passenger growth, positive factors at the Frankfurt site were the increase in airport charges, increased income from security services and higher proceeds in connection with the sale of land. Outside of Frankfurt, significant contributions to revenue growth came from Fraport Greece and the Group company Lima. While the Group revenue grew by 13.5% to €2.9 billion, Group EBITDA declined by 4.8% compared to the previous year to around €1 billion because of the compensation payment received from the Manila project in the previous year as well as the sale of shares in Thalita Trading Ltd.

Operating expenses (materials, personnel, and other operating expenses) of around €2 billion were higher than the previous year's figure (+5.6%) by €106.9 million, primarily due to the take-over of operations

at the Greek regional airports and the higher personnel expenses at the Frankfurt site. Start-up costs of €12.3 million led to an increase in expenses within the scope of preparations for the operational take-overs of the airports in Fortaleza and Porto Alegre, without any sales to offset these.

A changed passenger mix and a disproportionate increase in passenger numbers on European routes, as well as the fall in various currencies against the euro, resulting in loss of purchasing power, led to a decline in the net retail revenue per passenger to €3.37 (previous year: €3.49).

Positive contribution of Fraport Greece

The take-over of operations at the 14 regional airports in Greece on April 11, 2017 contributed to the positive development

of Group EBITDA (over +€117 million). The Group companies Lima and Fraport Slovenija together reported an EBITDA contribution of at least €11 million due to significantly higher passenger numbers. The Group company Antalya, which is accounted for using the equity method, recovered in 2017 and contributed around €32 million to the financial result due to the significant increase in international passenger traffic.

In connection with the Group-wide traffic growth expected for fiscal year 2018 as well as the year-round operation of Fraport Greece and the first incorporation of the operating results of the Group companies Fortaleza and Porto Alegre, the Executive Board expects a 2018 Group result of between around €400 million and about €430 million. With regard to the asset and financial position, the Executive Board expects significantly higher cash flow used for property, plant, and

equipment in Frankfurt and for the airport operating projects in Brazil, Greece, and Lima, totaling to just under €1 billion, which will lead to a significantly lower and negative free cash flow.

Detailed information about the development of earnings in the past fiscal year as well as the forecast for 2018 can be found in the “The Group’s Results of Operations” and “Business Outlook” sections of the 2017 Annual Report.

Group debt increased through acquisitions

At €790.7 million, the operative cash flow in the past fiscal year was significantly higher than the previous year by €207.5 million. Compared to the previous year, this increase was due primarily to the significant improvement of the operating activities based on the operating contribution of Fraport Greece as well as the positive operational development at the Frankfurt site.

After deducting capital expenditure in Frankfurt and the airport investments – taking account of dividend inflows from Group companies – the company still had free cash flow of around €393 million (previous year: around €302 million). In 2017, these funds were once again mainly used to service the dividend payment for the 2016 fiscal year (just under €139 million) and to repay financial liabilities.

In total, net financial debt increased in the past year by around €1.16 billion to around

€3.51 billion (previous year: €2.36 billion). This development is due to the increased need for funds in connection with the acquisitions in Greece and Brazil. Relative to the shareholders’ equity (excluding the minority interests and the amount planned for dividends), this means that leverage (gearing ratio) is around 94%. Compared to the previous year, this was an increase of almost 29 percentage points. Based on the operating result before interest, taxes, depreciation, and amortization, i.e. EBITDA, this was a 3.5× increase (net financial debt in the previous year was 2.2× EBITDA).

The Executive Board is expecting operating cash flow for fiscal year 2018, subject to changes in working capital, to be significantly higher than the figure of fiscal year 2017. The financing of the expansion measures at the sites in Brazil, Greece, and Lima will result in an increase in net financial debt of up to €4 billion. Despite the expected higher indebtedness, the Executive Board continues to assess the Fraport Group’s financial situation as stable.

ROFRA of 10.0% signals economic enhancement

To permanently increase the company’s value, Fraport specifically draws parallels between the development of the results of operations and the asset and financial position. In this context, Fraport calculates the ratio of the operating result achieved before interest and taxes (EBIT) to the capital that is used to generate the result (value-oriented manage-

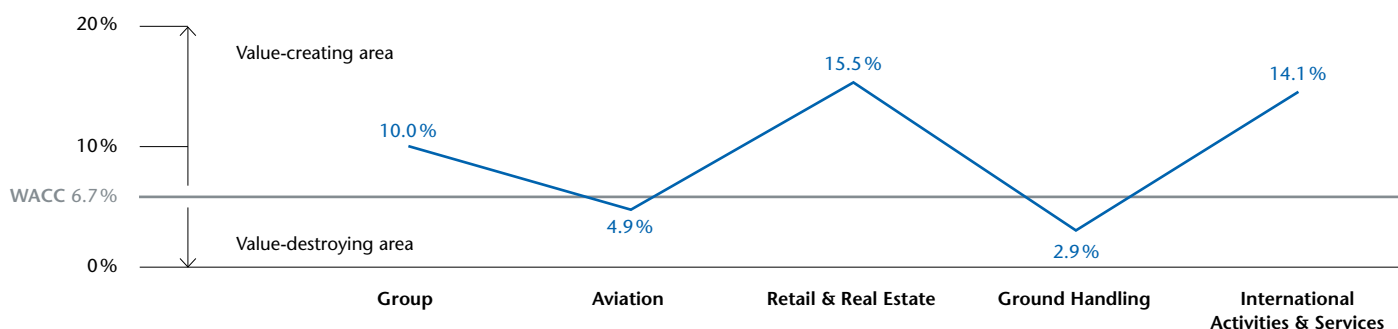
ment principle). In the past fiscal year, assets of €6.97 billion (“Fraport assets”) were offset by an EBIT including earnings before taxes of the Group companies accounted for using the equity method of close to €697 million. Using a pre-tax cost of capital (WACC) for Fraport of 6.7% (previous year: 8.6%), in 2017 the ongoing capital costs to achieve the adjusted EBIT amounted to approximately €467 million.

The EBIT beyond this amount of approximately €230 million means that Fraport once again earned its capital costs in the past fiscal year and “created value” Group-wide. This development is due, among other things, to the lower WACC as well as the take-over of operations at the Greek regional airports and the recovery of Antalya, a Group company accounted for using the equity method. The economic enhancement is also visible in the “ROFRA”, the return on Fraport assets, which was 10% in the past fiscal year and exceeded the pre-tax cost of capital by 3.3 percentage points.

The Group segments Retail & Real Estate and International Activities & Services recorded a sustained high ROFRA of 15.5% and 14.1% respectively in 2017, whereas the Aviation and Ground Handling segments did not earn their cost of capital in the past fiscal year with a ROFRA of 4.9% and 2.9% respectively.

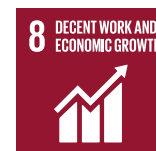
Selected key financial figures can be found starting on page 85 of this report.

ROFRA



Growth and development in the Group

Growth, consolidation, and expansion of the Group's portfolio.



Record year for the air traffic industry

After a difficult and challenging 2016, growth rates of double-digits in some instances were again recorded in passenger traffic across the entire portfolio in the past year. The Frankfurt site set a new passenger record of approximately 64.5 million passengers. The previous year's total was exceeded by over 3.7 million travelers, i.e. 6.1 %. Unlike in previous years, there were no significant cancellations due to strikes. Thus, Frankfurt Airport was also able to benefit from the record year for the entire global air traffic industry in 2017. A new record was set in passenger traffic in ten out of twelve months last year. A historic monthly high was set in July with almost 6.4 million passengers. This was caused in particular by growth in traffic to tourist-oriented destinations, which was higher than expected at the beginning of the past year.

Drivers of growth were primarily European traffic (+7.4 %), followed by intercontinental traffic (+4.9 %) and domestic traffic (+4.5 %). The southern and south-eastern European countries benefited from weak travel to Turkey as well as from significant – and in part early – expansion of services offered in the low-cost segment. In intercontinental traffic, the traffic regions of the Middle and Far East in addition to Africa reported significant

growth. Unlike in the previous year, China, India, Japan, and South Korea contributed to a further increase in passenger numbers. At the same time, demand for holiday travel to North Africa recovered. In the tourist market segment, the Caribbean, owing to limited bed capacity, was the only region that did not post growth.

Cargo volume grew by 3.8 % in 2017 to around 2.2 million metric tons. The economic upturn caused high demand for air freight. In particular, the North American market developed positively: After a decline in tonnage in the previous year, there was dynamic growth in transatlantic flights in 2017.

2017 saw a turnaround in the trend in the development of aircraft movements at Frankfurt Airport. After years of declining figures, there was significant growth of 2.7 % for the first time with approximately 476,000 take-offs and landings. The tailwind was due to, among other things, the lack of strike-related cancellations. Overall, airlines responded to the increasing demand by expanding supply. In addition, the entry of low-cost carriers to the Frankfurt market provided more growth. Although maximum take-off weights also increased by 1.3 % to approximately

30.1 million metric tons, they could not keep up with the development of aircraft movements, since airlines prefer lighter aircraft.

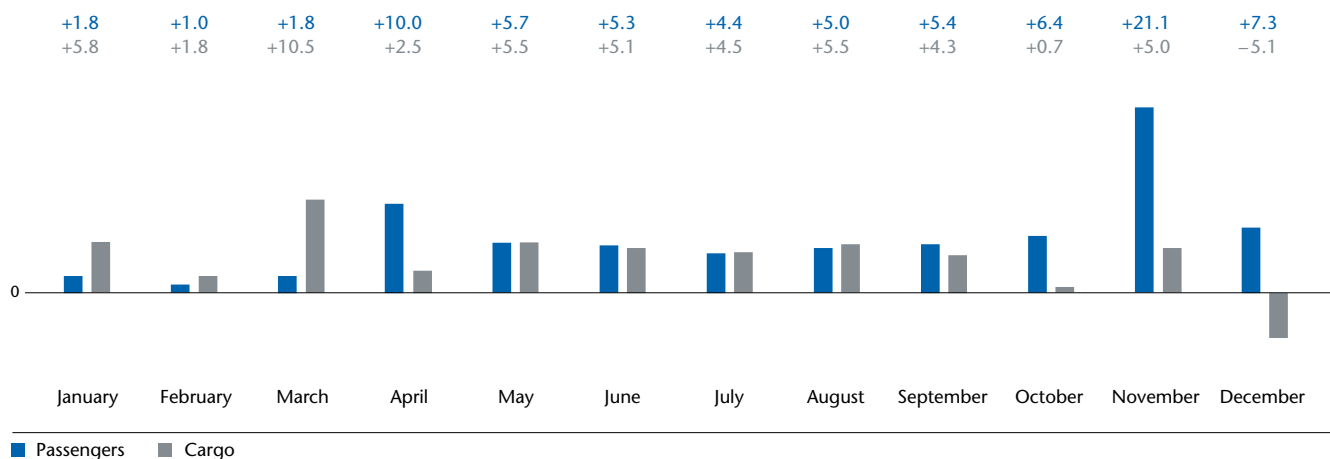
More passengers in all of the Group's sites

At Ljubljana Airport, passenger numbers in fiscal year 2017 were up 19.8 % compared to the previous year at around 1.7 million. This growth was due to, on the one hand, the entry of new airlines and, on the other hand, a significant increase in capacity utilization by Adria Airways. While there were more passengers on routes to London Gatwick, Amsterdam, and Istanbul, passenger numbers decreased on routes to and from Frankfurt and Belgrade.

Lima Airport once again recorded strong growth in the number of passengers in fiscal year 2017 of 9.3 % to over 20.6 million. Both domestic traffic (+8.8 %) and international traffic (+10.0 %) grew in the reporting period. Cargo throughput was around 284,000 metric tons. This figure is slightly below the previous year's level (–1.4 %).

2017 passenger and cargo development at Frankfurt Airport

percentage change compared to 2016 on monthly basis



The 14 Greek regional airports welcomed approximately 27.6 million passengers (+10.3%) in the past fiscal year. The high growth rate resulted mainly from heavy traffic for foreign tourism and the rise of low-cost and package-deal travelers. In addition, the operating hours of the airports were extended significantly, which increased the number of available slots.

The Bulgarian airports in Varna and Burgas served some 5.0 million passengers in the reporting period, thus around 8.4% more than the same period in the previous year. Travelers from the UK, Poland, and Germany, in particular, but also strong domestic traffic contributed to growth in traffic. However, the number of Russian passengers, mainly as a result of traffic increasing again between Russia and Turkey, was down.

At Antalya Airport, around 26.3 million passengers in fiscal year 2017 signified an increase of 38.5%. While the number of passengers traveling within Turkey increased by 5.0% to over 7.3 million, the number of international passengers fell significantly by 57.8% to around 19.0 million. The passenger growth was primarily due to travelers coming from Russia who had stayed away in the previous year because of the sanctions from the Russian government. Figures for travelers from Germany were down by 11.5% due to the geopolitical situation.

With nearly 5.9 million passengers, the Hanover site experienced an increase of 8.5% in the 2017 fiscal year. This growth was mainly attributable to the addition of new routes by Wizz Air and Norwegian as well as a higher overall aircraft capacity utilization. In addition, the negative development due to Air Berlin was almost fully compensated for by the growth of Eurowings. Traffic to Turkey also developed much better than expected.

With over 16.1 million travelers, passenger traffic at St. Petersburg Airport saw a 21.6% increase in the reporting period compared with the previous year. While international traffic increased significantly by 29.0% due to the economic recovery in Russia as well as the resumption of charter traffic in Turkey, domestic traffic also experienced a significant jump by 17.4%.

Two new sites in Brazil

In a public bidding process by the Brazilian Government to privatize among others the two airports in Fortaleza and Porto Alegre, Fraport was awarded the tender in March 2017. Fraport took over the operations at these airports on January 2, 2018. Both airports have a similar traffic structure, with over 90% domestic traffic made up mostly of originating passengers. Fortaleza Airport, in particular, offers above-average potential

for growth given its favorable geographical location in northern Brazil with proximity to North America and Europe as well as a relatively underdeveloped region economically.

Porto Alegre Airport, located in the southern part of the country, also offers solid potential for growth, albeit at a lower level. In the past fiscal year, Fortaleza Airport was the twelfth-largest airport in Brazil with over 5.9 million passengers. The largest airline at the site is the Brazilian company TAM with a market share of 36%, followed by GOL at 31% and Avianca at 13%. Significant capital expenditure is being invested in modernizing and expanding the terminal.

Porto Alegre Airport is the ninth largest in the country with approximately 8.0 million passengers. The largest airline at the site is GOL with a market share of 33%, followed by TAM at 27% and Azul at 26%. Capital expenditure priorities will be to modernize and expand both terminals and the apron areas as well as to extend the runway.

Selected key financial figures can be found on p. 85 et seqq. of this report.

Ideas and innovation

Development of new products or approaches that solve a problem more efficiently or fulfill a need better than existing solutions while bringing a significant (added) benefit.



Artificial intelligence and autonomous driving at the airport

At Fraport, promoting innovation is an integral part of the Company's goals and its management principles. The practical implementation poses management and employees of our company major challenges because, for us, innovation is not an end in itself. The aim is rather to meet a wide range of both customer and business management requirements through the introduction of new technology and the ongoing optimization of complex processes. In order to make optimum use of all potential, the company's idea management system brings together employee creativity, while innovation management is oriented towards projects with partners or customers as well as close cooperation with scientific institutions.

The financial benefit of the implemented ideas is expected to be at least €300,000 per year. Over the past three years, the company has succeeded in increasing this figure or maintaining it at the target level. For example, many employees had useful suggestions as to how to improve processes or save energy. This demonstrates the important role played by the experience and internal knowledge of the staff. Through improved communication measures, a focus on specific issues, and the growing number of ideas submitted by the Group companies, we were already able to achieve a benefit of around €557,000 at the Frankfurt site in the reporting year. Out of 596 ideas that were submitted, 81 were implemented, thereby increasing the previous year's benefit by close to 40%.

In addition, new approaches have been successfully implemented: An open innovation space as well as a Design Thinking Lab were set up in the company's premises in Frankfurt in the reporting year. Since then, these have been continuously used to generate ideas, including with external partners, and to develop initial prototypes. In almost six months of development work, a start-up product was turned into a prototype that can talk to and inform people with a certain degree of emotional intelligence. A first test run is planned for 2018 in one of the terminal buildings.



Top: In the Design Thinking Lab, new ideas are developed in an unconventional environment

Right: Self-driving minibuses tested in the grounds of Frankfurt Airport.



Fraport took a significant step toward autonomous driving at the airport. In 2017, Fraport, in partnership with R+V Versicherung, successfully tested a self-driving minibus for the transport of employees on the company premises. The test did not take place in a closed area but on a 1.5-kilometer section of a busy street. Around 2,600 vehicles pass Gate 3 daily, which is where the bus was used. Of these vehicles, almost half are trucks. In addition, vehicles and transportation for the company's internal operations, e.g. close to 1,000 freight tugs, pass through a gate located on the road to the apron every day. The highly automated minibus proved that it can maneuver itself in a realistic, busy street scenario with pedestrians and a wide range of different types of transport.

Test drive for commercial vehicles

After two years of development with industrial partners, a successful test drive of automated commercial vehicles was also completed for the first time for the clearing and gritting of the runway system required in winter weather. For this purpose, four brand-new tractors, which pull the sweeping and blowing machines, were equipped to carry out the automated clearing function in convoy. Functions are remotely controlled, and data exchanged via an interface in the vehicle. All the vehicles are connected by means of telematic systems so that they can drive automatically and both lead and follow in the vehicle network. A convoy driver selects their vehicle from a fleet of available

tractor combinations and defines it as the "leading truck". They then use an operating panel in the vehicle to program the number and sequence of the other trucks, thereby forming "their" convoy. Both the company's own clearing machines and the functions of the following vehicles are operated from the leading truck. Fraport obtained important information from this project, which it will use to plan the use of the machines, especially in the event that winter spontaneously starts, in a more precise and efficient manner.



Portret družbe

Fraport Slovenija, d.o.o.

Fraport Slovenija, d.o.o. upravlja letališče Ljubljana (koda IATA: LJU), največje mednarodno letališče v Sloveniji in domače letališče slovenskega letalskega prevoznika Adria Airways. Družba je bila ustanovljena leta 1963 pod imenom Aerodrom Ljubljana in je od leta 2015 v 100% lasti družbe Fraport AG. Aprila 2017 se je Aerodrom Ljubljana preimenoval v Fraport Slovenija v sklepnem koraku integracije družbe v skupino Fraport Group. Vodstvena ekipa okrog generalnega direktorja Zmaga Skobirja je odgovorna za približno 400 zaposlenih.

Letališče ima strateško ugodno geografsko lego na križišču prometnic med Karpatsko kotlino in Padsko nižino, ki predstavlja tudi koridor med Bližnjim vzhodom čez Bospor do Evropske unije. Skoraj 1,7 milijona potnikov je je v finančnem letu 2017 uporabljalo storitve Fraport Slovenija,

kar je rekordno leto vse zgodovine tega letališča. Rast števila potnikov je v primerjavi z letom 2016 višja za več kot 20%. To pomeni, da je LJU najhitreje rastoče letališče v regiji.

Načrt letov za poletje 2017 je vključeval 29 destinacij v 23 državah z več kot 220 leti na teden. Pozimi smo izvedli neposredne polete na 23 destinacij v 19 državah z več kot 180 leti na teden. Nizozemski letalski prevoznik Transavia je od našega načrta poletov za poletje 2017 ponuja lete v Amsterdam, Adria Airways pa je kot novo destinacijo dodala še Kiev. Tudi nizkocenovni prevozniki so povečali svojo prisotnost. Za načrt poletja 2018 je EasyJet napovedal lete v Berlin od avgusta naprej, Adria Airways pa je napovedala šest novih destinacij letov: Hamburg, Bukarešta, Sofija, Ženeva, Dubrovnik in Brač.

Razen rasti v potniškem in tovarnem prometu novi strateški cilji Fraport Slovenija vključujejo dolgoročen razvoj letališča v letališko mesto, kar vključuje poslovni park in hotel, pa tudi uspešen razvoj Letalske akademije Fraport. Leta 2017 so bili doseženi pomembni mejniki za prihodnjo širjenje letališča. Zaključena je bila gradnja nove obvoznice, cesta pa bo predana v uporabo leta 2018. Za poletje 2020 načrtujemo odprtje novega potniškega terminala.



Robert Mulej,
Vodja oskrbe potnikov

»Medtem ko je za sprejetje strategije trajnostnega razvoja in ustreznih pobud zadolžen vrh uprave, pri izvajanju programa trajnostnega razvoja sodelujemo vsi v okviru svojih nalog in zadolžitev. Trajnostni razvoj in družbena odgovornost bosta vsekakor postala pomemben steber razvoja družbe Fraport Slovenija in vesel ter ponosen sem na to, da lahko v tem sodelujem.«

Raziskave kažejo potencial za izboljšanje

Fraport Slovenija si želi nenehno zviševati kakovost in zadovoljstvo svojih strank. Cilj je nadaljnji razvoj letališča skladno z zahtevami potnikov, letalskih družb in drugih poslovnih partnerjev. Redne raziskave nam pokažejo, kje so potrebne izboljšave.

Usposobljenost in motiviranost zaposlenih je predpogoj za dolgoročen uspešen razvoj vsake družbe. Uprava Fraport Slovenija se zaveda, da so pri tem bistvenega pomena nenehno izobraževanje in usposabljanje ter ukrepi za izboljšanje varnosti pri delu. Poleg tega Fraport Slovenija

svojim zaposlenim omogoča uravnoteženje delovnih in družinskih obveznosti. Aprila 2017 je družba za svoja prizadevanja na tem področju prejela nagrado »Družini prijazno podjetje«.

Protihrupne pregrade za Šenčur

Fraport Slovenija se dejavno zavzema za izboljšanje ukrepov za zmanjševanje hrupa v okolici letališča. Leta 2017 je bila javnosti predstavljena zaščita pregrada za Šenčur, mesto v neposredni bližini letališča. Projekt je bil izveden v sodelovanju z lokalnimi organi in Ministrstvom za infrastrukturo. Pregrada obdaja območje

7,52 hektarja, v katerem je bilo zasajenih približno 13.000 dreves in grmov. Cilj tega ukrepa je zaščititi Šenčur pred povečanim hrupom.

Družba Fraport Slovenija si že od leta 2013 ves čas prizadeva izboljševati svoj ogljični odtis. Družba je prejela podaljšanje veljavnosti svojega certifikata 2. stopnje z nazivom »Zmanjšanje« za poročanje in upravljanje letališč v okviru svetovnega standarda za akreditacijo letaliških ogljičnih izpustov ACI. Naš cilj je do leta 2025 doseči stopnjo 3+ z nazivom »Nevtralnost«.

Družba

Fraport Slovenija, d.o.o.

Letališče

Ljubljana Jože Pučnika Ljubljana

Potniki*~1,7 milijona*

(+21,4%)

Emisije CO₂*1.207 ton*

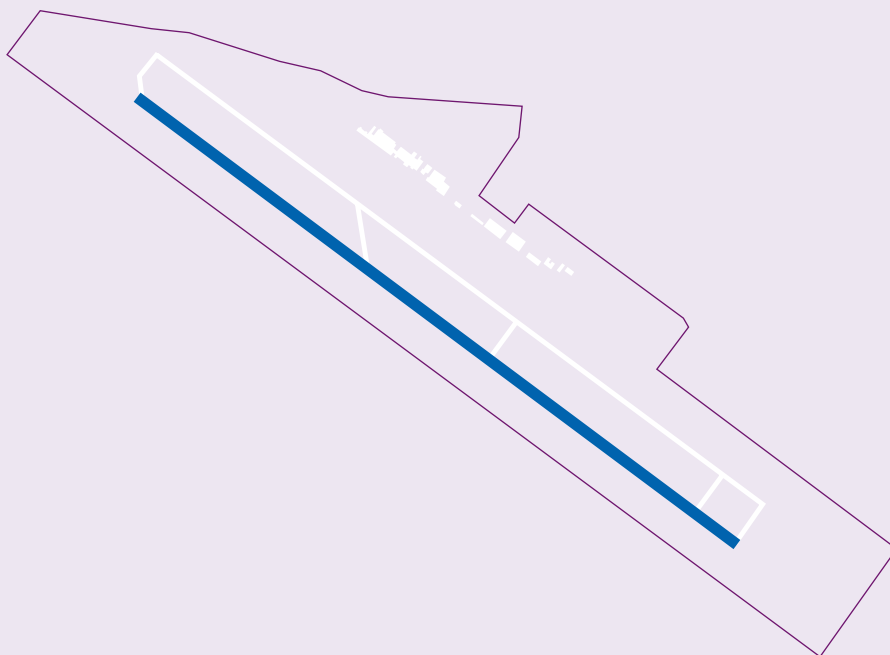
(+7,0%)

Odstotek bolniških*5,89%*

(+31,5%)

Zadovoljstvo zaposlenih*3,44***Nagrade**

- 18. Nagrada za najboljše letno poročilo na področju trajnostnega razvoja v okviru »Tekmovanja za strokovne nagrade na področju poslovnega in računovodskega poročanja« časnika Finance
- Nagrada »Ugleden delodajalec« (že petič)
- Nagrajeni najuglednejši delodajalec na področju prometa, dostave in logistike



Employees

In light of the growing challenges, such as international competition in the aviation industry and the expectations of our passengers and airlines together with an ongoing focus on earnings, the objective is to support the personal, specialist, social, and methodological expertise of our employees. In this way, we can ensure the high quality of our services and also secure long-term, attractive jobs.

Attractive and responsible employer

Protection of jobs across the Group and provision of a working environment that is characterized by diversity, equal opportunities, fairness, and respect. Creating good labor conditions and development opportunities to recruit, qualify, and retain dedicated personnel.



Promoting diversity

Fraport AG has a long tradition as a company with a social perspective and a partner-centered approach. Group-wide, Fraport aims to remain competitive at all sites and in all areas and thereby secure jobs with fair and just working conditions. This involves providing fair wages and salaries, and a package of benefits that goes beyond pay. Fraport offers a high level of job security, good working conditions based on collective bargaining agreements, career and personal development options, and a highly developed corporate ethic.

Fraport Group has over 20,600 employees. Given the growing challenges, such as increasing international competition in the aviation industry and passengers' and airlines' increasing demands, and the continuous focus of the Group on revenue, the aim is to organize the personnel structure in such a way that this competitive pressure can be withstood. Employees' personal and professional skills are boosted Group-wide by training measures. This allows Fraport to ensure a high service quality.

Fraport AG offered its employees an attractive, voluntary personnel restructuring program in fiscal year 2016 in order to keep labor-intensive business fields in the Group and to improve marketability and competitive-

ness. The program was initiated to support the foreseeable staff restructuring required and to improve the overall cost structure of personnel expenses. The program focused in particular on the operational areas at Frankfurt Airport, especially the labor-intensive Ground Services. Employees can voluntarily choose available options such as partial retirement, early retirement, part-time arrangements, or resignation with severance pay. By using the Group structures, new jobs that offer fair remuneration and individual development opportunities were also created in the Group companies in particular. In this way, Fraport takes account of the fundamental change and increased competitive pressure in the aviation industry.

Employee satisfaction slightly higher

Fraport aims to provide good working conditions and high levels of employee satisfaction. This key figure is calculated annually by surveying employees of Fraport AG and the Group companies. All Group companies in Frankfurt with a high demand for personnel as well as the Group companies Fraport Slovenija and Twin Star took part in the survey in 2017. In future, the survey will be expanded to all other key Group companies. The stra-

tegic relevance of employee satisfaction is also clear given it is taken into account in the Executive Board's remuneration (see also the "Remuneration report" section of the 2017 Annual Report).

The key figure is calculated from nine aspects of satisfaction and the detailed analyses show potential areas of improvement. Fraport aims to maintain employee satisfaction at a stable level Group-wide and continually improve the rating in the long term to exceed 3.0 (index value in line with German school grading system). The average grade for satisfaction by the employees of the Fraport Group was 2.87 in fiscal year 2017, and therefore slightly better than the previous year's figure of 2.91. At Fraport AG, the figure should be better than in the previous year. The figure in 2017 was 2.88 (previous year: 2.90). Fraport has stepped up its recruitment activities in this area to meet challenges such as the tangible impact of demographic change at the many airport sites and the increased burden on operational employees in particular due to the growth in traffic.

As a responsible employer, Fraport respects and promotes personal diversity, and attaches great importance to ensuring that this is reflected in the way employees interact with each other. Diversity is a key goal for Fraport,



which the Group systematically tackles as part of its diversity management. As far back as 2007 Fraport published its “Diversity charter” – a company initiative to promote diversity in companies and institutions. The Group agreement “Conduct of Partnership, Diversity and Equality in the Workplace” formed the platform for principles such as freedom from discrimination and equal opportunities. The shop agreement includes explicit definitions of values as well as specific internal regulations and structures. From an organizational perspective, responsibility for diversity is assigned to the Executive Director Labor Relations with corresponding resources.

Objective: Increasing women in management positions to 30 percent

Fraport places particular focus on promoting women in management positions at the two levels directly below the Executive Board as well as at the respective management levels at the German Group companies. For reporting purposes, executives who report directly to the Executive Board are categorized as level 1. Executives who report to this first level of leadership are listed as level 2. Regarding the Group companies in Germany, the levels of management are categorized based on comparable positions at Fraport

AG. This corresponds to the objectives in the “Act on Equal Participation of Women and Men in Management Positions in the Private and Public Sector” (FüPoG). The objective is to increase the proportion of women in management positions in Germany at both levels to 30% by 2021. Fraport respects national laws and does not want to impose any quotas based on German law at the foreign Group companies.

In 2017, the proportion of women in management positions in Germany was 28.0% (previous year: 30.5%). In fiscal year 2017, the proportion of women in management positions in Fraport AG was 27.1% (previous year: 29.2%). The slight decline of the ratio is due to organizational changes and vacant executive positions as at December 31, 2017 that were previously held by women.

Measures to this end include programs where experienced managers within the company act as mentors for women with particular potential. For job vacancies, suitable female candidates are also actively approached at the same time that advertisements are published. In principle, it should be possible to offer management roles with reduced working hours at least temporarily. Succession planning should increasingly make use of the findings of the company’s Potential

Assessment Center and development meetings for positions within departments and across departments. This also includes pointing out systematic development and career paths to suitable female candidates.

Improving the diversity of its employees is also very important to Fraport. Diverse cultural backgrounds, international experience and gender aspects enrich the collaboration and promote innovation and creativity. This enables us to flexibly respond to the changing requirements in the international markets and benefit from them.

Occupational health and safety

Maintaining and promoting the physical and mental performance of our employees by means of suitable measures in the areas of safety at work and health.



Personal responsibility and motivation

Occupational health management in the Fraport Group has always focused on preserving the health, performance and therefore productivity of employees in the long term. With its preventive nature, Fraport contributes to maintaining employee performance and prevents work-related health risks. Employees are regularly informed about health-maintaining measures and conduct, and their workplaces are ergonomically designed in the operational and administrative areas.

Fraport AG's multi-award-winning occupational health management initiates a wide range of health-promoting activities and measures with various focal points. In 2017, for example, cooperation with gyms made it possible for employees to exercise close to their place of residence. Those who exercise regularly are rewarded with a contribution to membership fees. For 2018, a "Fitbox" with suggestions for improving your own health, a thank-you campaign for employees that have not been absent from work and the expansion of supplementary occupational health insurance are planned for all employees in

Germany. From an organizational perspective, responsibility for health management is assigned to the Executive Director Labor Relations with corresponding resources.

Campaign against motivation-related absenteeism

The effects of demographic change in the Group and the increase of the average age of employees contribute, among other things, to a continuous linear increase in the number of illnesses. However, high levels of absenteeism, especially in the operational units and Group companies in Germany, cannot be attributed only to health issues, workload and age-related effects. It can be seen that absenteeism in the operational areas decreases significantly on public holidays, which leads to the conclusion that there are motivation-related absences on other days, as holidays are compensated by special bonuses. A Group-wide communication campaign was launched in 2017 as a countermeasure. For managers, new ways to evaluate sick leave

were developed as well as training, including with regard to labor law. Discussions in individual teams will follow in order to derive and implement group or individual measures.

Fraport evaluates the effectiveness of the measures by continuously analyzing the sickness rate, among other things. The calculation excluding absences beyond sick pay (extended sick leave) primarily reflects the development of short- and medium-term illnesses. Fraport focuses on limiting or reversing the sickness rate, which is increasing due to seasonal and age-related absences, among other things. The target is to have a maximum rate of 7.2% in both the Group and at Fraport AG by 2025.

In 2017, the sickness rate in the Group was 7.5% (previous year: 7.9%). The sickness rate particularly improved at Fraport AG and the Group companies FraSec and FraGround, which both have a large number of employees. The sickness rate deteriorated slightly, however, at the Group companies Fraport Slovenija and FraCareServices. At Fraport AG,



Top: Strict safety provisions apply on the apron. Speed is also regularly controlled.

Right: The management of occupational health and safety offers regular lectures and training sessions.



the sickness rate improved from 7.7% to 7.6%. In the security division, the sickness rate decreased significantly, while it worsened only slightly in the Ground Services Strategic Business Unit.

Strengthening personal responsibility

A strong prevention culture means that, in addition to health management, occupational safety is systematically integrated into the company's processes and structures as well. Accident prevention not only serves personal safety, but is also of great importance from an economic point of view, for example if ground-handling equipment is damaged. Strengthening the personal responsibility of all employees and, in particular, the management is a top priority. Comprehensive measures to guarantee high occupational safety standards are required, for example, when handling hazardous materials, in Ground Services' handling processes, in maintenance, in internal transport and traffic, and during infrastructure construction activities.

Driver safety training is offered to employees whose work involves driving. There are special occupational safety seminars for managers, for example on transferring obligations of the business operator. Targeted and temporary measures and projects are intended above all to raise employees' awareness of safe conduct in operational areas. For example, the project "Mindful through '18" is on the agenda of Fraport AG's Ground Services for 2018.

In accordance with the Occupational Safety Act, Fraport has implemented an occupational safety unit under the Executive Director Labor Relations, which advises and supports departments in the further development of occupational safety. The key principles for the Group companies can be found in the Occupational Safety Management Handbook. They are to be implemented independently by the Managing Directors. These specifications are described in a separate handbook for Fraport AG.

Fraport measures the effectiveness of occupational safety measures by the number of accidents at work, among other things. The objective is to continually reduce the total number of accidents at work per year and to achieve a "rate per 1,000 employees" (number of reportable accidents at work per 1,000 employees) of less than 25 within the Group by 2020. While the total number of accidents dropped significantly (–136 accidents), there were 554 reportable accidents at work in the year under review, which translates to an increase of 34 reportable accidents at work (previous year: For all Group employees, the rate per 1,000 employees is 25.5 (previous year 24.3). Fraport AG's target for the rate per 1,000 employees is a figure under 20. In 2017, it was 22.8 (previous year: 21.9; as a result of late submissions, there may be changes to the figures in both years). In the Strategic Business Unit Ground Services, in particular, more accidents occurred due to weather conditions at the beginning of fiscal year 2017 in comparison to the previous year.



Company Portrait

Lima Airport Partners S.R.L.

Jorge Chávez International Airport (JCIA) was officially opened on December 30, 1965. 35 years later, in 2001, the government of Peru awarded the concession for the operation, management, and development of the airport for a period of 30 years to Lima Airport Partners S.R.L (LAP), in which Fraport AG is the majority shareholder. The first activities to modernize the infrastructure include the renovation of sanitary facilities, electrical and communication systems, and technical equipment.

Since the start of the concession, the area of the airport has almost doubled, and its operation has been aligned with interna-

tional standards as part of two capital expenditure programs. In 2017, Jorge Chávez International Airport reported a record 20.6 million passengers and over 186,000 aircraft movements, constituting a five-fold growth since the granting of the concession. In 2017, LAP employed around 500 employees under the management of the CEO, Juan José Salmón.

Capacity limits reached

The airport is currently running at the limits of its capacity at peak times. To ensure a consistent quality of service and to meet the

increasing demands of passengers and airlines, LAP has begun an extensive expansion program. It includes, among other things, the construction of a new passenger terminal, a second runway, and the requisite infrastructure. At the end of 2016, the Peruvian government extended the term of the concession by an additional ten years. In 2017, the Peruvian Ministry for Transport and Communication (MTC) signed an addition to the concession agreement regarding the preparation of the areas required for the expansion as well as additional terms. The project team at LAP responsible for the expansion have been primarily occupied with putting together the documents required for the tender process



*Luis Yonashiro,
Social Responsibility Analyst at LAP*

»The work of LAP is especially interesting in the transitional phase of the expansion of Jorge Chávez International Airport. It is particularly important to promote sustainability projects during this phase in order to ensure the continuity of operations and to maintain the satisfaction of passengers at an optimum level. It is a great challenge to ensure that sustainability is seen as a responsibility of the company across all divisions and in all areas. Our values play a major role in achieving this goal.«

in the past few months. Three international companies are participating in the tender. The winner will be responsible for the entire expansion project.

Important projects in 2017 included work with the public and the strengthening of relations with the neighboring communities around the airport. The focus of these was information about LAP's compliance with environmental obligations and about the expansion of the airport. Thirteen workshops with external participants were conducted, in which 46 neighboring municipalities took part. Carrying out these workshops is a requirement to obtain approval for the

environmental impact study of the airport. The first health campaign for residents in the vicinity of the future runway area has already taken place. Around 1,300 examinations were carried out in various medical specialties such as pediatrics, ophthalmology, and skin diseases.

More flexible working hours

The "Club LAP", a company social program, also focused on health issues and a better work-life balance in 2017. As part of this initiative, LAP introduced the "Flexitime LAP" model for management employees. Employ-

ees working in operations were given greater flexibility to exchange shifts. The company also offers nutritional advice for employees and promotes sports. In addition, other social benefits were improved for employees following the conclusion of a two-year collective agreement with the labor union.

In occupational health and safety, all operational employees and 60% of management employees were provided with personal safety equipment. To ensure the quality of the management system, LAP teams performed around 1,800 unannounced inspections of the works being conducted by contractors in various areas of the airport.

Company

Lima Airport Partners S.R.L.

Airport

Aeropuerto Internacional Jorge Chávez

Passengers

~20.6 million

(+9.6%)

CO₂ emissions

10,012 metric tons

(-0.7%)

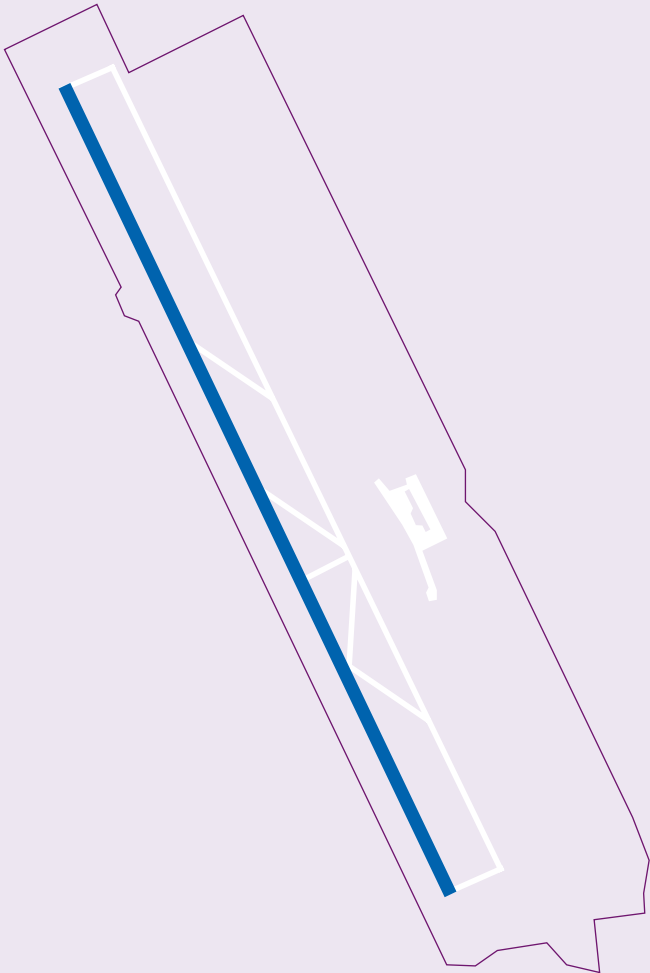
Sickness rate

3.98 %

(+4.2%)

Awards

Skytrax World Airline Awards:
Best South American Airport
2009–2015, 2nd place 2016,
3rd place 2017



Community

Fraport is internationally one of the leading companies in the airport business and, with Frankfurt Airport, operates one of the world's most important aviation hubs. Over 81,000 people work at Frankfurt Airport and 19,500¹⁾ of these work solely for Fraport. As an active partner for the region, we support sports, social and cultural clubs, and institutions. Fraport has also always been committed to contributing to the reduction of aircraft noise pollution. We are continuously attempting to reduce noise pollution through active and passive noise abatement measures.

¹⁾ as at balance sheet date 12/31/2017

Value generation and engagement in the regions:

Positive contribution to the economic development of the regions. Charitable involvement in the neighborhood of the airport and dialog with our stakeholders.



Participation in economic success

Airports are important business locations and contribute directly and indirectly to economic and social value creation. For example, Frankfurt Airport is the largest local workplace in Germany with almost 81,000 direct employees (as at December 31, 2015). The survey provides an insight into the sectors in which employees at the site work. Accordingly, two thirds of employees surveyed work for an airline, in an operational capacity at the airport or in freight forwarding and transport operations. Other sectors include the authorities and institutions, catering, security services, personnel services, consulting, hotels and restaurants, freight handling, cleaning and retail. There is predominantly potential for growth in companies that offer security services and at authorities. The people who live in the metropolitan region

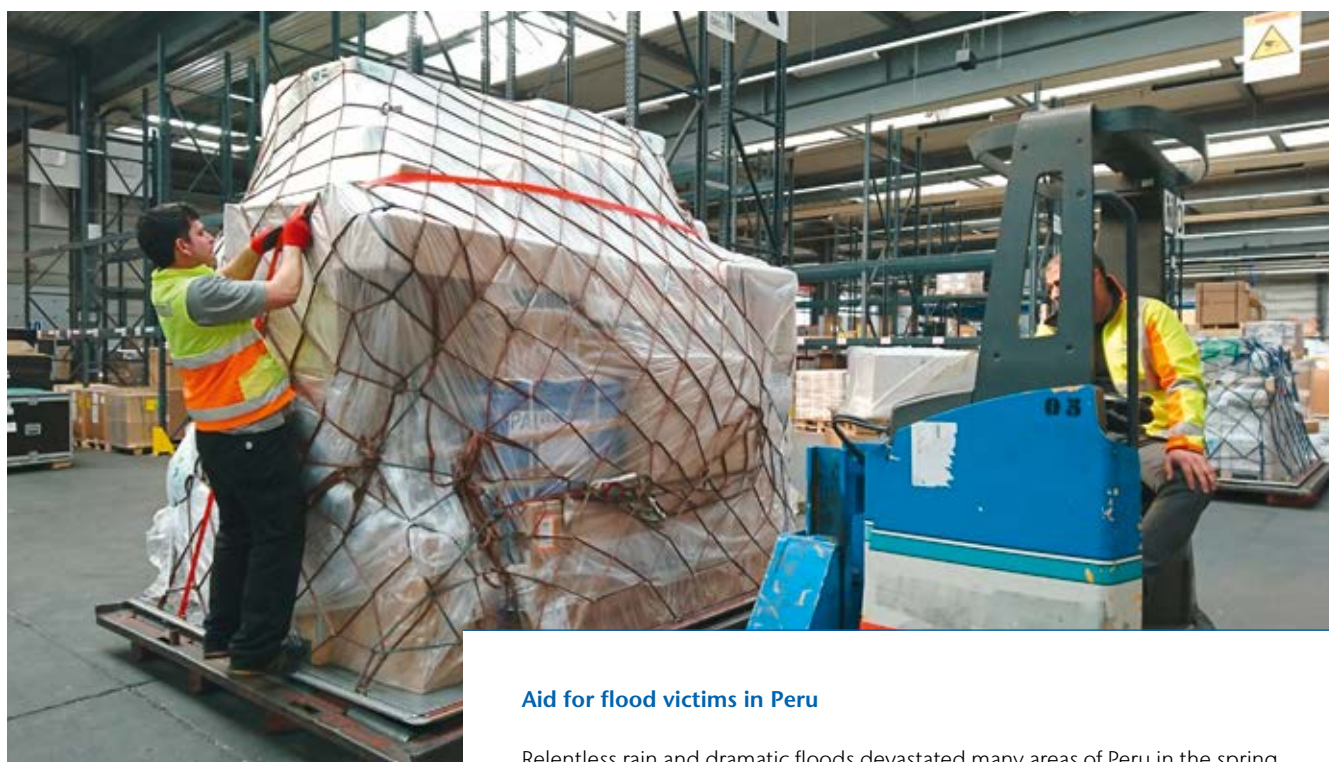
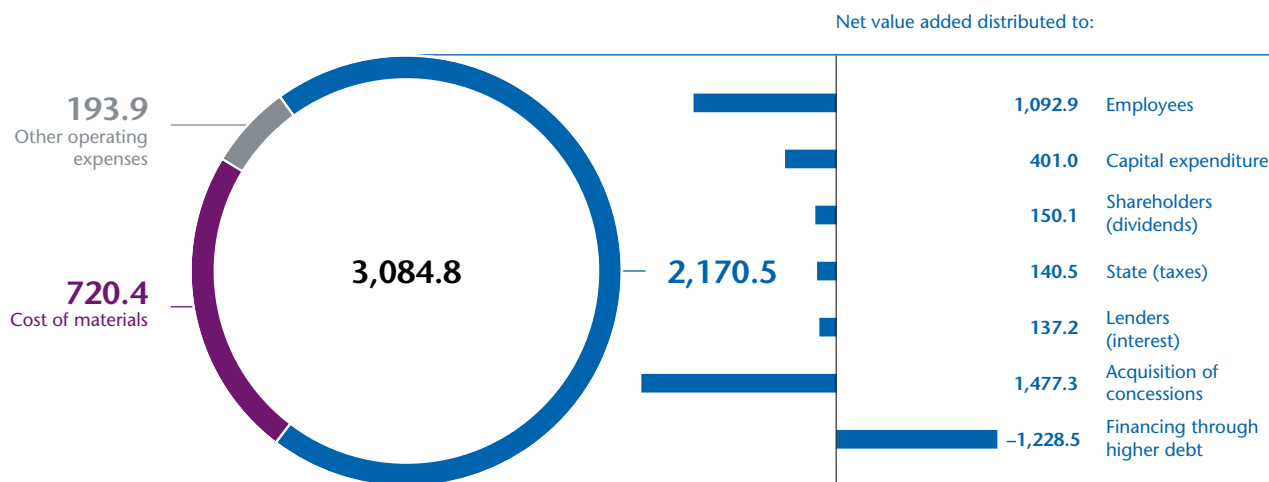
around the airport also benefit from this. They not only benefit from the short journey to the airport; many of them also work at a company whose success depends on being close to the airport.

The total catchment area of Frankfurt Airport includes approximately 38 million people within a radius of about 200 kilometers. The central location and the high demand mean that more international and intercontinental destinations can be reached from here than from many other airports. The hub function plays a decisive role: More than half of passengers change planes in Frankfurt. That also makes the airport attractive as a cargo transfer location. About 40% of the over 2 million metric tons of freight per year is transported in the “belly” of passenger aircraft. Cargo

consignors benefit from the connections offered at Frankfurt Airport, enabling them to get their goods to the destination faster. This is why FRA is also one of the world’s most important sites for air freight and is number one in Europe. This benefits the export-oriented German economy, which needs the connection to other markets.

Even at the individual sites of the international Group companies, regions close to the airport benefit from donations made and sponsorship activities undertaken by each company independently, as well as from their economic performance. Local companies and their value chains, as well as employee consumption, contribute directly and indirectly to the positive economic development of the respective regions.

Our corporate performance (gross value generation) in € million



Aid for flood victims in Peru

Relentless rain and dramatic floods devastated many areas of Peru in the spring of 2017. In remote regions of the country in particular, inhabitants did not have access to clean drinking water. Fraport and the Peruvian subsidiary Lima Airport Partners S.R.L. took joint action to respond to this humanitarian crisis and sent 25 water-filtering containers (Portable Aqua Unit for Lifesaving – PAUL) to Peru. The containers were flown to Peru from Frankfurt with the generous support of LATAM Cargo. Every PAUL filters up to 1,200 liters of contaminated water per day. This is enough to keep 400 people alive. The system purifies contaminated water by filtering out 99.99% of bacteria and pathogens. It works without energy, chemicals, or other external help. This self-help technique allowed those affected to provide their own clean drinking water.



Fraport's direct value generation includes payments for personnel, capital expenditure, tax, interest, and dividends to its shareholders. The total amounted to around €2.2 billion in the past fiscal year.

Frankfurt Airport is the site in the Group with the largest traffic volume by far and is also the location of the company headquarters. Social responsibility has been a corporate principle of Fraport since its founding, and so Fraport AG has supported many clubs and institutions for years, especially in the Rhine-Main region. Fraport AG's funding concept for its community, cultural and social engagement is "Active for the region". It primarily serves to boost clubs and support volunteer work in the region around Frankfurt Airport.

Supporting the neighborhood

The so-called "neighborhood framework" describes the geographical boundary for support activities. The area is based on district and state borders taking into account the most important approach and takeoff routes. If these change, the neighborhood framework will also be modified – as it was most recently when Runway Northwest was inaugurated. The expansion allowed other cities and municipalities to participate in the company's economic success.

Donation priorities include the promotion of social and charitable institutions, particularly those that encompass measures relating to education, social equality, health, and the

integration of marginalized groups in society. Employees can also apply for donations as patrons of their clubs.

Sports sponsorship in the Rhine-Main region includes both recreational and professional sports. Well-known names that have concluded long-term contracts with Fraport AG include the FRAPORT SKYLINERS and Eintracht Frankfurt. In the area of basketball, Fraport sponsors not only the Bundesliga team but also gives donations to support the project "Basketball goes to school". At the soccer club Eintracht, the club is promoted and Eintracht AG is sponsored with the affiliated soccer school. In the fields of culture and education, Fraport is involved in the Rheingau Music Festival, among other



Experience the wilderness in your own city park

The “Culture Promotes Nature?” activism campaign will be organized jointly with other partners from Senckenberg Gesellschaft für Naturforschung und BioFrankfurt e. V. The events will offer high school students the opportunity to get involved in different stations on a circular route set up according to biological, geological, and socio-economic themes. This is already the fourth time that Fraport will be participating in this environmental event via the environmental fund. In focus at upcoming events will be Nordpark Bonames, which has functioned as a leisure and green space since 1970, and since 2016 as the area for the “City Wilderness Adventure” project, which is concerned with “wild” natural life and species conservation. Here, schoolchildren can explore the biological diversity of the park and discover first-hand the value of the cultural landscapes and natural spaces. Experts in science, forestry, and nature conservation will offer first-hand knowledge.

things. There are also long-term partnerships with the Frankfurt cultural institutions Städel Museum, Schirn Kunsthalle, and Liebieghaus sculpture collection. Overall, in 2017 Fraport supported more than 1,540 projects run by various clubs and institutions by making donations and providing sponsorships totaling €5.3 million.

Foundations for educational and environmental projects

Fraport has financially supported youths’ and young adults’ integration into working life since 1999 with the ProRegion Foundation. The foundation subsidizes the creation of additional training places or the securing of

available training capacities in the region, as well as improvements in the training infrastructure. This includes support for projects and institutions that help to improve the trainability and employability of youths and young adults. As one of the largest employers in Hesse, Fraport also focuses on helping young refugees to gain professional qualifications and integrate as part of its social responsibility. In the past 18 years, funding of around €8 million has been awarded, including €451,000 for 25 projects in 2017.

Fraport has supported nature and environmental conservation projects, research, and environmental education since 1997 with the environmental fund. Its best-known project is the RhineMain Regional Park, which extends

between Rüdeshheim, Wetterau, the Kinzig Valley, and the Hessian Ried. Since the environmental fund was established, more than 1,000 projects have been funded with a total of almost €38 million.

Fraport is also involved in the Wirtschaftsinitiative FrankfurtRheinMain (Frankfurt-RhineMain Business Initiative), which 150 companies participate in. One outcome of this cooperation is the House of Logistics and Mobility (HOLM) competence center at Frankfurt Airport.

Noise abatement

Noise abatement in nearby residential areas and reduction of those affected by aircraft noise.



Growth as quietly as possible

Airports located in the vicinity of metropolitan areas are a burden for many local residents. At the Group airports, noise abatement measures are implemented according to the national requirements on noise protection and, where appropriate, based on more specific local regulations. The airports comply with the relevant national laws and have correspondingly implemented their own monitoring systems where required.

At the Frankfurt site, Fraport AG is responsible for tens of thousands of jobs and is therefore a key driver of economic prosperity for the entire Rhine-Main region. This goes hand in hand with noise pollution for those living

close to the airport, which is why two bodies at Fraport AG work with the region affected by aircraft noise, representatives of the state government and other members of the aviation industry.

The Aircraft Noise Commission (FLK) is a legally appointed body that advises the Hessian Ministry of Economics, Energy, Transport and Regional Development (HMWEVL), the Deutsche Flugsicherung and the Federal Supervisory Office for Air Traffic Control. The FLK advises the aforementioned bodies on measures to protect against aircraft noise and air pollution resulting from aircraft exhaust gases.

The key task of the Airport and Regional Forum (FFR), which is assigned to the Hessian State Chancellery, is to foster dialog between the region and the aviation industry and to facilitate discussion of the effects of air traffic, with a particular focus on Frankfurt Airport and the Rhine-Main region. The FFR includes the "Active Noise Abatement" expert group, which advises on measures that may help to reduce aircraft noise and the impact on the area around the airport.



Fraport wants to grow further at its main site and ensure this growth generates as little noise as possible. For Fraport AG, this means that, in addition to the legal requirements, it is constantly working towards measures that reduce aircraft noise pollution. The development of aircraft noise pollution in the area around the airport is subject to continuous monitoring. Measurement analyses and the results of comprehensive simulations are regularly reported to the supervisory authority and the FLK, and are also publicly disclosed on the company's website www.fraport.de. Municipalities where there are Fraport aircraft noise measurement stations receive additional detailed analyses on request.

Following arrivals and departures online

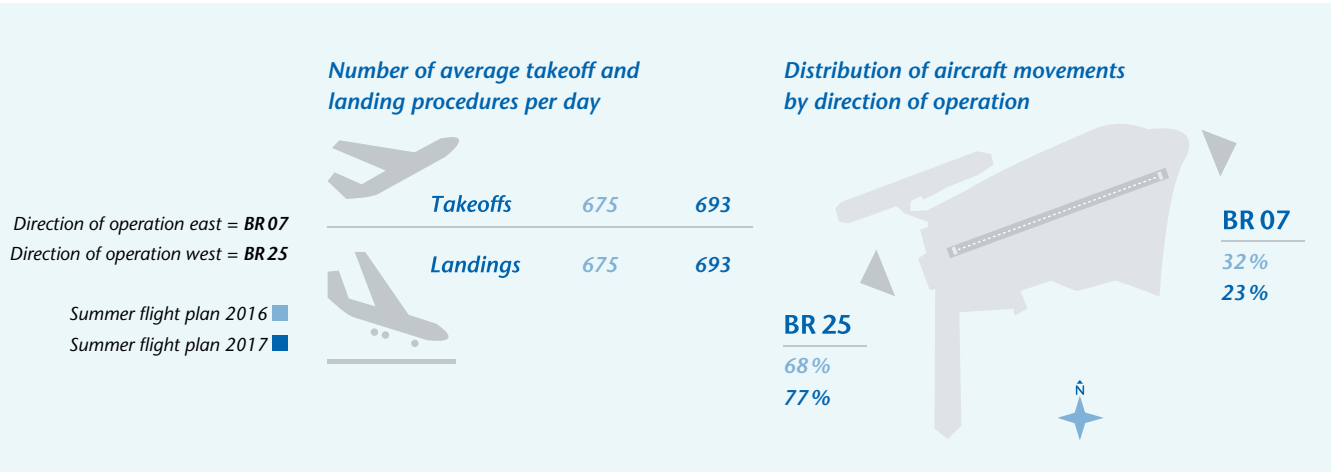
Fraport Noise Monitoring, FRA.NoM, tracks the level values continuously measured at stationary measuring stations and indicates

the aircraft noise in the last three months. It also reports the approaches and takeoffs at Frankfurt Airport. The information system for aircraft noise issues, FRA.Map, is available online and allows local residents and interested parties to find information for their location or place of residence on an interactive map. The system also displays the areas that are targeted by noise abatement measures or entitled to compensation payments.

As regards measures to reduce noise pollution, a distinction needs to be made between active and passive noise abatement.

In active noise abatement, noise is reduced directly at the source or by noise-reducing operating concepts and takeoff or landing procedures. An example of this is the commissioning of the Ground Based Augmentation System (GBAS). Together with the project partners Deutsche Flugsicherung (DFS) and Deutsche Lufthansa, Fraport AG hopes that GBAS will increase efficiency and result in additional noise-reducing approach

procedures. An important objective was to develop GBAS-based approaches with an approach angle of 3.2 degrees for all runways. Fraport AG supports airlines' use of GBAS technology with special subsidies within the framework of the applicable charges regulation. The aim is to further increase the rate of use of the GBAS. The development of the noise-dependent charging system serves active noise abatement, as the use of low-noise aircraft is rewarded by comparatively more favorable rates of charges.



Since May 2016, the so-called noise absence model has been applied at night for flights operating to the west of the airport, the main direction of the airport’s activities. This means that early in the morning (5–6 a.m.) and late in the evening (10–11 p.m.), individual runways are alternately not used. The “DROps Early Morning” procedure (Dedicated Runway Operations) is used in the operating direction east. The alternating use of runways in the comparatively low-traffic shoulder hours is intended to extend the nighttime quiet period by one hour.

Use of the noise absence model is voluntary. It is sometimes the case that the procedure cannot temporarily be used consistently due to infrastructure requirements or weather conditions. As the traffic volume increases in shoulder hours, further use must be reviewed and the model revised if required. The insti-

tutions and companies involved will jointly come to an agreement on the continuation of the model in sufficient time before each summer season.

As an additional voluntary measure introduced in 2017, a partnership for a noise emission ceiling was created. This should ensure that, despite the rise in aircraft movements, the daytime noise impact at Frankfurt Airport does not increase, as would be permissible according to the zoning decision. The traffic volume and traffic structure of the zoning approval for the expansion result in noise contours with continuous sound levels of 55 dB(A) and 60 dB(A). These contours have been reduced by 1.8 dB(A) across the board. The total areas within the reduced contours define the noise emission ceiling. If the limit is exceeded, Fraport AG and the airlines are obliged to assess further noise abatement

measures. If the limit is repeatedly exceeded, any stakeholder in the partnership is free to take action outside of the partnership. As part of monitoring, Fraport has adopted a KPI of Leq per day = 55 dB(A) for the noise area, to be determined annually, within the noise contour. The aim is that the figure for the area should not exceed the noise ceiling of 22,193 ha. In 2017, this figure was 16,952 ha.

Passive noise abatement for 86,000 households

Passive noise abatement measures are intended to reduce the noise level inside buildings by way of structural modifications. Fraport AG has extensive statutory obligations to take measures in around 86,000 households close to Frankfurt Airport. Eligibility is defined by a noise protection area determined by the



Hesse State Government in accordance with the strictest regulations of the Aircraft Noise Act. Fraport AG satisfies these requirements in full. In this connection, structural noise abatement measures beyond statutory requirements were brought forward.

The state government promised affected residents additional, more extensive efforts than those previously made in the vicinity of the airport in announcing the “Together for the Region – Alliance for Noise Abatement 2012” program in February 2012. That same year, a regional fund was set up to this end with €265-270 million. The funds are predominantly provided by the State of Hesse and Fraport AG and can be used for both private households and public facilities qualifying for protection, such as schools, kindergartens, or hospitals. Some 17,300 households in the airport region may receive additional support

for passive noise abatement from the regional fund. The application deadline for financing from the fund was December 31, 2017.

Roof protection against wake turbulence

Damage repeatedly occurred on roofs in the direct vicinity of Frankfurt Airport in the past and wake turbulence from landing aircraft could not be ruled out as a cause. The HMWEVL subsequently issued supplemental planning zoning decisions on May 10, 2013 and May 26, 2014. They regulate the requirements for protecting roof coverings on buildings from gusts of wind caused by wake turbulence and clarify the relevant prerequisites. The HMWEVL defined an area with around 6,000 buildings as an eligible area in the decisions. Including fiscal year 2017, some 3,200 applications for roof protection

(wake turbulence prevention) have been submitted and work on 2,570 properties has been completed so far.

In order to support local residents in the determination of their rights and to assist their applications, Fraport provides an extensive range of information and services on the company website.



Company Portrait

Fraport Twin Star Airport Management AD

In 2006, the German-Bulgarian company Fraport Twin Star Airport Management AD received the ongoing concession, with a term of over 35 years, for the operation, management, and development of the two Black Sea airports Burgas (BOJ) and Varna (VAR). Fraport holds a majority ownership of 60% in the joint undertaking, which employs over 630 permanent employees and up to 1,200 seasonal workers. Ulrich Heppe is the Chairman of the Executive Board.

Varna Airport serves the north east and Burgas the south west of Bulgaria. The responsibilities of the concession company include

training and improving the qualifications of employees, improving service quality and general passenger comfort, modernizing the airports' equipment, introducing new technology, and modernizing and expanding the airport infrastructure.

Together, VAR and BOJ welcomed 4.9 million passengers (+8.2%) in 2017 and served well over 37,000 flights by around 99 airlines for charter and scheduled flights to around 181 destinations in Europe, the Middle East, and North Africa. In the past year, Fraport Twin Star reported growth in flights of 4.8% with approximately 37,400 takeoffs and landings.

In July, a record was set in Burgas with 262 aircraft movements and in Varna with 130 aircraft movements over a 24-hour period.

Seasonal dependency continues to be the biggest challenge for the airports. Thus, the main aim is to increase traffic in spring, autumn, and winter. Twin Star is well on its way to achieving this aim thanks to the new destinations served all year round by low-cost carriers. For the first time, Varna was able to serve the low-cost carriers Ryanair and EasyJet, while Wizz Air has its second operations base in Bulgaria at the airport on the Black Sea. In 2018, Ryanair will be



Iva Ivanova,
employee for 22 years at Varna Airport

»The new passenger terminal at Varna Airport is extremely customer-friendly. The large and colorful design helps to keep passengers in a holiday mood throughout their stay at the airport. We recently launched a graffiti competition, which is expected to brighten and freshen up the appearance of a building facade. In general, in all of our activities, we strive to fulfill our new corporate vision to place the airport in the travelers' heart.«

using Burgas Airport as the departure point for eleven new international routes (two of which are year-round). The new strategy will also help to create a positive impression on passengers in the future and to make the sites more attractive.

In 2017, Fraport Twin Star made a series of capital expenditure measures. The system for managing and controlling the lighting system at Varna Airport was replaced for €1.5 million. At Burgas Airport, the renovation works for the Alpha runway and the installation of the new lighting system were completed for around €5 million. Future projects include the expansion and rearrangement of the airport's apron, thereby increasing airside capacity. In the first ten years of the concession, Fraport Twin Star invested €179 million in the two airports, with an additional €130 million of capital expenditure expected by 2027.

Varna and Burgas were the first airports in Bulgaria to be certified by the European Aviation Safety Authority (EASA). Its task is to define and monitor consistent and high safety and

environmental standards at European level. At the end of 2017, both airports received their airport licenses.

Natural gas instead of heavy oil

Fraport Twin Star has set itself the goal of reducing CO₂ emissions from airport operations. As such, the boiler systems which supply Burgas Airport with heat have been operated using natural gas instead of heavy oil since 2017. Wherever possible, company cars with high CO₂ emissions are replaced by more environmentally sustainable cars or electric cars. The lighting in the terminals at Varna Airport was replaced by fluorescent and LED lamps. The aim of this action is to reduce energy consumption by 30%. In addition, an area for standing aircraft is being planned at Varna Airport where aircraft can be supplied with electricity via underground cables. This allows the engines to be switched off completely. This reduces fuel consumption and the associated CO₂ emissions.

The noise of aircraft traffic will be monitored using the integrated surveillance system with eight monitoring points in the cities of Burgas and Varna. If the limit of 85 dB(A) for flights over the cities is exceeded, the airlines will be contacted and required to determine the cause and to take action to avoid noise pollution. Airport operators and airlines regularly exchange information in order to avoid or mitigate future deviations and negative effects on local residents.

To protect the drinking water, in 2017 the company started the construction of underground wells for the irrigation of the green spaces of Burgas Airport, which have a capacity of 10,000 cubic meters per year. New waste separation sites were set up at both airports. Through the separate collection and sorting of mixed waste, Fraport Twin Star was able to reduce the amount of waste sent to landfills by 25% and to recycle 66 metric tons of paper and plastic in 2017.

Company

Fraport Twin Star Airport
Management AD

Airports

Burgas Airport
Varna Airport

Passengers

~4.95 million

(+7.6%)

CO₂ emissions

*7,877
metric tons*

(+6.9%)

Sickness rate

2.11%

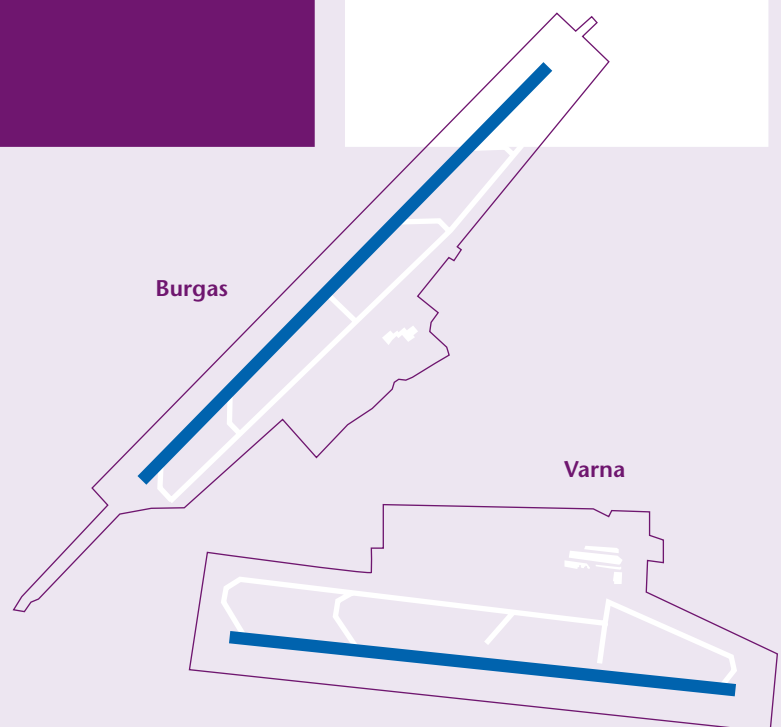
(-3.2%)

Employee satisfaction

2.48

Awards

- “German Economy in Bulgaria Award”
- “Investment & Contribution to the Growth & Development of Burgas Region Award”



Training in the Aviation Training Center

The continuous training and education of employees is a key element in the company's success. The newly built career development center is another component in this effort. One of the main objectives of Fraport Twin Star since it received the concession is to increase employee motivation. As part of this, the company has initiated numerous projects.

The new aviation training center was opened in 2017. In addition to professional training, employees can also take part in personal development courses. The company employs over 50 internal instructors in basic aviation disciplines and is investing in the development of new internal trainers in the area of “soft skills”. In 2017, more than €200,000 was invested in the training program.

Through this, the Career Development Center aims to promote employees with management potential and to preserve the culture, values, and specific know-how of Fraport Twin Star. More than 65 % of the participants were able to develop their skills in the company program. The center also offers a trainee program, which more than 300 young professionals have completed in the last ten years. Around 25 % of them went on to become company employees.

Environment

Operating an airport and air traffic have an effect on the environment. Fraport considers itself responsible for taking the environmental challenges arising from this appropriately into account. Our activities focus on targeting the conservation of the climate and nature, and the careful use of resources.

Climate protection

Increase in energy efficiency, monitoring and minimization of the emission of climate-relevant gases caused by airport operations (e.g. CO₂).



Climate protection target anchored throughout the Group

The management activities at Fraport AG mainly deal with the emissions the company is directly responsible for, but it also looks at emissions that it is only indirectly connected to and which it can therefore only indirectly influence. Based on the Federal Government's climate protection plan 2050, Fraport AG wishes to reduce the CO₂ emissions at Frankfurt Airport to 80,000 tons by 2030. This corresponds to a reduction by 65 % compared to the emissions in the base year of the international climate change agreement (1990). In the past fiscal year, Fraport AG's CO₂ emissions amounted to approximately 190,065 tons of CO₂, 9.2 % less than in the previous year. For the Group as a whole (including Frankfurt), the Executive Board has set a climate protection goal of a reduction to 125,000 tons of CO₂ by 2030. If necessary, the goal will be adjusted for changes within the Fraport airport portfolio. The target is based on the national reduction rates agreed to at the United Nations Climate Change Conference in Paris. In 2017, emissions in the fully consolidated Group companies amounted to 209,668 tons of CO₂.

A way of successfully managing CO₂ is to participate in the Airport Carbon Accreditation program of the ACI (Airports Council International), which Fraport played a major role in developing. Since 2010, it has evolved into the world standard for CO₂ reporting and management at airports. Participation

at level 2 ("reduction") or higher requires proof of both a CO₂ reduction target, a CO₂ management program in accordance with international requirements, and of annual emission reductions verified by external experts. Frankfurt Airport reached level 3 ("Optimization") back in 2012. Ljubljana Airport achieved level 2 in 2015 and is aiming for level 3+ ("neutrality") in the medium term. Lima, Varna and Burgas airports do not currently participate, nor do the airports of Fraport Greece and Fraport Brasil. Airports that choose a different management approach must also have their CO₂ footprint assessed and tested by external experts.

Transparency regarding energy consumption

Fraport has used its own monitoring instrument, the CO₂ and energy consumption monitoring system, since 2013 to depict, analyze, and manage energy consumption at the Frankfurt site. It creates transparency about consumption and consumers, helps to improve energy efficiency and reduce energy costs. It also allows qualified statements to be made at any time about the current CO₂ emissions at Frankfurt Airport and allows any undesirable developments with respect to the strategic CO₂ targets for Frankfurt Airport to be detected at an early stage. The company's monthly energy consumption,

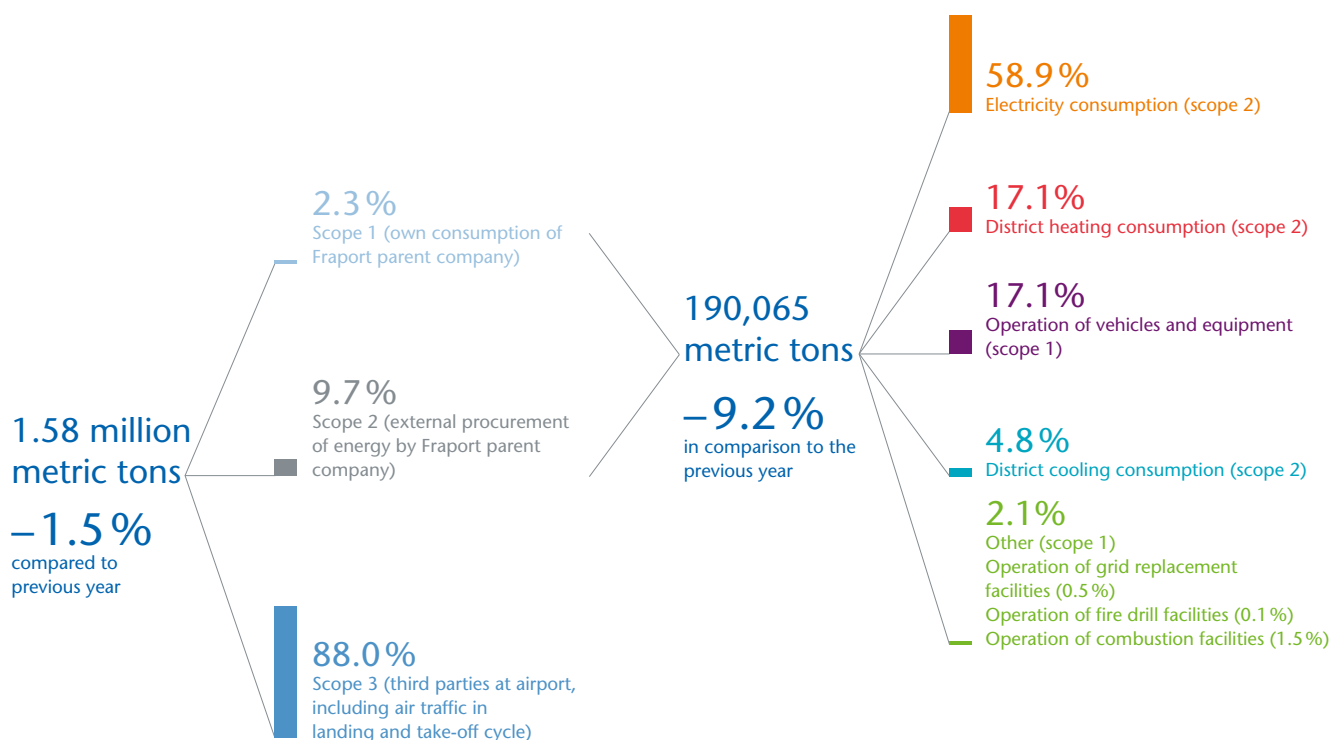
which is recorded in a sophisticated manner by building, system or equipment, serves as the database. All energy sources, such as electricity, district cooling, district heating, gas, fuel for vehicles, and other fuels, are taken into account.

Since 2014, all decisions relating to Fraport AG's energy management at Frankfurt Airport have been prepared in a separate body, known as the Energiezirkel, which is chaired by the Executive Director Controlling and Finance and reports to the Executive Board. Such decisions mainly concern improvements in building, system, and process energy efficiency. For the vehicle fleet and aircraft handling equipment, the specialist departments assess the opportunities to use alternative forms of propulsion, in particular electricity, as an alternative to petrol and diesel.

Fraport AG has been involved in the Carbon Disclosure Project (CDP) since 2006, which analyzes companies and their strategies with regard to climate change and CO₂ reporting. The CDP manages the world's largest database on this topic, which is used by investors and also by political decision-makers. A score assesses a company's transparency and activities. Fraport AG achieved level C ("Awareness") in 2017. This is evidence of transparent reporting and the company's awareness of its influence on climate change.

Frankfurt Airport carbon footprint

Fraport parent company carbon footprint



More charging possibilities for e-cars

E-mobility plays a big role beyond the apron. An increasing number of passengers and visitors of Frankfurt Airport drive electric cars. As such, initial possibilities for charging electric cars were already set up back in 2010. Now, additional parking spaces have been created with charging stations. They are located in the public car park P2 at Terminal 1 of the airport. For the time being, 16 parking spaces have been equipped with a 3.7 kW connection. With the charging station in the car park P4 at Terminal 1 and the nine rapid charging options in Gateway Gardens, Frankfurt Airport now has a total of 26 charging stations. Additional stations will soon follow: 17 at Terminal 2 and a further 23 at Terminal 1. The challenge posed by the existing car parks and garages is not, as is often assumed, the installation of the charging stations themselves, but the adjustment of the existing infrastructure so that larger volumes of electricity can be made available. These requirements have already been taken into account in the plans for the car park at the new Terminal 3. A large number of parking spaces will be created there especially for electric cars.



Conservation of nature and resources

Conservation of natural resources; minimization of waste and emissions of air pollutants caused by airport operations as well as maintenance and improvement of the biodiversity on the airport grounds.



Certified environmental management

As transport hubs, airports make extensive use of resources. The objective is to equip all environmentally relevant, fully consolidated Group companies with a certified environmental management system. Environmental management systems serve to systematically organize, manage and monitor corporate environmental protection within the relevant company. In addition, they support those responsible for operational activities and the management with regard to the performance of their respective duties and improvements in environmental performance. The functionality and effectiveness of the environmental management systems is reviewed and certified by external certifiers (ISO 14001) or environmental verifiers (EMAS) on an ongoing basis.

At the end of the past fiscal year, 89.3% of the fully consolidated environmentally relevant Group companies were equipped with such a system. Fraport AG's employees' many years of experience in environmental management benefit all Group airports, for example in the form of training and technical support, including on site.

Green areas as living space

Comprising an area of around 22 square kilometers, Frankfurt Airport is among the most compact major airports in the world. Around half of this land is unsurfaced. The largest open continuous area is located close to the runways. In nature conservation terms, this extensively maintained permanent grassland is a high-quality habitat that is home to many rare and endangered animal and plant species. Frankfurt Airport has since become a nationally significant retreat and protection area for some species, such as the skylark.

However, collisions with individual large birds or flocks of birds are a hazard for aircraft. Because statistically around two-thirds of all bird strikes take place at airports or neighboring areas, as an airport operator Fraport is obliged to minimize this risk. In contrast to many international airports, in Frankfurt we focus on special biotope management. This involves making the airport area unattractive to relevant animals, i.e., minimizing or avoiding nesting, resting, and feeding opportunities. With the introduction

of the new reporting system for air traffic that entered into effect with EU Regulation No. 376/2014, the wildlife strike statistics in Germany were restructured and adapted. As a result, the bird strike rates from 2016 are not comparable with those from previous years. The calculations no longer distinguish between aircraft registered in Germany and those registered abroad. Furthermore, the statistics now include collisions with mammals. The bird strike rate has thus become the wildlife strike rate. In 2017, Frankfurt Airport had a wildlife strike rate of 5.59 incidents per 10,000 aircraft movements, just below the national average of 5.8.

The Wildlife Control, Forest and Biotope department is responsible for preserving and further enhancing the value of the area as much as flight operations allow. Its success in this task is monitored extensively. Wherever possible, Fraport AG extends the green areas. For example, the new buildings in CargoCity South are increasingly being planned with ecological green roofs.



Reusable cups preferred for “to go”

Every day, around 25,000 hot drinks are purchased in the restaurants and cafés at Frankfurt Airport – most of them to go. To lower the consumption of disposable cups, in 2017 the restaurant and café operators of both terminals joined together to provide a bonus for the use of customers’ own reusable cups. Depending on the restaurant, there is a discount of up to 50 cents on the ordered drink. Whoever needs the right container can buy a practical and environmentally friendly bamboo cup with an airport design on-site.

Over 1,000 plastic cups for hot drinks are also consumed every day by the ground services in Frankfurt. To avoid this garbage, the humorously named “Ground Power Unit” bamboo cup has been available for employees to buy since 2017. Not only are they significantly more environmentally friendly, they also make your drink taste better.

Some 2,300 hectares of land in the immediate and wider vicinity of the airport will be upgraded from a nature conservation perspective as a legal requirement under the zoning decision. High-quality habitats such as deciduous forests, orchards, marshes, and nutrient-poor grassland are being developed. Measures to counterbalance the Expansion South, in particular Terminal 3, are included in this extensive package of measures.

On a voluntary basis, Fraport AG also supports projects to preserve and promote ecosystems and biodiversity in the Rhine-Main region using funds from the environmental fund.

Service water for toilets

Operating an airport requires a lot of water and simultaneously generates a large amount of waste water. When dealing with the legally protected resource of water, Fraport takes all aspects of modern water management into account. This includes control of consumption and quality control of the water entering the ecosystem. At Frankfurt Airport we use water sparingly and use saving techniques, among other things, in sanitary facilities and recirculation systems in vehicle washing facilities. In addition, where possible we use raw water instead of drinking water. For this purpose, we collect rain water in CargoCity

South and at Terminal 2, and supplement this with our own groundwater wells or with treated water from the Main river. We use the raw water in sprinkler systems, toilets, and for irrigation of green areas. In CargoCity South, the supply of service water has been expanded to the entire area. In the north, Terminal 2 is supplied with service water, Terminal 1 and the nearby office buildings are 70% connected. The share of service water in the total consumption at Frankfurt Airport is approximately 18%.



Company Portrait

Fraport Regional Airports of Greece

Fraport Regional Airports of Greece (Fraport Greece) was founded in 2015. As of April 2017, Fraport Greece took over the responsibility for the operation, management, and development of 14 Greek regional airports for the concession term of 40 years.

Fraport Greece is made up of three companies: Fraport Regional Airports of Greece Management Company S. A. (Fraport Greece ManCo), Fraport Regional Airports of Greece A S. A. (Fraport Greece A), and Fraport Regional Airports of Greece B S. A. (Fraport Greece B). While all essential administrative functions are carried out within the management company, Fraport Greece A is

responsible for operating the airports of Thessaloniki (SKG), Aktion/Preveza (PVK), Kavala (KVA), Chania/Crete (CHQ), Kerkyra/Corfu (CFU), Kefalonia (EFL) and Zakynthos (ZTH). Fraport Greece B operates the airports on Kos (KGS), Mytilini/Lesbos (MJT), Mykonos (JMK), Rhodes (RHO), Samos (SMI), Santorini/Thira (JTR) and Skiathos (JSI).

The shareholders of Fraport Greece are Fraport AG (73.4 % of shares), the Greek business development firm Copelouzos Group (16.6 % of shares), and the 2020 European Fund for Energy, Climate Change and Infrastructure, Marguerite (10 % of shares). Fraport AG and the Copelouzos Group have

been associated through a multi-year partnership since the joint project to expand, maintain, and operate Pulkovo Airport in the Russian city of St. Petersburg. Alexander Zinell (CEO) and his management colleagues are responsible for around 170 employees in the company headquarters in Athens. An additional 400 full-time employees are involved in the operation of the 14 airports.

The 14 regional airports are located in attractive tourism regions and national economic centers. They were used by over 27.5 million passengers in 2017, which corresponds to an increase of 10.3 % compared to 2016. In future, it is expected that even more pas-



Ioanna Kouri,
Fraport Greece EASA Compliance Manager

»Safe airports and high-quality services for customers form the basis on which Fraport Greece is turning the 14 airports into modern and user-friendly gateways to some of the most popular travel destinations in the world. They were certified according to the EASA rules and correspond to the latest and strictest European aviation standards. I am very proud to be part of a team that creates safe and optimized conditions for passengers, airlines, and local communities through a process designed for long-term growth. We are convinced that our focus on these values will make Greece an even more outstanding travel destination.«

sengers, most of them tourists, will benefit from the extended travel season and the professionally run airports.

€400 million for further infrastructure development

Fraport Greece is also responsible for the maintenance and expansion of the airports, and is investing around €400 million in modernization and further infrastructure development until 2021. The planned measures range from the renovation of existing terminals to the construction of new airside and landside facilities. As part of these works,

five terminals will be renovated and expanded, four terminals refurbished, and five new terminals built at various airports.

The concession of the 14 Greek regional airports is one of the biggest capital expenditure measures in Greece and strengthens the national economy. It supports the important Greek tourism industry, makes the latter more competitive, and creates new jobs. Many other sectors of the economy such as construction, retail, services, and the real estate market, agriculture, and fisheries benefit from the stable and continuous growth of airports. Fraport Greece works closely with the local communities and municipalities at

the respective airport sites and promotes local businesses and service providers.

Fraport Greece only took over operations at the start of the 2017 summer season. As such, no customer satisfaction surveys have yet been conducted. Starting in 2018, the company will be conducting ongoing annual passenger surveys during peak times at all 14 regional airports. In addition, employee satisfaction surveys will be conducted as well as an assessment of diversity issues and environmental and sustainability issues.

Company

Fraport Regional Airports
of Greece

Airports

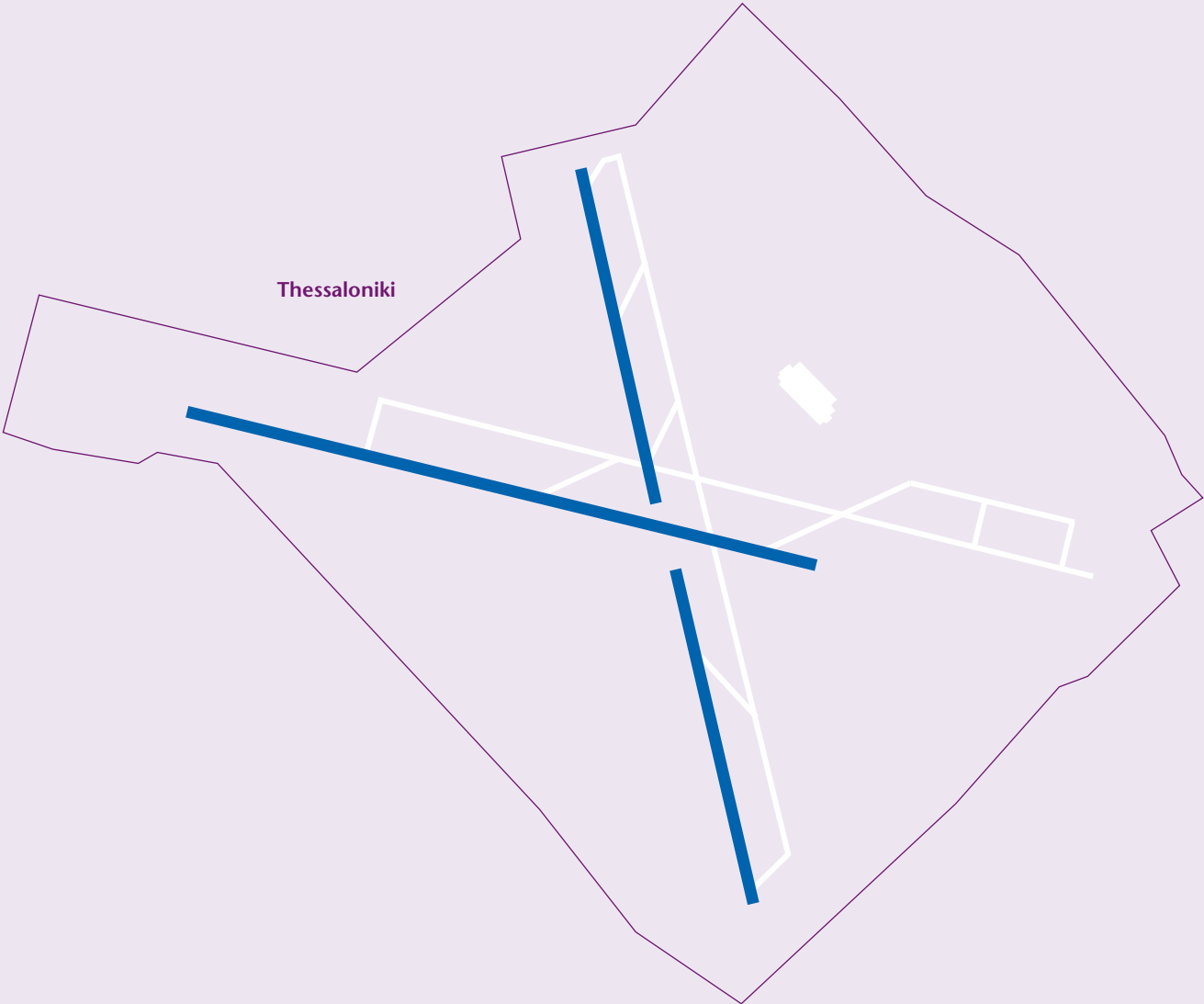
Thessaloniki, Aktio/Prevezka,
Kavala, Chania (Crete), Kerkyra
(Corfu), Kefalonia, Zakynthos,
Kos, Mytilini (Lesbos), Mykonos,
Rhodes, Samos, Santorini (Thira),
Skiathos

Passengers

~27.6 million
(+9.1%)

Sickness rate

0.41%
(-)



Key Figures

Consolidated Statement of Financial Position as at December 31, 2017

Assets

in € million	December 31, 2017	December 31, 2016
Non-current assets		
Goodwill	19.3	19.3
Investments in airport operating projects	2,621.1	516.1
Other intangible assets	132.4	146.7
Property, plant, and equipment	5,921.5	5,954.2
Investment property	96.4	79.6
Investments in companies accounted for using the equity method	268.1	209.7
Other financial assets	488.6	561.7
Other receivables and financial assets	190.9	173.3
Income tax receivables	0.0	0.2
Deferred tax assets	41.0	36.9
	9,779.3	7,697.7
Current assets		
Inventories	29.3	37.9
Trade accounts receivable	143.5	129.6
Other receivables and financial assets	245.5	259.7
Income tax receivables	5.4	11.9
Cash and cash equivalents	629.4	736.0
	1,053.1	1,175.1
Total	10,832.4	8,872.8

Liabilities and equity

in € million	December 31, 2017	December 31, 2016
Shareholders' equity		
Issued capital	923.9	923.6
Capital reserve	598.5	596.3
Revenue reserves	2,345.7	2,220.4
Equity attributable to shareholders of Fraport AG	3,868.1	3,740.3
Non-controlling interests	160.6	101.1
	4,028.7	3,841.4
Non-current liabilities		
Financial liabilities	3,955.6	3,236.9
Trade accounts payable	42.4	41.8
Other liabilities	1,090.1	408.0
Deferred tax liabilities	203.8	173.6
Provisions for pensions and similar obligations	34.2	33.2
Provisions for income taxes	70.3	71.8
Other provisions	147.2	147.2
	5,543.6	4,112.5
Current liabilities		
Financial liabilities	575.4	366.5
Trade accounts payable	185.9	146.7
Other liabilities	249.7	145.7
Provisions for income taxes	33.1	42.9
Other provisions	216.0	217.1
	1,260.1	918.9
Total	10,832.4	8,872.8

Consolidated Statement of Cash Flows

in € million	2017	2016
Profit attributable to shareholders of Fraport AG	330.2	375.4
Profit attributable to non-controlling interests	29.5	24.9
Adjustments for		
Taxes on income (in previous year not including Manila)	146.4	112.9
Depreciation and amortization	360.2	360.4
Interest result	157.5	106.9
Gains/losses from disposals of non-current assets	6.9	-31.4
Others	-23.2	-8.9
Effect on profit/loss Manila project (including taxes on income)	0.0	-121.4
Changes in the measurement of companies accounted for using the equity method	-30.9	4.6
Changes in inventories	8.6	4.9
Changes in receivables and financial assets	-4.1	12.6
Changes in liabilities	66.0	-10.0
Changes in provisions	8.9	-21.0
Operating activities	1,056.0	809.9
Financial activities		
Interest paid	-137.3	-113.8
Interest received	12.5	10.9
Paid taxes on income (in previous year not including Manila)	-140.5	-123.8
Cash flow from operating activities	790.7	583.2
Investments in airport operating projects	-1,579.0	-32.2
Investments for other intangible assets	-9.0	-6.2
Capital expenditure for property, plant, and equipment	-287.1	-266.9
Capital expenditure for "Investment property"	-0.2	-0.7
Capital expenditure in companies accounted for using the equity method	-3.0	0.0
Sale of shares in companies accounted for using the equity method	0.0	40.1
Dividends from companies accounted for using the equity method	3.4	24.5
Dividends from other investments	2.2	0.0
Revenue from disposals and repayments of loans to investments	0.0	57.1
Proceeds from disposal of non-current assets	3.5	4.3
Payments Manila project (including taxes on income)	0.0	138.9
Cash flow used in investing activities excluding investments in cash deposits and securities	-1,869.2	-41.1
Financial investments in securities and promissory note loans	-68.8	-129.8
Proceeds from disposal of securities and promissory note loans	182.2	260.6
Decrease/increase of time deposits with a term of more than three months	151.3	-111.9
Cash flow used in investing activities	-1,604.5	-22.2
Dividends paid to shareholders of Fraport AG	-138.5	-124.6
Dividends paid to non-controlling interests	-9.1	-5.7
Capital increase	2.5	2.5
Capital contributions for non-controlling interests	47.1	5.6
Cash inflow from long-term financial liabilities	1,304.9	295.0
Repayment of non-current financial liabilities	-356.3	-513.7
Other financing activities	48.4	0.0
Changes in current financial liabilities	-19.3	-6.7
Cash flow from/used in financing activities	879.7	-347.6
Change in restricted cash	-32.5	0.0
Change in cash and cash equivalents	33.4	213.4
Cash and cash equivalents as at January 1	448.8	230.7
Foreign currency translation effects on cash and cash equivalents	-21.2	4.7
Cash and cash equivalents as of December 31	461.0	448.8

Consolidated Income Statement

in € million	2017	2016
Revenue	2,934.8	2,586.2
Change in work-in-process	0.4	0.4
Other internal work capitalized	36.3	34.9
Other operating income	38.9	332.9
Total revenue	3,010.4	2,954.4
Cost of materials	-720.4	-621.9
Personnel expenses	-1,092.9	-1,066.7
Depreciation and amortization	-360.2	-360.4
Other operating expenses	-193.9	-211.7
Operating result	643.0	693.7
Interest income	29.0	32.0
Interest expenses	-186.5	-138.9
Result from companies accounted for using the equity method	30.9	-4.6
Other financial result	-10.3	-0.8
Financial result	-136.9	-112.3
Result from ordinary operations	506.1	581.4
Taxes on income	-146.4	-181.1
Group Result	359.7	400.3
thereof profit attributable to non-controlling interests	29.5	24.9
thereof profit attributable to shareholders of Fraport AG	330.2	375.4
Earnings per €10 share in €		
basic	3.57	4.07
diluted	3.56	4.06
EBIT (= operating result)	643.0	693.7
EBITDA (= EBIT + depreciation and amortization)	1,003.2	1,054.1

Key responsible corporate governance figures

(marked KPIs correspond to the non-financial performance indicators in the 2017 Group management report)

Economic enhancement	Area of application	Unit	2017	2016
Global satisfaction of passengers	FRA site	%	85.0	82.0
Baggage connectivity	FRA site	%	98.5	98.7
Customer Service Index Airlines	FRA site	%	75.4 ¹⁾	77.2
Group Result	Group	€ million	359.7	400.3
ROFRA	Group	%	10.0	11.4
Net financial debt	Group	€ million	3,512.4	2,355.9
Free cash flow	Group	€ million	393.1	301.7
Frankfurt passengers	FRA site	million	64.5	60.8
Benefit of implemented ideas	FRA site	in €	557,133	395,891
Employees ²⁾	Area of application	Unit	2017	2016
Employees – total	Group		22,024	21,009
of which women	Group	%	25.0	24.2
Average age	Group	Years	43.6	43.5
Employee satisfaction ³⁾	Group	School grading system	2.87	2.91
Women in management positions ⁴⁾	Group	in % of managers	28.0	30.5
Employee turnover	Group	Number of permanent employee leavers in %	9.1	10.4
Employees with collective bargaining agreements	Group	in % of employees	95.8	98.7
Training days	Group	Days per employee	4.57	2.94
Traineeships	Group		360	317
Sickness rate	Group	%	7.5	7.9
Work accidents per 1,000 employees	Group		25.5	24.3 ⁵⁾
Percentage of persons with severe disabilities	Group	in % of relevant jobs (all employees)	7.9	8.3
Community	Area of application	Unit	2017	2016
Corporate performance (gross value generation)	Group	€ million	3,084.8	2,934.9
Cost of materials		€ million	720.4	621.9
Other operating expenses		€ million	193.9	211.7
Direct value generation		€ million	2,170.5	2,101.3
Employees		€ million	1,092.9	1,066.7
Capital expenditure		€ million	1,878.3	306.0
Shareholders		€ million	150.1	132.8
State (taxes)		€ million	140.5	123.8
Lenders (interest)		€ million	137.2	113.8
Retention (retained generated value)		€ million	–	358.2
Acquisition of concessions		€ million	1,477.3	–
Financing through higher debt		€ million	–1,228.5	–
LOG noise area: Area affected by a Leq of 55 dB(A) day	FRA site	ha	16,952	–
Environment	Area of application	Unit	2017	2016
Absolute CO ₂ emissions ⁶⁾	Group	t CO ₂	209,668	228,389
Absolute CO ₂ emissions	Fraport AG	t CO ₂	190,065	209,257
Relative CO ₂ emissions	Fraport AG	kg CO ₂ per traffic unit	2.2	2.56
Total energy consumption (scopes 1 and 2)	Group	TJ	2,995.7	3,032.4
Proportion of fully consolidated Group companies with an environmental management system	Group	%	89.3 ⁷⁾	95.0
Total water withdrawal	Group	million m ³	1.873	1.782
	Group	Liters per traffic unit	16.1	16.2
Waste water	Group	million m ³	2.432	2.606
	Group	Liters per traffic unit	20.9	23.8
Waste	Group	1,000 metric tons	26.32	25.29
Wildlife strike rate ⁸⁾	FRA site	Number per 10,000 aircraft movements	5.59	–

¹⁾ Some change in survey content for flight and terminal services (limited comparability).

²⁾ Reported as per the guidelines of the Global Reporting Initiative (employee figures incl. temporary staff, apprentices, and employees on leave as at December 31).

³⁾ Includes Fraport AG, 12 Group companies at the Frankfurt site, and the Group companies Twin Star and Fraport Slovenija.

⁴⁾ Includes Fraport AG and the German Group companies.

⁵⁾ Figure for 2016 adjusted due to new information.

⁶⁾ Includes Fraport AG and the Group companies GCS, FraGround, Fraport Slovenija, Lima, and Twin Star.

⁷⁾ Decrease compared to previous year because of the first-time consideration of Fraport Greece. The environmental management system of Fraport Greece is still in the process of expansion.

⁸⁾ Calculation changed with the introduction of the EU Regulation No. 376/2014. For more information, see page 80.

Employees in the Fraport Group

Employees of the fully consolidated companies as at the balance sheet date December 31.	2017	2016
Fraport AG	10,747	11,164
Fraport parent company	10,747	11,164
Subsidiaries		
Media Frankfurt GmbH	49	48
Airport Assekuranz Vermittlungs-GmbH	12	12
Airport Cater Service GmbH	132	137
GCS Gesellschaft für Cleaning Service mbH & Co. Airport	689	657
Flughafen Kanalreinigungsgesellschaft mbH	23	21
FAS GmbH	4	–
Air IT Services AG	19	20
FraSec - Fraport Security Services GmbH	3,697	3,538
FraGround GmbH (APS Airport Personal Service GmbH)	3,331	3,025
Fraport Passenger Service GmbH	163	118
FraCareServices GmbH	582	448
Fraport Casa GmbH	2	2
FRA-Vorfeldkontrolle GmbH	94	94
Fraport Casa Commercial GmbH	1	1
Fraport Group at Frankfurt site	19,545	19,285
Fraport Peru S.A.C.	8	7
Antalya Havalimani Uluslararası Isletmeciligi	10	10
Twin Star Airport Management	694	613
Fraport Slovenija	428	399
Lima Airport Partners S.R.L.	493	500
Fraport Saudi Arabia (FSA) Ltd.	2	2
Fraport USA Inc.	30	34
Fraport Regional Airports of Greece A S. A.	216	30
Fraport Regional Airports of Greece B S. A.	180	26
Fraport Regional Airports of Greece Management Company S. A.	168	103
Fraport Brasil Porto Alegre	159	–
Fraport Brasil Fortaleza	91	–
Fraport Brasil Operadores	0	–
Fraport Group outside the Frankfurt site	2,479	1,724
Fraport Group total	22,024	21,009

You can find many other key figures in our GRI Report at www.fraport.com/responsibility.

About This Report

The “2017 Compact – Gute Reise! We make it happen” report informs our stakeholders and the interested public in brief form about the economic development of Fraport Group and its objectives, activities, and progress relating to responsible corporate governance.* We publish further information on our website at www.fraport.de/verantwortung in accordance with the standard of the Global Reporting Initiative (GRI) in a report of our own in the core version of the GRI G4 guidelines, including the industry-specific additional indicators for airport operators.

The selection of the report content is based on the regular exchange of views with our stakeholders and a comprehensive materiality analysis. In this regard, we have defined the areas of activity which are significant for Fraport and positioned them in a materiality matrix according to their importance for the stakeholders and the Group. As part of a program, Fraport has set objectives and performance figures for all areas of activity as well as defined measures for achieving the objectives.

Fraport respects and supports the ten principles of the UN Global Compact, develops and implements actions to implement them, and contributes to their recognition, including beyond the company itself. This publication, alongside the GRI report, is also used as a progress report relating to the implementation of the ten principles in corporate management. The reports are also the basis and source of our statement of compliance with the German Sustainability Code.

The information in “2017 Compact” covers all Group activities, products, and services and all companies that are consolidated according to the regulations on financial reporting issued by the International Accounting Standards Board on the relevant balance sheet date or have significant environmental effects within this framework. Since it is by far the largest site of the Group, Frankfurt is the focus of our reporting. You can find detailed information about our data collection in the GRI Report.

Our reports are published annually in both German and English, and cover the reporting period from January 1 to December 31 of the year concerned. The editorial deadline for this report was April 2018. The previous report was published on May 10, 2017.

* Where the statements made in this document relate to the future rather than the past, these statements are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations, and a substantial deterioration in the underlying 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.

Imprint

Editor

Fraport AG
Frankfurt Airport Services Worldwide
60547 Frankfurt/Main
Germany
Telephone: +49 (0) 1806 3724636 ¹⁾
Website: www.fraport.com

Contact Investor Relations

Telephone: +49 (0) 69 690-74840
Fax: +49 (0) 69 690-74843
Website: www.fraport.com/responsibility
E-mail: verantwortung@fraport.de

Concept and Design

heureka GmbH, Essen

Photography

Michael Gernhuber, Essen
Photo archive, Fraport AG

Printing

WOESTE DRUCK + VERLAG GmbH & Co KG,
Essen-Kettwig

Publication Date

May 2018

Editorial Deadline

April 2018

¹⁾ 20 cents per call from a German landline;
no more than 60 cents per call from a German
mobile.

A photograph of two men in a modern airport lounge. One man stands on the left in a light blue shirt and dark trousers, while the other sits on a black airport-style chair on the right in a dark blazer and trousers. Large windows in the background show an airport tarmac and city skyline.

Fraport AG
Frankfurt Airport Services Worldwide
Finance & Investor Relations
60547 Frankfurt/Main

www.fraport.com