

Fairplay

Sustainability Report 2007



Key indicators 2007

Economic indicators of the Fraport Group	2006	2007
Revenue and earnings in € million		
Revenue	2,143.9	2,329.0
Total revenue	2,250.3	2,425.8
EBITDA	578.4	580.5
EBIT	330.4	335.4
Result from ordinary operations	340.2	297.6
Group profit for the year	228.9	213.7
Key profitability ratios in %		
Return on revenue	15.9	12.8
EBITDA margin	27.0	24.9
EBIT margin	15.4	14.4
ROCE return on capital	13.5	11.4
Equity ratio in % *		
	51.7	41.3
Personnel expenses in € million		
	1,076.9	1,143.3

* Shareholders' equity less minority interests and the proposed dividend.

Traffic figures Frankfurt Airport	2006	2007
Passengers (inbound + outbound + transit)	52,821,778	54,167,817
Cargo (inbound + outbound + transit) [metric tons]	2,057,175	2,095,293
Airmail (inbound + outbound + transit) [metric tons]	96,889	95,168
Traffic units without transit	73,756,590	75,589,063
Aircraft movements (inbound + outbound)	489,406	492,569
Personnel indicators Fraport AG		
Employees at 31 December	12,735	12,533
Apprentices at 31 December	339	341
Disabled (proportion of disabled in %)	7.8	8.5
Ideas management (bonuses paid out in €)	226,349	333,491
Average age	41.3	41.9
Part-time	Absolute part-time ratio in %	13.3
	Part-time ratio for men in %	8.0
	Part-time ratio for women in %	36.1
Occupational safety	Total number of accidents	1,104
	Days of absence due to accidents	10,391
Sickness rate (ADV) in %	5.6	5.8
Personnel expenses in € million	641.0	668.3

Environmental indicators	2006	2007
Energy (Fraport AG)		
Average age of the mobile work machines and vehicles deployed (not including 1-year leased cars) [years]	6.97	6.53
Fuel consumption of mobile work machines and cars on the apron and site roads [litres]	10,645,214	11,472,838
Energy consumption by Fraport (power, heat, cooling) [kWh millions]	587.96	564.93
Air (Fraport AG and Fraport subsidiaries)		
Climate gases (CO ₂) Fraport AG (approx. 80 % share in the Group)		
Direct CO ₂ emissions (Scope 1 GHG Protocol Standards: here fuels) [metric tons]	28,125	30,311
Indirect CO ₂ emissions (Scope 2 GHG Protocol Standards: Sourcing of power, heat and cooling) [metric tons]	217,343	202,813
Climate gases (CO ₂) Fraport Group subsidiaries (approx. 20 % share in the Group)		
Direct CO ₂ emissions (Scope 1 GHG Protocol Standards: here fuels)*, rounded [metric tons]	7,000	7,600
Indirect CO ₂ emissions (Scope 2 GHG Protocol Standards: Sourcing of power, heat and cooling)*, rounded [metric tons]	54,300	50,700

* Calculated on the basis of traffic units.

Environmental indicators	2006	2007
Traffic (Frankfurt Airport)		
Percentage of passengers that take public transport [%]	33.3	34.3
Percentage of employees of Fraport AG that take public transport [%]	36.6	33.2
Drinking water and industrial water (Fraport AG)		
Consumption of drinking water [m ³]	867,343	967,000
Consumption of industrial water [m ³]	122,970	116,990
Waste (Fraport AG incl. from third parties)		
Total waste without soil and building debris [metric tons]	23,504	24,703
Recycling rate [%]	85	83
Aircraft noise FRA (airlines)		
Continuous sound level [Leq(4) in dB(A)] based on the the Aircraft Noise Act in conformity with DIN 45643		
Approach: Measurement site 01 Offenbach Lauterborn	62	62
Approach: Measurement site 06 Raunheim	61	61
Takeoff: Measurement site 12 Bad Weilbach	59	59
Takeoff: Measurement site 51 Worfelden	59	58
Ground noise: Measurement site 03 Zeppelinheim	51	51
Ground noise: Measurement site 08 Kelsterbach	55	55
West operating share (from parallel runway system takeoff direction west, approach from east) in %	71	76
East operating share (from parallel runway system takeoff direction east, approach from west) in %	29	24

We develop mobility professionally and make it an experience for our customers. As an airport group, we are the most capable industry player in all segments. We consider airports to be activity centers and intermodal hubs. We link transport networks systematically. We stand for efficient management of complex processes and innovations, maintain our position by providing competitive integrated services and respond flexibly to our customers' requests. Safety is our top priority. By carrying out our vision, we create sustained value in the interest of our shareholders, our employees and the regions in which we operate.

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Dear Readers,

Starting this year, the Sustainability Report of Fraport AG will be published under the title "Fairplay" – a motto that is a definitive statement about our actions as a leading provider in the international airport business. Our aim is to meet the needs and challenges of markets today while also taking responsibility for the generations to come. "Fairplay" is the guiding concept for the ecological, social and community dimensions of our actions.

Our accession to the UN "Global Compact" was a key milestone in this direction taken in 2007. This step represents a commitment to implementing and promoting a comprehensive list of basic values. These include human rights and standards for everyday conduct at work as well as environmental protection and combating corruption. These rules are intended to foster sustainable business models and are directed towards creating an improved work environment – worldwide – against the background of globalization.

As far as we're concerned, fair play from an ecological perspective means that we have to adopt new approaches in order to achieve significant improvements for people and the natural environment. For example, in 1974 we introduced noise-differentiated landing fees at our home base of Frankfurt Airport. This gave significant momentum to technical development in aviation. The introduction of emission-dependent airport fees from 2008 again positions Frankfurt in a pioneering role and supports worldwide efforts to create engine technologies generating even lower levels of emission.

Ideal results in airport operation depend on the motivation and performance of every individual team member – just like in sport. We are also committed to fair play in this sphere and interpret this as adopting a constructive approach to our workforce and engaging in proactive dialogue with our employees. Programs to improve the work-life balance provide a positive contribution to increasing employee satisfaction. Our successful business performance also generates a steady stream of new jobs. This positive aspect was singled out by the protestant church when they conferred their job quality seal on Fraport in the year 2007.

I have no doubt that we can still make further improvements when it comes to sustainable business practices. The intention of the Executive Board of Fraport AG is to achieve greater continuity when implementing our corporate goal of sustainability and achieve enhanced fair play. We are committed to dialogue with you – our readers. Tell us what you think – Fraport will then be in a better position to meet the challenge of the future. Have an enjoyable read!

Yours sincerely,

Dr. Wilhelm Bender
Chairman of the Executive Board

Milestones 2007



Frankfurt Airport – well prepared for the Superjumbo Airbus A380



New habitat – an oak woodland is being created near Frankfurt, offering stag beetles ideal conditions

26 January: Architects start on planning the new “A0” pier which is scheduled to come into operation by 2012. This increase in capacity at Terminal 1 has become necessary irrespective of expansion at the airport in order to meet the requirement of Lufthansa for building positions. In future, this pier will have the capability to handle up to seven long-haul jets or eleven short-haul jets at the same time, including three Airbus 380 jets.

9 February: Frankfurt Airport is the stage for the Central Hesse regional competition entitled “Youth Research”. A total of 86 participants presented their studies in physics, chemistry, biology, mathematics, world of work and engineering to a jury of 16 experts. This sponsoring project is another example of the extensive commitment to youth shown by Fraport AG in addition to a wide range of environmental educational projects.

14 February: As the world’s first hub for the A380, Frankfurt Airport is preparing for the new Super Airbus. The first practice trials were carried out here as early as 2005. This time efficient handling is the focus of the trial. The airport is playing a pioneering role in the introduction of this new aircraft with new gate areas and two completely new parking positions.

1 March: Fraport uses resources from the environment fund to sponsor the first teaching activity by animal and conservation ranger Petra Simon. The aim of her work is to promote understanding and awareness for nature and living organisms. Schools and nurseries near the airport can book a visit by the ranger online by clicking on the website www.aktivfuerdiere-gion.fraport.de.

6 April: Fraport AG is the first foreign airport operator to take a stake in a Chinese airport not listed on the stock exchange: 24.5 percent of the shares in the airport at the central Chinese city of Xi’an will be held by Fraport in future.

12 April: The leading US international freight magazine “Air Cargo World” selects Frankfurt as the best European cargo airport in the category of large airports. The award is conferred by freight experts and enjoys a great deal of prestige in the freight sector. Key criteria were the handling service, value for money, buildings and systems available for freight processing, and work carried out by the authorities involved.

11 May: New habitat for stag beetles: As compensation for the construction of the hangar required for the A380, Fraport AG is gradually converting 20 acres of mixed woodland and coniferous forest to oak woodland in the Schwanheim district of the Frankfurt City Forest. A specially installed “stag beetle pile” offers the best opportunity for the development of young animals.

21 May: The Protestant Church in Germany (EKD) confers the workplace award “WORK PLUS 2007” on Fraport AG. The EKD uses this award to highlight companies setting an example by creating new jobs and making a contribution to combating unemployment. Fraport is the only company in Hesse to receive this award in 2007.

30 June: Support from the Casa Program: Residents living near the airport benefit from the voluntary purchase and compensation program operated by Fraport AG for properties located in the vicinity of the airport. This project is unique in the European sector and underscores the relationships Fraport AG promotes in its role as a good neighbour. When the application deadline expires, the phase of implementation begins for Raunheim.

11 July: Terminal 1 welcomes its billionth air passenger since the terminal opened for business in 1971: Somika Mahapatra is travelling on business from Los Angeles to her home city of Mumbai with a stop in Frankfurt. Passengers have now been using Terminal 1 to fly all over the world for the past 35 years.

17 July: Fraport AG joins the “Global Compact” initiative. Some 4,000 member companies all over the world make a commitment to recognizing and promoting fundamental values relating to human rights, standards of employment, combating corruption and environmental protection. Compliance



In operation – the new security control centre coordinates emergency services at Frankfurt Airport



Green light – the Hessian Economics Minister Alois Rhiel approves construction of the airport expansion



“Fluggi-Land” nursery – Federal Family Minister Ursula von der Leyen finds out about the family-friendly facilities at Fraport AG

with these basic principles is intended to meet the challenges of globalization. The initiative was launched in 1999 by Kofi Annan, UN Secretary General at the time.

3 August: Fraport AG acquires a majority stake in Lima Airport. The 43 percent shareholding acquired in 2001 was extended to 100 percent. The long-term aim is to sell shares to other shareholders and reduce the stake to around 60 percent. In 2006, some six million passengers passed through Lima Airport and this is therefore an important future project for Fraport AG with double-digit growth rates.

22 August: The new security control centre run by Fraport AG starts up operations. The centre coordinates deployment of emergency services round the clock, including the fire service, rescue service and Airport Security. Some four million euros have been invested in the latest technology, software and refurbishing work.

26 September: Frankfurt Airport announces testing of landing fees scaled according to the level of emissions. Frankfurt is joining forces with Munich Airport to carry out a three-year test phase starting on 1 January 2008. This will introduce a fee element for takeoff and landing fees based on emission levels. This project has been developed under the management of “Initiative Luftverkehr für Deutschland” and plans to charge all airlines flying to Frankfurt or Munich three euros for each

kilogram of nitrogen oxides (NO_x) emitted. The intention is to encourage airlines to use aircraft with low NO_x emissions and send a long-term signal to aircraft manufacturers that they need to drive technological innovations forward.

1 October: Frankfurt Airport became a smoke-free zone when the Hessian No-smoking Act came into force. Existing “smokers’ islands” in the departure and arrival halls are being dismantled. Smokers now have to go outside in the public terminal area. Enclosed, glass smokers’ cabins are planned for the transit area in Terminals 1 and 2.

30 October: Anniversary baggage – the five hundred millionth suitcase takes off from Frankfurt. A lot has happened since the baggage conveyor system went into operation in 1974: The computer controlled system is now more than 70 kilometres in length and operates with a dependability of 99.8 percent. This ranks the system among the best in the world when it comes to capacity, performance and quality. It plays a key role in maintaining the guaranteed transit time of only 45 minutes.

19 November: More convenience on the Internet. Introduction of new boarding card technology will allow passengers to print out their boarding passes at home. Anyone travelling with just hand luggage can go straight to the departure gate. The 2D bar code used in the check-in procedure there ensures that the passenger is authorized to fly on the aircraft.

18 December: Green light given for expansion. Signature of the zoning decision by the Hessian Minister for Economics, Transport and State Development, Alois Rhiel, paved the way for expanding the airport. The courts now have to reach a decision on the lawsuits pending against the expansion and the immediate enforcement of the zoning notification. The increase in capacity is intended to secure the future and competitiveness of the airport and create more jobs for the regions.

18 December: Visit by the Federal Family Minister Ursula von der Leyen to the “Fluggi-Land” nursery where she meets managers of the airport group and takes the opportunity to look at the facilities available at Fraport AG. Getting the right work-life balance is one of the key themes of personnel development at the airport operator.

20 December: A resolution by the Executive Board of Fraport AG makes resources amounting to three million euros available for the environment fund in 2008 and 2009. These funds have been used to promote nature and environment projects, as well as educational conservation measures and ecological research projects around Frankfurt since 1997.

About this publication

The Sustainability Report 2007 of Fraport AG provides information about the strategies and concrete steps we are taking to develop our company based on a sense of economic, ecological and social responsibility. The economic dimension in this report focuses on the most important indicators and fundamental financial information. Comprehensive details on our economic performance are provided in our Annual Report 2007. This can be downloaded by clicking on www.fraport.com in the submenu "Investor Relations" under "Reports".

The Fraport Sustainability Report 2007 focuses on the calendar year 2007 but also provides information about developments we are expecting or working towards in the future. The Fraport Group, including investments and subsidiaries, forms the subject of the report. Frankfurt Airport is the most important group site and forms the focus of reporting in the chapters "Environmental Protection" and "Corporate Responsibility", while the chapters "Management of Sustainability" and "Social Responsibility" focus on Fraport AG as the core of the Fraport Group. The relevant perspective of analysis emerges in each case from the presentation.

This report talks about employees, customers, residents, etc. and any reference to these and similar concepts is always gender inclusive. The report is published in German and English and is directed towards all stakeholders of Fraport – with particular focus on shareholders, customers, employees and residents in the Rhine-Main region.

This report is based on the generally acknowledged guidelines for uniform global sustainability reporting as presented in the Global Reporting Initiative (GRI) in the G3 version. Moving beyond this report, we interpret the GRI Standards as a challenge and as a set of reference points for further continuous improvement of our sustainability reporting. For example, we are committed to comprehensive group reporting in the future. More information about this work and the concrete guidelines of the GRI are provided under www.globalreporting.org.

The Fraport Group made a commitment to the principles of the Global Compact in 2007. You can find out more about the Global Compact by clicking on www.fraport.com in the submenu "Company" under "Sustainability" or under www.unglobalcompact.org.

Where more information beyond the scope of this report is available, appropriate cross-references are provided in the text. We are considering external verification of future sustainability reports.

On the way to Airport City





Forecasts like the “Current Market Outlook” issued annually by Boeing project a strong increase in global air traffic year on year. The number of passengers and the volume of freight are both predicted to more than double over the next two decades. Frankfurt Airport as the home base and flagship of the Fraport Group is preparing to participate in this growth with strategic expansion of its capacities and future-oriented development of its real estate portfolio. Fraport will have invested approximately seven billion euros in expansion and modernization of Frankfurt Airport by 2015.

In December 2007, the Hessian Economics Minister approved the legally binding planning application and this provides the legal framework for the planned building measures at Frankfurt Airport. The comprehensive documents submitted by Fraport with the application include numerous expert reports which also cover aspects relating to sustainability. Evidence is put forward to show that the Rhine-Main region will benefit from expansion in capacities at the airport with provision of some 40,000 new jobs. A wide range of compensation measures has been put forward to offset the loss of existing ecosystems as a result of the construction work.

North-West landing runway permits more flight movements

The new north-west landing runway and the planned Terminal 3 to the south of the airport complex form the central focus of airside expansion planning. Building work on the new runway is scheduled to commence in spring 2009. Terminal 3 will be constructed in several stages starting in 2013 – up to 25 million passengers are ultimately projected to pass through this terminal each year.

When the new landing runway comes onstream, up to 126 flight movements each hour will be possible at Frankfurt Airport. Up to now, coordinating a maximum of 83 takeoffs or landings an hour has been the maximum feasible capacity. This expansion enables the number of flight movements to be increased from nearly 500,000 today to more than 700,000 each year. This will accommodate the projected capacity for Frankfurt Airport of 88.6 million passengers forecast for the year 2020. This is adequate to secure Frankfurt Airport a place among the world’s most important airports.

Strategic development of the real estate portfolio

In addition to expansion of the aviation infrastructure, investments in the property portfolio measured in billions are also planned at Frankfurt Airport. The lion’s share of these investments will be financed by outside investors and not by Fraport. The intermodal transport network with rail and road, the

Current expansion projects at Frankfurt Airport

The most important projects:

1. The **Mönchhof Site** between Kelsterbach and Raunheim will become a logistics centre with global links. The centre will be marketed by a wholly owned property subsidiary of Fraport AG with registered office in Flörsheim/Main.
2. **Ticona:** Fraport will take over the former complex of the chemicals group from 2011 after complete clean-up and soil decontamination. Ticona is relocating to the Frankfurt-Höchst industrial park.
3. The new **North-west Runway:** Two taxiway bridges over the high-speed ICE railway and the A3 motorway will link the new runway with the rest of the airport complex.
4. **Pier A0:** The new pier is currently under construction. After it has been completed, Lufthansa will use it as a dedicated pier for widebody aircraft starting in 2010.
5. **Airrail Centre:** The new business centre with exclusive and pioneering architecture. For a contemporary and prestigious environment.

ture. For a contemporary and prestigious environment.

6. **Gateway Gardens** was the residential quarters for US military families at the air base. Gateway Gardens will be gradually developed in phases as a vibrant business centre with lots of leisure amenities by 2020. The new facility for Lufthansa catering subsidiary LSG has already been completed and will soon start operating. Groundwork for construction of the "Alpha Development Phase" is currently being carried out.
7. The C/D link – **the connecting building between Terminal 1 and 2** with additional capacities for widebody aircraft – went into operation with the summer schedule on 27 March 2008.
8. **A380 maintenance hangar** used by Lufthansa for the Superjumbo. The first construction phase with two service positions for the A380 has already been completed. The second phase is scheduled for completion by 2015 with two additional A380 positions.
9. **After Terminal 3** has been completed, it will provide capacities for handling 25 million passengers a year.

attractive infrastructure and the proximity of Frankfurt as the economic powerhouse of one of Europe's strongest regional economies give the airport a unique opportunity to develop even more intensively on the landside as a commercial and corporate centre. The Airport City vision is our big idea.

Against the background of increasingly intensive global trading and a rising trend towards international division of labour an increasing demand for land is anticipated in areas around international aviation hubs. Many companies operating on the global stage will increasingly seek to set up bases at these hubs of mobility in order to operate their businesses from hub locations.

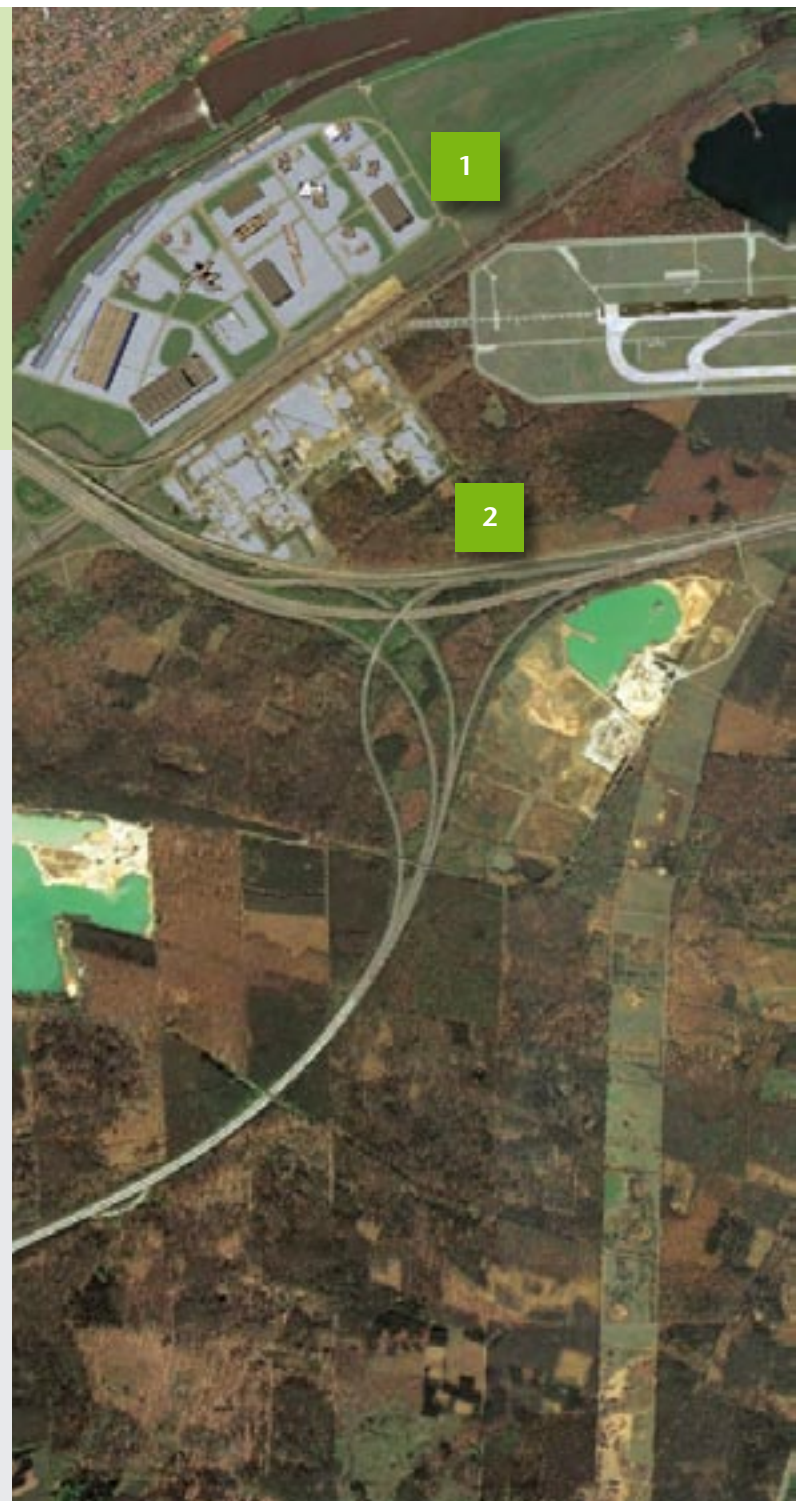
Access to the rail and ICE network through the international and regional station at the airport combines with direct links to the A3 and A5 motorways to enhance the appeal of Frankfurt Airport as an intermodal transport hub and business centre. The economic benefit accruing to Fraport AG from the ongoing development of the airport to create Airport City is generated by the rental and lease income and through synergy effects arising from aviation business. If the appeal of Airport City Frankfurt as a corporate site increases for companies with international operations, the traffic volume generated by these companies will also go up at the site. Fraport derives benefits in the form of additional income from takeoff and landing fees.

Business centre with intermodal traffic links

With the exception of residential accommodation, Airport City Frankfurt will have all the attributes of an independent city – a concept that is also being planned or developed at other international aviation hubs.

Expansion to create Airport City Frankfurt will involve Terminals 1 and 2 in the north of the airport being linked with the new Terminal 3 in the south. Airport City will be sited on a total area of some 20 square kilometres and divided into several "districts" designed for different needs. As well as creating attractive offices, business travellers and conference visitors will find a wide range of hotels and leisure amenities available. Transfer passengers will have access to more extensive shopping and leisure opportunities than was previously the case. Last but not least, Frankfurt Airport will have additional commercial and logistics floorspace available to meet the challenges presented in its role as an intermodal transport hub acting as a magnet for international freight-forwarding and logistics companies.

You will find more information on the expansion of the airport and creation of Airport City Frankfurt by clicking on www.ausbau.fraport.com or on www.airportcity-frankfurt.com.





Why are there airports?

[Nele David, 6 years old]

Actually an airport is really a type of bus stop: The only difference is that you only get on and off if you are in a particular hurry to get from one place to the next. Especially, if that place is a very long way away.

[Thorsten David, PSL-PB 4, Head of IT Training at Fraport, father of Nele and her twin brother Sören]

The democratization of flying has given individual mobility a new dimension. Distances that appeared to be insuperable in the past can now be covered comfortably by plane within the space of a few hours. People are also deriving economic benefits from this mode of transportation because the global exchange of goods and services would be very difficult to conceive without the aircraft. Against this background, international aviation hubs, such as Frankfurt Airport, play an essential role. They network the world's traffic flows and open up a gate on the world to people and companies.



Fairplay = Economic Value Added

Fraport AG is one of the leading international companies in the airport business and operates Frankfurt Airport as one of the most important aviation hubs in the world. Fraport AG delivers a service spectrum that includes comprehensive air-traffic services. The company is also an expert partner for airport retailing and property development. In 2007, Fraport operated as a full-service provider in airport management at its home base in Frankfurt and more than 60 sites worldwide. Excellent service quality, dedicated orientation to customers combined with qualified and motivated employees make us the preferred partner for our customers.

Frankfurt Airport is Germany's biggest airport and the flagship of the Fraport Group. The central geographical location makes it the most important departure point and destination for journeys from, to or within Germany. More than 130 airlines fly from Frankfurt to some 310 destinations in more than 110 countries. All major airports in the world can generally be reached from Frankfurt in a convenient direct flight. Around 70

percent of intercontinental flights from and to Germany take off and land in Frankfurt. The growing number of widebody aircraft – like the Airbus A330, Boeing B 747 or in the near future the Airbus A380 – amounts to more than 25 percent. Frankfurt enjoys a very good reputation as a fast transfer airport. More than 53 percent of passengers fly via Frankfurt with the aim of changing aircraft and flying to their onward destination fast.

Frankfurt Airport – megahub with a future

The trend towards concentration of international air traffic on a few major international hub airports linking up intercontinental and continental traffic flows will continue to be reinforced over the coming years. The expansion of capacities approved by the Hessian Economics Ministry as the zoning authority has given Frankfurt Airport all the opportunities to play an important role in the future of aviation as one of the world's most important airports. Another factor pointing in this direction is the size of the airport's catchment area: around 38 million people live in the surrounding area of 200 kilometres where the airport can be reached within the space of two hours. This is significantly more than the population living around the airports of London, Paris, Madrid or Amsterdam.



Strong growth in traffic figures

Air traffic volume at the airports in the Fraport Group developed extremely positively during the course of 2007. This was driven by the high level of global economic growth. The aviation industry is also a key industry in globalization and as such is benefiting from a long-term dynamic development generating high growth rates that outperform other sectors of industry over the long term.

As the biggest of our Group airports, Frankfurt Airport posted growth of more than 2.6 percent rising to nearly 54.2 million passengers in 2007. The cargo volume also went up significantly by 1.9 percent to 2.1 million tonnes driven by continued strong growth in German export business. This ranks Frankfurt as Europe's number one cargo airport and number six in global terms. 2007 again saw Frankfurt among the world's top group of freight airports.

The number of passengers handled in the Fraport Group even rose by 5.9 percent to 75.6 million passengers and the cargo volume climbed by 2.9 percent to more than 2.5 million tonnes.

Sales at 2,329 million euros for the Fraport Group were 8.6 percent higher than in 2006. Retailing at Frankfurt Airport

and our external business at airport sites outside Frankfurt were particular sales drivers and contributed higher sales by comparison with the previous year. Consolidated EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization – went up 0.5 percent over the year-earlier figure to 580.5 million euros, although one-off effects impacted on EBITDA. These and other extraordinary effects on the tax and financial result in the annual financial statements for 2006 are the reason why the annual financial statements of Fraport AG for 2007 lost ground to the tune of 6.6 percent compared with 2006 down to 213.7 million euros.

Fraport share: index and shareholder structure

The Fraport share is listed in the MDAX of Deutsche Börse AG as Prime Standard on the Frankfurt Stock Exchange. Our share is also listed on the Dow Jones STOXX Sustainability Index (DJSI STOXX), Dow Jones Sustainability World Index (DJSI World) and FTSE4GOOD Index.

On 31 December 2007, the main shareholders of Fraport AG were the State of Hesse with 31.62 percent, Stadtwerke Frankfurt am Main Holding GmbH with 20.19 percent, Deutsche Lufthansa AG with 9.96 percent, Julius Bär Holding

AG with 5.09 percent, The Capital Group Companies, Inc. with 4.70 percent, Artisan Partners Ltd. Partnership with 3.87 percent, Morgan Stanley with 3.76 percent and Taube Hodson Stonex Partners Limited with 3.01 percent. Approximately 17.80 percent of the shares were in free float with institutional and private investors, including shares held by the management and employees of Fraport AG.

Award from the SAM Group

Last year, our corporate sustainability policy also impressed the SAM Group: The leading asset management company for sustainability funds and accountants PricewaterhouseCoopers included Fraport AG in the Sustainability Yearbook for the first time in 2008. This yearbook was published for the fourth time on the occasion of the World Economic Forum at Davos. The publication is regarded worldwide as the most comprehensive source for assessing listed companies on the basis of economic, ecological and social success factors. This was the first time that the SAM Group conferred awards on the best companies listed in the *2008 Sustainability Yearbook*. Fraport AG was awarded SAM Bronze Class 2008 in the sector Industrial Transportation.



Scheduled passenger flights – via Frankfurt to more than 300 destinations worldwide

Aviation – Germany's number one hub

The Aviation segment at the Frankfurt sites bundles aircraft and terminal operation, airport security and aviation safety and the planned expansion of Frankfurt Airport. We work closely together with our customers and partners to guarantee smooth processes and a comprehensive service package.

Nearly 54.2 million passengers and 2.1 million tonnes of air freight were handled at Frankfurt Airport in 2007. The proportion of transit passengers, i.e. those passengers who only change aircraft in Frankfurt and then continue to the onward destination, was 53 percent.

Globalization brings further growth in traffic

Globalization is based on a high level of mobility for goods and people. Aviation experts therefore predict further strong growth in global air traffic. They are forecasting that the annual figure for passengers transported worldwide and the global cargo volume will more than double over the next two decades. Intelligent concepts, continuous optimization

of workflows and innovative technologies are the key to the future-proof capability for our services in aviation.

The new widebody Airbus A380 has been operating on scheduled flights since autumn 2007. We have invested substantial resources into creating suitable parking positions and larger gate areas to accommodate the growing deployment of this aircraft type. We have also purchased appropriate airport ground vehicles.

Expansion in Frankfurt guarantees future-proof capability

Expansion of the infrastructure at Frankfurt Airport tailored to future needs forms another focus of our activities during the coming years. On 18 December 2007, the Hessian Minister for Economics, Transport and State Development, Alois Rhiel, signed the zoning decision for the expansion of Frankfurt Airport. This was a key milestone in the planning process geared towards our expansion.

Construction of the planned additional north-west landing runway will enable us to significantly increase the capacity of Frankfurt Airport. The new runway will expand the capacity of

our runway system from approximately 520,000 to more than 700,000 aircraft movements a year. This will enable us to close the gap between market demand and the available capacity at our home base. It also creates sufficient scope to participate in the anticipated dynamic growth of air traffic over the coming years.

Aviation Group segment

€ million	2007	Change compared with 2006 in %
Sales revenues	698.7	– 0.6
EBITDA	139.6	– 12.1
EBIT	44.8	– 41.1
Number of employees at 31 Dec. 2007	6,331	– 1.5



Attractive – shopping malls
at Frankfurt's terminals

Retail & Properties – Growth engine retailing

Frankfurt Airport is a highly attractive international location. The airport's unique position is based on a central location and transport network, size, an enormous consumer potential and the diverse array of companies established here. 54.2 million passengers passed through our terminals in 2007, as well as millions of other visitors and people meeting relatives, friends and colleagues at the airport. Some 70,000 employees also have their workplace at Germany's biggest airport and they make extensive use of the comprehensive range of retail and food outlets located there.

The Retail & Properties segment bundles all the expertise and activities relating to commercial development, marketing and management of this site in non-aviation business. We develop and market floorspace and attractive concepts, for example for exclusive office and retail floorspace close to the terminal or specialist real estate in CargoCity.

By means of close coordination with the airport's operational process, we create purchasing and service worlds that turn a stay at Frankfurt Airport into a special experience. The functions in our segment also include property development and management, parking management and energy and utility supplies. Our subsidiary Media Frankfurt also involves us in airport advertising.

Strategic investments in the retailing success story

The 2,914 employees in the Retail & Properties segment generated 20 percent of consolidated sales at Fraport in 2007 and contributed more than 57 percent of Group EBITDA. We have extensive room for growth in retailing. A total of more than 54 million passengers in 2007 enabled Fraport AG to generate revenues in retail business amounting to 145.1 million euros. This amounts to average retail revenue per passenger of 2.69 euros.

We are projecting a significant increase in the average retail revenue per passenger with expansion of shopping floorspace in the existing terminals to 30,000 square metres by 2012 and strategic optimization of our retail concepts.

The launch of development work approved in our expansion plans for Frankfurt Airport at the end of 2007 will see us investing strategically in expansion of the airport to create Airport City Frankfurt. Completion of the planned new Terminal 3 located to the south of the airport complex will create a total of 42,000 square metres of sales floorspace. The number of passengers and employees with jobs at Frankfurt Airport visiting this retail space will increase year on year.

Retail & Properties Group segment

€ million	2007	Change compared with 2006 in %
Sales revenues	471.4	22.4
EBITDA	333.0	5.8
EBIT	244.6	11.4
Number of employees at 31 Dec. 2007	2,914	1.9



Welcome to FRA – Precision in tune
with the global economy

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Ground Handling – Efficiency on the ground

Fraport numbers among the world's biggest providers of ground handling services. Handling passenger and cargo aircraft involves Fraport in managing a complex logistics chain with the greatest precision. Almost 50 years of experience in ground handling allow us to address the needs of airlines individually and ensure smooth aircraft handling.

Punctual arrivals and departures are key competitive factors in the aviation business. The efficiency of our ground handling services guarantees short down-times for aircraft in the passenger and cargo segments. This makes a significant contribution to enhanced punctuality. A guaranteed transfer time of just 45 minutes in passenger handling has placed Frankfurt among the fastest major airports in the world for many years.

Integral element of the Fraport business model

The Ground Handling segment has 8,062 employees and represents an important mainstay of Fraport. Alongside aircraft and terminal operation, security management and retail business, Ground Handling is also a key element of the integrated value chain with which we deliver a diverse range of services in and around air transport from a single source at the Frankfurt site. This value chain gives us a distinct profile and sets us apart from the global competition.

Intensive competition in the aviation business puts margins under a lot of pressure. The airlines are therefore committed to consistent cost management. Deregulation in ground handling operations throughout the EU has also led to fiercer competition between the providers in the marketplace.

Continuous improvement of profitability

Against this background, we are committed to continuously enhancing efficiency particularly in ground handling requiring intensive deployment of personnel. We are then in a position to offer our customers high-quality services at fair prices, operate

profitably and safeguard jobs over the long term. Innovative working time models allow us to adapt the deployment of our personnel more flexibly to fluctuating traffic volume and hence achieve significant cost benefits.

Our employees in ground handling are aware of the important contribution their work makes to smooth-running, secure global aviation and they are highly motivated. This is where we perceive our key competitive advantage in the ground handling market of the future.

Ground Handling Group segment

€ million	2007	Change compared with 2006 in %
Sales revenues	620.5	– 0.6
EBITDA	37.4	– 40.6
EBIT	12.6	– 63.6
Number of employees at 31 Dec. 2007	8,062	2.5



Cairo International Airport – our hub
in the Middle East and North Africa

External Activities – Know-how for the global airport business

Growth targets of the Fraport Group at the Frankfurt site are complemented by our activities outside the home base. “External Business” is directed towards exporting the management and service expertise acquired in the operation of the international Frankfurt aviation hub. We want to benefit from the powerful growth in global air traffic, particularly in the economies of the Middle East and Far East undergoing dynamic development. The efficiency of the aviation infrastructure at these locations needs to be enhanced quickly and sustainably by expansion and massive new-build. A lot of governments in these regions are committed to strategic deregulation and a transfer of expertise from “mature” aviation markets in order to make progress quickly.

We offer proven airport management processes and we are dedicated to fast and robust solutions to problems. Fraport carries out a strict review of all tenders for their individual profitability and their specific risks. We have high expectations of the anticipated minimum returns for our investments. We are only prepared to invest our knowledge and Fraport capital if the anticipated profit derived from a project is adequate to overcome this hurdle.

Successful internationalization

The portfolio of airport investments held by Fraport AG underwent extremely gratifying development in 2007. At the airport in the Peruvian capital Lima, we increased our stake in the operating company from 42.75 percent to 100 percent in the summer of 2007. Our aim is to sell up to 40 percent back to Peruvian investors and the investment fund of the World Bank. We are planning to hold at least 60 percent of the shares in the booming airport in Lima.

In the Turkish city of Antalya, a consortium led by Fraport was awarded the contract for operation of the international Terminal 1 and the domestic terminal which we were already managing. Starting in September 2009, our consortium will also take over operation of the second international building. The concession runs until 2024.

Expansion of the business base

We continue to be open to investments in the two growth markets of India and China and we are proactively seeking opportunities in these markets. We are already doing business at the airport of the Indian capital Delhi and we are very interested in other attractive commitments.

We perceive the trend towards internationalization as providing additional opportunities for Fraport AG. Globalization gives us the opportunity to expand our business base, increase the value chain of the Group in line with growth at the Frankfurt site and enhance our image as a leading global brand in airport business.

External Activities Group segment

€ million	2007	Change compared with 2006 in %
Sales revenues	538.4	24.7
EBITDA	70.5	67.9
EBIT	33.4	>100
Number of employees at 31 Dec. 2007	13,130	16.4

What does an aircraft need to take off?

[Manuel Laszlo, 12 years old]

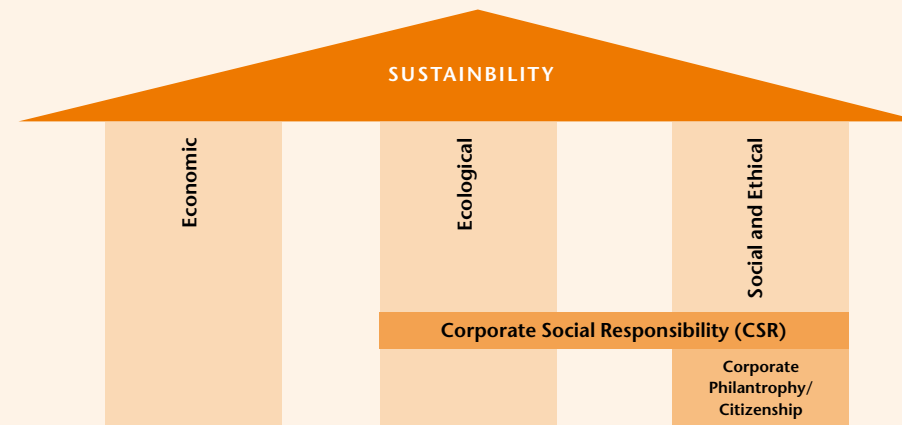
A big runway and most importantly lots of people! They refuel the aircraft, load it and ensure that it's clean. They help us to get in and make sure that we can take off punctually.

[Michael Laszlo, ASM-LZ 3, Head of Air Security Control B at Frankfurt Airport, father of Manuel]

Today, airport business is a global growth sector where efficiency, quality of service and sustainable business play a leading role. Fraport markets essential airport services in an integrated business model. They range from flight and terminal operation, through security management and ground handling services, to retailing. We are investing strategically in expanding our capacities at Frankfurt Airport in order to be in a position to offer our customers full service in the world of booming air transport tomorrow and into the future.



Fairplay = Transparency



Sustainability is a parallel group goal for Fraport AG, alongside value creation and performance. We understand sustainability as an essential condition in order to secure the objective of safeguarding the economic, social and ecological stability of our company. We have established transparent structures along the lines of sustainable business. This gives our stakeholders a realistic insight into our business processes. Our intention is to enhance trust in Fraport over the long term and to promote our market-driven dynamic growth into the future.

Our group strategy is based on three mainstays which allow us to pursue our objective of value creation, performance and sustainability: firstly safeguarding and strategically optimizing the integrated business model in Frankfurt, secondly growth at the Frankfurt site and thirdly external growth outside our flagship airport.

1st mainstay: Optimization of the integrated business model

As one of the leading global aviation hubs, Frankfurt Airport enjoys a world-class global reputation. Our customers benefit from the integrated business model at Frankfurt Airport which joins up our services in flight and terminal operation, ground handling services, safety management and retail business to create an integrated and powerful value chain from a single source.

Our range of services is continually being adapted and developed to accommodate the continually changing environment of global air travel in order to maintain our leading position for performance



2nd mainstay: Expansion of Frankfurt Airport to form the hub of the future

Fraport is investing systematically in the competitiveness of Frankfurt Airport and continually enhancing its hub competence in order to expand the market position of Frankfurt Airport as one of the most important aviation hubs in Europe. The strong global growth in air traffic has meant that capacity bottlenecks have exerted a powerful brake on growth at the Frankfurt site for many years. This is why we now want to expand capacities significantly and we are currently planning the construction of an additional landing runway and a third terminal.

The ongoing development of our second core business mainstay on the ground – property assets – has been a key element for growth in Frankfurt: This will facilitate expansion of the airport to become Airport City Frankfurt and hence the aviation hub of the future.

3rd mainstay: Global marketing of our hub competence

During recent decades, the Frankfurt site has provided us with a wealth of experience in managing an international aviation hub. We are marketing this joined-up know-how worldwide in our program of external business. The spectrum ranges from provision of high-tech airport services to full-service operation of an entire airport.

All round the world, states and operating companies are investing in building or expanding more than 150 airports. The aim in a number of cases is to establish global hub airports. In this context, Fraport offers proven airport management processes and delivers fast and robust solutions to all manner of problems. Our aim is to take on management responsibility for airports over the long term.

Business model and organizational structure

We structure the integrated business model at the Frankfurt site in four strategic business units, each dedicated to a core activity. Each business unit is headed by a senior vice president or an executive vice president. They constitute the entrepreneurial units which deliver products, services and know-how to our customers from a single source.

All the processes associated with aircraft, passenger and freight handling are grouped together in the business unit “Ground handling services”. The business unit “Traffic and Terminal Management, Airport Expansion” focuses on all airside and landside functions at the airport. At the beginning of 2007, we bundled the management of security services into an additional, independent strategic business unit with the designation “Airport Security Management”. The business unit “Retail & Properties” is responsible for our activities in non-aviation business. These include, for example, the lease and marketing of real estate, parking facility management, retail business, i.e. rental and concessions for various shops and restaurants, and advertising at the airport.

We manage our commitment outside the Frankfurt site in the “Global Investments and Management” which is under the management of the Chief Financial Officer and Controlling.

You can access the organizational structure of Fraport AG on the Internet by clicking on www.fraport.com and then going to the menu item “Company” and “Organization”.



Corporate governance principles

The concept of corporate governance relates to methods and tools for managing and monitoring organizations. Good corporate governance guarantees a responsible, qualified, transparent corporate management directed towards the future. It serves the organization itself, its owners and also external interest groups such as investors, customers and the community.

Fraport is dedicated to good corporate governance, generates confidence in investors through good stewardship and aims to attract investors to invest in Fraport shares with exemplary company management. The Corporate Governance Code of Fraport AG is based on the proposal by the German government for German companies listed on the stock exchange. It describes the key principles for management and monitoring of the company and includes internationally and nationally recognized standards for exemplary and responsible company management to which Fraport AG is committed. In addition, the Fraport Code of Conduct highlights the key rights of shareholders who provide the necessary equity to Fraport AG and bear the entrepreneurial risk.

The Fraport Code of Conduct and the relevant wording in the annual statement of compliance can be accessed and downloaded by clicking on www.fraport.com and going to the menu item "Corporate Governance" under "Investor Relations".

Annual General Meeting, Supervisory Board and Executive Board

All shareholders of Fraport AG are entitled to take part in the Annual General Meeting. This meeting reaches decisions on the appropriation of profit and approves the actions of the Supervisory Board and the Executive Board. It elects the shareholder representatives to the Supervisory Board and appoints the auditor. The Executive Board of Fraport AG ensures that a representative, who may also be a salaried employee of Fraport AG, is available to assist shareholders in exercising their proxy voting rights. This facility makes it easier for shareholders to exercise their rights and assists them in casting their votes.

As a joint-stock company incorporated under German law, Fraport AG is subject to a dual management system estab-

lished in law. The Executive Board is responsible for managing the company. The Members of the Executive Board bear joint responsibility for their actions. The Chairman of the Executive Board coordinates the work of the Members of the Executive Board. The Supervisory Board appoints, monitors and advises the Executive Board. Important decisions require the consent of the Supervisory Board.

The Supervisory Board has a total of 20 members. Half of the members are elected by the shareholders and half are elected by the employees. The structure of the Members of the Supervisory Board on the shareholders' side is as follows: three represent the State of Hesse, two the City of Frankfurt/Main, one each the Federal Republic of Germany and Deutsche Lufthansa AG and three the independent shareholders from the free float. Ten members of the Supervisory Board are elected representatives of the employees, one of these is a representative of the executive employees. Former Members of the Executive Board may not be Members of the Supervisory Board.

You can access a current overview of the Members of the Supervisory Board by clicking on www.fraport.com and going



to “Company” under “Boards and Committees”. You will find the Members of the Board of Management of Fraport AG and the senior vice presidents and executive vice presidents under “Management”.

Efficient risk management

We use the risk management system to identify, evaluate and control risks in the Fraport Group which are associated with our business activity. The primary goal of risk management is to take a controlled approach to risks and avoid risks which could pose a threat to the continued existence of the company as a going concern. This creates scope for action which permits exposure to risks if the projected rewards are in a reasonable relationship to risk exposure. Our system of value-based management means that we consistently base our investment decisions on this principle.

The Executive Board has approved the risk management system of Fraport AG, its risk policy principles and the risk strategy for the entire company. The Executive Board appoints the members of the Risk Management Committee

(RMC), approves the rules of procedure for the RMC and is the addressee for the quarterly reporting and ad hoc reports in the risk management system which relate to the company as a whole. The Risk Management Committee is responsible for implementing central risk management, develops the system on the basis of the business processes and reports to the Executive Board.

Risk management is integrated in the ongoing business processes and is implemented by the relevant responsible organizational units operating on the ground. Risks arising from the investment companies are subject to monitoring by Fraport AG.

You can access the latest information on risk management at Fraport in the Annual Report 2007 by clicking on www.fraport.com and going to “Investor Relations” under “Reports”.

Integrity is the guiding principle at Fraport

Excellent and responsible company stewardship based on economic, legal and social criteria is inconceivable without integrity at the level of Executive Board, management and

employees. Fraport AG combats illegal practices starting with prevention which is geared towards deterrents intended to dissuade internal and external players from embarking on criminal action. Specially trained employees carry out systematic investigations in areas of the company where there is a particular risk of illegal practices because of the function carried out there. It is extremely gratifying that these screenings revealed no indications of illegal business practices or corruption at Fraport AG over the course of 2007.

We are committed to a mix of rules, checks and sanctions if rules are broken (including uncompromising investigation, extensive cooperation with state prosecutors, consequences under employment and criminal law) in order to deter potential criminals. Although the possibility of setbacks cannot be excluded, Fraport will continue to adopt an uncompromising approach to compliance with the highest possible standards of integrity.



Values management creates binding standards

Fraport values management creates a transparent and universal framework for good conduct and integrity. Strict compliance with legal regulations by all employees, exemplary integrity when dealing with promotional gifts and subsidies, and loyalty to company interests are the focus of good corporate stewardship. The code of conduct drawn up by Fraport AG forms the guiding principle for our actions. This code is binding for all employees and has also been an integral element of agreements relating to the employment contracts since 2005.

Any questions relating to the importance of the standard in concrete situations and any suspicions of potential breaches should be directed to the relevant manager. Fraport also has an internal ombudsman for confidential discussions.

Fraport regularly carries out online surveys into the effectiveness of values management systems. These surveys indicate increasing awareness of the issue and a positive approach to standards of conduct. In addition, the Values Management Team anticipates that the findings on the implemented measures will yield important insights that can be channelled into future activities in this area.

Values management training

Our fundamental values are applicable to all employees. Managers at all hierarchical levels need to live up to their function as a role model in order to firmly establish these principles guiding our actions at Fraport. They are role models setting an example for the code of conduct, as well as being the most important contact point in conflict situations. This is why values management is also a constituent element of goal agreements concluded with managers. Anybody who fails to play a proactive role in promoting corporate values such as integrity and compliance with Fraport rules in their area of responsibility or team will not earn their full bonus payments.

Fraport AG invests continuously in management training with the aim of enhancing awareness of values management in all areas and analyzing case studies, typical problem scenarios and any other issues. Training program run during 2007 focused on delivering training to the third and fourth management levels. A total of 851 persons attended training sessions. These included 222 managers and 629 other employees from business units identified by risk screening as being particularly sensitive, for example Purchasing or Construction Contracts.

The Values Management Team at Fraport has developed two seminar modules (basic and specialist) which are mutually complementary. The modules were presented in a total of 28 events in 2007, each with 20 to 25 participants. A further 25 division-related training sessions and events were held on the subject of value management.

Focus on values as a competitive advantage

The Executive Board of Fraport AG made a commitment to the Values Management System in a binding statement. The outstanding reputation of the company and its reputation as a high-quality provider of airport services are highlighted as key competitive advantages which should not be put at risk under any circumstances. Dr. Wilhelm Bender, Chairman of the Executive Board, gives public presentations about values management in his company and he also lobbies for generally applicable fundamental values in business life against the background of globalization.

Fraport AG also expects an uncompromising approach from its business partners to unblemished business practices and requires suppliers to sign statements of integrity as a con-



stituent element on contractual conditions. Our objective is to establish the same approach to values in our business partners as practiced in our company.

Implementation of values management across the group

Our goal is to establish the values management system of Fraport AG as a guiding concept throughout the Fraport Group. Standards of conduct adopted by investments must include the key elements of the Fraport standard, but they may be adapted to individual circumstances. Implementation of a reporting system to provide feedback is another constituent element for the investments. The values management project group at Fraport AG also provides support when investments are implementing values systems.

In 2007, members of the Value Management Team visited the foreign Fraport subsidiary companies at the Bulgarian airports in Varna and Burgas, the Peruvian capital Lima and the seconded employees on management contracts in Cairo and Delhi.

You can access the code of conduct of Fraport AG and other information on values management by clicking on

www.fraport.com and going to “Investor Relations” under “Corporate Governance”.

Integrated management system

Since the end of 2006, quality, environment, health and safety, and value management across the Group have been brought together under one roof within an integrated management system and moved forward

Security and safety management as a strategic factor for success

Security and safety has played a key role ever since civil aviation came on the scene. The German Parliament has provided a clearly defined framework which airport operators, airline companies and federal authorities have to comply with. Fraport has made significant investments in security and safety measures in recent years in order to provide customers and employees with a high level of security and safety.

The requirements placed on airport operators, airline companies and authorities are regulated in detail by national and international rules and standards. Security and safety in avia-

tion is divided into three areas:

- Security: Defence against external hazards and internal security obligations incumbent on airport operators and the airline companies.
- Safety: Defence against hazards endangering the safety of air traffic which can result from operations.
- Health and safety at work, fire protection and environmental protection.

Frankfurt Airport is by far the most important airport in the Fraport Group. Since 2007, the strategic business unit at Fraport “Airport Security Management” has been responsible for aviation security and airport security, as well as airport fire protection.



Security partnership with federation and airlines

Protection against attacks on the security of air traffic are the responsibility of the authorities, the airport operator and airline companies. The functions of the federation are carried out by the federal police force and include checking air passengers and unaccompanied baggage. However, the federation adopts the Frankfurt Model and transfers checking passengers and baggage to Fraport at Frankfurt Airport.

We also have a fundamental responsibility to carry out checks on staff before entering critical parts. The critical parts encompass all areas of the airport behind the security checks. These include areas of the terminals which are used by passengers after they have passed through all the security checks, but also all jetways, aircraft, and passenger busses, as well as the entire airport apron.

In addition to defence against external hazards, the statutory security regulations for airport operations also define a large number of functions for Fraport. These include security for 31 kilometres of perimeter fencing protecting the airport site in Frankfurt, 20 kilometres of fencing around critical parts and access gateways to areas not open to the public. In crisis

situations, for example threats of attack, we also have an obligation to support the authorities. Airlines are responsible for the measures defined in the Civil Aviation Act to secure the operation of airline companies. This activity can also be carried out by licensed agents.

Regular review of security measures

Fraport, the airlines and authorities work hand in hand to ensure the maximum level of security at all times. A total of 9,500 people are active in providing defence against external threats at Frankfurt Airport, the security of airport operations and the operations of the airline companies.

The EU aviation security directive specifies regular checks by EU inspectors. In addition, the two international aviation organizations ECAC and ICAO carry out voluntary inspections and audits of airports.

Baggage check-in fully automated

Since January 2003, an EU Directive has prescribed one-hundred percent security checks for baggage that is checked in at airports within the European Union or for baggage coming

from a country outside the European Union that is transferred to another plane. Between January 2006 and January 2008, this checking process was fully integrated within the baggage conveyor system at both terminals of Frankfurt Airport. A multistage, automated procedure ensures maximum security and replaces the conventional checking equipment which was previously deployed at check-in desks and at acceptance points on the baggage conveyor system.

On peak capacity days, almost 120,000 items of baggage are checked in at Frankfurt Airport; around 80,000 of these baggage items are subject to checks in accordance with the EU directive. The multistage baggage checking system now integrated in the baggage conveyor system reduces additional processing time to a minimum and cuts costs while simultaneously improving the standard of security and service quality. Discontinuation of X-ray checks on baggage in front of the check-in desks also regains space for passengers and results in a permanent improvement in the appearance of the check-in desks.



Transparency and integrity are fundamental tenets of our work: Good corporate governance ensures transparent company management directed towards long-term success. The Values Management System of Fraport AG formulates clearly defined standards of conduct for exemplary stewardship. Embedding these standards in all Group companies is a top priority.

Dr. Wilhelm Bender
Chairman of the Executive Board

Discontinuation of restrictions on dimensions for hand baggage

An EU Directive restricted the dimensions of hand baggage for security reasons from the first half year of 2007. This would have entailed significant processing difficulties and impairment of service quality for airport operators and for airline companies. A study carried out under the management of Fraport AG at 15 German commercial airports provided evidence that there was no link as suspected by the EU between the size of items of hand baggage and the number of manual searches necessary for items of baggage, and the amount of prohibited fluids being carried. After the study had been presented to the EU Commission in December 2007, the responsible committee resolved to remove the size restriction from the EU directive.

Safety Management System adapted to new national legislation

Since the end of 2005, a regulation issued by the ICAO has required a mandatory Safety Management System (SMS) for all international airports. The aim of the SMS is to avoid accidents, incidents and interruptions to operations by taking systematic action and hence increasing operating safety on the airside.

The regulations of the ICAO were incorporated into national law at the beginning of 2007 with the amendment to the German air traffic licensing regulations. Frankfurt Airport immediately implemented the relevant new requirements with immediate effect. Safety Management is no longer the responsibility of operational traffic management but is directly accountable to the Executive Vice President for Traffic and Terminal Management and Airport Expansion in accordance with the statutory regulations.

Implementation of the statutory regulations focused on establishing a corpus of documentation recording all activities relevant to SMS and continuing the systematic recording of incidents commenced in previous years. Another focal point

was formulation of concrete requirements for evaluation options relating to the SMAaRT (Safety Management Analysis and Reporting Tool) IT tool being deployed. The Intranet-based SMAaRT software was developed jointly with Fraport and allows incidents to be reported and processed.

The SMS generates monthly reports and safety feedback. This allows the responsible process owners at Fraport to take action in the areas under their responsibility. In 2007, a total of 2,405 safety-relevant incidents were recorded and documented. In addition, the five most important defect focuses were derived and various special evaluations were carried out at the request of operating units.

May I feed the swan?

[Annika Giese, 10 years]

Actually, it's not necessary. It can find everything it needs here, because the airport does everything it can to ensure that the quality of the water is right. Beetles, birds and other animals also like living here.

[Carmen Giese, UKM-IK, works in internal communication at Fraport, mother of Annika]

Frankfurt Airport uses a lot of water – it handled more than 54 million passengers in 2007. Part of the airport is also located in a water conservation area. It's hardly surprising that limiting water consumption and maintaining high groundwater quality are a top priority at Fraport. But our environmental management is committed to much more. The most important environmental issues include aircraft noise pollution, climate protection, and retention and promotion of biodiversity. After all, protecting biological diversity on the site of Frankfurt Airport and the surrounding area is our primary aim.



Fairplay = Conserving resources

Protecting the environment is a top priority at Fraport. We are working towards reducing the effects on the environment exerted by our business activities to promote ecological sustainability. These reductions include efforts directed towards consistent environmental conservation and establishment of environmental management systems at our group sites. In 2007, Fraport launched a far-reaching Biodiversity Strategy bundling the principles and measures for the protection of biological diversity.

Operating airports always exerts direct effects on people and the environment. As far as Fraport is concerned, responsible entrepreneurship is therefore much more than simply complying with regulations. Flughafen Frankfurt/Main AG as the forerunner to Fraport AG incorporated the protection of the environment as a corporate principle as early as 1972. Fraport also has a tradition of commitment to preservation of the natural environment beyond the scope of statutory requirements. Our environmental management forms the basis for attaining

our ambitious environmental goals. At the same time, we are enhancing our operational efficiency and productivity and consequently the commercial success of the group.

The guiding principles of Fraport environmental management are a sense of direct responsibility and transparency. Environmental protection is integrated in all company processes at Fraport. Our efforts focus in particular on an environmental approach to the natural resources of soil, water and air. We also aim to protect biological diversity, in particular on the site of Frankfurt Airport and in the surrounding district.

Exemplary environmental management

Validation in conformity with the EU initiative Eco-Management and Audit Scheme (EMAS) means that Fraport has been complying with the strict environmental standards of the European Union since 1999 at its Frankfurt site. We are also committed to progressing our environmental targets each year and continuously enhancing our environmental performance. Certification in conformity with the international environmental standard ISO 14001 followed in 2002.

Every three years, we publish a detailed environmental statement to promote faster communication and dialogue with our stakeholders and also our neighbours in the region. In the intervening years, we publish abbreviated versions with

updates on the data and status of the environmental program. The next full environmental statement is due in 2008. The environmental indicators listed include statistics for aircraft noise, drinking and industrial water, wastewater, ground water, air, traffic, energy, hazardous substances and waste. They provide information about environmental performance at the Frankfurt site.

Air quality equivalent to city conditions

The air quality at Frankfurt Airport has been monitored by measuring instruments for a number of years. All the results are documented in annual air-quality reports. The data indicate that total emissions – in other words the result of all contributions from air traffic, ground transport services, automobile traffic, industry, agriculture and domestic fires – are in a range similar to that registered in the surrounding urban area. The air quality at Frankfurt Airport is therefore more comparable with the standards found in residential areas than with the permissible industrial guide concentrations found in workplaces, which are often substantially higher.

You can access the full environmental statement for 2008 and the annual air-quality reports for Fraport AG on the Internet by clicking on www.fraport.com under "Environment".





Focus theme: climate protection

Proactive for climate protection

The average global temperature has risen by 0.7 degrees over the past 100 years. Scientists attribute this rise primarily to the greenhouse gas carbon dioxide (CO₂), which enters the atmosphere in large quantities when the fossil fuels oil, coal and gas are burned. In order to slow down further warming of the atmosphere, numerous countries, including Germany, signed the Kyoto Protocol in 1997. In 2007, the European Union also agreed to cut emission of greenhouse gases within the EU by 20 percent by 2020, compared with the year 1990.

Fraport is committed to restricting emissions of greenhouse gases to unavoidable amounts within its sphere of influence. This means we are acting in line with the Kyoto Protocol. Global air traffic is predicted to virtually double by the year 2025. Major airlines like Deutsche Lufthansa AG – Fraport's biggest customer – are already uncoupling successful transport growth from growth in CO₂ emissions. Fraport supports the necessary changes in the fleet policy of the airlines by deploying appropriate economic tools.

Emission-dependent takeoff and landing fees

The lion's share of pollutants produced at airports is generated by jet engines. In order to reduce the generation of pollutants, airport fees based on the level of emissions were introduced at Frankfurt Airport on January 1, 2008. The fee is calculated primarily on the basis of the emission of nitrogen oxides (NO_x). From the current perspective, these are the most important pollutant component impacting negatively on the local air quality.

Low-pollutant aircraft pay less

Aircraft which want to land at Frankfurt have to pay around three euros for every kilogram of nitrogen oxide (NO_x) emitted in the takeoff and landing cycle up to an altitude of approximately 900 metres. A corresponding carbon dioxide surcharge is levied in order to preclude airlines from switching to older machines with comparatively high emissions of uncombusted carbon dioxide. Depending on the type of aircraft, costs between 15 and 500 euros (in the case of older machines) are incurred for each aircraft movement.

However, reducing the "fixed" deductions, which are based on the takeoff weight of the relevant aircraft type, balances out the additional financial burden for the airlines on average. The new classification is income neutral as far as Fraport is concerned.

The initiative "Air Transport for Germany" developed the pilot project, which is initially restricted to a period of three

years (see press release issued by the initiative dated 26 September 2007 by clicking on www.initiative-luftverkehr.de). "Air Transport for Germany" is dedicated to improving air quality in the area surrounding the airport over the long term. It aims to achieve this objective by encouraging airlines to look more closely at the environmental performance of the engines when they are purchasing new aircraft. The emission-dependent takeoff and landing fees do not replace the Noise Surcharge Act but complement it.

Not very effective: CO₂-dependent landing fees

On the other hand, Fraport believes that the much debated CO₂-dependent fee is not very effective. This is because the contribution by international air transport of currently around two percent to global CO₂ emissions occurs mainly when aircraft are cruising. There are much more effective ways of restricting emissions of carbon dioxide during this phase. The ICAO (International Civil Aviation Organization) has developed a comprehensive plan for reducing greenhouse gases. The plan supports a number of measures including optimization of flight routes. The creation of uniform airspace within Europe – the Single European Sky – could reduce CO₂ emissions from air traffic by up to twelve percent, because diversions can be avoided and aircraft routes can be optimized. An improvement in the infrastructure on the ground and in the air would also result in significant savings.



Inclusion of air traffic in emissions trading

The trade in emissions certificates agreed in the Kyoto Protocol is the most important lever for achieving the objective of climate protection set by the European Union – reduction of the polluting CO₂ emissions that cause climate change by 20 percent compared with 1990. In December 2007, the EU Environment Ministers therefore decided to also include air traffic in trading in emissions certificates from 2012. So far, participation has been restricted to energy generators and energy intensive sectors such as the paper, aluminium and cement industry.

Fraport believes that integration of air traffic in emissions trading must be part of a universal strategy geared towards limiting the effects of air traffic on climate. Apart from intensified efforts towards development of fuel-efficient engines, this goal also requires provision of tailored infrastructure on the ground and in the air. This is the only way of avoiding fuel-intensive holding patterns while planes are waiting to land. Since air traffic involves cross border travel, a purely European solution runs the risk of introducing massive distortions in competition, because emissions trading exerts a one-sided impact on European airlines.

Fraport is currently formulating a “Climate Protection Strategy 2020” commissioned by the Executive Board. The intention is to implement this strategy across the company.

Focus theme: Biodiversity

Species protection – mission with a future

Globalization is driving mobility forwards. Air traffic is playing a key role in this development. However, it is undisputed that the environment effects caused by air traffic are impacting negatively on the ecological equilibrium. Fraport is therefore committed to the goals of sustainable business and regards protection of biological diversity as a mission for the future. We therefore developed a comprehensive “Biodiversity strategy” in 2007.

One of the objectives of this strategy is to keep the effects of air traffic on biodiversity to a minimum. If this is not possible for operational reasons, we aim to restore the balance promptly or put an equivalent replacement in place. We are creating larger compensation areas than prescribed by the statutory regulations and are committed to create biotopes appropriate to the site with a high level of biological diversity. Ideally, it will be possible to use these areas as a local leisure amenity.

Protecting near-natural areas

In the interests of consistent species protection, we are complying with the rules of the Flora-Fauna Habitat Guideline (FFH Guideline), the European Bird Protection Guideline, the

German Federal Nature Conservation Act (BNatSchG) and the Hessian Nature Conservation Act (HENatG). We also carry out environmental impact studies in order to ensure that the environmental impact caused by projects such as the construction of the new Terminal 3 and the future north-west landing runway is kept to a minimum. The goal is to reduce the development of facilities on natural areas and soil sealing to the minimum compatible with operational requirements.

We are also involved in renaturalization of areas formerly used for agriculture. After these areas have been restored to forest, they offer a natural habitat for numerous species of animal and plant. The best example of this is Hohenaue in the Groß-Gerau district. In compensation for construction of CargoCity South, an area measuring 100 hectares was reforested at the beginning of the 1990s. In 1998, the area was given the status of a conservation area. We have already identified significant areas in the greater Rhine-Main area in advance of the planned airport expansion. Some of these areas have been purchased and over the coming years they will be reforested or ecologically enhanced.

Unexpected diversity

Biodiverse ecosystems are significantly more stable than systems with few species of plant and animal. This is because a high level of biodiversity guarantees that the species in a specific habitat are able to successfully adapt to changing



environmental conditions. Fraport is therefore dedicated to maintaining and promoting sustainable species diversity on the airport site at Frankfurt. Apart from extensive areas of meadow, which are characterized by a high degree of biodiversity, the airport complex also has sandy dry grassland and neglected grassland, as well as calluna heathland. The airport complex is home to more than 300 species of plant, including vascular plants, which are typical for acidic, infertile soils, and wild garden plants. The fauna is also unexpectedly diverse: A lot of different species have adopted the airport as a habitat including several species of amphibian, a wide variety of birds like the northern wheatear and stonechat, and also the blue-winged grasshopper.

Relocation for species protection

When it appears inevitable that construction measures are likely to impact negatively on stocks of valuable species of fauna, Fraport acts immediately. For example, we relocated a large population of sand lizards living around the fuel store of the former US air base. The species is subject to strict protection rules under the Federal Directive on the Protection of Wild Animal and Plant Species and the Flora-Fauna-Habitat Guideline (FFH), and the population is now living on inland sand dunes to the west of the airport ring road. Fraport has also ensured that the larvae of the protected stag beetle found a new home near their original habitat.

Promotion of conservation concepts

In addition, Fraport has been channelling several million euros into nature conservation projects in the area surrounding Frankfurt Airport for many years now. They have included the Rhine-Main Regional Park created in 1994 (project list overview under www.regionalpark-rheinmain.de). We also work towards preserving the unique fauna of the Taunus area. Our environmental fund has been supporting a botanical population survey of the plant communities in this upland area since 2001. Our biodiversity strategy includes regularly monitoring the populations of specific animal and plant species on the airport site. This also includes bird species that we record systematically in the course of monitoring bird strike.

You can access more information on the Internet by clicking on www.fraport.com under the menu item “Corporate Responsibility”.

Aircraft noise

Global growth in air traffic is leading to a continuous increase in passenger and freight numbers and inevitably also affecting Frankfurt Airport. During the year under review, the number of passengers increased by 2.6 percent to nearly 54.2 million compared with 2006. However, the increase in the number of aircraft movements was disproportionately low – 0.6 percent to 492,569 movements. This is because airlines have been making better use of their aircraft capacity and using bigger

airliners. As an airport operator, we are under an obligation to do everything in our power to reduce noise pollution resulting from air traffic. We have always played a pioneering role in this area. For example, the standard approach procedure of low drag/low power used today – also known as the “Frankfurt Approach Procedure” - has resulted in a reduction in noise at Frankfurt Airport.

Active noise abatement

As a result of the consultation process based on consensus in the Regional Dialogue Forum (RDF), we signed a joint statement on the Anti-Noise Pact in December 2007, together with the State of Hesse and other companies in the aviation industry. This statement contains a commitment to proactive noise abatement as a key element geared towards reducing noise pollution caused by aircraft for the people living in the region. We are currently looking at and analyzing a range of different components as proactive noise abatement measures. These include, for example, increasing the approach gliding angle, increasing the tailwind component, and lateral or vertical optimization of takeoff and landing procedures. Other reviews relate to measures directed towards reducing noise emissions from the aircraft itself.

The joint aim of Fraport, science, those entities in the region affected, the German government, the state of Hesse and not least the Committee for Protecting against Aircraft

Total energy consumption at Frankfurt Airport (Fraport and lessees and franchisees)

Total energy consumption¹⁾ (kWh million)

1998	895.2
1999	899.3
2000	938.1
2001	1,014.5
2002	1,045.2
2003	1,084.6
2004	1,088.1
2005	1,084.4
2006	1,072.8
2007	1,034.6

¹⁾ Electricity, district heating, gas, district cooling, heating oil.

Total energy consumption per traffic unit (Fraport, lessees and franchisees)

spec. energy consumption (kWh/TU)

1998	15.8
1999	14.8
2000	14.2
2001	15.7
2002	16.2
2003	16.8
2004	15.7
2005	15.2
2006	14.5
2007	13.7

Noise under the Anti-Noise Pact is to significantly reduce noise pollution experienced by the people living in the region by 2020 despite the rising number of takeoffs and landings. The aviation industry therefore intends to make significant investments prior to the landing runway north-west coming onstream, in order to effectively make use of the potential offered by active noise abatement.

Noise-dependent fee regulation

Fraport has been promoting noise abatement since 1974 by charging noise-differentiated takeoff and landing fees. Since 2001, we have been using a classification to define the noise fee based on the level of noise measured in Frankfurt, in order to be in a position to differentiate effectively between different types of aircraft. The noise-dependent fees are intended to provide airline operators with a significant financial incentive to use low-noise aircraft in Frankfurt. Fee surcharges are particularly high during the night and are intended to make night flights between 11 p.m. and 5 a.m. unattractive.

Passive noise abatement

Over the course of 2002, Fraport AG set up a noise abatement program which was targeted towards 17,500 households and

15 towns and villages located in the immediate environment of Frankfurt Airport. Out of a total of 12,200 residential units distributed over 4,870 applications, 7,420 were successfully modified by the end of 2007. Institutions including residential care homes for the elderly and schools were also included in the program. Noise-insulated windows, roller-shutters boxes and fans are being installed in bedrooms and children's rooms.

We have also made compensation payments under the voluntary settlement and property purchase program "Frankfurt Casa" in cases where aircraft fly over residential properties at particularly low altitudes. The aim of this program is to demonstrate our commitment to cooperation with the surrounding area in an atmosphere of trust and to take up the recommendation resulting from mediation. The definition of the promotion criteria incorporated the recommendation of the assessment rendered by the state planning authority.

Intermodality

Frankfurt Airport is a pioneer in the development of intermodal concepts targeted on intelligent networking of air, rail and road carriers. For example, this allows feeder flights within Germany to be transferred to rail to reduce emissions and protect the environment. It also enhances the competitiveness of Frankfurt Airport.

A direct rail link is being built to CargoCity South with the aim of enhancing the intermodal link with CargoCity South. When it comes onstream in 2008, it will enable air freight to be loaded directly onto rail for the first time. Goods were previously transported exclusively by truck.

Job ticket

Fraport bears the costs for more than 7,000 job tickets. 33.2 percent of Fraport employees travelled to their workplace at Frankfurt Airport by bus or train in 2007.

Soil and water protection

Protection of the soil and groundwater is a key environmental goal at Fraport. A dense network of groundwater measuring stations on the airport complex and in the surrounding area means that we are in a position to make detailed recordings of water quality. Monitoring the groundwater also guarantees a high level of control.

Demolition of the US air base

In March 2007, we started demolition work on the site of the former US air base. The aim is to use this site to extend capacity at Frankfurt Airport. Some 150 buildings, thousands of square



Our goal is to structure mobility for the long term. We are living up to our responsibility for protecting the environment. Important initiatives like the introduction of noise-dependent (1974) and emission – dependent (from 2008) landing fees at Frankfurt Airport are part of this.

Dr. Stefan Schulte

Vice Chairman of the Executive Board responsible for Traffic and Terminal Management and Airport Expansion

metres of asphalt and concrete, and many kilometres of supply and disposal pipework had been removed by February 2008. While approximately 62,000 cubic metres of concrete and masonry were used to fill in excavations or underground tanks, some 70,000 cubic metres of concrete will be used in the future expansion of Frankfurt Airport. A further 65,000 cubic metres of demolition debris, such as concrete, metals or asphalt waste are being recycled for external construction measures.

Energy and resource management

During the year 2007, Fraport AG consumed 565 million kilowatt hours (kWh) of energy. This is a reduction of 3.92 percent compared with the previous year. Overall, the 580 companies operating at Frankfurt Airport and Fraport AG consumed 1,032 million kWh. 17 percent of this power energy was regenerative energy in 2007 compared with 16 percent in the previous year. Fuel consumption of mobile work machines operating on the apron and roadways at Frankfurt Airport increased by 7.8 percent to nearly 11.5 million litres. The increase is a direct consequence of logistic adjustments due to building work being undertaken at the airport. During the year under review, mobile work machines and vehicles in operation were an

average of 6.5 years old, a reduction in the age of the fleet by almost half a year compared with the previous year.

Water and wastewater

Fraport uses natural resources with a view to conservation. We therefore take every opportunity to restrict the use of drinking water. In 2007, consumption at Frankfurt Airport amounted to 1,687 million cubic metres. Consumption at Fraport AG amounted to 967,000 cubic metres (+11.5 percent). This increase is a direct result of the further increase in the volume of passengers (+2.6 percent by comparison with 2006). Consumption of drinking water per traffic unit at the site was 22.3 litres. Consumption of 116,990 cubic metres of industrial water resulted in a reduction of 4.9 percent compared with the previous year. The volume of polluted water pumped to the local authority purification plants in Niederrad and Sindlingen and the treatment plant at the airport itself amounted to 1.6 million cubic metres.

Waste is raw material

The guiding principle of waste management at Fraport is avoidance. Where this is not possible, waste is consistently recycled. Excluding soil and building waste, a total of 24,703

tonnes of waste were produced in 2007 (+5.1 percent). 83 percent of this waste was used for recycling purposes (2006: 85 percent).

Safety and security are top priorities

Environmental protection and safety are a top priority at Frankfurt Airport. More than 9,500 employees have safety functions to ensure that operations at the airport run smoothly. We are also continually developing our high standards in safety and emergency management. A milestone of enhanced safety was achieved when the new safety control centre came into operation. One of the functions of this centre is coordinating more than 190 emergency firemen from the airport fire service, rescue services and other security staff, such as the airport police service. The ERIC crisis centre (Emergency Response and Information Centre) is another module in the emergency provision concept at Frankfurt Airport. The function of this centre is to meet the challenge of major crisis events and serious interruptions to operations.

Do a lot of people work here?

[Jessica Schiemer, 5 years old]

The same number that live in a town. And they all have something different to do. [Franz Schiemer, FBA-AF 42, works in apron security, father of Jessica]

There are actually around 70,000 employees at Germany's biggest workplace, Frankfurt Airport. Nearly 18,000 of them work for companies in the Fraport Group, but most of them work for around 500 businesses located at the airport. Construction of an additional runway and a new terminal is laying the foundations for being able to handle more than 85 million passengers a year at Frankfurt in 2020, more than 30 million more than in 2007. In view of the forecast growth in traffic and as a consequence of the strategic development of attractive office space and hotels, experts anticipate that more than 100,000 people will be working at Frankfurt Airport City in 2020.



Fairplay = partnership

Responsible corporate action means also taking account of the interests and requirements of employees. The Fraport Group regards its people as its most important asset. The value that Fraport places on its employees is expressed by flexible working conditions, promotion of life-work balance and equal opportunities, and a personnel policy based on equality. Fraport also regards comprehensive health and safety as a key factor for safeguarding the capability of its workforce over the long term, in particular against the background of the demographic change currently taking place.

Forecasts predict that in the year 2020 twice the volume of passengers and freight will be transported compared with today. We will need a thousand new employees – in addition to expanding the infrastructure – if we are going to be in a position to exploit the associated development potential. Aviation hubs like Frankfurt Airport are once again proving to be engines for jobs. The number of employees in the Fraport



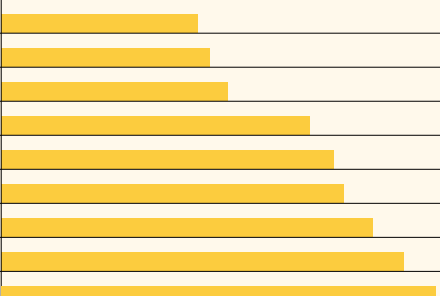
Group has again increased in the four divisions of Aviation, Retail & Properties, Ground Handling and External Activities: from 28,246 in 2006 to an average of 30,437 in the year under review; this is an increase of 7.8 percent. If we include all the partially consolidated and proportionally consolidated investment companies, the total number of employees was actually 31,368 for the year ended 2007 – including apprentices and employees exempted from their normal duties – compared with 30,120 on December 31, 2006 (+ 4.1 percent). Employee fluctuation at Fraport AG, the flagship of the Fraport Group, was 3.4 percent of the core workforce in 2007.

Highly developed employment culture

Studies show that in competition for new employees and high-flyers companies are successful if they provide staff with a fulfilling activity, career perspectives and remuneration to match the performance of the employee. Fraport is committed to becoming even more attractive as an employer in the service sector in its drive to recruit the most talented employees in the future. The working conditions for virtually one hundred percent of the workforce in the German investment companies operated by the Fraport Group today are subject to a variety of

Development of personnel – Fraport Group

Annual average (without exempted employees and apprentices)

1999		13,336
2000		14,271
2001		15,526
2002		21,395
2003		23,353
2004		24,182
2005		25,781
2006		28,246
2007		30,437

binding collective agreements. The percentage of employees worldwide protected by collective agreements is virtually at the same level. For example, the salaried staff covered by collective agreements at Fraport AG have been benefiting from performance-related remuneration since 2001. Appropriate sector-specific collective agreements and in-house collective agreements are also in force in the investment companies.

As far as possible, the group promotes constructive dialogue with employee representatives in the interests of mutually acceptable decisions on collective agreements. In 2002, a Group Works Council was set up with the aim of gradually establishing a uniform culture of co-determination in Fraport investment companies.

Another example demonstrates that an approach based on partnership pays off and even secures workplaces: Cooperation between the company management and the Works Council has ensured that sovereign security services – for example in

Employees in investment companies¹⁾ – Fraport Group

Number of employees at 31 Dec. 2007

Air Transport IT-Services Inc.	51
AirIT Services AG	10
AirIT Systems Hannover GmbH	101
Airport Assekuranz Vermittlungs-GmbH	11
Airport Cater Service GmbH	145
Antalya Havalimani Uluslarasi Terminal İşletmeciliği Anonim Şirketi, Istanbul	5
APS Airport Personal Services GmbH	1,630
Flughafen Frankfurt-Hahn GmbH	351
Fraport Cargo Services GmbH	221
Fraport Ground Services Austria GmbH	235
Fraport IC İctas Antalya Havalimani Terminal Yatırım ve İşletmeciliği AS	566
Fraport Immobilienservice und -entwicklungs GmbH & Co. KG	9
Fraport Peru S.A.C.	5
Fraport Security Services GmbH	3,245
Fraport Twin Star Airport Management AD	864
Gesellschaft für Cleaning Service mbH & Co. KG	635
Hahn Campus Management GmbH	7
ICTS Europe Holdings B.V. ²⁾	10,141
Lima Airport Partners S.R.L.	449
Media Frankfurt GmbH	32
Medical Airport Service GmbH	97
N*ICE Aircraft Services & Support GmbH	12
Terminal for Kids gGmbH	12
Verwaltungsgesellschaft für Cleaning Service mbH	1
Total number of employees in investment companies	18,835

¹⁾ Fully and proportionally consolidated investment companies.

²⁾ ICTS Europe Holdings B.V. was sold on 28 February 2008 (Fraport Press Release 11/08 dated 28 February 2008).



passenger checks – will continue to be carried out by Fraport staff in future. This was facilitated by establishing a new company after the European Commission declared that security services must be put out to tender throughout Europe.

Performance and incentive-based remuneration

The commitment of our employees is a key factor determining the success of the Fraport Group. That's why we promote entrepreneurial conceptualization and action of our employees and make sure that they participate in corporate success.

This is the aim of a performance-based system of compensation which provides an attractive bonus on top of the basic salary defined under the collective agreement. The system is based on assessment of individual or team performance and reconciliation of the reciprocal expectations. A further benefit is provided with staff having the option of subscribing once a year to employee shares at particularly favourable conditions as an alternative to payment in cash. During the year under review, 52.2 percent of employees took advantage of this form of benefit (2006: 51.8 percent).

Our employees also participate in the commercial success of Fraport through the bonus. This is paid out if operating earnings before interest, tax, depreciation and amortization (EBIT-DA) exceed a specified value. In 2007, 500 euros were paid out to each employee either in cash or in kind. 95.2 percent of the employees entitled to a bonus (11,707 in total) opted to take the payment in kind at particularly attractive tax conditions.

Germany does not have a nationwide minimum wage that is binding across all sectors. Nevertheless, we are committed to paying our employees salaries based on collective agreements or paying them at rates above the standard rates. Employees of Fraport AG also benefit from the supplementary provision of the civil service.

Flexible working time

Flexibility is the name of the game because this business operates round the clock – also when it comes to structuring work time. Fraport gives precedence to flexible work time rather than adopting a rigid time structure. This gives employees space and enables them to create a better work-life balance between career and family. Introduction of the "ideal duty roster" represents another major step in the direction of a fully flexible working environment. Since 2007, 70 employees in two pilot areas operating round the clock have been testing this innovative work time model. It has been possible to accommodate the desired working times in 92 percent of all cases. The participants in the scheme have been extremely satisfied to date. Fraport employees are also benefiting from part-time work and flexitime (without core time), as well as alternating telework. 60 people opted for telework during the reporting year 2007. The life-long working time account is becoming increasingly attractive. This involves overtime, remaining days of vacation and other time credits being credited to an account. The time saved can be used to take early retirement, take an extended period of time out to fulfil a life-long dream or reduce the weekly working time – as far as internal workflows permit this.



Dialogue with employees is a top priority

Companies which regularly carry out employee satisfaction surveys focus on improving the working atmosphere and achieving higher levels of satisfaction within the workforce. The level of performance also increases. Fraport AG recognized the importance of a feedback culture at an early stage and introduced the "Fraport Barometer" in the year 2000. This is used every year to assess the mood of current sentiment within the company. It combines recurring issues with questions that occur more intermittently. Evergreen issues relate to the social skills and specialist expertise of supervisors, the working atmosphere or confidence in corporate policy. A comprehensive health survey is also carried out. During the year under review, the Fraport Barometer enjoyed record participation of 46 percent (2006: 43 percent). The assessment is carried out on a grade system. An improvement from an average of 3.16 to 3.08 in 2007 demonstrates that the efforts of Fraport AG directed towards optimizing the work situation are yielding tangible benefits.

The positive experiences with the Fraport Barometer encouraged us to introduce the Group Barometer in 2006. This also enables us to record the levels of satisfaction at other group companies in Germany and compare the results. Eight investment companies took part in the Group Barometer during the year under review. According to the Group Barometer, the level of employee satisfaction within the group declined slightly compared with the previous year: from 2.88 in 2006 to 2.97 in the year under review. The plan is to integrate international group companies for the first time in 2008.

Ideas? Of course!

Companies subject to severe competitive pressures benefit in particular from systematic ideas management. This is why we regularly encourage our employees to submit their ideas about optimizing existing structures and workflows. Employees submitted nearly 900 proposals during the course of 2007 – 90 more than in the previous year. The benefit resulting from the ideas implemented can be quantified by more than 1.1 million euros.

The dimensions of employee satisfaction in the Fraport Group¹⁾

Indicators	2006	2007
Working atmosphere	2.88	2.88
Social skills	3.24	3.10
Specialist expertise	2.92	2.83
Working conditions	2.69	2.79
Professional career opportunities	3.64	3.58
Confidence in corporate policy	3.52	3.39
Workplace safety	3.31	2.96
Pay	3.50	3.59
Pride in company	2.72	2.60

¹⁾ Assessment is based on grade system from 1 to 6; 1 = best grade.

2006 including Airport Cater Service GmbH, APS AirportPersonal Services GmbH, Flughafen Frankfurt-Hahn GmbH, Fraport Cargo Services GmbH, Medical Airport Service GmbH, Flughafen Frankfurt-Hahn and Flughafen Saarbrücken.

2007 without Saarbrücken Airport, new additions are Fraport Security Services GmbH and Media Frankfurt GmbH



Participating investment companies in MAP¹⁾ 2007

AirIT Services AG
AirIT Systems Hannover GmbH
Airport Assekuranz Vermittlungs-GmbH
Airport Cater Service GmbH
Flughafen Frankfurt-Hahn GmbH
Fraport Cargo Services GmbH
Fraport Immobilienservice und -entwicklungs GmbH & Co. KG
Hahn Campus Management GmbH
Media Frankfurt GmbH
Medical Airport Service GmbH
N*ICE Aircraft Services & Support GmbH

¹⁾ Employee share scheme

The best idea was provided by two employees working in burglary alarm systems. This improvement has resulted in an annual saving of some 100,000 euros each year. Bonuses of some 15,400 euros each were awarded to these colleagues.

Equal opportunities – diversity

Equal opportunities for all. Diversity Management at Fraport is based on this principle. This is because heterogeneous workforces which vary according to gender, nationality, religion, age or sexual orientation are an invaluable resource which benefits all employees because equality of opportunity promotes individual satisfaction. And companies also benefit because motivated employees increase the success of the company through improved performance and staff demonstrate more loyalty to their employer. A policy of equal opportunities also gives access to qualified applicants.

Integrating disabled employees within the career structure is an important personnel goal at Fraport. The number of employees with restricted physical and mental capabilities has

Disabled employees – Fraport AG¹⁾

1999	528
2000	564
2001	594
2002	669
2003	736
2004	786
2005	848
2006	918
2007	989

¹⁾ Disabled employees, employees with equal status to disabled employees and employees with multiple credits disability.

been on a steady growth curve for many years. The proportion of disabled employees rose from 7.8 percent in 2006 to 8.5 percent in the year under review – this is significantly above the statutory minimum rate of five percent.



We are currently working on the principle of barrier-free shuttle transport to enable people with disabilities to have better access to Frankfurt Airport in future. We are also planning to introduce video phones and barrier-free Internet and Intranet accesses in 2008 to make communication easier for deaf and visually impaired employees. Our commitment to people suffering from a disability was acknowledged with two awards last year: the “Hessian State Prize 2007 for exemplary employment and integration” and a prize from the Hessian National Charitable Association for our company integration management.

Women are a plus

Studies have shown that young women take the university entrance qualification more frequently than young men. However, despite higher educational qualifications, women continue to be underrepresented in management positions. In view of the impending skills gap and shortage of managers, Fraport is committed to continue increasing the proportion of women in management positions. The Cross Mentoring Program

Proportion of women – Fraport AG

	2005	2006	2007
Number of women	2,435	2,412	2,367
Percentage	19.0	18.9	18.9

operating throughout the company is a tool which Fraport has been implementing for the past nine years. The objective is to encourage female employees to break through the “glass ceiling” and enter the echelons of senior management.

The “Company Agreement on Equal Opportunities for Women and Men” and the “Guidelines for partnership conduct” ensure that the differing perspectives of men and women are channelled into routine everyday work. The proportion of women working at Fraport AG remained stable at 18.9 percent (2,367 employees) during the year under review. The proportion of women in management positions was 17.9 percent. Overall, the Fraport Group employed a total of 4,851 women (22.9 percent) in Germany.

“Silver generation” on the march

The country needs “New Oldies”: In view of the demographic change taking place, no company can afford to ignore the specialist and social skills of older employees. Fraport has therefore been investing in fostering the employment of older employees for many years, for example by providing tailor-made health provision and strategic qualification measures. The average age of employees working at Fraport also continues to increase. In 2007, the average age was already 41.9 years (2006: 41.3). In 2007, eleven experts aged more than 50 were appointed with relevant experience in airport expansion.



Exemplary integration of migrant workers

During the year under review, Fraport AG offered 2,079 foreign workers a job. This means that foreigners represent 16.6 percent of the workforce, slightly below the level for the previous year (16.7 percent). Since integration of foreign employees frequently fails on account of language barriers, Fraport has a long track record of offering language courses for migrant workers.

Fraport appoints people on the basis of their qualification – this principle applies in Germany as well as in our foreign investment companies. We therefore have a policy of primarily recruiting where the company is operating. Fraport also endeavours to ensure that at least one member of the executive management was born in the country where the foreign investment company is operating or has been living there on a permanent basis.

Work-life balance

The majority of employees want to create a reasonable work-life balance between their job and private life. Our goal is therefore to harmonize family and personal interests with the requirements of the world of work. Fraport meets this aspiration with a number of different work time models that enhance the quality of life of individuals.

Harmonizing work and family

The times when women looked after the children and men went out to work and pursued a career have been consigned to the history books. The change in the distribution of roles now means that an increasing number of well qualified women are also pursuing careers, provided that companies and society support the harmonization of family and career with flexible working times and packages for all-day childcare. There has been a significant increase in male Fraport employees who have taken time out from their workplace to look after a child since the introduction of parenting subsidies on 1 January 2007. This is a tangible reflection of the current demographic change.

The Fraport Family Services is helping couples to maintain the right balance between career and home by supporting

employees in their search for childcare located near to their home. If grandparents, day-care centres or after-school care are suddenly unavailable, “Fluggi-Land” (www.medical-gmbh.de) accepts the children. This care service takes children if they are older than one year. In special cases, it will also take in younger children. The additional safety net ensures that mothers and fathers are able to concentrate fully on their work. The opening times match employees’ shift schedules. We have also made a significant commitment to a more family-friendly approach with the “Children’s Ark” (www.medical-gmbh.de) in Sindlingen. The project initiated in cooperation with Sanofi-Aventis, Infraserb Höchst and the City of Frankfurt offers 60 nursery places, half of which are allocated to the partners organizing the initiative.

The Equal Opportunities Department regularly issues invitations to information events geared towards maintaining contacts with employees during their parenting leave. A fathers’ network has been set up in order to encourage men to take on responsibility in the family. In addition, fathers and mothers can obtain leave for up to five years – two years longer than laid down in statutory legislation.



Providing care for older relatives

As a consequence in the rise in life expectancy, the need to take care of old or sick relatives is on the increase. At the same time, the number of working people who have to look after father, mother or parents-in-law is also growing. The extent to which employees experience supporting a relative requiring care as a burden essentially depends on the type and scope of support available to them. The experts at the Fraport Family Services are on hand to provide assistance geared towards retaining the employee, reducing absences resulting from the need to provide care and safeguarding the job, for example by locating a suitable care service. They also provide informed advice on all financial and organizational issues surrounding the care of a relative.

Help for families

Advancement of social management has been a particular focus. This focus provides the basis for the Fraport Service Centre for Social Affairs. The company social advice service advises employees on all private and company situations involving crisis or conflict. It provides assistance on issues related to addiction and family problems, highlights ways of getting out of debt and contributes to solving conflicts in the workplace.

Array of awards

The numerous awards conferred on the group bear testimony to the fact that Fraport has adopted the right strategy with its personnel policy over recent years. For example, the Initiative Total E-Quality Deutschland e.V. – which includes businesses, social partners and ministries among its members – gave our equal opportunities personnel policy an award for the fourth time in succession in 2007. We were also awarded – as one of only eight companies throughout Germany – with the quality seal “Work plus”. Since 1999, the protestant church in Germany has been awarding this seal to companies who set high social standards and establish benchmarks for sustainable corporate management. Fraport AG also received the certification “Audit Work and Family” from the charitable Hertie Foundation for their family-friendly personnel policy.

Training

Fraport firmly believes that the benefit accruing to companies and the community from educating motivated trainees more than outweighs the costs. This is why we have again created more apprenticeships in 2007 than are actually necessary to cover our requirement for specialist employees. 110 young people started their career at Fraport during the year under

review. The trainees had a choice between 21 forward-looking apprenticeships which open up career perspectives for school leavers from all types of school. During the year 2007, an average of 320 young people were undergoing initial vocational training at Fraport AG. After training had been successfully completed, all the trainees had an opportunity to gather appropriate vocational experience.

Dual courses of study are on an upward trajectory in the company apprenticeship and career training concept at Fraport. Out of the new apprentices taken on each year, the number of degree students rose from 15 in 2005 to 23 in the year under review. We cooperated with our property subsidiary to set the new bachelor's degree in real estate management in 2007. The aim of this new degree is to match the apprenticeship vocations and degree courses with the requirement for specialist staff. Some apprenticeships also provide opportunities for internships in Germany and abroad.



Knowledge management

Projections indicate that human knowledge doubles every five to seven years. As far as companies are concerned, the knowledge of their employees is the most important resource for safeguarding competitiveness. Fraport has therefore established professional knowledge management in order to create the infrastructure and organizational conditions for a learning organization. During the year under review, one of the focuses was on introducing a “knowledge relay” in order to provide a constructive framework when skilled staff or managers change their jobs. Academic dissertations written by students are also published on the Intranet. And the in-house “Skywiki” knowledge portal launched in 2007 has already provided our workforce with access to nearly 1,000 articles on issues relating to Fraport and aviation.

Career training – Life-long learning

At Fraport, independent learning is ranked ahead of conventional seminars. This is promoted by a number of measures including e-learning or the “Q Card” (Qualification Card). The latter covers IT and foreign-language courses, as well as seminars on personality development and business administration. Employees can attend these courses during their spare time and the company pays the course fees. The training packages allow participants to strategically enhance their skills base for the internal and external job market during their leisure time. Last year, Fraport employees spent an average of 2.9 days on career training.

Career can be planned

Companies are only as good as their staff. Fraport’s mission is therefore to support qualification and individual development of employees. Our Fraport College and Fraport Academy offer a broadly based career training program for skilled workers and managers. In the year 2007, we also opened the Integrated Management Development Program for middle management.

A trainee program for university engineering graduates means that Fraport is already covering the need for specialist staff and managers into the future. Fraport has given training to 110 trainees since 1996. When the eleventh training cycle lines up on the starting grid in April 2008, all twelve lateral entry employees will receive an unlimited employment contract and an individually tailored training program geared towards their future target position.

Long-term perspective

Since 2001, Fraport AG has been committed to the Job Alliance. The goal of the project set up by Fraport and four other companies is to secure the employability of employees and prepare them for future challenges in the world of work – for example with seminars, workshops or business internships in a partner company over a period of between one and four weeks.



UN Global Compact

45

„Let us choose to unite the power of markets with the authority of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations“ — Kofi Annan —

Fraport joined the Global Compact of the United Nations in 2007 in order to express the group's commitment to social responsibility. The aspirations of Fraport AG are reflected in the list of fundamental values enshrined in the Global Compact, ranging from human rights, through workplaces free of discrimination, to a special responsibility and awareness for the environment and the battle against corruption. We are dedicated to fostering minimum social and ecological standards. Complete transparency for our actions is an absolute objective.

The principles of the Global Compact:

Human rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,
- Principle 4: the elimination of all forms of forced and compulsory labour,
- Principle 5: the effective abolition of child labour, and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges,
- Principle 8: undertake initiatives to promote greater environmental responsibility and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

You can find more information on the Internet by clicking on www.globalcompact.org.



“Mobile Youth”

Getting disadvantaged young people into training and a vocation: This is the objective of the “Mobile Youth” training program which has trained 24 young job seekers each year since 1999 for a job in Ground Handling Services.

ProRegion Foundation

The ProRegion Foundation was established by the forerunner company to Fraport Flughafen Frankfurt/Main AG in 1999. The aim of this foundation is to integrate young people in the world of work. During the year under review, the foundation sponsored 33 vocational-training and employment projects at a total cost of 650,000 euros. Some of the resources allocated are committed until the year 2011. A quarter of the money is sponsoring the “Frankfurt Vocational School Project”. The endowment funds are being used to finance a range of measures which are directed towards increasing individual and collective motivation at two Frankfurt vocational schools and improve the opportunities for a successful start in vocational

life. The foundation also provides support for teenagers and young adults who have no school qualification, are experiencing problems with drugs or have got on the wrong side of the law.

You will find more information on the Internet by clicking on www.fraport.com and going to “Company” and “Sustainability”.

Erich Becker Foundation

The Erich Becker Foundation is named after the long-standing Chairman of the Executive Board of Flughafen Frankfurt/Main AG and is dedicated to the promotion of science and research. The foundation was established in 1986 with an endowment amounting to three million marks (1,533,876 euros). Since then it has sponsored 585 degree theses, 165 dissertations and 60 postgraduate theses, as well as other projects with dissertations, funds totalling 2.0 million euros.

You will find more information on the Internet by clicking on www.fraport.com and going to “Company” and “Sustainability”.

Social commitment of employees

Fraport employees have a long tradition of supporting people who are not on the sunny side of life. For the past 15 years, they have been supporting – together with members of the Executive Board and Managing Directors – the private aid initiative of a colleague who is supplying orphans in Romania and Eastern Hungary with essential supplies. The donations in kind range from clothing, food and toiletries, through furniture, to toys. This initiative is additionally supported with monetary donations from members of staff. In 2007, around 35 tonnes of aid were collected in Frankfurt and distributed personally to the needy recipients on the ground.



Support after the tsunami

Members of staff and companies made spontaneous donations in the wake of the tsunami catastrophe in south-east Asia in December 2004. Fraport AG joined forces with the aid organization Terre des Hommes in an initiative organized by the Works Council to establish the project "Back to Life". The aim is to provide long-term support to the people in the southern Indian state of Kerala who were particularly affected by the tidal wave. The project is primarily concerned with improving the living conditions and future perspectives of women and children. The aid has included the construction and equipping of schools, and allocation of grants to 440 pupils. The project also facilitates the setting up of meeting centres, provision of hygiene and health courses and programs for carrying out reforestation in the coastal regions. Employees also donated money, work time, holiday days and overtime hours. Total donations amounted to 170,000 euros by December 2007.

Focus theme: health and safety

Healthy employees are priceless

Prevention is better than cure. The Executive Board and the Works Council have therefore formulated a declaration of principle and established it in the Group Guidelines. The declaration forms the basis for numerous measures directed towards preventive health measures in the Fraport Group.

Today, accidents are frequently caused by technical failure. Fraport believes that every accident and every injury is avoidable – provided that operating processes are designed such that safe and healthy working is possible at any time. The organization of job safety is the responsibility of the Executive Director Labour Relations. A Job Safety Committee with equal employer and employee representation coordinates and provides advice on all issues relating to health and safety at work. The committee at Fraport AG represents the entire workforce.

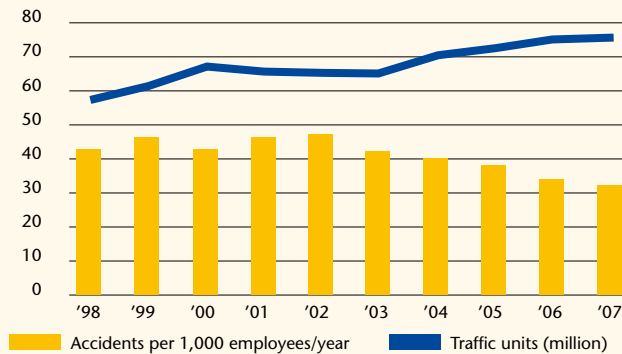
Prevention of accidents at work

Fraport set up the RUSH project (reduction of accidents through systematic action) in 2005 with the aim of systematically preventing accidents at work. The initiative comprises eleven packages of measures and is directed towards enhancing the independent responsibility of employees. Qualification offensives and the introduction of job safety and outside company management have exerted a positive influence on the frequency of accidents and the severity of accidents. Accident analyses, information events and safety meetings with staff have also contributed to enhancing health and safety in the workplace.

Strategic networking of innovation and health

Our employees in operations are 42 years old on average. The trend is on the increase. The trend is following the demographic change. It means that companies are experiencing a shortage of junior employees. The issue of maintaining the health of an ageing workforce as long as possible is gaining

Accident statistics 2007



central importance for safeguarding the innovative power and competitiveness of Fraport. The TAQP project (technology innovation, work organization, qualification, prevention – systematic approach to productivity and health) represents one step on this issue initiated by Fraport in cooperation with the German statutory accident insurance scheme. www.TAQP.de.

The project subsidized by the Federal Ministry for Education and Research between April 2007 and March 2010 is carrying out research into a number of issues, including how preventive health and safety measures can be strategically integrated within the process of launching technical innovations in workforces with mixed age and gender for example in the area of baggage check-in or air safety. The goal is to develop a systematic conceptual approach which networks innovation and health strategically. The intention is to make guidelines defining the conceptual approach available to small and medium-sized companies at the end of the project.

Fewer accidents, fewer absences

Despite the increase in traffic volume, the number of accidents in a year-on-year comparison 2006/2007 came down from 1,104 to 1,009, in other words by 8.6 percent. This was accompanied by a reduction in accident-related absences from 10,391 (2006) to 6,879 (2007) absence days, i.e. a reduction of 33.8 percent compared with the previous year. Quantifiable advances in job safety management can be deduced in improved rates per thousand employees (accidents per thousand insured persons) – despite the increase in traffic volume. This rate was 32.35 in 2007 compared with the figure of 35.51 for 2006. Data compiled by the German Airports Association (ADV) indicates that Fraport has a leading position compared with other airports. No employee has suffered a fatal accident during the past ten years. Fraport cooperates with the Hesse accident insurance scheme to offer tailor-made advisory, training and further training packages for managers and safety officers. These measures represent an important building block in accident prevention. 460 employees are active as honorary safety officers at Fraport.

Prevention is a top priority

Fraport AG has a long track record of carrying out projects and campaigns intended to foster the health and well-being of employees. The coordination and control function is carried out by the Fraport health management team, the company medical service, job safety, the works council, representatives of disabled employees, the psychological counselling service and the social service centre within the framework of a corporate culture based on partnership.

AOK contribution bonus secured

Our holistic health provision again enabled Fraport to be granted the contribution bonus given in previous years at the AOK health insurance company for the year 2007. This saves both companies and employees 1.1 million euros each for the year 2007. We have also been able to secure a reduction in contributions for 2008. The success in obtaining the AOK contribution bonus also benefits continuous development of health management.



Fraport invests strategically to develop the potential of its employees and systematically promotes their life and career planning. Tailor-made apprenticeship and career training options are part of this planning, as are training packages for independent learning and childcare schemes.

Herbert Mai

Member of the Executive Board and Executive Director Labour Relations

Exemplary: the medical services

Employees and customers have been benefiting from the medical services provided by Fraport AG since 1996. The complete range of services for occupational medicine, emergency department (airport hospital) and rescue service is the world's biggest organization of its kind at an airport and sets global standards. 100 employees at the Medical Services provide emergency provision for acute cases round the clock. As many as 36,000 patients are treated each year. The medical team also advises the Hessian Interior Ministry and the Hessian Regional Medical Board on disaster planning. The rescue service attends some 18,000 incidents each year to provide emergency assistance.

Prevention programs

Since health promotion depends on the commitment of individuals, the company medical centre carries out a variety of preventive examinations. These include regular eye tests and metabolic tests, in order to identify disease at an early stage and institute treatment. Flu injections, measures for protection against noise, and individual prevention programs for colleagues particularly at risk are also part of the range of preventive measures on offer. The Intranet also provides information about health risks arising e.g. from the norovirus, flu pathogens or HIV/AIDS. Drug screening for new employees and an addiction advice are also part of the remit of the company medical service.

Fraport continues to support studies on ergonomic workplace design. "Fitpoint" also represents a proactive contribution to a healthy back. The fitness centre at the Frankfurt Airport complex has the latest sports equipment and allows employees to carry out their own training program tailored to their individual needs under the management of a qualified fitness trainer. The training packages range from training targeted specifically to back problems through to training ground staff at Fraport how to lift and carry heavy baggage correctly.

Work with international organizations

Fraport is committed to high standards of health and safety and our long track record of work with outside organizations bears testimony to this. Job safety at Fraport AG contributes its specialist knowledge to the task force "Job safety and hazardous goods" run by the Association of German Commercial Airports and the "Hazardous Goods Working Group at Frankfurt Airport" run by the ICAO (International Civil Aviation Organisation), an organization set up by the United Nations. The head of the airport hospital also provides support as a medical advisor for a large number of committees, such as the Airports Council International (ACI), and the World Health Organization. You can find the declaration of principles by Fraport on health and safety and other information on this subject on the Internet by clicking on www.fraport.com.

When will I be a football star?

[Nico Petri, 9 years old]

If you keep at it and train regularly, you'll soon get there!

[Kai-Uwe Petri, IFM-FI 11, works in the central incoming goods and distribution centre, father of Nico]

One thing is certain: Success is based on many diverse origins. Motivation to achieve something better than average and the determination to move things forward are key elements in the equation, alongside a substantial amount of talent. Identifying young talent and promoting promising players are additional key factors. Fraport AG provides strategic support for youth sport in the Rhine-Main region. Part of the program focuses on promising players and this may help a budding star to make the breakthrough. The motto is: No star has come down from the sky yet.



Kids Camp – pupils of
Charly-Körbel-School



Fairplay = Consensus

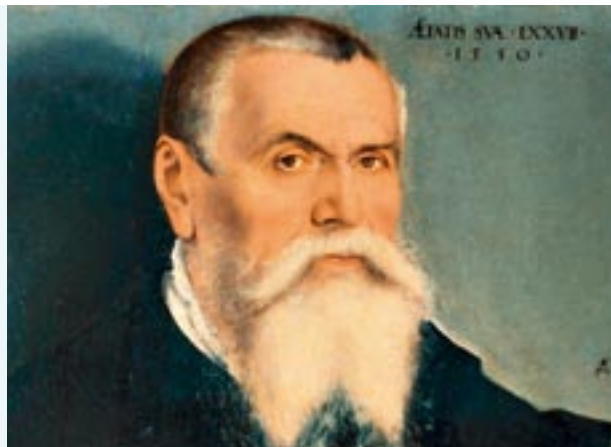
Fraport AG is committed to making a key social contribution to the community: as operator of Frankfurt Airport and as an economic engine driving the Rhine-Main region. Our goal is to be perceived by the community, political representatives, organizations and associations in the region as a good neighbour who lives up to his responsibility. Fraport is dedicated to wide-ranging commitment within the community and intends to safeguard and expand acceptance of the company and Frankfurt Airport within its local environment over the long term.

Frankfurt Airport now provides jobs for more than 70,000 people at some 500 workplaces and businesses, including more than 18,000 employees of the Fraport Group and 37,000 employees of Deutsche Lufthansa AG based in Frankfurt. This means that the airport is not just Germany's biggest commer-

cial airport. It is also the biggest local workplace in the country and an important factor for employment and prosperity. The appeal of Frankfurt as a leading finance and business centre with a strong base of knowledge-intensive, highly mobile service providers benefits from the multitude of international and national transport links offered by the airport hub.

Corporate citizenship

Our commitment as a good citizen is based on a long tradition of work with the community, because the forerunner of today's Fraport AG, Flughafen Frankfurt/Main AG was already fostering its role as a good citizen by sponsoring projects around the airport during the 1970s. Those projects focused on youth sport and a range of cultural projects, but sponsorship money was made available to fund small environmental projects outside the airport complex for the first time in the mid-1980s. At the time, image promotion was only a minor aspect of our motivation. The aim of our company was to make a strategic contribution through our sponsorship wherever bottlenecks were appearing due to gaps in the provision of public funds.



Lucas Cranach the Younger, Portrait of Lucas Cranach the Elder, 1550, Städel Museum, Frankfurt am Main



Lucas Cranach the Elder, The Altarpiece of the Holy Kinship (also known as the Torgau Altarpiece), 1509 (detail), Städel Museum, Frankfurt am Main

Our mission was to provide assistance for associations, cultural initiatives and aid organizations.

As far as we are concerned, corporate citizenship goes beyond charitable commitment sponsoring sport or promoting cultural projects through indiscriminate handouts. Our sponsorship is based on a balanced corporate citizen strategy with the focus of the guiding principle on funding sustainable social and economic benefit. Fraport uses this framework to promote a strategy of outreach directly targeting specific social groups by deploying selective and evenly balanced measures. We have formulated some transparent guidelines to explain our project work:

- Fraport is committed to a systematic approach based on straightforward and transparent rules.
- We carry out our projects in close cooperation with the organizers of the initiatives we are funding. This enables us to ensure that the resources we have provided are also used in accordance with the agreement.
- Our projects are broadly anchored within the company and also promote affinity and identification within that forum.

- We get involved in sustainable projects and generally make a commitment over the long term. Wherever feasible, we subsidize projects until they have been completed or have achieved success.

Under the motto “Active for the region” (www.aktivfuerdieregion.fraport.de), we are dedicated to promoting wide access to educational, cultural and sporting opportunities, social projects and an intact natural environment with the aim of preserving the appeal and potential of the Rhine-Main region. These “soft” site factors are becoming increasingly important in the face of intensified competition between the regions when it comes to company locations and jobs as a result of the impact of globalization. By the same token, strengthening the region also makes an important contribution to safeguarding the future of our company.

Acceptance in the region

In addition to the systematic and long-term promotion of projects, driving forward the development of Frankfurt Airport in a consensus with the surrounding region constitutes another key objective being pursued by Fraport. We are seeking direct and

personal dialogue with the residents of our surrounding communities and are open to constructive criticism. We make use of every opportunity to put our point of view, address criticism and establish lines of compromise which are in the interests of all those involved.

The Fraport Infomobile, which regularly visits the surrounding communities, and the Info Hotline operated by Fraport AG (free phone number 0800-2345679) provide information on expansion. The Info Hotline is also used to accept complaints about aircraft noise.

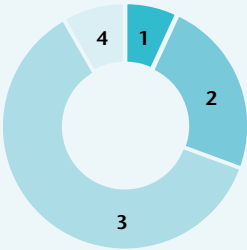
Key milestones on the route to expanding the airport in consensus with the region were our involvement in the mediation procedure relating to airport expansion and our ten-point program for reducing noise and noise abatement at night. In 2007, our participation in the work of the Regional Dialogue Forum (RDF) was the focal point of our activities on this front. The RDF provides a forum in which representatives of the towns and villages in the airport region, citizens’ initiatives and conservation organizations can have round-table discussions with business representatives of Fraport AG, Deutsche Lufthansa AG and DFS Deutsche Flugsicherung GmbH.

Our work focuses primarily on a single issue: How can Frankfurt Airport develop and what effect will it have on the Rhine-Main region today and in the future? The big achievement of the work carried out in the context of the RDF was a joint declaration on the Anti-Noise Pact for the region in 2007. This represents a commitment by the State Government of Hesse, the Hessian Parliament and the representatives of Lufthansa, Fraport and air traffic control to active noise abatement measures in advance of the new north-west landing runway due to come into operation at the end of 2011.

Allocation of resources
to individual projects
2007: € 8.5 million

	€ million
1 Foundations	0.6
2 Environmental funds	2.0
3 Sponsoring ¹⁾	5.2
4 Donations	0.7

¹⁾Sport, art & culture, community



Foundations, subsidy programs and individual donations.

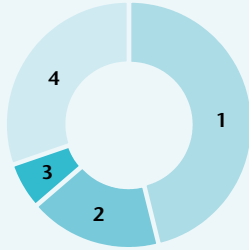
Fraport AG spent a total of 8.5 million euros on commitment to the community during 2007. Some 5.2 million euros were spent on sponsorship for sport, art and culture, as well as the community. Donations in cash and kind amounted to more than 700,000 euros. The environmental fund benefited to the tune of two million euros in 2007 and this is used separately to sponsor environmental projects in the region. The following activities formed the focus of our work:

The environmental fund

Establishment of the Fraport Environmental Fund in 1997 expanded commitment by Fraport to conserving nature and protecting the environment in the surrounding Rhine-Main region. Since then Fraport AG has been donating millions of euros to promoting “green projects” with a high level of sustainability in the immediate vicinity of the airport. To date, 22.5 million euros have provided support to more than 500

Fraport Environmental Fund
Total donations 1997– 2007
€ 22.5 million

	€ million
1 Regional park	10.4
2 Environmental education	3.9
3 Ecological studies	1.4
4 Nature/Environmental protection	6.8



individual projects in cooperation with towns and villages, conservation societies, educational institutions and associations.

The environmental fund focuses on supporting the Rhine-Main regional park, planting programs and ecological re-naturation projects, educational initiatives involving the environment and promotion of biodiversity in the Rhine-Main region. Since the fund was established, nearly half of the resources available have been directed towards projects which enhance the profile of the region. For example, a long-distance cycle and hiking path covering more than 450 kilometres that is being created by the planning authorities. Around 70 kilometres of the path have already been completed.

The regional park plays an important role in preserving and integrating existing biotopes in the Rhine-Main region and also contributes to enhancing the value of the area as a leisure and recreation amenity. In addition to continuous promotion of the park, the environmental fund sponsored the following activities in 2007:



Promotion of biodiversity in the region

Biodiversity relates to the variety of living forms present on the earth. This diversity is the result of a process of evolution that has taken place over a period of many hundreds of millions of years. Natural science draws a distinction between four different aspects of diversity: genetic diversity, species diversity, diversity of ecosystems (i.e. the variety of habitats) and functional biodiversity (i.e. the diversity of biological interactions).

Fraport is playing a proactive role in preserving the biodiversity of the Rhine-Main region and in the state of Hesse beyond the boundaries of Frankfurt Airport. Outside the airport complex, activities concentrate on conserving and protecting specific habitats. The projects range from financing scientific studies, through protecting and preserving open orchard meadows in the countryside surrounding Frankfurt to measures for protecting endangered animal species.

The latter includes, for example, a research study into the causes for the decline in the populations of the red kite alongside an increase in the stocks of the black kite at the same time. Hesse and Germany have a major responsibility for preserving the red kite because no other species of bird has such a large proportion of its global population restricted to our territory. Hesse is home to approximately five percent and Germany has as much as 50 percent of known red kite pairs from across the world. The study is intended to assist in determining the causes for the population decline of the red kite. The next step will be to introduce strategic measures to safeguard and grow the current population. The birds are being provided with satellite transmitters in order to track the migratory paths of the red kite to its winter quarters. These transmitters enable the birds to be tracked and located when they are migrating with a view to identifying any factors in their winter quarters which may constitute a risk to their existence.

Another focus of Fraport's sponsorship is on the open orchard meadows in the Rhine-Main region. The biggest area of open orchard meadows in Hesse measuring several hundred hectares is located between the Frankfurt suburb of Seckbach and the town of Maintal in Hesse. This cultural biotope offers a unique and varied flora and fauna and a large number of organizations are devoted to the preservation and maintenance of these habitats. Fraport is currently supporting the establishment of an open orchard nature trail. This is intended to tell people about the unique cultural history and biology of these meadows.



Focus on environmental education

A large proportion of the resources provided by the environmental fund again supported measures to enhance environmental education in 2007. A forester and environmental ranger has been working for the airport operator since 2005. She organizes excursions through the woods for school classes and introduces children to the world of plants and animals.

She is supported by a specialist in animal and nature conservation who visits schools in the Rhine-Main area and reports on her experiences as the long-standing head of a wild animal sanctuary. She also brings exotic animals along to her lessons, tells the children about how they live and explains their behavioural aspects. Fraport started providing resources from the environmental fund to support the teaching activities carried out by the ranger in 2007. While the sponsorship continues, visits by the ranger to schools and nurseries in the vicinity of Frankfurt Airport can be booked free of charge.

Cultural promotion

The range of cultural amenities on offer plays a significant role in enhancing the appeal of a business centre. Our campaign of cultural sponsoring is intended to make a contribution to augmenting the attraction of our home region in the global competition to attract companies and highly qualified specialists. Fraport AG supported the arts and culture in the Rhine-Main region with sponsorship amounting to some 583,000 euros over the course of 2007.

A particular high point of Fraport cultural sponsorship in 2007 was the promoting of the exhibition entitled "Cranach the Elder" in the Städel Museum Frankfurt. This unique and high-profile exhibition brought together an extensive collection of some 100 masterpieces by Lucas Cranach the Elder. He was a contemporary of Martin Luther and stands alongside Albrecht Dürer as the greatest painter of the German Renaissance. The exhibition was visited by more than 200,000 art lovers from Frankfurt, Germany and all over the world.

Other sponsoring activities focused on promotion of the Weilburg Castle Concerts, the Frankfurt Palm Garden, the German Jazz Festival and the historic Petrihaus in Frankfurt's district of Rodelheim. The Swiss house was restored with substantial support from Fraport over a period between 1998 and 2002. Today, the house is resplendent in the original condition when it was the personal refuge of Georg Brentano.

Regional promotion

Regional sponsorship has included the provision of funds for associations, projects in the community and social initiatives. During the course of 2007, Fraport sponsored 500 social initiatives at local level with donations totalling 780,000 euros. The beneficiaries were institutions for the disabled, accommodation for the homeless at the Franziskustreff at the Liebfrauen Church in Frankfurt, the Order of Malta ambulance corps and a number of nurseries near Frankfurt Airport. At Christmas 2007, Fraport gave away 70,000 euros for charitable purposes.

Sports sponsoring is a traditional focus of regional promotion at Fraport. In 2007, a total of 340,000 euros was spent on supporting activities involving youth sport in small clubs. Small sports clubs make a significant contribution to the community. Fraport is not only involved in educating young talent but also provides a lot of children and teenagers with social assistance and creates attractive opportunities for integration within the community. Fraport gave team shirts and track suits to more than 150 teams competing in many different types of sport in 2007.



Our responsibility does not come to an end at the perimeter airport fence. As a good neighbour, Fraport AG is committed to taking social responsibility in the Rhine-Main region. Our numerous initiatives in this area extend from sponsorship of environmental projects, and promotion of art and culture through to strategic support for youth sport.

Dr. Matthias Zieschang

Member of the Executive Board and Executive Director Controlling and Finance

Foundation ProRegion and Erich Becker Foundation

Both foundations are integral elements of commitment by Fraport AG to the community. The Foundation ProRegion was established in 1999 to promote training and employment projects run by regional providers. The foundation focuses on integrating young people within the world of work. The Erich Becker Foundation is committed to the sponsoring of science and research and promotes students and young scientists who are working in Germany and abroad on diploma dissertations, doctoral and post-doctoral theses related to aviation issues.

Goals 2008

Fraport AG will continue its successful approach to commitment in the community. Funds totalling three million euros have already been put aside for the environmental fund. In addition to support for existing projects, we will continue to support more thematic focuses in education. For example, we are planning to produce a box for experiments with water in schools. This will allow children to determine the quality of water in biology lessons and classify species of animal and plant with aquatic habitats.

Glossary

ADV → Federal German Airports Association (Arbeitsgemeinschaft deutscher Verkehrsflughäfen).

ACI → The Airports Council International is the international association representing the world's airport operators. It is based in Geneva and was established in 1991. 1,530 airports in virtually all countries across the world are members of the ACI, including 400 airports in ACI Europe.

Aircraft movements → Takeoffs and landings.

Biodiversity → The variety of living creatures on earth. Science distinguishes between four aspects of diversity: genetic diversity, species diversity, diversity of ecosystems (i.e. the variety of habitats) and functional biodiversity (i.e. the diversity of biological interactions).

Corporate Citizenship → The concept relates to a company's interpretation of its role as a member of society and its willingness to take responsibility like a "citizen".

Diversity Management → The goals of diversity management are to achieve a productive overall atmosphere within the company, prevent discrimination of minorities and improve equal opportunities. Diversity management tolerates individual diversity among employees and highlights this as a positive attribute.

EBIT → Earnings Before Interest and Taxes.

EBITDA → Earnings Before Interest, Taxes, Depreciation and Amortization.

ECAC → European Civil Aviation Conference. The ECAC pursues the goal of safeguarding safe and cost-effective air travel that is also in harmony with the environment. It cooperates closely with the European Union and the ICAO.

EMAS → EMAS (Eco Management and Audit Scheme) is the instrument created by the EU "relating to voluntary participation of organizations in a joint system for environmental management and environmental performance". In effect, an ecological logo is awarded subject to strict criteria.

Emissions → All (solid, gaseous, liquid or odorous) substances, waves or particle radiation emitted from industrial plants, vehicles, products, materials or other sources (for example aircraft) which exert a polluting effect on the immediate environment.

Fee directive → Regulates the airport, infrastructure and ground handling fees payable.

FRA → International three-letter code for Frankfurt Airport.

Fraport AG → Fraport AG, Germany's biggest airport group.

German Corporate Governance Code → The aim of the German Corporate Governance Code is to make the rules applicable in Germany for company management and monitoring transparent to investors in order to strengthen confidence in the company management.

Hub/Hub-and-Spoke-System → A 'hub' airport is an airport that coordinates long-haul services with a system of 'spokes' involving feeder flights.

ICAO → The ICAO (International Civil Aviation Organization) is a sub-organization of the United Nations based in Montreal. The aim of this organization is to promote the operation of international aviation.

Initiative "Air Traffic for Germany" → Air safety, airports and airlines entered into a very close relationship in the context of this initiative with the aim of maximizing efficiency by creating a network. The partners are working towards strengthening the leading position of German aviation companies over the long term and making the most of the opportunities offered by Germany as an aviation centre and its key players in global competition. An important project by the Initiative was originating the "Master Plan for Development of Airport Infrastructure". This presented a comprehensive concept for future-oriented airport development.

Intermodality → The integration of modes of transport, e.g. air and rail transport.

ISO 14001 → ISO 14001 is an environmental management system which systematically embeds environmental protection in management with the aim of being in a position to incorporate environmental aspects in all routine functions and all decisions relating to company policy. The international ISO 14001 standard provides businesses with concrete and systematic support in setting up an environmental management system on the basis of a standard with global validity.

Kyoto Protocol → Protocol elaborating on the international Framework Convention on Climate Change of the United Nations with the objective of climate protection. The protocol came into force on 16 February 2005 and expires in 2012. This is the first time target values have been defined for the emission of greenhouse gases which are regarded as the main cause of global warming.

MDAX → The MDAX was introduced on 19 January 1996. It is made up of 50 securities – primarily from traditional sectors – that track the values of the DAX in the ranking list based on market capitalization and level of trading on the stock exchange. The MDAX reflects the price performance of shares in medium-sized German companies or companies primarily operating in Germany (Mid Caps). It is calculated as a performance index and as a price index. Its composition is updated twice a year (March and September) and in special cases, e.g. in mergers and large new issues.

Prime Standard → The Prime Standard is a segment of the regulated market (General Standard) with additional requirements for listing. This segment of the Frankfurt Stock Exchange is organized under private law and regulated by law. It has very high standards of transparency and also meets the requirement for a listing in the DAX, MDAX, TecDAX and SDAX indexes. Joint-stock companies listed in the Prime Standard must meet international transparency requirements extending beyond the scope of the General Standard.

Pollution → Effects of noise (noise or sound emissions), air pollutants (airborne emissions), vibrations (vibration emissions) and heat (heat emissions) on the environment.

Regional Dialogue Forum (RDF) → The Regional Dialogue Forum accompanied the expansion of Frankfurt Airport up to the zoning decision from the perspective of the citizens and local authorities involved.

Retailing → Airport Retailing comprises the following business units: retailing, duty free/travel value, gastronomy, services (banking, currency exchange, telecommunications), advertising and car rental.

Slots → Time windows for takeoffs and landings.

Stakeholder → The principle of stakeholders (a holder of a claim) is an extension of the shareholder value approach that is widespread in business administration. By contrast with the shareholder value principle that places the needs and expectations of the shareholders in a company at the centre of business activity, the principle of the stakeholder attempts to report on the company in the context of its entire social context and to harmonize the needs of different stakeholder groups. In addition to the shareholders, the stakeholders include employees, customers, suppliers as well as the state and the general public.

Sustainability → The concept of sustainability has been applied as a model for the sustainable development of humanity for some years now. This kind of development meets the needs of the people living on the planet at the moment without endangering the capability of future generations to satisfy their requirements.

Traffic unit → Internationally applied measurement parameters for making statistical comparisons. A traffic unit corresponds to a passenger with baggage or 100 kg of freight or post.

GRI-Index

Index based on the GRI (Global Reporting Initiative)

This compact index reflects the content that is essential for Fraport and shows where information on core and supplementary indicators of the Sustainability Reporting Guidelines (Version G3) defined by the Global Reporting Initiative (GRI) can be found in this Sustainability Report 2007.

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Seven-years-old Linus Herrmann feels comfortable in “Fluggi-Land” –
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