Interim Report

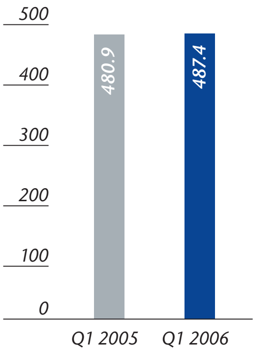
as at March 31, 2006

Fraport

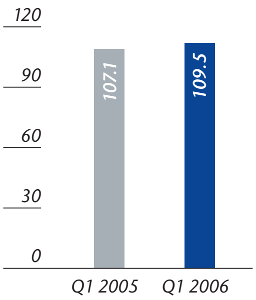
Contents

Highlights and key figures

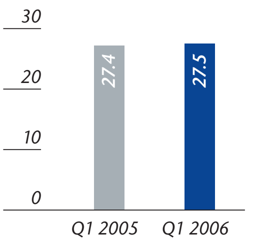
Revenue
€ million



EBITDA
€ million



Group profit
€ million



Despite a decrease in passenger numbers, business at the Fraport Consolidated Group grew in terms of revenue and EBITDA. We continue to hold on to the forecasts for the financial year and expect a further increase in revenue and EBITDA for this period.

The Fraport share price continued its positive trend from 2005 in the first quarter of 2006 and reached a new all-time record price of € 66.77 on February 27, 2006.

The key data in relation to business development in the first three months of 2006 was as follows:

- 6.8% drop throughout the group mainly due to developments in Antalya, slight decrease in passenger numbers at Frankfurt Airport of 1.1% because of flight cancellations due to weather conditions and strike at other European airports as well as the shift of the Easter holidays.
- 9.8% increase in cargo volume.
- Group revenue 1.4% above figures for the previous year with € 487.4 million.
- 2.2%[1] increase in EBITDA to € 109.5 million.
- Group profit at the same level as previous year with € 27.5 million.
- Earnings per share remained stable at € 0.30.

Key figures

€ million	Q1 2005	Q1 2006	Change in %	2005
Revenue	480.9	487.4	1.4	2,089.8
EBITDA	107.1	109.5	2.2	547.5
EBITDA margin	22.3%	22.5%	–	26.2%
EBIT	56.8	54.7	– 3.7	311.6
EBT	50.4	47.6	– 5.6	290.4
Group profit	27.4	27.5	0.4	161.5
Earnings per share in € (basic)	0.31	0.30	– 3.2	1.78
Shareholder’s equity [2]	2,071.2	2,194.6	6.0	2,157.9
Total assets [2]	3,729.6	3,954.5	6.0	3,951.6
Operating cash flow	87.7	96.4	9.9	493.7
Free cash flow	14.9	20.0	34.2	58.3
Capital expenditures	144.3	97.3	– 32.6	682.4
Average number of employees	24,737	26,989	9.1	25,781

Since January 1, 2006, other taxes are recorded in the operating result under other operating expenses. Accounting and the identification of the shares in consolidated trading partnerships was also changed (see notes). The figures for the previous year were adapted for the purpose of comparison.

[1] Since January 1, 2006, other taxes are listed under other operating expenses. The figures for the previous year were adjusted for comparison purposes.

[2] On the record date.

Editorial

Dear Sir or Madam,
dear Shareholders,

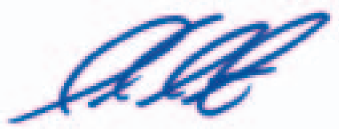
As we all know, 2006 will be a year of challenges for Fraport: the closure of the US Air Base will mean a loss of fees from military traffic, the new ground handling contract with Lufthansa means that we can expect less revenue, and we have to cope with the effects resulting from the change to the new cost-based usage fees. At the same time, we have to absorb the cost of the additional security requirements demanded by the EU. It was not possible to predict the difficult winter weather conditions, which led to an above-average number of flight cancellations and additional expenses on snow clearance and deicing.
Nonetheless, we did well in the first quarter of the current business year. Despite the extra expenses, our profits are mostly at or slightly above the levels achieved in the previous year. This is an affirmation of the work we have done in the past, but, of course, is no reason for us to rest on our laurels.

The air traffic industry is still undergoing a process of structural change and the established airlines need to find a response to the attacks from low-cost airlines. The resulting demands on airports can be summarized in a single sentence: we need to offer higher process quality with less expensive cost structures. Frankfurt is in a special situation because we are already operating at virtually full capacity, which means that growth is limited on the one hand, while on the other hand we need to deal with greater complexity in order to maintain punctuality and quality at a high level. At the same time we are preparing for Germany's currently largest private business investment project, the expansion of Frankfurt Airport to include another runway and a third terminal.

These challenges demand that we should make our business processes simpler, faster and less expensive. That is why we have introduced our latest efficiency program "Focus Competition" to take a close look at important core activities. These include facility management and IT support in Frankfurt. For example, the industry standard is for object-based facility management, permitting much greater transparency in terms of performance and costs. Of course these revolutionary processes also require permanent openness to change on the part of our company and all of our employees. That's why one of the basic requirements is that management should be capable of communicating the various challenges and the competition facing Fraport and that we should continuously adjust to new market conditions, so as to strengthen the future of the company and guarantee job security.

As part of this effort to secure the future, we have also made further significant progress in the first quarter of this year. The consultation stage of the process for approving the expansion of the airport is complete. The project to modernize FRA-North is in full swing: the plans for the new CD-link and the conversion of Terminal 2 are complete and the opening of the Shopping Avenue in Terminal 1 means that modernized, attractive retail areas have gone into operation. Thus, Frankfurt continues to develop and, as the familiar saying goes: as long as you can see a builder's crane somewhere around the airport, we are doing fine!

Sincerely,



Stefan Schulte,
Member of the Executive Board, Finance and Construction

The Fraport Share

Key figures and share price development

Key figures

		Q1 2005	Q1 2006	2005
Capital stock (Group according to IFRS)	€ million	905.7	910.9	910.7
Absolute share of capital stock	per share, €	10.00	10.00	10.00
Total number of shares		90,683,908	91,201,180	91,192,355
Number of floating shares on record date[1]		90,569,983	91,091,452	91,078,430
Market capitalization [2]	€ million	2,869	5,721	4,089
Average trading volume per day		96,992	274,756	106,898
Share price at end of period	€	31.68	62.80	44.90
Highest price	€	33.32	66.77	44.90
Lowest price	€	29.59	44.90	29.59
Earnings per share (basic)	€	0.31	0.30	1.78
Earnings per share (diluted) [3]	€	0.30	0.30	1.75

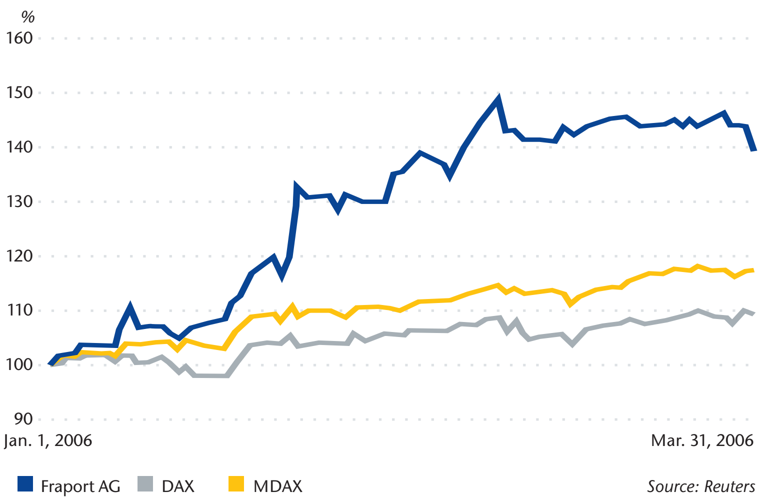
[1] *Total number of shares minus treasury shares.*
[2] *Share price at the end of the quarter, multiplied by the number of floating shares.*
[3] *Based on the weighted quarterly average of the floating shares.*

The Fraport share price continued its positive course from 2005 into the first quarter of 2006 and reached a new all-time high of € 66.77 on February 27, 2006. The closing price for Fraport shares on March 31, 2006 was € 62.80.

In the period under review the DAX rose by 9.5%, while the MDAX increased by 17.4%. Once again, the Fraport share did better than the comparable indices. They gained in value by around 40% since the start of the year and exceeded the DAX by 30.4 percentage points and the MDAX by 22.5 percentage points.

Market capitalization at March 31 was at € 5,721 million. This corresponds to an increase in market capitalization of € 2,852 million since March 31, 2005 and a doubling of shareholders investment. The liquidity of the shares also developed positively. While an average of 96,992 shares were traded per day in the previous year, the figure for the current review period was 274,756.

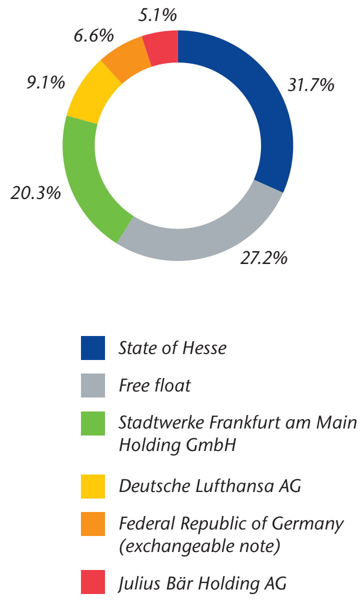
Share development of the Fraport share compared with the DAX and MDAX



Shareholder structure

The largest shareholders continue to be the State of Hesse and the Stadtwerke Frankfurt am Main. Deutsche Lufthansa AG obtained 5.0% of the voting rights at December 31, 2005. Lufthansa increased its stake from around 5% at the end of 2005 to 9.1% by the end of the first quarter of 2006. At the same time, Julius Bär issued a correction. Because of this notice, the officially registered stake held by Julius Bär dropped from 5.4% to 5.1%. In view of these changes, the free float dropped from 31.0% to 27.2%.

Shareholder structure as at March 31, 2006



Dividend policy

The Supervisory Board and Executive Board of Fraport AG will be proposing a dividend of 90 cent per share for the 2005 financial year to the Annual General Meeting, a 20 percent increase on the 75 cent paid out last year.

Investor Relations

We aim to offer comprehensive, open and prompt information to achieve the greatest possible transparency for the capital market.

All telephone conferences and presentations are transmitted live in the Internet and can then be provided as downloads, so that the latest information is available to all shareholder groups. Since March we also offer an electronic newsletter for shareholders in addition to our monthly publications. Interested parties can subscribe to the newsletter on our website (www.fraport.com).
A wide range of information is available here under the “Investor Relations“ heading. As well as information about shares, it also contains up-to-date news, dates, events, information for the Annual General Meeting as well as financial and traffic figures.

Employee investment plan

Since the IPO in 2001, Fraport employees are entitled to subscribe Fraport shares as part of the “LEA“ performance and success-based payment program. The quota of participants last year stood at 47.4%.
Fraport AG buys back the shares for this program, making partial use of the authorized capital after a capital increase in return for the injection of cash, and will then be passed to the employees.

As in previous years, employee shares will be issued in May 2006, marking a further slight increase in stock capital.

Business development

Development of air traffic

According to the preliminary figures from the Association of European Airlines, air traffic experienced marked growth worldwide in the first quarter of 2006. Passenger numbers were 4.1% above the figures for the same period in the previous year. Seat kilometer capacity were 4.4% higher than in the same period last year, while seat kilometer sold were 4.7% higher.

Airports Council International (ACI) announced a worldwide increase of passenger growth of 4.5% as well as a gain in growth of 4.2% in cargo volume.

The passenger fleet of our main customer Deutsche Lufthansa achieved a 2.8% increase in passenger numbers in the first quarter of 2006. The seat kilometer capacity were 3.1% higher than in the same period last year, while seat kilometer sold were up by 1.0%

In the first quarter of 2006 14.6 million passengers used the six airports of the **Fraport Group**, 6.8% fewer than in the same period last year. Growth in Frankfurt-Hahn, Lima and Hanover could not compensate for the slight drop in numbers in Frankfurt, or, more significantly, for the slump in passenger numbers in Antalya due to the opening of a second, rival terminal. If it hadn't been for the special situation in Antalya, the Group's passenger numbers would have been slightly higher than in the previous year.

Frankfurt, the most important airport of the Fraport Group, reached 11.2 million passengers in the period under review. For the first time since 2002 the first quarter came to a close with a drop in passenger numbers. Other negative effects were the fact that the Easter holidays fell in the second quarter this year and the unusually high number of flight cancellations due to weather conditions and strikes at other European airports. There would have been an increase without these factors. Growth was mainly achieved with intercontinental flights to the Middle and Far East, as well as southern Africa. In Europe, which continued to witness an increase in traffic to northern Europe, only eastern Europe experienced a slower rise. Traditional tourist destinations suffered a drop in volume, with the exception of the Canaries, which profited from a shift of traveling to Turkey. The number of passengers on internal flights within Germany also decreased, due mainly to three factors: the shifting of short-distance flights out of Frankfurt to the German Railway's high speed train network, the increased availability of direct flights at other German airports, in particular in the low-cost sector, and the number of flight cancellations due to weather conditions.

In the first quarter of 2006, passenger numbers at the terminal operated by us at **Antalya** Airport continued the downward trend from 2005 because of the unequal division of passengers between the competing terminals. A total of 152 thousand passengers were handled in the period under review, 87.7% less than in the previous year.

Lima continued to witness solid growth in traffic. In the first three months of 2006, passenger numbers rose by 3.6%. This was helped by the increase in international traffic by around 5%. There were two-digit increases in the number of European flights and in South American destinations, still an area of strong growth. Internal traffic also increased modestly.

Passenger numbers in **Frankfurt-Hahn** rose in the first quarter of the year by 11.4%. This is mainly due to the range in the number of routes offered in the form of new destinations and increased frequency. Up to 38 destinations are now available with four airlines from Frankfurt-Hahn in the passenger sector alone.

Cargo volume increased by 9.8% throughout the Group in comparison with the same period in the previous year, reaching 566,000 tonnes. This was due above all to the continuing freight boom at Frankfurt Airport, which began two years ago. The main cause for this was the growth in cargo flights on Asian carriers, which has increased by around one third. The second-largest freight airport in the consolidated Group – Frankfurt-Hahn – also experienced positive growth. Lima was the third area where growth was created, both in terms of export and internal volume.

The number of **aircraft movements** at the six airports in the Group was 2.1% lower than in the same period last year at 162,513. In Frankfurt, in addition to the unusually high number of flight cancellations, the scheduled discontinuation of military charter traffic after the withdrawal of the Air Base led to a slight decrease. If it hadn't been for this effect, the volume of flights would have risen by approximately 1.5%. Developments in Antalya also had a negative influence on the Group's outcome in terms of aircraft movements.

The **maximum take-off weights** in Frankfurt in the period under review ran to 6.5 million tonnes and were therefore 1.1% lower than in the previous year. The drop, which measured almost 4 percentage points, could be traced back to the discontinuation in military charter flights because these used heavy aircraft. Thus, the share of "widebody" aircraft was also 0.7 percentage points lower than in the previous year at 24.2%. The seat load factor rose by 0.3 percentage points to 68.4%.

Traffic figures for Fraport Group

Q1	Passengers [1]		Cargo *(airfreight + airmail in t)*		Movements	
	2006	Change to 2005 in %	2006	Change to 2005 in %	2006	Change to 2005 in %
Frankfurt Main	11,217,241	– 1.1	497,572	9.1	113,909	– 0.5
Frankfurt-Hahn	701,984	11.4	25,644	36.3	8,782	16.1
Hanover	1,077,034	1.9	4,025	– 8.6	17,199	2.7
Saarbrücken	62,009	– 9.3	1	– 96.4	3,192	11.8
Antalya [2]	151,926	– 87.7	n.a.	n.a.	1,364	– 83.1
Lima [3]	1,387,856	3.6	38,498	6.5	18,067	11.3
Group	**14,598,050**	**– 6.8**	**565,740**	**9.8**	**162,513**	**– 2.1**

[1] *Commercial traffic only in + out + transit.*
[2] *International Terminal 1.*
[3] *Internal data provided by Lima.*

Source: ACI

Revenue and earnings

Despite the drop in passenger numbers, the Fraport Group recorded increases in revenue and EBITDA in the first quarter of 2006.

In comparison with the same period in the previous year, **revenue** in the first three months increased by 1.4% to € 487.4 million. Contrary effects were apparent here. Because of an expansion in business, we were able to increase revenue from security services. Revenue from retail and parking also showed a pleasing increase. In the area of airport fees, the drop due to the loss of military traffic was more than compensated for by the agreed price rise of 2.2% and the increase in security fees. The concessions on the fees for ground services were almost completely balanced by the increase in relevant traffic and the positive movement of revenue in the freight sector.
A marked drop in revenue was evident in income from real estate because of the revenue based airport access fees, especially those charged to fuelling companies and the fact that electricity was no longer purchased by Lufthansa and the US Air Base.

Higher other operating income, mainly resulting from the release of provisions and accruals, mean that **total revenue** rose disproportionately by 2.6% to € 504.6 million.

Operating expenses (non-staff costs and personnel expenses) increased in the period under review to € 395.1 million. At € 262.1 million, **personnel expenses** were 3.8% higher than the comparable figure for the previous year. The main contributor to the increase was ICTS Europe with a 17.7% rise in staff numbers. Throughout the Group, Fraport employed an average of 26,989 employees between January and March, 9.1% more than in the same period last year. The Group personnel expenses as a percentage of revenue was at 53.8%, slightly above the figures for the previous year.

In contrast, the **non-staff cost ratio** decreased slightly to 27.3% because the non-staff costs at rising revenue remained almost at the same level as last year with € 133.0 million. Non-staff costs cover cost of materials and other operating expenses. One of the keys to the increase in cost of materials by 9.9% to € 84.6 million was the heavy winter experienced at the beginning of the year and the outsourcing of the computer center on July 1, 2005. However, the outsourcing has no overall effect on earnings. Other operating expenses decreased by 12.2% to € 48.4 million, due in particular to the lower advisor costs in connection with the Manila project and lower specific allowances, as well as cost-cutting measures in Frankfurt-Hahn.

EBITDA increased in the first three months of the current financial year by 2.2% to € 109.5 million. The EBITDA margin increased by 0.2 percentage points to 22.5%.

Depreciation and amortization mainly increased due to shorter periods of useful lives because of planned demolition measures from € 50.3 million in the same quarter of the previous year to € 54.8 million.

EBIT (operating profit) thus dropped by € 2.1 million to € 54.7 million.

The **financial result** was € – 7.1 million, while the figure for the previous year was € – 6.4 million. The drop in results accounted for using the equity method and in income from investments mainly resulted from increased depreciation and amortization in Lima because of the new terminal and the omission of the dividend from Ineuropa Handling UTE. The other financial result rose because of the change in current profits and losses in long-term financing for Antalya. The lower interest result was due to the regrouping of investments in tax-optimized forms.

The tax rate dropped from 45.6% to 42.2%, due above all to the tax-optimized investment strategy and the first crediting of corporation tax credit to dividends after the expiration of the moratorium (change of corporation tax system in 2001). The **Group result** was € 27.5 million and the basic earnings per share remained at the same level as last year with € 0.30.

Asset and financial situation

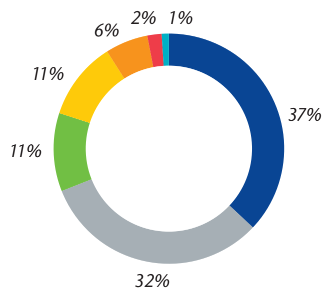
Capital expenditures

The Fraport Group invested a total of € 97.3 million in the first three months of the 2006 financial year. The figure in the same period last year was € 144.3 million. When adjusted to account for the special effects in the previous year of the purchase of the Mönchhof site and the increases in long-term money investments, the amount of investment in the first quarter of 2006 was higher than the comparable previous year's value.

€ 66.6 million was invested in the Frankfurt site, compared with € 83.3 million in the same quarter last year. Here again the figures were higher than in the previous year once the special effect of the property purchase had been allowed for. Of this € 66.6 million, a total of € 36.1 million was spent on modernizing and partially expanding of the existing terminals, including the remodelling in preparation for the Airbus A380 and the upgrading of fire protection facilities.

A total of € 10.8 million was invested in the planned expansion of Frankfurt Airport in the period under review, including the relocation of the US Air Base and the zoning procedure.

Capital expenditures: € 97.3 million



Note: Because of the simplification of the investment categories in planning and reporting, the breakdown of capital expenditure is no longer the same as in the previous year.

Cash flow statement

Cash flow from operating activities in the first three months of the current financial year stood at € 96.4 million. This was an increase on the previous year of € 8.7 million. In the operational area there was a drop in receivables and liabilities based on the record date.

There was a significant growth in the **cash flow used in investing activities**. At € 322.2 million, this exceeded the previous year's figure by € 183.7 million. This was due to the short- and long-term investments made as part of asset management, amounting to € 225.0 million and € 20.8 million respectively.

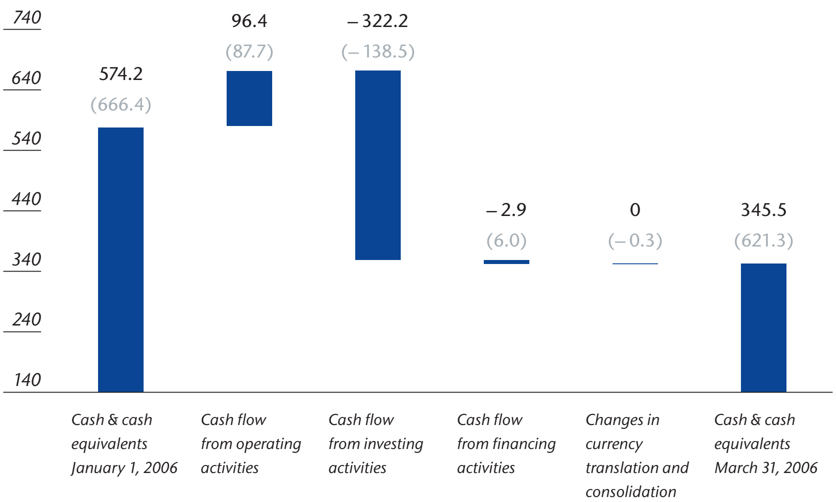
At € – 2.9 million, the **cash outflow used in financing activities** was € 8.9 million less than in the previous year and resulted mainly from the change in financial debts.

Cash and cash equivalents were reduced mainly due to money investments from € 621.3 million in the previous year's quarter and € 574.2 million to December 31, 2005 to € 345.5 million to March 31, 2006.

Change in cash and cash equivalents

Data for Q1 2005 shown in brackets

€ million



Asset and capital structure

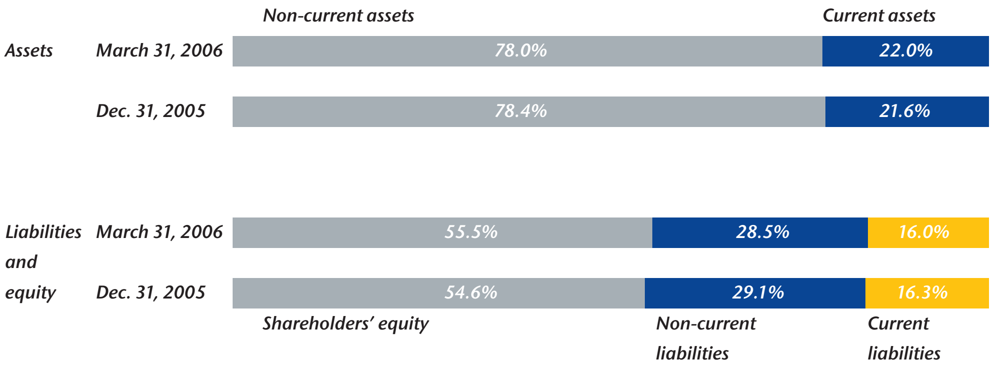
The **total assets** remained at the same level as on December 31, 2005 at € 3,954.5 million. **Non-current assets** decreased slightly to € 3,085.4 million. Contrary effects applied here: on the one hand, additional investments in the modernization and expansion of the existing terminals and in developments at the Frankfurt site, as well as in long-term money investments, led to an increase. On the other hand, there are plans to sell the Belgian subsidiary TCR. This is the reason why the assets in the short-term sector were restructured.
Current assets increased by 1.9% to € 869.1 million. The restructuring of the TCR property assets was offset by major decreases in trade accounts receivable. There was also a shift from cash and cash equivalents to other receivables and financial assets as part of strategic asset management.

The equity ratio[1] on March 31, 2006 stood at 52.9%, almost stable in comparison with the balance sheet date for 2005.

Non-current and current liabilities decreased by 1.9% to € 1,759.9 million. This mainly resulted from the significant reduction in trade accounts payable. The short- and long-term debts included largely balancing movements on the one hand due to the restructuring of TCR assets in the short-term sector because of the planned sale and, on the other hand, the repayment of short-term loans and their replacement with long-term credits. Reductions in provisions for income tax were balanced against increases in other liabilities from tax and personnel.

The **net financial debt** to March 31, 2006 ran to € 379.1 million. On the 2005 balance sheet date financial debts exceeded cash and cash equivalents by € 188.3 million. This significant change resulted from the investment of cash and cash equivalents in short- and long-term securities. Thus, gearing increased from 9.1% to 17.9%.

Balance sheet structure



[1] *Shareholders' equity before minority interests and the proposed dividend.*

Segment reporting

The business activities of the Fraport Group are divided into four segments: "Aviation", "Retail & Properties", "Ground Handling" and "External Activities". The three strategic business areas of Fraport AG, "Ground Services", "Traffic and Terminal Management, Airport Expansion, Security" and "Retail & Properties" (see "Board and organization") are clearly assigned to the segments. In addition, these segments include investments integrated in the business processes at the Frankfurt site. The internal service units "Information and telecommunications" as well as "Real estate and facility management" are part of the "Retail & Properties" segment.

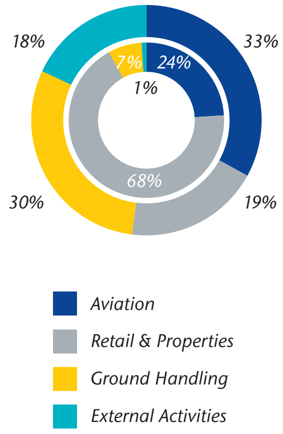
All investments outside Frankfurt are assigned to the central "Global investments and management" unit of Fraport AG or are indicated in the "External Activities" segment and are controlled centrally. This also applies to three companies located in Frankfurt that do not belong to the other segments by the nature of their business activities.

The profit attributable to minority interests that are included in the investments accounted for using the equity method and profit from other investments are indicated in the financial result.

Aviation accounted for the largest share of Group revenue with 33%. Ground Handling contributed 30%, while the External Activities and Retail & Properties segments accounted for 18% and 19% respectively. These values are largely unchanged in comparison with those from the previous year.

The Retail & Properties segment continues to produce the highest results, with a contribution of around 68% to the Group's EBITDA.

***Shares of the segments in Group revenues** (outer circle) **and EBITDA** (inner circle)*



Aviation

The Aviation segment of the Group is responsible for flight and terminal operations as well as airport and aviation security at Frankfurt. It is also responsible for the planned expansion program.

Aviation

€ million	Q1 2005	Q1 2006	Change in %
Revenue	154.1	159.0	3.2
EBITDA	30.9	26.7	– 13.6
EBIT	18.2	7.3	– 59.9
Employees	3,327	3,250	– 2.3

In the first three months of the 2006 financial year the Aviation segment achieved an increase in revenue of 3.2% in comparison with the same period in the previous year, reaching € 159.0 million. The drop in revenue arising from the decrease in passenger numbers was more than compensated for by the 2.2% price increase agreed with the airlines and by the rise in security fees for so-called critical parts and the requirement that passengers who have been checked in accordance with EU standards are kept physically separate from passengers who have not been screened in accordance with EU standards.

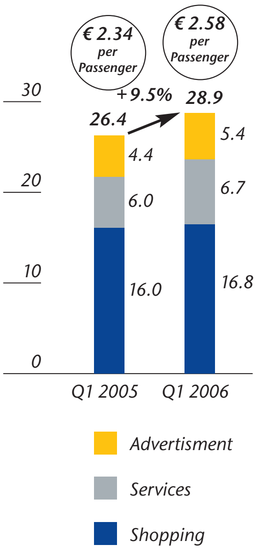
At € 149.7 million, operating expenses were around 10% above the value of the previous year. Higher expenses resulted from extended security regulations, increased snow/ice clearance due to the heavy winter conditions at the beginning of the year and internal charging for the areas used by the segment.

The segment EBITDA was therefore 13.6% below the previous year's value at € 26.7 million. Increased depreciation and amortization because of shorter useful lives due to planned demolition and additional assets caused EBIT to drop at a proportionately greater rate to € 7.3 million.

Retail & Properties

Retail

€ million



The business operations in the areas of retailing, parking facility management, property rental and marketing at the Frankfurt location as well as CargoCity South are combined in the Retail & Properties segment of the Group.

Retail & Properties

€ million	Q1 2005	Q1 2006	Change *in %*
Revenue	92.5	91.4	–1.2
EBITDA	67.5	74.6	10.5
EBIT	43.1	52.9	22.7
Employees	2,955	2,866	– 3.0

Segment revenue was slightly less than in the previous year at € 91.4 million. The marked increase in revenue from retail and parking could not entirely compensate for reductions in revenue from real estate due to the restructuring of contributions from oil companies and the discontinuation of electricity sales to Lufthansa and the US Air Base.

In the period under review retail revenue per passenger rose in comparison with the previous year from € 2.34 to € 2.58. This resulted from concentrated sales promotion measures in the shopping sector and from increased earnings from advertising in new advertising formats and the increased utilization of standard advertising media.

The charging of additional services, such as snow and ice clearance as well as other internal work capitalized and proceeds from disposal of non-current assets had a positive effect on overall revenue.

Operating expenses mainly rose due to the outsourcing of the computer center.

At € 74.6 million, EBITDA were 10.5% higher than in the previous year, while EBIT stood at € 52.9 million, an increase of 22.7%.

Ground Handling

The Ground Handling segment includes such ground services as aircraft handling, passenger and cargo services, the infrastructure for the ground services and the investments involved in these operations at the Frankfurt location.

Ground Handling

€ million	Q1 2005	Q1 2006	Change in %
Revenue	147.3	147.1	– 0.1
EBITDA	10.0	7.5	– 25.0
EBIT	4.8	2.0	– 58.3
Employees	7,180	7,655	6.6

Revenue from the Ground Handling segment remained at previous year's level at € 147.1 million. There was an impact from contrary effects. Main driver for revenue of ground handling fees are the Maximum Take-off Weights (MTOWs) resulting from the number and size of aircraft handled in Frankfurt. The MTOWs that are decisive for Ground Handling were increased leading to growth in revenue. Development of revenue in the cargo sector was very satisfactory. Revenue was reduced by price concessions in relation to the new Lufthansa handling contract as well as slight losses of market share of 0.6 percentage points to 87.6%.

Despite an increase in staff numbers, it was possible to maintain the major cost item in Ground Handling, personnel expenses, at the same level as last year by optimizing personnel deployment. The slight increase in operating expenses in comparison with the previous year resulted from an increase in the materials used, higher maintenance costs and internal charging for the areas used by the segment.

The segment EBITDA decreased by 25.0% to € 7.5 million, while EBIT dropped proportionately to € 2.0 million.

External Activities

The External Activities segment of the Group basically covers the investments that carry out their business operations outside Frankfurt or are not involved in the business processes at the Frankfurt location.

External Activities

€ million	Q1 2005	Q1 2006	Change in %
Revenue	87.0	89.9	3.3
EBITDA	– 1.3	0.7	–
EBIT	– 9.3	– 7.5	–
Employees	11,275	13,218	17.2

Segment revenue in the first quarter of 2006 rose by 3.3% to € 89.9 million. The reason for the comparatively weak growth in revenue was the negative impact due to the loss of revenue resulting from the opening of the second, rival terminal in Antalya in April 2005, leading to a decline of around € 3.3 million.

In contrast, revenue from the Group's airport in Frankfurt-Hahn increased thanks to growth in passenger numbers and cargo. ICTS Europe, which specializes in security services, also managed to increase its revenue significantly by growing its business in the Netherlands, France and the UK.

The increase in the personnel expenses since last year mainly resulted from the expansion of ICTS business. Cost of materials expenses in the segment were lower overall than in the same period last year. Contrary effects were at work here: higher costs for ICTS were more than compensated for by lower advisor costs in connection with the Manila project and cost-cutting in Frankfurt-Hahn. EBITDA grew by € 2.0 million to € 0.7 million, while EBIT also developed proportionately at € – 7.5 million.

The segment's results do not include the results from investments and the results of investment accounted for using the equity method, which are shown separately in the financial results.

The business figures for the key investments outside of Frankfurt before consolidation are shown below.

The 100-percent subsidiary **ICTS** increased its revenue by 15.8% to € 88.5 million by expanding its business in the Netherlands, France and the UK and as a result of higher security regulations at Frankfurt Airport. Operating expenses rose as part of the development in revenue. At € 4.0 million, EBITDA stood slightly below the level of the previous year.

In **Antalya** the opening of a second international terminal led to a drop in passenger numbers of 87.7%. Consequently, revenue fell by 81.9% to € 1.9 million. EBITDA stood at € – 2.1 million in comparison with € 5.9 million in the previous year. Since October 2005 the company has been fully consolidated, while in the first quarter of 2005 it was consolidated with a rate of 50%.

The continuingly positive passenger and cargo volume in **Frankfurt-Hahn** led to a 15.7% increase in revenue to € 9.6 million in the first three months of 2006. Operating expenses grew more slowly than revenue thanks to cost-cutting measures as well as decreased other taxes, so that the EBITDA improved from last year's level of € – 5.2 million to € 2.2 million.

Hannover-Langenhagen and Lima airports and their operating companies are accounted for using the equity method.

Revenue in **Hanover** increased because of positive passenger growth and the introduction of a security charge, as well as the altered allocation of revenue from the 100 percent subsidiaries of Hannover-Langenhagen Airport by 13.9% to € 30.4 million. The latter and the strong onset of winter at the beginning of the financial year led to increased expenses, so that EBITDA fell by € 0.3 million to € 5.3 million.

Revenue and results in **Lima** developed positively against the background of the increased volume of traffic. Revenue rose by 24.1% to € 19.6 million, while EBITDA exceeded the previous year's figures by 32.4% with € 4.5 million. In addition to the positive development of traffic, the main reason for the rise in revenue and EBITDA was an increase in airport charges in 2006.

Employees

In the period under review the number of people employed by the Fraport Group rose by 9.1% to an average of 26,989. In this period an average of 17,118 people were employed in Frankfurt, 7.7% more than in the previous year.

	Q1 2005	Q1 2006	Change in %
Fraport Group	24,737	26,989	9.1
of which in Frankfurt	15,896	17,118	7.7
Investments	12,497	14,982	19.9
of which ICTS	10,038	11,816	17.7

In comparison with the employee figures published for the same quarter in the previous year, the calculation was changed to a segment-by-segment basis. Up until December 31, 2005, temporary staff and students were assigned to the segments on a flat basis. Since January 1, 2006 they are recorded directly under the relevant areas. The resulting change in employee numbers in comparison with the same quarter in the previous year is shown in the table.

Segment	Q1 2005 *Accounting to 2005*	Q1 2005 *Accounting from 2006*	Q1 2006	Change *in %*
Aviation	3,508	3,327	3,250	– 2.3
Retail & Properties	3,035	2,955	2,866	– 3.0
Ground Handling	6,918	7,180	7,655	6.6
External Activities	11,276	11,275	13,218	17.2

The increase in employee numbers in the Group mainly took place in the External Activities segment, where the number of employees grew significantly since the previous year. The reason for this was the expansion of the business of ICTS Europe, which specializes in security services. Due to training measures in preparation for the summer peak in flight traffic the employee numbers in the Ground Handling segment rose significantly in comparison with the previous year. The number of employees in the Retail & Properties segment fell because of the outsourcing of the computer center to July 1, 2005 and due to the decision to not replace any fluctuation of staff in Facility Management. Staff numbers in the Aviation segment fell as well.

The figures quoted do not include 308 apprentices – 16 more than in the same period last year – or employees exempted from their normal duties to carry out special assignments. The number of employees in joint ventures corresponds to the interest held.

Order situation

The summer flight schedule for 2006, which is valid from March 26 to October 28, 2006, lists 129 passenger-carrying airlines with 304 destinations in 112 countries. An average of 4,625 departures per week are expected, 2.1% more than in the 2005 summer flight schedule. Once again the growth is evident in intercontinental traffic.

Executive Board and organization

The main aim of the organizational structure at Fraport AG is to structure the business in an efficient way and to strengthen direct, operating management by the Board. Every member of the Executive Board bears responsibility for reporting for one segment of the Group. Allocation is shown in the following graphic.

*Fraport structure with effect from August 1, 2005 **

Dr Wilhelm Bender Chairman	Prof Manfred Schölch Vice Chairman	Herbert Mai	Dr Stefan Schulte
Ground Services	Traffic and Terminal management, Airport expansion, Security	Retail & Properties	
Marketing, strategy, boards and commitees	Legal affairs	Human resources	Real estate and facility management
Corporate communications			Information and tele-communications
Central purchasing, construction contracts			Global investments and management
			Controlling, finance, accounting
Ground Handling	Aviation	Retail & Properties	External Activities

** Excluding staff departments*

The Annual General Meeting of Fraport AG will decide on two new appointments to the Supervisory Board on May 31, 2006. In addition to former State Secretary Ralf Nagel, who retired on conclusion of the Supervisory Board meeting on March 27, 2006, the representative of the German Ministry for Finance, the Assistant State Secretary Dr Jürgen Siewert will also withdraw from the twenty-strong committee at the end of the General Annual Meeting.

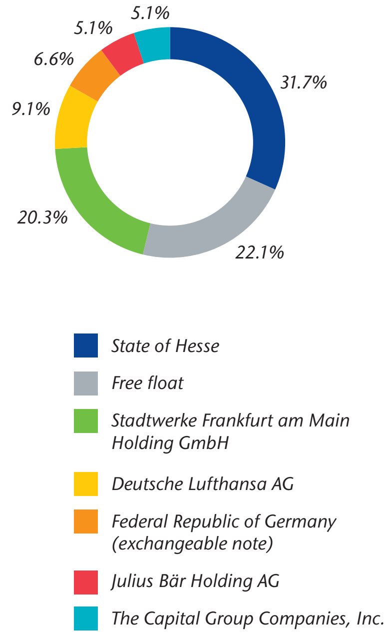
Significant events after the balance sheet date

On April 4, 2006 the Government of India and the Delhi International Airport Private Limited (DIAL) operating company signed a 30-year operation, management and development agreement. As the airport operator in this consortium, Fraport holds 10% of shares in DIAL. Airport operations in Delhi (IGIA Indira Gandhi International Airport) are to be taken over by July 2006 at the latest.

On April 13, The Capital Group Companies, Inc., an American fund, announced that by buying 5.1% of Fraport shares on April 6, 2006, it had exceeded the 5% threshold above which shareholdings must be reported. This means that the free float portion is now at 22.1%.

At the end of April 2006, we agreed with the Turkish airport authority DHMI that more airlines will be moved into Terminal 1, which is operated by Fraport, starting from April 27, 2006. A specially convened commission identified a capacity ratio of 40:60 (Terminal 1:Terminal 2) in March 2006. DHMI has also stipulated that this ratio is to be maintained on a yearly basis and that more frequent adjustments in the allocation of airlines would be possible.

Shareholder structure as at April 13, 2006



Changes in risks and opportunities

There were no significant changes to the risks and opportunities presented in the 2005 Annual Report. Details of the situation in relation to risks and opportunities as well as risk management at Fraport AG are contained on pages 64ff of the 2005 Annual Report.

Stock option plan

A new stock option plan – the "Fraport Management Stock Option Plan 2005" (Fraport MSOP 2005) was agreed at the Annual General Meeting of Fraport AG on June 1, 2005, replacing the old stock option plan. Among other things, the new stock option plan meets the requirements of the German Corporate Governance Code for the identification of variable remuneration of members of the Board of Fraport AG, members of executive management from investments and other selected managerial staff at Fraport AG and the investments.

Overall, the number of share options issued through both stock option plans at March 31, 2006 stood at 1,071,350. The current number of issued and still unused options under the 2001 stock option plan is 215,150. A total of 198,300 share options were issued for the Fraport MSOP 2005, of which 2,500 have expired and none of which could be exercised yet.

Treasury shares

Fraport AG held 109,728 of treasury shares on March 31, 2006. This is a decrease of 4,197 shares in comparison with the end of the 2005 financial year. These were issued as part of the compensation of the Executive Board.

Other financial commitments

There were no major changes in the other financial commitments by comparison with December 31, 2005.

Outlook

Airport expansion

The process of expanding Frankfurt Airport has taken another step forward. The hearing of the many objections to the project was concluded on March 27, 2006. The Darmstadt District President is currently drawing up a report on the hearing. As a consequence of the hearing we are expecting a number of requirements and additions to the zoning application. These include the already requested revision of traffic forecasts and, consequently, the impact forecasts. These requirements are the typical result of a hearing and are therefore not unusual. According to current opinion, it will be possible to satisfy these requirements and still meet the target schedule.
We expect the zoning decision for the expansion of the airport by the Hesse Ministry of Economics, Transportation and State Development in the second half of 2007.

A380 maintenance facility

The construction work involved in relocating the Okrifteler Straße in conjunction with the construction of the A380 hangar is proceeding according to plan, so that Lufthansa will be able to complete the maintenance hangar in good time. This means that it will be possible to maintain the A380 as soon as Lufthansa starts to station it in Frankfurt. In the meantime, the complaints against the project, aiming to overturn the zoning decision and to prevent the construction of the hangar were finally rejected. Likewise, the European Commission has halted nature conservation inspections for compliance with wild bird and flora and fauna habitat guidelines for this project.

FRA-North

More detailed plans for the measures required in the existing passenger facilities have become available in recent months. Top priority goes to the upgrading of the A380 passenger check-in facilities, the implementation of the requirement that passengers who have been checked in accordance with EU standards are kept physically separate from passengers who have not been screened in accordance with EU standards and the optimizing of the retail areas and terminal capacities.

The completion of the bridge structure at position E 4 in Terminal 2 means that the first A380 position will be available at the end of June 2006, so that passengers will be able to board and disembark using three bridges.

The reopening of the altered Shopping Avenue, one of the two central marketplaces in Terminal 1, marked an important step in retail development in January. The Shopping Boulevard is to reopen in May 2006.

Business prospects

The economic outlook for 2006 remains positive at the end of the first quarter. It is expected that the first six months will be characterized by strong growth in the global economy, which will support German exports. The forecasts for growth in the various gross domestic products contained in the 2005 Annual Report have not changed.

Growth in gross domestic product in %

Germany	1.7	Japan	2.5
EU member states	2.3	India	7.3
USA	3.5	China	8.5

The world trade volume, a key indicator for the development of airfreight, will increase by up to 8.5% in 2006 – roughly what was expected at the end of 2005.

Against the background of business development in the first three months of 2006, we are holding on to our forecast in the Annual Report for 2005.

Passenger numbers

Despite negative growth in the first quarter, we still expect an increase in passenger volume at Frankfurt Airport for 2006 as a whole. The flight plan conference showed continuing demand for slots and the summer season saw a slight increase in technical runway capacity. The disproportionate growth in intercontinental traffic is set to continue, something that is important for Frankfurt's development as a hub for international air travel. Airfreight looks set to continue to develop positively.

According to our estimates, the number of passengers handled by the whole Group should be greater than in the previous year. The negative base effect in Antalya came to an end with the winter schedule in March 2006 and we expect traffic to be divided more favorably, which should lead to growth. Furthermore, the end of the concession has been pushed back from July 2007 to September 2007.

Our airports in Frankfurt-Hahn and Hanover should benefit from growth in the low-cost market. From October 2006 onwards, Ryanair will station two additional aircraft at Hahn and will offer nine new destinations. Because of increasing intercontinental traffic, we also expect passenger numbers to increase at our airport in Lima. Positive development in airfreight is also expected throughout the Group.

Group segments

We continue to hold on to the forecasts contained in the 2005 Annual Report for the development and results of the various Group segments.

In the coming three quarters it is also expected that the Aviation segment will continue to more than compensate for the loss of revenue from military traffic through increases in traffic and the average rise in airport charges in Frankfurt and the additional security charges. However, the latter charges and the costs from additional security requirements that cannot be passed on in full to the airlines mean that the results in this segment will probably not be higher than last year.

The contrary developments on the revenue side in the Retail & Properties segment – increases due to the expansion in retail business, fall-off due to the reduced sale of supply services – will continue. The planned demolition of several buildings means that the capital expenditure is set to increase, while revenue will drop off at the same time. In conjunction with a slight decrease in depreciation and amortization, we expect an overall segment result slightly above last year's levels.

Despite the positive development of the relevant traffic, it is expected that there will be a slight fall-off in revenue in the Ground Handling segment in comparison with the previous year due to price concessions and slight losses of market share. The segment should achieve high results, but these will probably not equal the record margins achieved in the previous year.

The key investments outside Frankfurt look set to develop positively in 2006. Accordingly, we expect that the External Activities segment will increase in terms of revenue and segment results.

Group key figures for 2006

We are expecting Group revenue to increase in 2006. Our response to the negative factors outlined in the segment presentation is to maintain strict cost management.

As part of the "WM 2005" program, we should achieve the full target of at least € 150 million on EBITDA basis in 2006. With the agreement of demand-based, flexible working hours in 2005, the second package of measures associated with the "We are making Fraport Fit" project begun in 2005 is now pending, relating to the collective agreement issues .

In order to continue to ensure the competitiveness of Fraport, we aim to continue the tradition of successful efficiency programs with the new "Focus Competition" project. Working in collaboration with corporate consultants Arthur D. Little and the participating specialist areas of Flight and Terminal Operations, IT and Facility Management, we aim to optimize the quality of internal structures and processes – in particular administration, deployment and planning activities. Initial results in relation to the scope of possible savings should be available by August of this year.

The economy measures that have been arranged should compensate for the negative factors outlined above to a large extent in 2006, so that we are working on the assumption that total EBITDA will be increasing within the framework of a positive development in traffic. In view of the positive development of our minority investments, the profit for the year should increase even more strongly than EBITDA in 2006.

Preview 2007

The relevant surveys of the industry assume that global air traffic will be increasing in the coming years, too. This should also be the case at our Group airports, taking the capacity limitations at Frankfurt Airport into account as well. As for Antalya, it should be mentioned that the existing concession contract will be expiring in mid-2007.

The 2006 trends in the Aviation segment will be continuing; the existing contract about airport fees expires in 2006 and therefore needs to be concluded again for the period after this.
The earnings margin in the Ground Handling segment should stabilize at a high level, i.e. the price concessions to customers and the effects of the economy measures should roughly cancel each other out.

Retail & Properties should benefit from a further increase in the retail space and retail revenue. Positive development is expected in external business from a current perspective. However, new investments and the increasing or decreasing of existing investments could have a major impact.

Group Interim Report as at March 31, 2006

Consolidated income statement

€ million	Q1 2005	Q1 2006
Revenue	**480.9**	**487.4**
Change in work-in-process	0.0	0.0
Other internal work capitalized	4.1	4.1
Other operating income	6.6	13.1
Total revenue	**491.6**	**504.6**
Cost of materials	– 77.0	– 84.6
Personnel expenses	– 252.4	– 262.1
Other operating expenses	– 55.1	– 48.4
EBITDA	**107.1**	**109.5**
Depreciation and amortization of tangible and intangible non-current assets and investment property	– 50.3	– 54.8
EBIT/Operating profit	**56.8**	**54.7**
Interest result	– 5.8	– 7.3
Share of the profit or loss of investments accounted for using the equity method	0.2	– 1.3
Income from investments	1.7	0.0
Write-downs of financial assets	0.0	0.0
Other financial result	– 2.5	1.5
Financial result	**– 6.4**	**– 7.1**
EBT/Result from ordinary operations	**50.4**	**47.6**
Taxes on income	– 23.0	– 20.1
Group profit	**27.4**	**27.5**
Profit attributable to equity holders of Fraport AG	27.7	27.7
Profit or loss attributable to minority interests	– 0.3	0.2
Earnings per € 10 share in € (basic)	**0.31**	**0.30**
Earnings per € 10 share in € (diluted)	**0.30**	**0.30**

The identification of other taxes and the balancing and identification of shares in consolidated trading partnerships were changed (see notes). The figures from the previous year were adjusted for comparison purposes.

Consolidated balance sheet

Assets

€ million	Balance at Dec. 31,2005	Balance at Mar. 31, 2006
Non-current assets		
Goodwill	108.3	107.3
Other intangible assets	50.2	47.9
Property, plant and equipment	2,587.3	2,567.6
Investment property	37.4	37.4
Investments accounted for using the equity method	53.6	52.5
Other financial assets	209.5	228.1
Other receivables and other assets	33.2	26.8
Deferred tax assets	19.3	17.8
	3,098.8	**3,085.4**
Current assets		
Inventories	14.4	11.9
Trade accounts receivable	190.0	159.6
Other receivables and other assets	71.5	306.7
Cash an cash equivalents	574.2	345.5
Non-current assets held for sale	2.7	45.4
	852.8	**869.1**
	3,951.6	**3,954.5**

Liabilities & Equity

€ million	Balance at Dec. 31,2005	Balance at Mar. 31, 2006
Shareholders' equity		
Issued capital	910.7	910.9
Capital reserves	550.5	551.0
Revenue reserves	599.2	603.3
Group retained earnings	82.1	82.1
Group result Jan. 1 – Mar. 31, 2006	–	27.7
Issued capital and reserve attributable to equity holders of Fraport AG	2,142.5	2,175.0
Minority interests, presented within equity(net)	15.4	19.6
	2,157.9	**2,194.6**
Non-current liabilities		
Financial liabilities	622.4	616.3
Other liabilities	115.4	106.4
Deferred tax liabilities	112.2	116.2
Provisions for pensions and similar obligations	21.4	21.3
Provisions for income taxes	167.0	159.0
Other provisions and accruals	112.1	108.1
	1,150.5	**1,127.3**
Current liabilities		
Financial liabilities	140.1	108.3
Trade accounts payable	173.3	123.0
Other liabilities	105.1	145.1
Provisions for income taxes	18.5	14.3
Other provisions	206.2	207.1
	643.2	**597.8**
Liabilities associated with the assets held for sale		34.8
	643.2	**632.6**
	3,951.6	**3,954.5**

The identification of other taxes and the balancing and identification of shares in consolidated trading partnerships were changed (see notes). The figures from the previous year were adjusted for comparison purposes.

Consolidated cash flow statement

€ million	Q1 2005	Q1 2006	2005
Profit attributable to equity holders of Fraport AG	**27.7**	**27.7**	**161.2**
Taxes on income	23.0	20.1	123.9
Profit attributable to minority interests	– 0.1	0.2	0.3
Adjustments for:			
Depreciation/write-ups (non-current assets)	50.3	54.8	241.3
Interest results	5.8	7.3	23.1
Income from investments	– 1.7	0.0	– 6.3
Gains/losses from disposals of non-current assets	– 0.1	1.1	4.7
Unrealized foreign currency results	2.7	–1.0	8.0
Changes in investments accounted for using the equity method	– 0.2	2.7	– 6.7
Changes in inventories	– 0.4	2.5	– 2.3
Changes in receivables and other assets	– 36.4	30.8	– 12.1
Changes in provisions	19.9	– 1.8	51.5
Changes in liabilities (w/o financial liabilities and provisions)	33.3	– 6.7	66.9
Restructuring for assets groups held for sale (including liabilities)	–	– 4.3	–
Operational activities	*123.8*	*133.4*	*653.5*
Financial activities			
Interest paid	– 9.7	– 10.4	– 40.1
Interest received	3.9	3.1	17.0
Dividends received	1.7	0.0	6.3
Taxes on income paid	– 32.0	– 29.7	– 143.0
Cash flow from operating activities	**87.7**	**96.4**	**493.7**
Capital expenditure for intangible assets	– 3.4	– 0.6	– 9.3
Capital expenditure for property, plant and equipment	– 69.4	– 75.8	– 426.1
Capital expenditure for investment accounted for using the equity method	–	–	–
Investment property	– 20.7	–	– 32.8
Changes in consolidation	–	–	– 11.4
Acquisition of subsidiaries	–	–	– 2.5
Disposal of subsidiaries	–	–	0.8
Other financial investments (long-term)	– 50.0	– 20.8	– 191.7
Other financial investments (short-term)	–	– 225.0	–
Proceeds from disposal of non-current assets	5.0	–	32.0
Cash flow used in investing activities	**– 138.5**	**– 322.2**	**– 618.2**
Dividends paid to shareholders of Fraport AG	– 0.6	– 0.0	– 67.9
Dividends paid to minority shareholders	–	–	– 1.2
Capital increase	1.2	4.2	20.8
Change in financial liabilities	5.4	– 7.1	94.5
Cash inflow/outflow used in financing activities	**6.0**	**– 2.9**	**46.2**
Changes in consolidation	–	–	– 11.4
Foreign currency translation effect on cash and cash equivalents	– 0.3	0.0	– 2.5
Change in cash and cash equivalents	**– 45.1**	**– 228.7**	**– 92.2**
Cash and cash equivalents at Jan. 1	666.4	574.2	666.4
Cash and cash equivalents at Mar. 31 resp. Dec. 31	**621.3**	**345.5**	**574.2**

The identification of other taxes and the balancing and identification of shares in consolidated trading partnerships were changed (see notes). The figures from the previous year were adjusted for comparison purposes.

Movements in consolidated shareholders' equity

€ million	Issued capital	Capital reserves	Revenue reserves: Legal reserves	Revenue reserves: Revenue reserves	Revenue reserves: Foreign currency reserves	Revenue reserves: Revaluation reserves	Group retained earnings	Profit attributable to equity holders of Fraport AG	Profit attributable to minority interests	Total
Balance at Jan. 1, 2005	**905.1**	**539.3**	**36.5**	**499.7**	**–14.6**	**–3.2**	**68.0**	**2,030.8**	**10.8**	**2,041.6**
Foreign currency translation differences	–	–	–	–	3.3	–	–	3.3	–	3.3
Fair value of financial assets held for sale	–	–	–	–	–	–0.2	–	–0.2	–	–0.2
Fair value changes of derivatives	–	–	–	–	–	–0.5	–	–0.5	–	–0.5
Net gain(+)/Net costs (–) directly included in equity	0.0	0.0	0.0	0.0	3.3	–0.7	0.0	2.6	0.0	2.6
Capital increase against deposits	0.5	0.7	–	–	–	–	–	1.2	–	1.2
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Distribution	–	–	–	–	–	–	–	0.0	–0.6	–0.6
Group profit Jan. 1 – Mar. 31, 2005	–	–	–		–	–	27.7	27.7	–0.3	27.4
Share options	–	0.2	–		–	–	–	0.2	–	0.2
Consolidation activity/ other changes	–	–	–		–	–0.7	–	–0.7	–0.7	–1.4
Balance at Mar. 31, 2005	**905.7**	**540.3**	**36.5**	**499.7**	**–11.3**	**–4.6**	**95.7**	**2,062.0**	**9.2**	**2,071.2**
Balance at Jan. 1, 2006	**910.7**	**550.5**	**36.5**	**577.8**	**–7.8**	**–7.3**	**82.1**	**2,142.5**	**15.4**	**2,157.9**
Foreign currency translation differences	–	–	–	–	–1.2	–	–	–1.2	–	–1.2
Fair value of financial assets held for sale	–	–	–	–	–	0.1	–	0.1	–	0.1
Fair value changes of derivatives	–	–	–	–	–	5.4		5.4	0.4	5.8
Net gain(+)/Net costs (–) directly included in equity	0.0	0.0	0.0	0.0	–1.2	5.5	0.0	4.3	0.4	4.7
Capital increase Frankfurt-Hahn Airport	–	–	–	–	–	–	–	0.0	4.0	4.0
Issue of shares for employee investment plan	–	–	–	–	–	–	–	0.0	–	0.0
Transfer of treasury shares	0.1	0.1	–	–	–	–	–	0.2	–	0.2
Management stock option plan		–	–	–	–	–	–	0.0	–	0.0
– Capital increase for exercise of options	0.1	0.1	–	–	–	–	–	0.2	–	0.2
– Value of performed services	–	0.3	–	–	–	–	–	0.3	–	0.3
Distribution	–	–	–	–	–	–		0.0		0.0
Group profit Jan. 1 – Mar. 31, 2006	–	–	–		–	–	27.7	27.7	–0.2	27.5
Consolidation activity/ other changes	–	–	–	–0.2	–	–	–	–0.2	–	–0.2
Balance at Mar. 31, 2006	**910.9**	**551.0**	**36.5**	**577.6**	**–9.0**	**–1.8**	**109.8**	**2,175.0**	**19.6**	**2,194.6**

The identification of other taxes and the balancing and identification of shares in consolidated trading partnerships were changed (see notes). The figures from the previous year were adjusted for comparison purposes.

Segment reporting

€ million	Q1	Aviation	Retail & Properties	Ground Handling	External Activities	Group
Revenue	2006	159.0	91.4	147.1	89.9	487.4
	2005	154.1	92.5	147.3	87.0	480.9
Personnel expenses	2006	44.2	40.2	87.7	90.0	262.1
	2005	45.4	41.5	87.8	77.7	252.4
EBITDA	2006	26.7	74.6	7.5	0.7	109.5
	2005	30.9	67.5	10.0	– 1.3	107.1
Depreciation and amortization	2006	19.4	21.7	5.5	8.2	54.8
	2005	12.7	24.4	5.2	8.0	50.3
EBIT	2006	7.3	52.9	2.0	– 7.5	54.7
	2005	18.2	43.4	4.8	– 9.3	56.8

The identification of other taxes and the balancing and identification of shares in consolidated trading partnerships were changed (see notes). The figures from the previous year were adjusted for comparison purposes.

Consolidated income statement, quarterly overview

€ million	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006
Revenue	**480.9**	**521.4**	**560.3**	**527.2**	**487.4**
Change in work-in process	0.0	0.0	0.0	0.1	0.0
Other internal work capitalized	4.1	4.6	5.6	6.3	4.1
Other operating income	6.6	7.0	4.3	13.3	13.1
Total revenue	**491.6**	**533.0**	**570.2**	**546.9**	**504.6**
Cost of materials	– 77.0	– 75.9	– 82.6	– 98.1	– 84.6
Personnel expenses	– 252.4	– 260.0	– 254.0	– 266.1	– 262.1
Other operating expenses	– 55.1	– 46.7	– 52.3	– 79.0	– 48.4
EBITDA	**107.1**	**150.4**	**181.3**	**103.7**	**109.5**
Depreciation and amortization of tangible and intangible non-current assets and investment property	– 50.3	– 55.3	– 64.8	– 65.5	– 54.8
EBIT/Operating profit	**56.8**	**95.1**	**116.5**	**38.2**	**54.7**
Interest result	– 5.8	– 6.8	– 8.3	– 2.2	– 7.3
Share of the profit/loss of investments accounted for using the equity method	0.2	2.0	2.7	3.3	– 1.3
Income from investments	1.7	1.0	2.9	0.7	0.0
Write-downs of financial assets	0.0	– 1.1	– 0.2	0.0	0.0
Other financial results	– 2.5	– 8.2	1.2	– 1.8	1.5
Financial result	**– 6.4**	**– 13.1**	**– 1.7**	**0.0**	**– 7.1**
EBT/Result from ordinary operations	**50.4**	**82.0**	**114.8**	**38.2**	**47.6**
Taxes on income	– 23.0	– 36.8	– 52.1	– 12.0	– 20.1
Group profit	**27.4**	**45.2**	**62.7**	**26.2**	**27.5**
Profit attributable to equity holders of Fraport AG	27.7	45.1	62.1	26.3	27.7
Profit attributable to minority shareholders	– 0.3	0.1	0.6	– 0.1	– 0.2

The identification of other taxes and the balancing and identification of shares in consolidated trading partnerships were changed (see notes). The figures from the previous year were adjusted for comparison purposes.

Notes

Accounting policies

Since January 1, 2006, other taxes are included in the other operating expenses within the operating result. In the first quarter of 2006 other taxes amounted to € 1.7 million, compared to € 3.1 million in the previous year. The figures from the previous year have been adjusted for comparison purposes. The effects of the change of presenting other taxes are recognized in the operating result. The EBIT and EBITDA key figures are shown in the following overview:

€ million	**Q1 2005**	**Q1 2005 adjusted**	**Q1 2006**
Other operating expenses	52.0	55.1	48.4
EBITDA	110.2	107.1	109.5
EBIT	59.9	56.8	54.7
Result from ordinary operations	53.7	50.4	47.6

In line with IFRIC 2, the recognition and presentation of shares in consolidated partnerships were changed in the Fraport Group Financial Statements as of December 31, 2005. Because of the change of showing minority interests in shareholders' equity, the relevant amounts in the Group Interim Report as of March 31, 2005 were apportioned to liabilities in the case of the minority interests in shareholders' capital of € 1.7 million and to the financial result in the case of the minority interests in the results of € 0.2 million.

Because of the plan to sell shares to TCR, the consolidated assets and liabilities were presented in accordance with IFRS 5 and shown under the "Non-current assets held for sale" and the "Liabilities directly associated with non-current assets classified as held for sale".

This Interim Report as of March 31, 2006 for the Fraport Group was produced in accordance with IAS 34 which is in compliance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC). All official bulletins of the IASB with mandatory application from January 1 onwards have been taken into account. Changes are indicated below.

IFRIC 4 "Determining whether an Arrangement contains a Lease" was published on December 2, 2004. It defines conditions under which a contractual agreement, such as service and outsourcing agreements, shall be treated as leases in accordance with IAS 17. IFRIC 4 applies to financial years beginning on or after January 1, 2006. The application of the interpretations has no significant effect on the assets, liabilities and result of the Fraport Group.

IFRIC 5 "Rights to interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds" was published on December 16, 2005. IFRIC 5 deals with the accounting of interests in funds in which the businesses responsible for decommissioning or rehabilitation accumulate assets in order to finance subsequent expenditure from the fund. IFRIC 5 applies to financial years beginning on or after January 1, 2006. The application of the interpretations has no significant effect on the situation of the Fraport Group in relation to assets, finances and results.

The revision of IAS 19 was published on December 16, 2004. A further method of accounting was introduced which deals with the recognition of actuarial gains and losses. Actuarial gains and losses can now be included in equity immediately without affecting net income. Actuarial gains and losses are immediately recognized as expense in the Fraport Group in accordance with the method of accounting set out in IAS 19.92 in conjunction with IAS 19.93.

The IASB published IFRS 7 "Financial Instruments; Disclosures" on August 18, 2005. IFRS 7 replaces IAS 30 and parts of IAS 32 and redefines disclosure requirements for financial instruments. The standard should be applied by businesses from all sectors, where the extent of reporting required depends on the intensity of use of financial instruments and its contribution to risk. IFRS 7 applies to financial years beginning on or after January 1, 2006, although earlier application is encouraged. We have not yet applied IFRS 7.

IASB published the following changes to IAS 39: "Currency risk for internal transactions within a consolidated Group" on April 14, 2005, "Fair Value Option" on June 16, 2005 and "Financial Guarantees" on August 18, 2005. The changes from August 18, 2005 relate to IAS 39 and IFRS 4 and require that liabilities as part of financial guarantees should be recognized as liability in the financial statements of the company with the liability. The changes to IAS 39 apply to financial years beginning on or after January 1, 2006. The application of the revised standard will have no significant impact on the assets, liabilities and result of the Fraport Group.

The IFRIC published interpretation IFRIC 8 "Area of application of IFRS 2" on January 12, 2006. IFRIC 8 clarifies that IFRS 2 shall be applied to agreements in which an entity makes share-based payments for apparently nil or an inadequate consideration. IFRIC applies to financial years beginning on or after May 1, 2006. The application of IFRIC 8 will have no significant impact on the assets, liabilities and result of the Fraport Group.

IFRIC 9 "Re-assessment of Embedded Derivatives" was published on March 1, 2006. IAS 39 "Financial Instruments: Recognition and Measurement" requires that a business should check whether a contract contains an embedded derivative that should be separated from the main contract and recognized as a separate derivative.

IFRIC 9 looks at the question of whether, according to IAS 39, such a measurement is only necessary if the company becomes a party in the structured contract or for the whole term of the contract. IFRIC 9 applies to financial years beginning on or after January 1, 2006. The application of IFRIC 9 will have no significant impact on the assets, liabilities and result of the Fraport Group.

With effect from January 1, 2006, the principles of accounting in hyperinflationary economies (IAS 29) no longer apply to Antalya, our company in Turkey. The criteria for classifying Turkey as a hyperinflationary economy no longer apply in the financial year. The currency conversion for the interim financial statement of Antalya is carried out in accordance with IAS 21, i.e. in line with the concept of functional currency. This did not have any major impact on assets or earnings.

This interim report also meets the requirements of German Accounting Standard DRS 6 for the production of interim reports approved by the German Standards Council (DSR) and published by the German Ministry for Justice (BMJ) on February 13, 2001.

Consolidated companies

There have been no changes to the consolidated companies belonging to the Fraport consolidated Group since December 31, 2005.

Explanatory notes about selected balance sheet and income statement items

Interest results

€ million	Q1 2005	Q1 2006
Interest income	3.9	3.1
Interest expenses	– 9.7	– 10.4
	– 5.8	**– 7.3**

Income from investments

€ million	Q1 2005	Q1 2006
Ineuropa Handling UTE	1.7	0.0
	1.7	**0.0**

Share of profit/loss of investments accounted for using the equity method

€ million	Q1 2005	Q1 2006
Flughafen Hannover-Langenhagen GmbH	– 0.7	– 0.6
LAP Lima Airport Partners S. R. L.	0.6	0.0
ACF Airmail Center Frankfurt GmbH	0.0	0.0
ASG Airport Service Gesellschaft mbH	0.3	0.1
Portway-Handling de Portugal S. A.	0.0	0.0
Grundstücksgesellschaft Gateway Gardens GmbH	0.0	– 0.7
Tradeport Hong Kong Ltd.	0.0	– 0.1
	0.2	**– 1.3**

Other financial results

€ million	Q1 2005	Q1 2006
Income		
Income from securities and loans	0.6	1.5
Foreign currency gains	0.0	1.3
Valuation of derivatives	0,0	0.6
	0.6	**3.4**
Expenses		
Foreign currency losses	– 2.6	– 0.3
Valuation of derivatives	– 0.3	0.0
Minority shareholders' share of GCS	– 0.2	– 0.2
Fair valuation for securities of financial assets	0.0	– 1.4
	– 3,1	**– 1.9**
	– 2.5	**1.5**

Frankfurt am Main, May 10, 2006
Fraport AG
Frankfurt Airport Services Worldwide
The Executive Board

Dr Bender Prof Schölch Mai Dr Schulte

Financial Calendar

May 31, 2006	Annual General Meeting
August 8, 2006	Interim report 2nd quarter 2006
November 7, 2006	Interim report 3rd quarter 2006

Contacts

Fraport AG
Frankfurt Airport Services Worldwide
60547 Frankfurt am Main
Germany

Telephone: 01805 3724636 or 01805-FRAINFO
From outside Germany: +49 69 690-0
Internet: www.fraport.com

Investor Relations
Telephone : +49 69 690-74842
Fax: +49 69 690-74843
E-Mail: investor.relations@fraport.de

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