

November 3, 2016

Overview by the Executive Board

In the first nine months of fiscal year 2016, passenger traffic slightly decreased (–1.2%) at the Frankfurt site. Following a growth in passenger numbers in the first quarter (+3.3%), various terrorist attacks in Europe and weather-related restrictions led to a significant drop in passenger numbers in the second quarter (–4.1%), which lessened slightly in the third quarter of 2016 (–1.8%). Passenger development was mixed at Group airports outside of Frankfurt.

Due to changes in the companies included in the consolidation resulting from the sale of the Group company Air-Transport IT Services and sales of shares in the Group company Fraport Cargo Services (FCS), Group revenue declined €7.6 million from the previous year's figure to €1,959.7 million. Adjusted for changes in the companies included in the consolidation, Group revenue increased by €45.4 million (+2.4%), also due to the positive development of the Group companies Lima and Twin Star.

With expenses nearly unchanged, Group EBITDA decreased by 1.7% to €676.7 million. Nearly unchanged depreciation and amortization led to a Group EBIT of €429.7 million. The decrease of the financial result had a negative effect on Group EBT of €350.7 million. Group result declined to €238.8 million (–€22.7 million).

Due to the lower operating cash flow of €500.5 million due to higher paid taxes and increased capital expenditure, the free cash flow declined by €79.2 million to €310.2 million. As at September 30, 2016, net financial debt was €2,583.4 million and the gearing ratio was 72.9% (values as at December 31, 2015: €2,774.3 and 83.8%, respectively).

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

The Executive Board has adjusted the forecast asset, financial and earnings position for 2016 to take into account the compensation payment connected to the Manila project and the sale of shares in the operating company of the Pulkovo airport in St. Petersburg mentioned in the "Significant Events After the Balance Sheet Date" as well as the business development to date.

Key figures

€ million	9M 2016	9M 2015	Change	in %
Revenue	1,959.7	1,967.3	–7.6	–0.4
EBITDA	676.7	688.5	–11.8	–1.7
EBIT	429.7	443.9	–14.2	–3.2
EBT	350.7	383.8	–33.1	–8.6
Group result	238.8	261.5	–22.7	–8.7
Earnings per share (basic) (€)	2.35	2.64	–0.29	–11.0
Operating cash flow	500.5	525.0	–24.5	–4.7
Free cash flow	310.2	389.4	–79.2	–20.3
Shareholders' equity	3,639.7	3,511.7 ¹	128.0	3.6
Liquidity	1,028.8	1,043.1 ¹	–14.3	–1.4
Net financial debt	2,583.4	2,774.3 ¹	–190.9	–0.7
Total assets	8,763.6	8,847.3 ¹	–83.7	–0.9
Average number of employees	20,467	20,836	–369	–1.8

€ million	Q3 2016	Q3 2015	Change	in %
Revenue	734.9	725.4	9.5	1.3
EBITDA	298.3	303.5	-5.2	-1.7
EBIT	215.1	222.0	-6.9	-3.1
EBT	204.9	231.6	-26.7	-11.5
Group result	139.1	158.5	-19.4	-12.2
Earnings per share (basic) (€)	1.35	1.58	-0.23	-14.6
Operating cash flow	242.9	248.4	-5.5	-2.2
Free cash flow	160.9	199.7	-38.8	-19.4
Average number of employees	20,754	21,125	-371	-1.8

¹ Figures as at December 31, 2015.

Note on Quarterly Figures

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

The companies included in the consolidation in the first nine months of 2016 differ from those in the same period in the previous year as follows in particular:

- Fraport sold its shares in the Group company Air-Transport IT Services on April 22, 2015. In the first nine months of 2015, the Group company generated revenue in the amount of €4.9 million, EBITDA of €0.3 million, EBIT of €0.1 million, and a result of €0.1 million.
- On November 2, 2015, Fraport also sold 51% of its capital shares in the Group company FCS. In the previous year's reporting period, the company generated revenue in the amount of €48.1 million, EBITDA of -€1.8 million, EBIT of -€3.0 million, and a result of -€3.4 million for the Fraport Group. On account of the sale of shares, FCS has since been consolidated as a joint venture under companies accounted for using the equity method. In the first nine months of 2016, FCS made a negative contribution of -€0.2 million to earnings on a pro rata basis.

Operating Performance

Changes in Traffic

Airport	Share in %	9M 2016		9M 2016		9M 2016	
		Passengers	%	Cargo	%	Movements	%
Frankfurt	100	46,696,478	-1.2	1,548,645	1.1	353,449	-1.4
Ljubljana	100	1,078,333	-5.0	7,557	2.0	25,118	-1.2
Lima	70.01	14,003,547	10.9	200,205	-6.0	131,870	7.6
Burgas	60	2,842,624	23.3	9,606	23.0	20,390	18.4
Varna	60	1,555,545	21.0	133	82.2	13,040	23.3
Antalya	51/50	15,125,546	-34.2	n.a.	n.a.	98,478	-29.8
St. Petersburg	35.5	10,184,548	-6.1	n.a.	n.a.	99,488	-8.1
Hanover	30	4,151,019	-0.8	14,058	11.2	58,692	1.5
Xi'an	24.5	27,574,531	11.3	167,398	8.5	215,792	8.0
Delhi	10	40,789,152	21.9	626,146	9.2	299,516	17.2

Airport	Share in %	Q3 2016		Q3 2016		Q3 2016	
		Passengers	%	Cargo	%	Movements	%
Frankfurt	100	18,026,982	-1.8	523,168	2.4	126,262	-1.9
Ljubljana	100	480,062	-5.7	2,551	2.7	10,012	1.0
Lima	70.01	5,057,081	10.8	77,699	-5.4	46,084	4.7
Burgas	60	2,158,470	22.7	3,084	17.6	14,359	18.1
Varna	60	1,055,808	19.5	39	43.4	7,935	21.3
Antalya	51/50	7,794,040	-37.3	n.a.	n.a.	48,638	-31.7
St. Petersburg	35.5	4,488,693	-5.7	n.a.	n.a.	39,325	-4.5
Hanover	30	1,709,950	-0.9	4,369	8.5	22,179	2.2
Xi'an	24.5	10,040,188	11.2	57,145	-2.2	76,727	6.8
Delhi	10	13,892,994	22.9	214,341	5.7	102,694	15.1

The global reluctance to book air travel due to latent threats of terror and geopolitical crises also led to a significant reduction in passenger numbers at the Frankfurt site in the second quarter; this trend weakened slightly in the third quarter of 2016. This resulted in a drop in passenger numbers of 1.2% from the previous year to just under 46.7 million passengers. In continental traffic, there was a shift of tourist flows from the eastern to the western Mediterranean. In intercontinental traffic, traffic to the Far East was weak over the course of the year. Cargo volume rose by 1.1% in the reporting period, driven by the revival of the global economy during the year.

Beyond Frankfurt, the airports in Varna and Burgas, Xi'an and Lima recorded strong passenger growth. Passenger development in Antalya and St. Petersburg was negative, in line with expectations. In Antalya, positive domestic traffic (+9.6%) was offset by a significant decline in routes outside of Turkey (-45.9%), particularly affecting the volume markets of Russia (-92.6%) and Germany (-29.7%). St. Petersburg also recorded a drop in international traffic (-15.7%), which was offset by slight growth within Russia (+1.2%). The Ljubljana airport continued to suffer from the closure of some of Adria Airways' routes and thus recorded a 5.0% decline in passenger numbers.

Financial Performance

The Group's Results of Operations

Revenue and total revenue

Due to changes in the companies included in the consolidation, Group revenue in the first nine months of 2016 was €7.6 million (-0.4%) below the previous year's figure, at €1,959.7 million. Adjusted for changes in the companies included in the consolidation from the sale of shares in FCS and the sale of Air-Transport IT Services, Group revenue increased by €45.4 million (+2.4%). Negative effects on revenue resulted both from declining passenger numbers at the Frankfurt site and from the loss of the tender to perform security services at Pier B. Revenue performance was affected positively by various factors, including more revenue from sales of land (9M 2016: €19.7 million compared to 9M 2015: €6.1 million). Beyond Frankfurt, the Group companies Lima, Twin Star, and AMU Holdings Inc. in particular contributed approximately €34 million to the growth in revenue. Group revenue included revenue of €15.1 million in connection with the application of IFRIC 12 (previous year: €10.2 million).

As a result of the €8.0 million gain realized on the sale of Air-Transport IT Services in the previous year's reporting period, other operating income decreased to €25.0 million (previous year: €30.1 million). Total revenue was €2,009.2 million (-0.5%).

Expenses

Operating expenses (cost of materials, personnel expenses, and other operating expenses) amounting to €1,332.5 million were €1.7 million higher than in the previous year. Adjusted for changes to the companies included in the consolidation, operating expenses were up by €56.5 million. Increased expenses were primarily due to increased concession fees, resulting from traffic volumes, from the Group company Lima (+€8.6 million) and higher expenses associated with increased revenue from sales of land (+€7.5 million) and in the service units at the Frankfurt site. Higher expenses were

also due to collective wage agreements for Fraport AG employees (+€12.7 million), higher maintenance costs in Frankfurt (+€7.7 million) and from marketing costs for the online shopping platform in Frankfurt of approximately €2.6 million.

EBITDA and EBIT

The slight decline of €11.8 million in Group EBITDA and of the EBITDA margin from 35.0% to 34.5% was due in particular to declining passenger numbers in Frankfurt coinciding with weaker retail business. Virtually unchanged depreciation and amortization led to a reduced Group EBIT of €429.7 million, down €14.2 million.

Financial result

The significant worsening of the negative financial result (from –€60.1 million to –€79.0 million) is due in particular to the significant decline in the development of the Group company Antalya, which is accounted for using the equity method, from the previous year, from €33.4 million to –€5.6 million (–€39.0 million). The lower interest expense resulting from lower gross debt and lower average interest rates had a positive effect on the financial result.

EBT, Group result, and EPS

The deterioration of the financial result led to a €33.1 million decline in EBT to €350.7 million. At an expected tax rate of 31.9% (previous year: 31.9%) and income tax expense of €111.9 million (previous year: €122.3 million) the Group result was €238.8 million (–€22.7 million or –8.7%). Correspondingly, this resulted in basic earnings per share of €2.35 (–€0.29).

Results of Operations for Segments

Segment	Revenue in € million			Personnel expenses in € million			EBITDA in € million			EBIT in € million		
	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %
Aviation	693.3	706.9	–1.9	237.7	234.1	1.5	192.4	201.7	–4.6	98.5	111.9	–12.0
Retail & Real Estate	370.9	356.8	4.0	37.9	36.3	4.4	281.9	286.1	–1.5	218.5	223.7	–2.3
Ground Handling	478.2	517.8	–7.6	310.3	325.7	–4.7	44.9	40.5	10.9	15.5	9.7	59.8
External Activities & Services	417.3	385.8	8.2	179.1	172.2	4.0	157.5	160.2	–1.7	97.2	98.6	–1.4

Segment	Revenue in € million			Personnel expenses in € million			EBITDA in € million			EBIT in € million		
	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %
Aviation	261.6	262.9	–0.5	79.0	75.8	4.2	96.7	99.3	–2.6	65.0	69.0	–5.8
Retail & Real Estate	131.0	123.7	5.9	12.4	11.6	6.9	99.6	102.2	–2.5	78.2	81.1	–3.6
Ground Handling	169.3	184.8	–8.4	99.6	104.8	–5.0	27.2	27.9	–2.5	17.2	18.3	–6.0
External Activities & Services	173.0	154.0	12.3	59.7	54.3	9.9	74.8	74.1	0.9	54.7	53.6	2.1

Aviation

In the first nine months of 2016, revenue in the Aviation segment decreased from €706.9 million to €693.3 million (–1.9%). Negative effects on revenue resulted both from declining passenger numbers at the Frankfurt site, as well as from the loss of the tender to perform security services at Pier B and lower revenue from the re-allocation of infrastructure costs. The non-recurrence of one-time effects in the previous year had the opposite effect. Virtually unchanged expenses led to segment EBITDA of €192.4 million (–4.6%). Due to slightly higher depreciation and amortization, segment EBIT dropped by €13.4 million to €98.5 million (–12.0%).

Retail & Real Estate

In the first nine months of 2016, revenue in the Retail & Real Estate segment increased from €356.8 million to €370.9 million (+4.0%). Revenue performance was affected positively by various factors, particularly higher revenue from sales of land (9M 2016: €19.7 million compared to 9M 2015: €6.1 million) and the changed presentation of rental income due to changes in the scope of consolidation of the Group company FCS (+€4.8 million). In addition, among others, the release of allowances on accounts receivable increased the other income in the segment (+€5.3 million).

Segment revenue was negatively affected primarily by weaker retail business (–€7.8 million) due to the decline in passenger numbers in Frankfurt, changes in the passenger mix and a lower average spend per passenger, which was due in part to exchange rate effects. Net retail revenue per passenger was €3.38 (previous year: €3.49). Reduced passenger numbers to China, Russia, and Japan were one of the causes of this decline. Passengers on these routes tend to spend more. The depreciation of various currencies against the euro, including the Chinese renminbi and the Russian ruble, also resulted in a decline in purchasing power for the respective nationalities. The significant depreciation of the euro against the Swiss franc created further incentives to buy in the eurozone in the previous year.

Higher expenses resulted from increased marketing costs for the online shopping platform of approximately €2.6 million, the allocation of infrastructure costs for the Aviation segment, and higher expenses associated with higher revenue from sales of land (+€7.5 million). EBITDA was down slightly by €4.2 million on the previous year, at €281.9 million (–1.5%). Virtually unchanged depreciation and amortization led to an EBIT of €218.5 million (–2.3%).

Ground Handling

In the reporting period, revenue from the Ground Handling segment was down €39.6 million on the previous year at €478.2 million (–7.6%), due in particular to the sale of shares in FCS. Adjusted for effects from the sale of shares, this segment saw growth in revenue of €8.5 million or 1.8%. The adjusted increase was caused by a number of factors, including a change in the presentation of personnel expenses as a result of changes in the scope of consolidation of the Group company FCS, as well as slightly higher revenue from infrastructure charges.

In spite of the drop in passenger numbers, the segment achieved EBITDA growth from €40.5 million to €44.9 million (+€4.4 million), due in particular to the lower personnel expenses and cost of materials associated with the sale of shares in FCS in the previous year. EBITDA increased by €2.6 million after adjustment for the direct negative contribution to EBITDA from FCS in 2015. Segment EBIT increased significantly by €5.8 million to €15.5 million. EBIT improved by €2.8 million in comparison with the previous year after adjustment for the direct negative contribution to EBIT from FCS.

External Activities & Services

In the first nine months of 2016, revenue in the External Activities & Services segment increased by €31.5 million to €417.3 million (+8.2%). Adjusted for the sale of shares in Air-Transport IT Services, the segment recorded an increase in revenue of €36.4 million or 9.6%. This growth in revenue was driven by the Group companies Lima (+€20.9 million), Twin Star (+€10.4 million), and AMU Holdings Inc. (+€2.3 million). Segment revenue included revenue of €15.1 million in connection with the application of IFRIC 12 (previous year: €10.2 million).

The gain of €8.0 million realized from the sale of Air Transport IT Services in the previous reporting period and increased expenses in the service units at the Frankfurt site led to a lower segment EBITDA of €157.5 million (–1.7%). Adjusted for changes to the companies included in the consolidation, EBITDA decreased by €2.4 million (–1.5%). At €97.2 million with slightly lower depreciation and amortization, the segment EBIT was €1.4 million below the level for the previous year (–1.4%). Adjusted for changes to the companies included in the consolidation, EBIT increased by €1.3 million (+1.3%).

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

Fully consolidated Group companies	Share in %	Revenue in € million ¹			EBITDA in € million			EBIT in € million			Result in € million		
		9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %
AMU Holdings Inc.	100	46.6	44.3	5.2	9.8	10.0	–2.0	3.7	3.8	–2.6	3.5	3.5	-
Ljubljana	100	27.0	26.7	1.1	11.2	10.9	2.8	3.5	3.4	2.9	3.6	2.9	24.1
Lima	70.01	224.5	203.6	10.3	82.4	74.4	10.8	69.4	61.2	13.4	39.9	32.7	22.0
Twin Star	60	59.9	49.5	21.0	39.5	32.2	22.7	30.8	23.8	29.4	23.9	17.1	39.8

Group companies accounted for using the equity method	Share in %	Revenue in € million ¹			EBITDA in € million			EBIT in € million			Result in € million		
		9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %	9M 2016	9M 2015	Δ %
		Antalya ²	51/50	141.9	250.3	-43.3	112.4	217.1	-48.2	39.0	143.8	-72.9	-11.1
Pulkovo/Thalita	35.5	143.8	180.8	-20.5	81.1	101.1	-19.8	56.0	72.1	-22.3	2.9	25.1	-88.4
Hanover	30	111.8	111.1	0.6	22.7	23.0	-1.3	7.7	8.0	-3.8	4.7	4.3	9.3
Xi'an ³	24.5	155.6	143.1	8.7	74.3	67.8	9.6	36.1	32.2	12.1	25.2	19.3	30.6

Fully consolidated Group companies	Share in %	Revenue in € million ¹			EBITDA in € million			EBIT in € million			Result in € million		
		Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %
		AMU Holdings Inc.	100	16.9	15.6	8.3	3.8	3.7	2.7	1.7	1.6	6.3	1.5
Ljubljana	100	10.7	10.7	-	5.5	5.3	3.8	3.0	2.8	7.1	3.1	2.3	34.8
Lima	70.01	81.6	72.3	12.9	29.7	27.0	10.0	25.3	22.7	11.5	15.8	13.0	21.5
Twin Star	60	43.4	36.1	20.2	31.0	26.4	17.4	28.1	23.7	18.6	24.2	20.4	18.6

Group companies accounted for using the equity method	Share in %	Revenue in € million ¹			EBITDA in € million			EBIT in € million			Result in € million		
		Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %	Q3 2016	Q3 2015	Δ %
		Antalya ²	51/50	78.0	142.6	-45.3	67.6	130.0	-47.9	43.4	105.6	-58.9	19.3
Pulkovo/Thalita	35.5	63.2	66.3	-4.7	42.0	45.6	-7.9	32.6	36.6	-10.9	3.6	-46.9	>100
Hanover	30	41.6	41.4	0.5	9.6	11.0	-12.7	4.6	6.0	-23.3	3.6	4.8	-25.0
Xi'an ³	24.5	54.2	51.1	6.1	25.6	23.9	7.1	13.0	11.6	12.1	10.0	7.5	33.3

1) Revenue adjusted by IFRIC 12: Lima 9M 2016: €209.4 million (9M 2015: €193.6 million (Q3 2016: €75.6 million (Q3 2015: €69.4 million).

Twin Star 9M 2016: €59.9 million (9M 2015: €49.3 million (Q3 2016: €43.4 million (Q3 2015: €36.0 million).

Pulkovo/Thalita 9M 2016: €143.8 million (9M 2015: €165.6 million (Q3 2016: €63.2 million (Q3 2015: €64.9 million).

2) Share of voting rights: 51%, Dividend share: 50%.

3) Figures according to the separate financial statement.

Asset and Capital Structure

In the first nine months of 2016, **total assets** declined slightly by €83.7 million to €8,763.6 million (-0.9%). **Non-current assets** were down €50.7 million as compared to December 31, 2015 (-0.8%) due to lower “receivables and financial assets” and a decline in “property, plant, and equipment”. **Current assets** increased by €27.3 million to €948.3 million (+3.0%) due mainly to higher cash and cash equivalents.

Shareholders' equity rose by €128.0 million from December 31, 2015 (+3.6%) to €3,639.7 million due to the positive result for the period. The **shareholders' equity ratio** was thus 40.4% (December 31, 2015: 37.4%). **Non-current liabilities** decreased by €50.2 million to €4,180.4 million (-1.2%) due in part to a decline in “other liabilities”, and **current liabilities** decreased from €1,105.0 million to €943.5 million (-14.6%) due in part to lower “financial liabilities”.

Gross debt decreased by €205.2 million compared to December 31, 2015 to €3,612.2 million. As a result of a smaller securities portfolio, **liquidity** decreased slightly by €14.3 million to €1,028.8 million. **Net financial debt** correspondingly fell by €190.9 million to €2,583.4 million and the **gearing ratio** stood at 72.9% (December 31, 2015: 83.8%).

Statement of Cash Flows

Cash flow from operating activities (operating cash flow) in the first nine months of 2016 was down €24.5 million on the previous year at €500.5 million (-4.7%). The main cause of the decline was a €51.7 million increase in payments for taxes on income.

In the reporting period, the **cash flow used in investing activities without investments in cash deposits and securities** rose in comparison with the previous year by €64.7 million to €188.6 million. This was mainly caused by greater cash flow for capital expenditure in property, plant, and equipment (+€50.8 million). The free cash flow fell by €79.2 million to €310.2 million due in part to the reduced operating cash flow (previous year: €389.4 million). Including investments in and proceeds from securities and promissory note loans as well as returns from time deposits with a term of more than three months, total **cash flow used in investing activities** was €152.0 million (previous year: cash inflow of €39.4 million).

As a result of taking up loans amounting to €295.0 million and repayments of financial liabilities amounting to €504.7 million, **cash flow used in financing activities** was €330.1 million (previous year: cash outflow of €409.7 million). Taking into account exchange rate fluctuations, Fraport held cash and cash equivalents according to the statement of cash flows of €245.6 million at the end of the reporting period (€84.3 million lower than the previous year's figure).

Events after the Balance Sheet Date

Compensation payments and sale of shares in the Manila project

In the first half of October 2016, Fraport AG received payments of approximately US\$270 million (approximately €240 million) from the project company PIATCO in connection with the terminal project in Manila. PIATCO had previously received compensation from the Philippine government in connection with the terminal project at the Manila airport due to a 2015 decision by the Supreme Court of the Philippines which became legally binding in 2016. In return, Fraport AG sold its shares in the project companies in the Philippines and asserts no further claims related to the expropriation of the terminal project in Manila. From the amount received, Fraport AG is required to pay up to approximately €40 million to the German government for the payment received in the 2008 fiscal year in connection with a federal guarantee for investments abroad (GKA). The remaining amount increases Group EBITDA, EBIT and EBT for the current fiscal year and, taking into account the taxes payable on income, will have a correspondingly positive effect on the Group's result. The report on the exact impact of the payments and the sale of the shares on the results and the risks to the Manila project reported in the consolidated financial statements for 2015 will be made after the legal and balance sheet audits in the consolidated financial statements for 2016.

Sale of shares in Thalita Trading Ltd.

On October 21, 2016, Fraport concluded the sale of approximately 10% of the shares in Thalita Trading Ltd. and approximately 10% of a loan made to Thalita Trading Ltd. to the Qatar Investment Authority. The sale results in a gain of approximately €35 million, the full amount of which has a positive impact on the Group's EBITDA, EBIT and EBT for the current fiscal year, and will have a corresponding positive effect on the Group result, taking into account tax effects. The remaining portion of 25% will continue to be accounted for in the consolidated financial statements using the equity method. Fraport AG will continue to retain its role as airport operator.

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

Report on Forecast Changes

Risk and Opportunities Report

The Fraport Group has a comprehensive, Group-wide risk and opportunities management system, which makes it possible for Fraport to identify and analyze risks at an early stage, and to control and limit those risks using appropriate measures, as well as to take advantage of opportunities. This results in the early identification of potential significant risks that could jeopardize the Fraport Group. Detailed information on the risk and opportunities management system and on the risk and opportunities situation can be found in the 2015 Annual Report beginning on page 75.

In the first nine months of 2016, the following material changes occurred compared to the information provided therein.

In the 2015 Group Management Report, Fraport reported on potential risks for the Antalya Group company resulting from terrorist attacks, political unrest and conflicts on the border between Iraq and Syria (see 2015 Annual Report, beginning on page 88). Moreover, potential negative effects from recent tensions between Russia and Turkey were described that resulted in Russia imposing sanctions and an associated suspension of charter traffic as at January 1, 2016. The latter risk, which was assessed as being "likely" to occur and resulting in a "very high" level of damage, had developed as at

March 31, 2016 such that an almost complete loss of Russian passengers was taken into account in the forecasted result for the Group company in 2016. Since Russia decided to lift sanctions against Turkey on June 30, 2016, it was expected that charter traffic from Russia to Turkey would resume, which would result in a slight recovery. However, the volume of Russian traffic will not recover to the degree expected in the second half of 2016, since the resumption of charter flights from Russia did not begin until September 2016, and in the fourth quarter there is less charter traffic for seasonal reasons.

As already reported in the first quarter of 2016, the worsening security situation in Turkey has in the recent past also given rise to the risk of additional negative development in other European passenger traffic. This then occurred later in the year. Despite the expected recovery in passenger volume over the period, passenger levels are likely to be well below past levels, which would have a “very significant” negative impact.

This could also have the result that complying with the obligations in the financing agreement between Antalya and the financing banks cannot be fully guaranteed. Fraport expects that the ongoing constructive dialog with all involved stakeholders will result in a solution. For this reason, Fraport considers the chance of this risk to be “possible” as regards financing. If the risk is in fact realized this could lead to “very high” negative consequences.

The geopolitical situation and signs of a general change in the market for air traffic on both the demand and the supply side, make future traffic development in Frankfurt more difficult to predict. In order to counteract these potential trends, the application for the increase of airport charges from 2017 that has been submitted includes more incentive programs for new airlines as well as new routes from Frankfurt, which serve to increase the market share of both low-cost airlines and network and intercontinental airlines. In the event of a consolidation of the weak transport development at the Frankfurt site over the period under review, this could lead to “very significant” negative effects.

Please see the comments on events after the balance sheet date on page 7 of this release concerning the development of the Manila issues described in the 2015 Group Management Report.

Business Outlook

Forecasted business development for 2016

Based on previous traffic development, the Executive Board – as reported previously as at June 30, 2016 – expects a slight downward trend in passenger traffic at the **Frankfurt** site (2015 Annual Report: passenger growth between approximately 1% and approximately 3%). Taking into account the positive utilization and market share development of **cargo tonnage** in the third quarter, the Executive Board expects cargo throughput at the Frankfurt site to be slightly above the previous year's level (2015 Annual Report: approximately at the level of 2015). The traffic outlook for key **Group companies outside Frankfurt** which was reported as at June 30, 2016 remains valid.

Forecasted results of operations for 2016

Due to the previous development in traffic in Frankfurt and at the consolidated airports, the Executive Board now expects **Group revenue** of up to approximately €2.6 billion (2015 Annual Report: Group revenue of up to approximately €2.65 billion). The compensation payment of approximately €240 million from the Manila project and the gain from the sale of shares in the operating company of Pulkovo Airport in St. Petersburg – Thalita Trading Ltd. – of approximately €35 million will increase the Group's **other income** by up to approximately €280 million. This will have an impact on **total revenue**, which will be up to approximately €2.9 billion.

In the fourth quarter of 2016, Fraport received the compensation payment of approximately €240 million mentioned above in connection with the Manila project. The GKA of up to approximately €40 million already received has to be repaid from this amount. Overall, the compensation payment of approximately €200 million as well as a gain of approximately €35 million from the sale of shares in the operating company of Pulkovo Airport will extraordinarily increase **Group EBITDA** significantly. Therefore the Executive Board expects Group EBITDA in a range from approximately €1,040 million up to approximately €1,080 million, this will also depend on operating and personnel management measures, which the Executive Board still has to decide on. Due to slightly higher depreciation and amortization, **Group EBIT** will be between approximately €700 million and up to approximately €740 million (2015 Annual Report: Group EBITDA between approximately €850 million and approximately €880 million, and Group EBIT between approximately €520 million and up to approximately €550 million).

Because the Group company Antalya is accounted for pro rata, the result of companies accounted for using the equity method will now be up to approximately €55 million lower than the previous year. As a result, the Executive Board expects

a decline in the **financial result** of up to €40 million (2015 Annual Report: Antalya with a negative effect of up to €30 million, financial result down by up to approximately €15 million).

Accordingly, **Group EBT** will be approximately €570 million up to about €610 million. The Executive Board assumes a **Group result** of approximately €400 million up to approximately €440 million (2015 Annual Report: depending on the development of the Group company Antalya – Group EBT between approximately €420 million and approximately €450 million, Group result approximately in line with the previous year's level or slightly higher).

Due to the aforementioned effects, **Group value added** will also change positively and be up to approximately €210 million. In line with the improvement of the value added, the **ROFRA** will also increase (2015 Annual Report: value added approximately in line with the previous year's level to approximately €30 million lower, ROFRA at the level of the 2015 fiscal year, or in line with the decline in value added).

Forecasted segment development for 2016

As in the forecast as at June 30, 2016, due to the slight decline in passenger development at the Frankfurt site the Executive Board expects – in contrast to the forecasts made in the 2015 Annual Report – significantly worse development in the **Aviation** segment of segment EBITDA (2015 Annual Report: slightly above the 2015 level) and segment EBIT (2015 Annual Report: slightly better development). Correspondingly, the segment value added will decline and will be appreciably below the previous year's level in negative territory (2015 Annual Report: slight improvement but still negative).

For the **Retail & Real Estate** segment, the Executive Board is maintaining its forecast for segment revenue, segment EBITDA and EBIT as well as the segment value added as described in the 2015 Annual Report.

In the **Ground Handling** segment, the Executive Board expects significantly better development of segment EBITDA and segment EBIT than in the 2015 Annual Report and as at June 30, 2016 (2015 Annual Report: figure slightly above the previous year's level and slightly stronger development than segment EBITDA). Due to the significant appreciable improvement in segment EBIT, the segment value added will improve significantly, but will remain in negative territory (2015 Annual Report: slight increase but still negative).

The compensation payment of approximately €240 million from the Manila project and gain from the sale of shares in the operating company of Pulkovo Airport in St. Petersburg of approximately €35 million will increase the other income of the **External Activities & Services** segment. The repayment obligation of up to approximately €40 million from the GKA received previously will increase other operating expenses. Overall, the segment EBITDA and EBIT will increase by up to approximately €250 million. The segment's value added will be around €240 million.

Adjusted for these effects, the forecasts for the segment revenue, segment EBITDA and EBIT given in the 2015 Annual Report remain valid (2015 Annual Report: Increase in segment revenue by up to approximately 5%, increase in segment EBITDA and segment EBIT of up to approximately €10 million each). As a result of the now noticeably worse forecasted development of the Group company Antalya, which is accounted for using the equity method, the segment's value added would be up to approximately €45 million below the previous year's figure (2015 Annual Report: between €10 million above and up to approximately €20 million below the level of the 2015 fiscal year).

Forecasted asset and financial position for 2016

Operating cash flow and **free cash flow** will be significantly higher than the previous-year figure due to the compensation payment of approximately €200 million connected with the Manila project and the gain from the sale of shares in the operating company of Pulkovo Airport in St. Petersburg of approximately €35 million.

Compared to the forecast in the 2015 Group Management Report, operating cash flow and free cash flow are slightly below the previous year's figure due to the slight decline in traffic at the Frankfurt site (2015 forecast: operating free cash flow slightly above the previous year's level, free cash flow at, or even lower than, the 2015 level).

The effects described above will also have a positive effect on the Group's **net financial debt** as well as on the **gearing ratio** of the Group. The Executive Board expects a decrease in net financial debt of up to approximately 15% and a gearing ratio that will be up to approximately 15 percentage points lower than the figure as at the 2015 balance sheet date. Due to the significant improvement in free cash flow, the Executive Board also expects an appreciable increase in the **Group's liquidity**. The higher than forecasted Group result will also have a significant positive effect on **shareholders' equity** and the **shareholders' equity ratio** (2015 Annual Report: Net financial debt decrease by up to approximately 10%, gearing ratio up to about 10 percentage points lower than the previous year, significant decrease in the Group's

liquidity due to repayments, shareholders' equity appreciably higher than as at December 31, 2015, shareholders' equity ratio up to about 3 to 4 percentage points above the level of the 2015 balance sheet date).

Consolidated Income Statement (IFRS)

€ million	9M 2016	9M 2015	Q3 2016	Q3 2015
Revenue	1,959.7	1,967.3	734.9	725.4
Change in work-in-process	0.5	0.7	0.1	0.2
Other internal work capitalized	24.0	21.2	9.6	7.0
Other operating income	25.0	30.1	5.8	12.2
Total revenue	2,009.2	2,019.3	750.4	744.8
Cost of materials	-459.6	-442.2	-164.9	-152.9
Personnel expenses	-765.0	-768.3	-250.7	-246.5
Other operating expenses	-107.9	-120.2	-36.5	-41.9
EBITDA	676.7	688.5	298.3	303.5
Depreciation and amortization	-247.0	-244.6	-83.2	-81.5
EBIT/Operating result	429.7	443.9	215.1	222.0
Interest income	24.2	21.6	7.8	7.3
Interest expenses	-107.5	-120.2	-33.2	-37.4
Result from companies accounted for using the equity method	1.9	37.7	13.1	35.8
Other financial result	2.4	0.8	2.1	3.9
Financial result	-79.0	-60.1	-10.2	9.6
EBT/Result from ordinary operations	350.7	383.8	204.9	231.6
Taxes on income	-111.9	-122.3	-65.8	-73.1
Group result	238.8	261.5	139.1	158.5
thereof profit attributable to non-controlling interests	21.7	17.5	14.5	12.5
thereof profit attributable to shareholders of Fraport AG	217.1	244.0	124.6	146.0
Earnings per €10 share in €				
basic	2.35	2.64	1.35	1.58
diluted	2.35	2.64	1.35	1.58

Consolidated Statement of Comprehensive Income (IFRS)

€ million	9M 2016	9M 2015	Q3 2016	Q3 2015
Group result	238.8	261.5	139.1	158.5
Remeasurements of defined benefit pension plans	-4.9	-0.5	-2.0	0.0
(Deferred taxes related to those items)	1.5	0.2	0.6	0.0)
Items that will not be reclassified subsequently to profit or loss	-3.4	-0.3	-1.4	0.0
Fair value changes of derivatives				
Changes directly recognized in equity	-0.9	-3.8	-17.9	-24.2
realized gains (+)/losses (-)	-20.0	-29.0	-25.0	-29.4
	19.1	25.2	7.1	5.2
(Deferred taxes related to those items)	-5.9	-7.8	-2.2	-1.6)
Fair value changes of financial instruments held for sale				
Changes directly recognized in equity	9.0	3.8	4.4	-7.4
realized gains (+)/losses (-)	0.0	0.0	0.0	-4.6
	9.0	3.8	4.4	-2.8
(Deferred taxes related to those items)	-0.9	2.2	0.0	0.7)
Currency translation of foreign Group companies				
Changes directly recognized in equity	-4.9	12.3	-0.7	-0.8
Income and expenses from companies accounted for using the equity method directly recognized in equity	-0.9	3.1	1.6	-4.2
(Deferred taxes related to those items)	-0.7	0.7	-0.3	0.2)
Items that will be reclassified subsequently to profit or loss	14.8	39.5	9.9	-3.3
Other result after deferred taxes	11.4	39.2	8.5	-3.3
Comprehensive income	250.2	300.7	147.6	155.2
thereof attributable to non-controlling interests	20.8	19.5	14.4	12.2
thereof attributable to shareholders of Fraport AG	229.4	281.2	133.2	143.0

Consolidated Statement of Financial Position (IFRS)

€ million	9/30/2016	12/31/2015
Assets		
Non-current assets	7,815.3	7,926.3
Goodwill	41.7	41.7
Investments in airport operating projects	493.3	500.9
Other intangible assets	154.3	161.2
Property, plant and equipment	6,010.4	6,045.4
Investment property	74.4	74.5
Investments in companies accounted for using the equity method	228.5	237.6
Other financial assets	622.3	659.2
Other receivables and financial assets	151.3	167.0
Income tax receivables	5.9	5.4
Deferred tax assets	33.2	33.4
Current assets	948.3	921.0
Inventories	38.8	42.8
Trade accounts receivable	149.9	154.0
Other receivables and financial assets	271.3	310.8
Income tax receivables	7.1	7.4
Cash and cash equivalents	481.2	406.0
Total	8,763.6	8,847.3

€ million	9/30/2016	12/31/2015
Liabilities and equity		
Shareholders' equity	3,639.7	3,511.7
Issued capital	923.6	923.1
Capital reserve	596.3	594.3
Revenue reserves	2,024.7	1,919.9
Equity attributable to shareholders of Fraport AG	3,544.6	3,437.3
Non-controlling interests	95.1	74.4
Non-current liabilities	4,180.4	4,230.6
Financial liabilities	3,241.6	3,273.8
Trade accounts payable	41.2	42.5
Other liabilities	415.7	447.7
Deferred tax liabilities	173.6	172.2
Provisions for pensions and similar obligations	36.6	30.7
Provisions for income taxes	69.9	62.1
Other provisions	201.8	201.6
Current liabilities	943.5	1,105.0
Financial liabilities	370.6	543.6
Trade accounts payable	136.8	143.1
Other liabilities	199.0	129.4
Provisions for income taxes	62.9	56.0
Other provisions	174.2	232.9
Total	8,763.6	8,847.3

Consolidated Statement of Cash Flows (IFRS)

€ million	9M 2016	9M 2015	Q3 2016	Q3 2015
Profit attributable to shareholders of Fraport AG	217.1	244.0	124.6	146.0
Profit attributable to non-controlling interests	21.7	17.5	14.5	12.5
Adjustments for				
Taxes on income	111.9	122.3	65.8	73.1
Depreciation and amortization	247.0	244.6	83.2	81.5
Interest result	83.3	98.6	25.4	30.1
Gains/losses from disposal of non-current assets	0.4	-4.3	-0.3	-7.3
Others	-6.6	4.7	-0.6	3.4
Fair value changes of companies accounted for using the equity method	-1.9	-37.7	-13.1	-35.8
Changes in inventories	4.0	-1.9	1.8	-0.7
Changes in receivables and financial assets	13.8	-16.6	35.9	7.0
Changes in liabilities	32.9	29.9	-6.6	36.7
Changes in provisions	-40.2	-32.0	-6.4	-28.2
Operating activities	683.4	668.8	324.2	318.3
Financial activities				
Interest paid	-87.0	-103.0	-60.8	-56.8
Interest received	6.9	10.3	2.1	0.0
Taxes on income paid	-102.8	-51.1	-22.6	-13.1
Cash inflow from operating activities	500.5	525.0	242.9	248.4
Investments in airport operating projects	-18.9	-10.1	-9.7	-2.4
Capital expenditure for other intangible assets	-4.0	-5.6	-1.2	-2.2
Capital expenditure for property, plant and equipment	-190.7	-139.9	-71.0	-47.4
Investment property	-0.8	-8.9	-0.3	-2.8
Sale of consolidated subsidiaries	0.0	9.6	0.0	-0.4
Dividends from companies accounted for using the equity method	24.1	28.9	0.2	6.1
Proceeds from disposal of non-current assets	1.7	2.1	0.0	0.9
Cash flow used in investing activities without investments in cash deposits and securities	-188.6	-123.9	-82.0	-48.2
Financial investments in securities and promissory note loans	-60.1	-201.6	-15.0	-75.7
Proceeds from disposal of securities and promissory note loans	157.0	279.9	92.0	45.1
Increase/decrease of time deposits with a remaining term of more than three months	-60.3	85.0	-105.9	60.0
Cash flow used in/from investing activities	-152.0	39.4	-110.9	-18.8
Dividends paid to shareholders of Fraport AG	-124.6	-124.6	0.0	0.0
Dividends paid to non-controlling interests	-2.9	-6.3	-1.6	-2.7
Capital increase	2.5	2.4	0.0	0.0
Acquisition of non-controlling interests	0.0	-4.1	0.0	0.0
Cash inflow from long-term financial liabilities	295.0	0.0	0.0	0.0
Repayment of long-term financial liabilities	-504.7	-275.9	-33.4	-3.9
Changes in short-term financial liabilities	4.6	-1.2	-144.8	-82.3
Cash flow used in financing activities	-330.1	-409.7	-179.8	-88.9
Change in cash and cash equivalents	18.4	154.7	-47.8	140.7
Cash and cash equivalents as at January 1 and July 1	230.7	167.8	294.0	189.5
Foreign currency translation effects on cash and cash equivalents	-3.5	7.4	-0.6	-0.3
Cash and cash equivalents as at September 30	245.6	329.9	245.6	329.9

Consolidated Statement of Changes in Equity (IFRS)

€ million	Issued capital	Capital reserve	Revenue reserves	Foreign currency reserve	Financial instruments	Revenue reserves (total)	Equity attributable to shareholders of Fraport AG	Non-controlling interests	Equity (total)
Balance as at January 1, 2016	923.1	594.3	1,886.4	47.7	- 14.2	1,919.9	3,437.3	74.4	3,511.7
Foreign currency translation effects	-	-	-	-4.0	-	-4.0	-4.0	-0.9	-4.9
Income and expenses from companies accounted for using the equity method directly recognized in equity	-	-	-	-4.9	3.3	-1.6	-1.6	-	-1.6
Remeasurements of defined benefit pension plans	-	-	-3.4	-	-	-3.4	-3.4	-	-3.4
Fair value changes of financial assets held for sale	-	-	-	-	8.1	8.1	8.1	-	8.1
Fair value changes of derivatives	-	-	-	-	13.2	13.2	13.2	-	13.2
Other result	0.0	0.0	-3.4	-8.9	24.6	12.3	12.3	-0.9	11.4
Issue of shares for employee investment plan	0.5	2.0	-	-	-	-	2.5	-	2.5
Distributions	-	-	-124.6	-	-	-124.6	-124.6	-2.9	-127.5
Group result	-	-	217.1	-	-	217.1	217.1	21.7	238.8
Capital contributions to the Airports of Greece companies	-	-	-	-	-	-	-	2.8	2.8
Balance as at September 30, 2016	923.6	596.3	1,975.5	38.8	10.4	2,024.7	3,544.6	95.1	3,639.7
Balance as at January 1, 2016	922.7	592.3	1,731.8	26.6	-52.3	1,706.1	3,221.1	64.9	3,286.0
Foreign currency translation effects	-	-	-	10.3	-	10.3	10.3	2.0	12.3
Income and expenses from companies accounted for using the equity method directly recognized in equity	-	-	-	6.8	-3.0	3.8	3.8	-	3.8
Remeasurements of defined benefit pension plans	-	-	-0.3	-	-	-0.3	-0.3	-	-0.3
Fair value changes of financial assets held for sale	-	-	-	-	6.0	6.0	6.0	-	6.0
Fair value changes of derivatives	-	-	-	-	17.4	17.4	17.4	-	17.4
Other result	0.0	0.0	-0.3	17.1	20.4	37.2	37.2	2.0	39.2
Issue of shares for employee investment plan	0.4	2.0	-	-	-	-	2.4	-	2.4
Distributions	-	-	-124.6	-	-	-124.6	124.6	-6.3	-130.9
Group result	-	-	244.0	-	-	244.0	244.0	17.5	261.5
Transactions with non-controlling interests	-	-	-	-	-	-	-	-4.7	-4.7
Consolidation activities/other changes	-	-	0.6	-	-	0.6	0.6	0.1	0.7
Balance as at September 30, 2016	923.1	594.3	1,851.5	43.7	-31.9	1,863.3	3,380.7	73.5	3,454.2

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

Next publications

Thursday, November 10, 2016	Traffic figures October 2016
Monday, December 12, 2016	Traffic figures November 2016
Friday, January 13, 2017	Traffic figures December 2016/FY 2016
Friday, February 10, 2017	Traffic figures January 2017
Friday, March 10, 2017	Traffic figures February 2017
Friday, March 17, 2017	Annual Report 2016
Wednesday, April 12, 2017	Traffic figures March 2017/Q1 2017
Tuesday, May 9, 2017	Interim release Q1 2017
Thursday, May 11, 2017	Traffic figures April 2017
Tuesday, May 23, 2017	Annual General Meeting 2017
Friday, May 26, 2017	Dividend payment
Tuesday, June 13, 2017	Traffic figures May 2017
Wednesday, July 12, 2017	Traffic figures June 2017/6M 2017
Thursday, August 3, 2017	Interim report Q2/6M
Thursday, August 10, 2017	Traffic figures July 2017
Tuesday, September 12, 2017	Traffic figures August 2017
Thursday, October 12, 2017	Traffic figures September 2017/9M 2017
Thursday, November 2, 2017	Interim release Q3/9M
Friday, November 10, 2017	Traffic figures October 2017
Tuesday, December 12, 2017	Traffic figures November 2017
Monday, January 15, 2018	Traffic figures December 2017

Other Disclosures and Information

Where the statements made in this document relate to the future rather than the past, they are based on a number of assumptions about future events and are subject to a number of uncertainties and other factors, many of which are beyond the control of Fraport AG Frankfurt Airport Services Worldwide and which could have the effect that the actual results will differ materially from these statements. These factors include, but are not limited to, the competitive environment in deregulated markets, regulatory changes, the success of business operations, and a substantial deterioration in basic economic conditions in the markets in which Fraport AG Frankfurt Airport Services Worldwide and its Group companies operate. Readers are cautioned not to rely to an inappropriately large extent on statements made about the future.

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

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