

# *Fairplay*

*Sustainability Report 2008*



*We professionally develop mobility, making it an exciting experience for our customers. As an airport group we are the most strongly performing player in all business segments of the industry. For Fraport, airports are worlds of excitement and diversity as well as intermodal hubs. We systematically link different modes of transportation. At all our locations process efficiency and innovation is our hallmark. Our success is based on competitive integrated services, which flexibly meet our customers' requirements. Our top priority is safety and security. In pursuing our business, we create sustainable value for the benefit of our shareholders, employees, and the regions where we are located.*

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Dear Readers,

This is the fifth Sustainability Report published by Fraport AG. The objective of the report is to provide a transparent and persuasive account of the successes and challenges of our sustainable management in the international airport business.

Virtually no other sector is governed by global processes as much as the air traffic business. Anyone who wants to continue charting a successful course in years to come has to take action to plan their future today. This makes it all the more important for the executive board and employees at Fraport to act on the basis of clearly defined convictions, values and guidelines which are binding for the entire Group.

“Fairplay” is the title of our Sustainability Report, and this concept encapsulates what we understand by sustainability management: We want to satisfy the mobility requirements of people and meet the demands of the markets in the best possible way today. At the same time, we need to reconcile this with our responsibility towards future generations – in commercial, ecological and social terms. The expansion of capacity we have embarked on with the north-west runway is a key precondition for this challenge.

Fraport acceded to the United Nations Global Compact in the summer of 2007. We are fully committed to the ten principles of sustainability management formulated in this document. Respect for human rights, guaranteeing the core working standards of the International Labour Organization (ILO) and the OECD directives for multinational companies that we acknowledge as guiding principles, promotion of environmental protection and combating corruption are top priorities throughout the Fraport Group. This sustainability report is also a progress report on our work with the UN Global Compact.

Fraport AG is geared to commercial success. We are convinced that only successful companies are in a position to provide secure jobs for people and generate attractive dividends for their shareholders. Sufficient profitability is also a fundamental condition for ensuring that a company can play an effective role in society over the long term. We need financial strength in order to be in a strong position in the field of sustainability.

For example, the climate strategy we are committed to will reduce the CO<sub>2</sub> emissions at Frankfurt Airport by 30 percent per traffic unit by 2020. This strategy initially requires substantial investment in real estate and machinery. We are confident that this investment will be profitable over the medium and long term from economic and social perspectives. This outcome will make a considerable contribution to enhancing the competitiveness of Germany’s biggest “mobility hub”, which now provides jobs for more than 70,000 people.

All the activities and initiatives presented in this report can be grouped under the overarching concept of “Sustainability”. There is undoubtedly scope for improvement in sustainability management – you can rest assured that the executive board and employees at Fraport are adopting a consistent approach to moving forward the Group objective of sustainability. It is reassuring to know that we have your support for the challenges ahead!

Yours sincerely,

**Professor Dr. Wilhelm Bender**  
Chairman of the executive board





## Milestones 2008

**4 January:** Handover of the signed and adopted zoning plan for the expansion of Frankfurt Airport on 18 December 2007 marks the attainment of an important milestone. The adoption documentation included in 23 folders with more than 2,500 pages and around 400 plans was accepted by the Fraport Executive Board Chairman, Dr. Bender, in front of the Hessian Ministry of Economics, Transport and Regional Development in Wiesbaden.

**31 January:** Fraport is listed in the Sustainability Yearbook for the first time and receives the award "SAM Bronze Class 2008" in the "Industrial Transportation" sector. Listing in the world's most comprehensive reference work for sustainable action takes particular account of the approach to climate change, scarce resources, and new energy technologies, as well as the approach to human capital management.

**29 February:** Security checking in Terminal 2 is carried out locally with immediate effect to improve the flow of passengers. Passengers, flight personnel and ground staff are checked directly before going through the gate to the flight while the scope of the check remains unchanged at a very high level. The measure eliminates the second security check that had been required up to that point only for departures to destinations in countries outside the EU.

**17 March:** After a construction period of 20 months, a new terminal section is brought onstream with Hall C. In future, 40 more check-in desks will be located in the new area with a floor space of 25,000 square meters. A total of up to four million passengers can be checked in through this hall each year. Passengers can use the "C/D Link" connecting Terminals 1 and 2 to get to the new gates.

**9 April:** Fraport joins forces with the Fraunhofer Institute for Material Flow and Logistics to launch the AirCargoRailCenter (ACRC) research project: This focuses on the development and

commissioning of an AirCargoRailCenter at Frankfurt Airport. The long-term aim is to achieve sustainable transfer of air-freight alternative transport into and out of Frankfurt Airport from road to rail.

**22 April:** At the 3rd Aviation and Environmental Summit held by the Airport Council International (ACI Europe) in Geneva, Fraport was among the signatories of the Geneva Declaration. This document commits airline companies and airports to reduce negative impacts on climate change. The development



*Visiting Frankfurt Airport: Antonio Tajani, EU Traffic Commissioner and Vice President of the EU Commission*

and use of new technologies are a top priority, along with optimization of fuel consumption, flight procedures and ground transport.

**20 May:** Experiencing nature in pure form – nursery groups and schoolchildren can do just that on excursions with the Fraport environmental instructor. Information on the domestic fauna and flora are part of the program, along with selected experiments. You can access a subject list for nature tours by clicking on [www.fraport.de](http://www.fraport.de) and going to the menu item

"Commitment & Sponsoring" under "Environmental Fund" / "Environmental Education".

**29 May:** Ursula von der Leyen, German Minister for Family Affairs, Senior Citizens, Women and Youth, awarded Fraport AG first prize in the competition "Success Factor Family 2008" in the category of large companies. The flexible childcare facilities at the "Fluggi-Land" and "Ark" nurseries are regarded as particularly innovative.



*Top Event for journalists and decision-makers from business, politics, and culture: "on-air-port 2008" FRA media event*

**4 June:** Third revalidation of Fraport Environmental Management in accordance with the EU Eco-Management and Audit Scheme based on a comprehensive environmental statement integrated in a Group Environmental Report.

**11 June:** FraCareServices GmbH launches its service. The newly established subsidiary company operated as a joint venture between Fraport and Lufthansa (50 percent each) is providing 400 specially trained staff members to assist passengers with limited mobility and disabled passengers on the way to and from aircraft. This service implements a new EU directive.

**12 June:** Fraport presents its program for more enhanced climate protection. This program focuses on a 30 percent reduction of CO<sub>2</sub> emissions by the year 2020. A further aim is to make expansion of the airport climate-neutral and hence guarantee that no more CO<sub>2</sub> will be emitted in the year 2020 than in 2005. The planned Terminal 3 will be built as an “Eco Terminal” by using particularly innovative building technology.

**17 June:** Fraport takes over management of the Saudi Arabian airports in Riyadh und Jeddah. Development at both airports is



*Official inauguration: The new city district Gateway Gardens at Frankfurt Airport is connected to the public road system*

a top priority, with improvement in service quality and sustainable increase in traffic growth.

**14 July:** Pooling and more efficient use of research in the area of aviation security is the focus of attention in the letter of intent on setting up a National Competence Center Aviation Security Research, which was signed by representatives of the aviation industry and the authorities of the state of Hesse. The aim is to take account of the burgeoning requirements of aviation security and places passengers' interests and the needs of end users at the center of security research.

**20 August:** Fraport is the first airport operator to join the Cargo 2000 quality system. The objective of the IATA initiative is to introduce a uniform global quality system and enhanced level of transparency of quality data for the entire aviation industry. The quality of transport is assessed at individual stages along the entire transport chain.

**9 September:** The launch of the German-Chinese joint venture at Xi'an Xianyang International Airport was celebrated in the Chinese city of Xi'an – a city with 7.5 million residents and home to the famous terracotta army. The investment of 24.5 percent is a significant building block in the international approach of the Fraport Group. Xi'an is an ideal location due to its geographical position, which offers the potential for expansion to become a regional aviation hub.

**24 September:** Fraport – the 'good neighbor': In future, Fraport will help schoolchildren in the neighborhood to prepare for the world of work. Fraport has launched a joint venture with half a dozen schools. Visits to the airport and presentations by Fraport experts in the classroom will all form part of the program. Each year, Fraport offers 110 apprenticeship places on training programs for more than 20 technical and commercial vocations. This approach fosters on-the-job training for young people.

**22 October:** Frankfurt confirms its role as the intercontinental hub for Germany in the winter flight schedule for 2008/2009. Selected new long-haul destinations for the summer are incorporated in the winter schedule and passengers can now fly directly to destinations such as Calgary, Seattle, Poona or Recife. 4,115 passenger flights and 250 cargo flights per week provide ample proof that Frankfurt continues to have a stable traffic structure even in tough economic times.

**19 November:** Fraport expands its commitment to environmental education with the launch of a new Water Researcher Set for pupils in elementary schools in the state of Hesse. Under the motto “Water is Life – Life in Water”, the idea is for school-

children to find out about the habitats of animal and plant species. They should also learn about a responsible approach to nature alongside observing ecological principles.

**10 December:** Construction work commences on the new A-Plus Pier, 790 meters in length. This pier is scheduled to be operational with the summer flight schedule in 2012. The pier will have seven aircraft docking positions, including four positions for the Super Airbus A380, and will offer capacity for six million passengers a year. This project will ensure that Fraport remains future-proof and competitive at the Frankfurt site.

**17 December:** The first test train rolls into the freight station of CargoCity South in the early hours of the morning, having traveled from Leipzig. The train is successfully unloaded and loaded by Fraport Cargo Services GmbH.

**19 December:** Fraport starts reforestation measures for the planned airport expansion with small areas in the city of Frankfurt. 40,000 trees are planted even in advance of the decision by the court in order to highlight the awareness of responsibility necessary for dealing with the environmental impacts anticipated. A total of 282 hectares of the Kelsterbach Forest will be felled and 286 hectares of forest will be planted in the Rhine-Main area.

**29 December:** In 2009 and 2010, another four million euros of grants will be channeled into the Fraport Environmental Fund. This increases the total level of finance provided since the fund was established in 1997 to around 28 million euros. Fraport maintains its commitment to the environment, in spite of the tense situation in the global aviation industry. The focuses for the subsidies are on the regional park, as well as on climate protection and educational measures. Further information can be accessed by clicking on [www.aktivfuerti-region.fraport.de](http://www.aktivfuerti-region.fraport.de).

## About “Fairplay 2008”

The Sustainability Report Fairplay 2008 of Fraport AG provides information about the strategies we are working with and the concrete steps we are taking to develop our company based on a sense of economic, ecological and social responsibility. The economic dimension in this report focuses on the most important indicators and fundamental financial information. Comprehensive details on these issues are provided in our Annual Report 2008. This can be downloaded by clicking on [www.fraport.de](http://www.fraport.de) in the submenu “Investor Relations” under “Reports”.

The Fraport Sustainability Report 2008 focuses on the calendar year 2008 but also provides information about developments we are expecting in the future or striving for. The Fraport Group, including subsidiaries and investments, forms the subject of the report. Frankfurt Airport is the most important Group site and forms the focus of reporting in the sections “Sustainable Construction” and “Ecology”, while the chapters “Management and Values” and “Social Responsibility” focus on Fraport AG as the core of the Fraport Group. The relevant perspective of analysis emerges in each case from the presentation.

This report talks about employees, customers, residents, etc. and any reference to these and similar concepts is always gender inclusive. The report is published in German and English and is directed toward all stakeholders of Fraport – employees, financial market, suppliers, airlines, passengers,

NGOs, politicians and public bodies, media, academia and the neighbors of our airport sites.

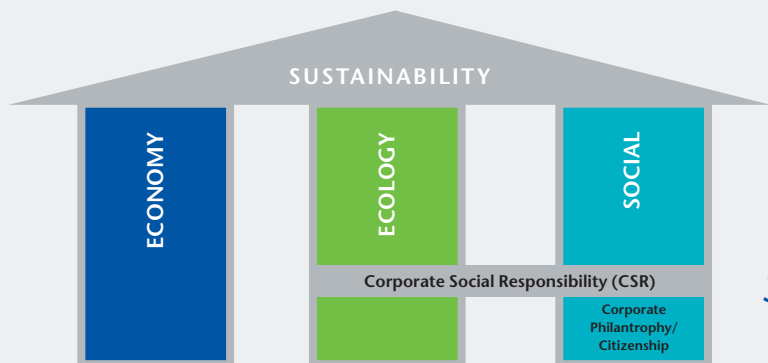
This report is based on the generally acknowledged guidelines for uniform global sustainability reporting as presented in the Global Reporting Initiative (GRI) in the G3 version. Moving beyond this report, we interpret the GRI standards as a challenge and as a set of reference points for further continuous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

The Fraport Group made a commitment to the principles of the United Nations Global Compact (UNGC) in 2007. This report therefore also fulfills the function of Communication on Progress demanded by the UNGC. This entails reporting annually on our progress in implementing corporate management in conformity with the ten principles of the UNGC starting with this edition. You can find out more about the Global Compact by clicking on [www.fraport.com](http://www.fraport.com) in the submenu “Sustainability” or under [www.unglobalcompact.org](http://www.unglobalcompact.org).

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







## *Sustainability management in the Fraport Group*



Fraport has created the organizational platform for holistic sustainability management in the Fraport Group by setting up the “Sustainability Board”. The new committee is positioned at the level of executive management in accordance with the top priority accorded to the issue. It reports directly to the executive board. The sustainability board includes representatives from the areas auditing, Group strategy, environmental management, human resource services, corporate communication, and legal affairs and contracts.

The sustainability board coordinates all activities directed toward sustainable management, commitment to the community, and dialog with stakeholders under the chairmanship of chairman of the Fraport executive board Professor Wilhelm Bender. The newly created sustainability board complements the existing management structures within the company, for example in the areas of environmental protection, human resources, and auditing.

The members of the sustainability board meet on a regular basis and discuss current developments, make strategic decisions, set targets and initiate any activities necessary. Representatives from the operating business units are integrated within the activities relating to sustainability management coordinated by the board.

### Three-stage sustainability strategy

Sustainable actions and management are a key element of the corporate strategy at Fraport. We interpret responsibility in universal terms – economically, socially, and ecologically – in

relation to all activities of the Fraport Group in Germany and throughout the world.

Our sustainability strategy comprises three tiers. The top tier – the Group vision – describes the identity of Fraport AG and outlines a vision of the ideal profile for the trajectory of Fraport AG's future development. Sustainable business has been a key element in our Group vision for many years. The principles defined there are the starting point for formulating a specific sustainability strategy.

The next tier relates to the strategic sustainability guidelines that have been derived from the Group vision. They present the fundamental principles for our concept of holistic sustainability with the mainstays "Economy", "Ecology", and "Social Responsibility". These pillars form the central strategic structure for dealing with sustainability issues.

The third tier of our sustainability strategy focuses on strategic sustainability goals. They form the basis for concrete operational goals, and attainment of these targets is regularly monitored by the sustainability board and communicated in the Sustainability Report.

### Strategic sustainability guidelines in detail

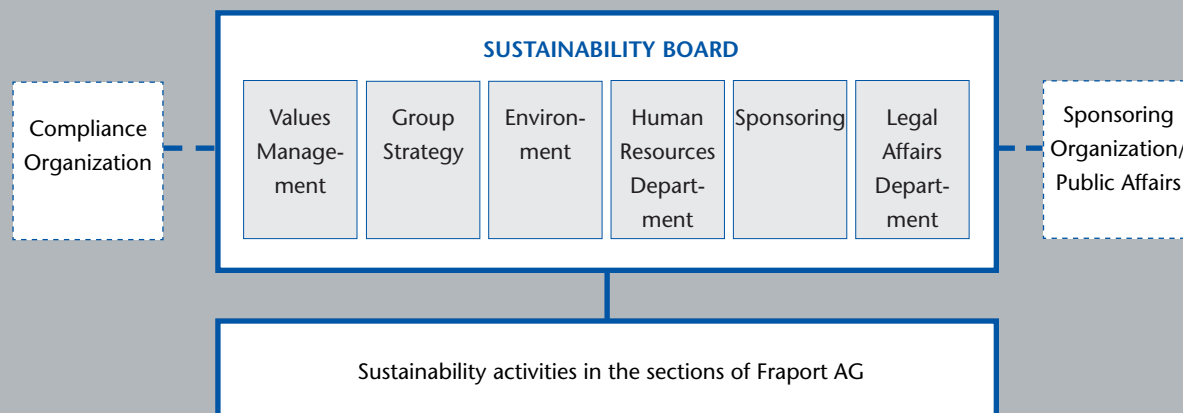
Global air traffic is one of the growth engines of globalization. Fraport's vision of future-proof capability and competitive strength as an airport manager entail playing an active role in the growing markets of the global air traffic industry.

Growth in air traffic means economic prosperity and future opportunities through jobs, but also environmental impacts. We want to structure growth in a sustainable way. As a leading airport operator, we are well aware of our special responsibility to the community. We interpret sustainability as using creative innovation to link up economic, ecological, and social goals with our long-term corporate interests.

Our responsibility certainly does not end at the perimeter fence of the airport – we regard ourselves as good neighbors at all our sites. We are actively involved in the region and we regard sustainable action as a factor that adds value. We

## THE SUSTAINABILITY BOARD OF FRAPORT AG

We set up the sustainability board in 2008 with the aim of establishing sustainable business practices in the organization. This created the structures necessary for pooling business activities and for driving forward the strategy to realization.





see regular, comprehensive, and transparent communication of our holistic sustainability management as a self-evident obligation.

#### **Economy: Creating sustainable values**

Profitable growth is the foundation stone for the future capability of Fraport. We will achieve this through exemplary performance and competitiveness. Strong performance and competitive acumen combined with integrity and transparency are the fundamental principles for our economic activity.

These aspirations for exemplary conduct are defined and published in our code of conduct. We implement these standards systematically and consistently with the assistance of a values management system. We record and assess potential risks for economic development in the Fraport Group continuously and comprehensively.

#### **Ecology: Reducing environmental impacts**

Our strong commitment to environmental protection and environmental compatibility is directed toward retaining our natural habitats.

Our actions focus on reducing the environmental impacts caused by air traffic and compensating for their effects. The focuses of our environmental management are therefore in the areas of noise abatement, climate protection, and biodiversity.

Our environmental management goes much further than is prescribed by the statutory regulations. Our aim is to promote the environmental consciousness of our customers and employees.

#### **Social responsibility: Added value for jobs and community**

Fraport is using the growth in global air traffic to create additional competitive jobs and thus more future-proof jobs. Reasonable working conditions, and the health and safety of our employees, have a high priority as far as we are concerned. At the same time, we offer all employees professional and personal opportunities for developing their individual skills and interests.

Training, career training, and advanced training are part of our corporate culture in the same way as equal opportunities, integration, and cross-cultural partnership. We aim to train people in excess of our requirements. Fraport lives up to its social responsibility and we promote social commitment through education projects, sport, culture, health, and environment. Active dialog with all stakeholder groups is an important element of our corporate communication based on sustainability.

#### **Strategic sustainability goals to 2020**

Fraport AG enshrined its strategic sustainability guidelines for the three mainstays of economy, ecology, and social responsibility in the Group sustainability guidelines to 2020. Subgoals will be derived from these for the individual operating units in the Fraport Group. They will be instrumental in guiding our actions until the overarching sustainability goals have been achieved. A table of the Group sustainability goals up to 2020 is provided on page 9 of this report.

## PREAMBLE

# RESPONSIBILITY FOR THE FUTURE

- For us, sustainability means taking a responsible approach to shaping the future.
- We want to use our sustained economic success to safeguard and increase the opportunities of future generations, and preserve the natural environment.
- We are aware that as an airport operator, we bear particular responsibility for ecological, economic, and social issues management within the company.
- The corporate goals of added value, performance, and sustainability are accorded equivalent status at Fraport.



# *Our strategic sustainability targets until 2020*



## ECONOMY

We achieve profitable growth as a platform for our company's future viability and competitiveness.

We continually enhance the value added of our company after expansion investments have been completed.

We consistently implement our value management system in the Group.

We are consistently adapting our existing compliance systems throughout the Group to modified framework conditions.



## ECOLOGY

We want to reduce the CO<sub>2</sub> emissions per traffic unit (1 passenger or 100 kg freight) by 30 percent.

We do not want cause any additional CO<sub>2</sub> emissions through our expansion projects.

We are creating Terminal 3 as an Eco Terminal and we are targeting the use of innovative energy sources (e.g., geothermal energy).

We promote environmental management at our locations.



## SOCIAL

We are creating around 25,000 additional jobs at Frankfurt Airport as a result of the airport expansion. Extrapolations by experts predict that the airport expansion will generate around 100,000 jobs.

We aim to train apprentices beyond our needs.

We want to increase our health rate.

We are continually reducing the number of industrial accidents.

We are driving forward our commitment to the community.



## Sustainable construction



The expansion of Frankfurt Airport over the coming years is one of the biggest private investment projects in Europe. Between 2007 and 2015, a total of 7 billion euros will be invested by Fraport alone, in order to match the capacities of Germany's biggest airport to the growing demand. The project will also modernize and expand the real-estate portfolio. This "economic program" will also exert substantial positive effects on the economic development within the Rhine-Main region and throughout Germany, secure many thousands of jobs, and create a large number of new jobs. Fraport AG is committed to keeping the impacts on humans and nature in the surrounding areas associated with expansion as low as possible.

Expansion of Frankfurt Airport will include construction of a new runway in the north-west and a third passenger terminal in the south of the airport area. These expansion measures will be completed by new logistics buildings for cargo handling, the new Airbus A380 maintenance hangar, and upgrade and modernization for the existing infrastructure. This will enable Fraport to create the right parameters for the future requirements of one of the world's leading transfer airports. It will ensure that Frankfurt Airport will be in a position to continue providing first-class services as a high-performance airport hub for passengers and air freight.

### Economy, ecology and social responsibility in harmony

The construction and real-estate sector are going through a fundamental change: The focus is on energy efficiency, conservation of resources, healthy living, and health and safety at work. The framework conditions of the sector are changing and buildings will be planned, built and operated differently in the future.

Quality is the primary aim of sustainable construction – and that means quality from a comprehensive perspective. This approach does not simply entail cost-effectiveness, energy efficiency, environment-friendly criteria and the conservation of resources. These buildings are also comfortable and healthy, and integrate well into their socio-cultural environment. Sustainable construction therefore combines all relevant facets of sustainable management: economy, ecology and social responsibility.

### CO<sub>2</sub>-neutral "Eco Terminal" 3

Since 2008, Fraport has been a member of the German Society for Sustainable Construction and it takes into account the criteria of sustainability in all planned expansion investments and modernization work. The new Terminal 3 will be built in the southern airport area and is the most impressive testimony to this commitment.

The new Terminal 3 has some exceptionally impressive dimensions – planning provides for 50 aircraft positions directly on the building and a further 25 apron positions close to the



building. It will have a handling capacity for some 25 million passengers a year. The terminal is being constructed on the basis of a flexible and modular concept which will permit fast responses to differing traffic and market situations. At the same time, the planning is directed toward achieving optimum energy efficiency with the declared goal of CO<sub>2</sub> neutrality. The planners are working with other specifications including sophisticated requirements for managing passenger flow, the “feel-good factor” of the new terminal for travelers and employees, and adequate space for attractive retail areas both landside and, particularly, airside.

#### **Fundamental review of a wide range of energy saving approaches**

The practical feasibility of a large number of potential energy-saving measures is being examined within the scope of system planning for the terminal before construction commences, with the aim of meeting the ambitious goal of CO<sub>2</sub> neutrality: district heating from cogeneration, the use of photovoltaics and geothermal energy, the use of innovative ventilation systems, thermal building component activation, the use of energy-saving illumination systems and using the heat dissipated from thousands of electric motors, for example in systems such as baggage conveyor systems.

The diverse requirements for use mean that a decision needs to be taken on which of the available technical approaches should be used by the end of 2010. When the

planning stage comes to a close, construction work on the terminal will begin. The architectural design will create a friendly and transparent atmosphere. The terminal will have a robust, long-lasting and functional construction that can be operated cost-effectively to the highest sustainability standards of environmentally friendly use.

#### **Modernization and expansion on the basis of the latest findings**

Issues such as energy efficiency and quality of space will play a major role in the modernization and expansion of our existing Terminals 1 and 2. The core of Terminal 1 is more than 40 years old and some 500 million euros have been gradually invested in upgrading fire protection to the latest safety requirements and carrying out an extensive refurbishment program at the same time. New flooring, bright colors and innovative lighting concepts will enhance the sense of well-being experienced by passengers and employees alike, while also reducing energy consumption.

Incremental implementation of the newly designed link between Terminals 1 and 2 started with the 2008 summer timetable. The aircraft positions at this connector building between Halls C and D have been designed to accommodate the wide-body aircraft Airbus A380. In 2008, we started the new design of pier B. The latest construction standards and improvements in the area of building technology also deliver energy optimization here – for example energy-saving lighting,

wall-cladding insulation and the supply of thermally unprocessed external air.

Construction of the new pier A plus (former pier A west) will ultimately expand the capacity of Terminal 1 by a further 6 million passengers and will come onstream for the summer flight schedule in 2012. This pier will be 790 meters in length when completed and it will provide a comfortable and friendly atmosphere that meets the highest aspirations for functionality and energy efficiency at the same time.

#### **Sustainable construction enhances future-proof capability**

The long-term benefit of buildings is extremely important for all the players involved, because the framework conditions of the construction industry will undergo significant change in the future. Around one-third of the resources consumed in Germany are used in buildings; the same is true for the generation of CO<sub>2</sub> emissions, the volume of waste, etc. In view of national and international climate protection goals and the shortage of resources, statutory and standardizing regulations look set to increase significantly across the world.

Against this background, sustainable construction is geared toward achieving buildings with high quality and value on the one hand, while making provision for future developments on the other hand. A key factor from the perspective of Fraport is to reduce the impact on the environment, to provide benefit for the community and to support economic development.

# *Clarity gives strength*

Sustainability is an equally important Group goal at Fraport as value creation and performance. Sustainable business requires unambiguous and transparent management principles which exclude scope for interpretation. The vision of the company and the derived guidelines and goals form the framework guiding the actions of employees in all business areas where Fraport operates in the airport business. Fraport has defined and published documentation defining clear rules for conduct and procedures. This approach guarantees integrity and transparency in our relationship with customers, employees, suppliers, the capital market and all those people in the public domain with an interest in our activities. It is instrumental in creating a sound foundation of trust.

| FAIRPLAY = TRANSPARENCY |





Fraport has an organizational strategy which clearly defines responsibilities and guarantees effective management at every level. The equally important Group goals of value creation, performance and sustainability derived from the vision provide the guiding principles of corporate management. We have established controlling instruments and monitoring systems to ensure management on the basis of the same standards throughout the group. These checks and balances are gradually being introduced and standardized in all the companies within the Fraport Group. This is supported by an Integrated Management System.

The organization of Fraport AG is divided into four strategic business units, which are managed by a senior vice president or executive vice president, and in two service units, seven central units and ten staff departments reporting directly to the executive board. Our structure guarantees optimum customer orientation and a significant degree of flexibility. These are factors that are indispensable for successful operation in the global air traffic market. Our strategic business units constitute closed

technical units which ensure that our customers receive products, services and know-how from a single source. The service units carry out interdisciplinary service and support functions across companies for the individual business units. The central units are responsible for overall central functions carried out within the company. Central functions for the entire company and associated with the executive board are grouped in staff departments.

Four executive board members manage business at Fraport. The supervisory board of Fraport AG has a total of 20 members. Half of the members are elected by the shareholders and half of the members are elected by the employees. The structure of the members of the supervisory board on the shareholders' side is as follows: three represent the State of Hesse, two the City of Frankfurt/Main, one represents the Federal Republic of Germany, and four the private shareholders. You can view the organizational structure of Fraport AG by clicking on [www.fraport.com](http://www.fraport.com) on the Internet and going to "Company" under "Organization". You can access a current overview of the members of the supervisory board by navigating to "Committees". You will find the executive board members of Fraport AG, the senior vice presidents and the executive vice presidents by going to "Management".

#### **Commitment to good corporate governance**

The concept of corporate governance stands for responsible corporate management and monitoring with the objective of creating value sustainably. In this context, efficient cooperation between the executive board and the supervisory board is equally as important as taking account of shareholders' interests and open and transparent corporate communication.

Fraport is dedicated to good corporate governance and gives it a high priority. We follow national and international developments in this area and incorporate them into the development of the Fraport Code of Conduct. The Fraport Code of Conduct and the current wording of the annual statement of compliance can be accessed and downloaded by clicking on [www.fraport.com](http://www.fraport.com) and going to the menu item "Corporate Governance" under "Investor Relations".

#### **Effective risk management**

The risk management system at Fraport is used to identify, evaluate and control corporate risks. The system is described in a guideline and is regularly audited by the Internal Auditing Department. The primary goal of risk management is to take a controlled approach to corporate risks. Risks should only be

entered into if the resulting opportunities are in a favorable relationship to the risks in absolute terms.

The executive board has approved the risk management system of Fraport, the risk policy principles and the risk strategy for the entire company. Risk management is integrated in the ongoing business processes and is implemented by the relevant responsible organizational units operating locally.

A comprehensive and current report on risk management at Fraport is presented in the Annual Report 2008. This can be accessed by clicking on [www.fraport.com](http://www.fraport.com) and going to the menu item "Reports" under "Investor Relations".

### **Standards of conduct promote integrity in business conduct**

In 2003, Fraport AG introduced a values management system to ensure good conduct and integrity. Strict compliance with legal regulations by all employees, exemplary integrity when dealing with promotional gifts and benefits, and loyalty to company interests are the focus of good corporate stewardship. The code of conduct drawn up by Fraport forms the guiding principle for our actions. This code is binding for all employees and has also been an integral element of agreements relating to the employment contracts since 2005. Fraport also expects its business partners to pursue initiatives to support flawless business practices. Integrity declarations are a constituent element of contractual relationships with our suppliers.

In regular intervals since 2003, we have been carrying out online surveys to measure the effectiveness of our values management. The aim of these surveys is to assess the change in perception of values management issues within the company at intervals of roughly two years. A further objective is to monitor the success and level of penetration of information within the company. In addition, the values management team at Fraport also hopes that the surveys will yield insights into the perspective of employees on the possible causes for breaches against the rules of conduct and generate ideas to foster further successful implementation of the values management system.



### **Survey confirms effectiveness of Fraport standards**

The target group of the 2008 survey consisted of 858 Fraport employees, including the members of the executive board, managers from the next three tiers of management below the executive board, managing directors from investment businesses, project managers, and employees in purchasing. The feedback from the survey was even more positive than in previous years: 42 percent of the employees surveyed sent back answers. This put the level of returns

significantly above the level for the previous survey held in September 2006.

The respondents to the survey indicated that the issue was extremely relevant and accepted the need for values management – the overwhelming majority confirmed that the standards defined for conduct give effective guidelines in cases of doubt and indicated that the standards are used in routine, everyday work. The key role of managers was also highlighted for successful implementation of the values management





system. They provide ideal models for the standards of conduct and are also the first point of contact for their employees in conflict situations. A majority was in favor of the proactive communication of the values management system and supported ongoing integration within structures, processes and instruments.

#### **Values management training**

Fraport AG invests continuously in training for managers and employees if their jobs entail an increased risk of being confronted with illegal practices. The aim of the training is to enhance awareness of values management and to communicate specific instructions for taking action on the basis of practical case studies. In 2008, 340 employees attended 20 events at our values management training sessions.

#### **Electronic whistleblowing system**

Right from the start of activities involving anti-corruption measures, Fraport set up the position of an internal ombudsman within the framework of the values management system. The ombudsman is the point of contact for employees who want to report on compliance matters either openly or anonymously, which – for whatever reasons – cannot be processed through the usual reporting channels.

Fraport AG launched an electronic whistleblowing system on 15, January 2009 as an additional information channel. This web-based system also allows employees of the Fraport Group, customers and business partners, to report potentially damaging conduct. The system protects the anonymity of the whistleblower and allows reports to be made independently of time and place.

The anonymity of the whistleblower is retained over the entire procedure. Whistleblowers can open an anonymous post box in order to provide concrete details of the case or answer follow-up questions despite the preservation of anonymity. The post box therefore means that they are available to answer questions. Opening the system up for third parties, means that a step has been taken in the direction of preventive anti-corruption measures, particularly with a view to the

impending construction works associated with expansion of Frankfurt Airport.

You can gain access to the electronic whistleblowing system on the Internet by clicking on the following link: [www.fraport.com/bkms](http://www.fraport.com/bkms)

### **Fraport establishes Compliance Board**

As far as Fraport is concerned, the concept of compliance relates to all the measures necessary for complying with the statutory regulations and internal corporate guidelines in the group companies. Fraport has always made compliance with the law and company guidelines a top priority for employees and for executive officers.

During recent years, the debate has intensified focusing on the organizational measures within the company that are necessary to ensure compliance. The Government Commission on the German Corporate Governance Code has introduced the word “compliance” in the reference standard for the first time in the version of the code dated June 2007. This imposes the obligation on the executive board to ensure that compliance is guaranteed within the company. The executive board is also subject to an obligation to disclose information to the supervisory board on issues relating to compliance.

In 2008, Fraport established the compliance board to provide a committee that has been specifically designed for identification and management of compliance risks. It is also intended to prevent corruption effectively and on a long term basis. The board is based on the foundation of existing regulations, such as the values management system of Fraport, conditions defined in employment contracts and other regulations specified in the company’s guidelines and procedures.

The compliance board is directly accountable to the chairman of the executive board and reports to the executive board as a whole. The board is occupied by the head of Internal Auditing and the head of Legal Affairs. These two managers head the compliance board alternately every other year. The board is developing the existing regulations and structures into a company-wide compliance system and is coordinating cooperation between the relevant areas in a Compliance Task Force.



## Yes to worldwide value standards and values

As a responsible provider of services in the airport business and as an employer, we are committed to values and standards that are valid worldwide. We are therefore dedicated to the Universal Declaration of Human Rights and to all the core employment standards of the International Labor Organization (ILO) and the OECD directives for multinational companies.

Fraport’s commitment to the ten principles of the United Nations Global Compact is a further expression of our social responsibility. The list of basic values defined by the UN Global Compact encompasses the protection of human rights, employment standards, and a particular awareness of responsibility for the environment and combating corruption. These values are in tune with the objectives of Fraport AG. We are committed to compliance with minimum social and ecological standards as well as comprehensive transparency in our actions.

### Systematic measurement of customer satisfaction

A high level of customer satisfaction and intensive customer loyalty are key factors that enable us to meet the challenges of growing market requirements. Our customers are entitled to receive services from Fraport that meet the highest levels of quality, dependability and safety.

We regularly use the Fraport Customer Barometer to measure customer satisfaction in the areas of airlines, freight, passengers and retailing at Frankfurt Airport. The aim is to ensure our success in the competitive environment over the long term. The system we use provides a flexible instrument that can be adapted at any time to a modified range of services.

We have been conducting surveys with the Customer Barometer for the past eight years. The survey results provide a performance benchmark for successful measures and highlight any need for action. The Customer Barometer enables the success of improvements in products and services to be quantified and permits long-term comparisons to be made with developments. The results demonstrate a positive trajectory in the perception of our services by our customers over the long period of comparison.

### Security and safety are top priorities

The acceptance of civil aviation is significantly dependent on the safety and security offered by airports and airlines to travelers. In 2008, some 10,000 employees from all the companies and authorities represented there were involved in security and safety at Frankfurt Airport. Further development of the existing high standards of security and emergency management are a top priority. Regular audits and inspections are carried out by the authorities geared toward ensuring compliance with all the security and safety regulations. All the security and safety measures of the airport, the airlines and the authorities are subject to analysis and assessment.

On the basis of EU legislation, the responsibilities for implementing security measures at national level are clearly governed by the Air Security Act and other regulations. Hence, the checks on passengers and the baggage checks are the responsibility of the federal government, the checks on employees and airport deliveries, as well as securing the airport complex against attacks from outside are the responsibility of the airport operator. The checks on deliveries that are intended for transport in an aircraft, such as cargo, mail and catering items, are the responsibility of the airline companies.

Frankfurt Airport is by far the most important airport operated by the Fraport Group. Aviation Security, Airport Security and Airport Fire Protection have been the responsibility of the strategic business unit Airport Security Management since the beginning of 2007. Apart from implementation of the employee checks that are our direct responsibility and the security controls of passengers, hand baggage and unaccompanied baggage which we have to provide under federal mandate within the framework of the Frankfurt Model, Fraport as airport operator also has to provide the airport infrastructure defined by the National Air Security Program.

Fraport's Airport Security Management cooperates closely with the authorities and with customers, in particular the airline companies, in order to guarantee a high level of security. In addition, it oversees the crisis staff of Fraport AG if a crisis situation develops, for example incidents involving major damage or threats of attack. The crisis staff is responsible for all the key decisions necessary to control the situation.

### Implementation of the Air Security Training Directive

In April 2008, the Aviation Security Training Directive came into force. An existing EU directive requires each member state to regulate the type and scope of security training sessions which airports and airline companies have to carry out. The existing training arrangements for air security checking staff and security personnel have been supplemented by training sessions for "miscellaneous personnel" as a result of the new EU directive.

This group comprises all those operatives who have access to the secure areas of an airport and are not members of the security personnel. The purpose of the training sessions for this group of people is directed in particular toward strengthening the awareness of security. The large number of people with access authorization to the secure areas at Frankfurt Airport means that we have an obligation to deliver training to a total of more than 42,000 employees of Fraport and the numerous outside companies operating at the airport. An IT-support e-learning tool has been created in order to guarantee a uniformly high level of training. This tool allows individuals with access authorization to undertake their training in a self-study program from their own desk. If the prescribed training sessions are not successfully completed the airport ID becomes invalid and is withdrawn.



### **Review of the Safety Management System launched successfully**

Since the end of 2005, a Safety Management System (SMS) has been mandatory for all international airports according to a regulation of the ICAO. The aim of the SMS is to avoid accidents, incidents and interruptions to operations by making systematic efforts and hence enhancing air-side operational security.

In 2008, the main focus was on reviewing the existing structure and concept of the SMS at Frankfurt Airport. Another focus of action was directed toward internal, group-wide auditing of the SMS at Frankfurt Airport as well as the systems in Hanover and Frankfurt-Hahn. The SMS at Frankfurt Airport was audited by the officers for the Safety Management System of the Fraport subsidiaries Hanover and Frankfurt-Hahn. In addition, an official review in accordance with Article 47 Aircraft Traffic Ordinance (LuftVZO) was also launched at the Frankfurt site by the regulatory authority, the Hessian Ministry of Economics, Transport and Regional Development. The findings from these analyses are being incorporated in the ongoing expansion and continuous development of the SMS.

Successful introduction of the Ramp Safety Committee constitutes a further milestone. The members of the committee provide their expertise to support the officer of the Safety Management System in implementing the relevant functions. The focus of the Ramp Safety Committee is on all issues relating to operational safety, to the extent that these are within the sphere of responsibility of Fraport in connection with processing flight and airport operations. This includes, for example, investigation into events relevant to safety and the development of appropriate corrective action and preventive measures on this basis.



**Good management is about clarity, transparency and sincerity. Values require communication and role models within the company so that they can be implemented by all employees.**

**Dr. Matthias Zieschang**

Member of the executive board and executive director Controlling and Finance

# *Strength that creates added value*

Fraport AG is one of the leading providers in the global airport business. We are in a first-class position with Frankfurt Airport as one of the most important aviation hubs in the world. The expansion of the airport to meet new demand and the strategic development of our real-estate assets on the ground guarantee outstanding perspectives over the long term. Our strength generates benefits beyond the perimeters of the home base. Solutions that have proved their worth in Frankfurt represent state of the art quality and are in demand throughout the international airport business. We are marketing the know-how we have acquired at FRA in External Business through investments and subsidiaries around the globe. This is not simply about offering our services focused on flight operations. Our marketing efforts also concentrate on other areas, such as development and implementation of airport retailing concepts, or strategic real-estate developments.

| FAIRPLAY = ECONOMIC VALUE ADDED |



Measured by passenger numbers, Frankfurt Airport – the flagship of the Fraport Group – is Europe's third biggest airport after London-Heathrow and Paris-Charles de Gaulle. It is by far the biggest airport in Germany. The central geographical location in Germany and Europe makes Frankfurt an ideal hub airport for intercontinental traffic flows within the continental and national networks. Connections from one continent to another represented a share of 40 percent in the passenger volume at Frankfurt Airport in 2008 – around 70 percent of all intercontinental flights from or to Germany took off or landed here. Frankfurt enjoys an excellent reputation as a fast transfer airport: More than 53 percent of passengers fly via Frankfurt with the aim of changing aircraft efficiently and comfortably in order to travel onward to their destination.

Around 38 million people live in the catchment area, within a radius of 200 kilometers surrounding Frankfurt Airport. This is significantly more than the population living around the airports of London, Paris, Madrid or Amsterdam. Frankfurt Airport has not been able to play a full role in the expansion of growth in the air-traffic market primarily as a result of capacity bottlenecks which have limited our business. At the close of 2008, the demand for slots from airline companies in Frankfurt remained consistently above the available number of time

windows for coordinated take-offs and landings. The launch of our capacity expansion in Frankfurt at the beginning of 2009, including construction of an additional runway to the north west of the existing airport area, will enable Frankfurt Airport to gradually increase the number of flights being coordinated from today's current level of 83 during the daytime to 126. This expansion will create the necessary capacity reserves to meet the projected increase in traffic volume for the upcoming years.

#### **Financial crisis and economic downturn put brake on traffic growth during 2008**

The marked downturn in global economic activity entailed reduced passenger volumes at Frankfurt Airport during the business year 2008. Airfreight volume has also experienced setbacks. With nearly 53.5 million passengers at Frankfurt Airport, we achieved a figure that was around 1.3 percent below the record year of 2007. The cargo volume made up of freight and mail decreased by 2.7 percent over the year to just over 2.1 million metric tons. The particularly attractive segment of intercontinental flight passengers bucked the general trend of a downturn for the number of passengers in Frankfurt and rose slightly by around one percent. This highlights the premium status of our home site as an important European hub airport.

Development was more positive within the Fraport Group overall than in Frankfurt itself. A number of our locations developed contrary to the general trend with significant growth – Lima was the most successful of all our airports. The number of passengers passing through Lima went up by 10.4 percent to nearly 8.3 million and the airfreight volume increased by 6.1 percent to almost 240,000 metric tons. However, business at the airport in the Turkish city of Antalya also increased – passenger growth achieved here was around 8.5 percent taking the number of passengers to nearly 9.1 million.

#### **Group EBITDA reaches new record level in 2008**

After adjustment for one-off effects, Fraport generated growth in sales revenues of 3.8 percent in the business year 2008, despite the trend toward recession in the macroeconomic environment experienced especially during the second half of the year. In absolute terms, sales revenues went down by 9.8 percent to 2.1 billion euros in a year-on-year comparison. Apart from the loss of proceeds arising from finance leasing for the Airrail Center amounting to 57.6 million euros, the key factor was the disposal of our ICTS Europe security subsidiary with effect from 1 April 2008.



The investment in Lima Airport, Peru, has been fully consolidated since August 2007 and delivered particularly positive sales stimuli. However, Frankfurt Airport was also able to increase sales revenues. The Ground Handling segment and most importantly Retail & Properties made a significant contribution to this gratifying development.

Consolidated EBITDA at 600.7 million euros for 2008 achieved a new record above the record-breaking year of 2007. By contrast, our consolidated earnings of 180.2 million euros were below year-earlier earnings of 213.7 million euros. This decline was mainly due to higher interest expenses. The one-off payment of 41.9 million euros from the German federal government's investment guarantee for capital investments abroad, in connection with our operation in Manila, was reported in full in the financial result. However, this is offset by the write-down on our investment in Frankfurt-Hahn Airport amounting to 22.9 million euros and an impairment of 16.6 million euros on our investment in Hanover Airport.

#### **Fraport share and principal shareholders**

The share of Fraport AG is listed in the MDAX of Deutsche Börse AG as Prime Standard on the Frankfurt (Main) Stock Exchange. Our share is also listed in the Dow Jones STOXX Sustainability Index (DJSI STOXX), Dow Jones Sustainability World Index /DJSI World) and FTSE4Good Index.

On 31 December 2008, the main shareholders of Frankfurt AG were the State of Hesse with 31.57 percent, Stadtwerke Frankfurt am Main Holding GmbH with 20.16 percent, Julius Bär Holding AG with 10.35 percent, Deutsche Lufthansa AG with 9.94 percent, Artisan Partners Ltd. Partnership with 3.87 percent, Arnhold and S. Bleichroeder Holdings, Inc. with 3.02 percent and Taube Hodson Stonex Partners Limited with 3.01 percent, Morgan Stanley with 2.96 percent and The Capital Group Companies, Inc. with 1.89 percent. 13.23 percent of the shares were in free float with institutional and private investors, including those shares held by the management and employees of Fraport.

#### **Outstanding investor relations work**

Investor relations work of Fraport AG is among the best in Europe: The 2008 Pan-European Survey by Thomson Reuters Extel Surveys, one of the most prestigious surveys in the sector, ranked Fraport second in the Transport sector out of the 46 companies surveyed. The availability of the Investor Relations Department and the executive board members, the quality of publications, company/sector knowledge, and the reliability of statements made by the management were all assessed.

In 2008, Fraport was included for the first time in the Sustainability Yearbook produced by the SAM Group, the leading asset management company for sustainability funds, and accountants PricewaterhouseCoopers. The corporate policy pursued by our company on the basis of sustainability resulted in the award of SAM Bronze Class 2008 in the sector Industrial Transportation. Fraport also gained this award in the Sustainability Yearbook 2009 during the following year.



**The expansion of Frankfurt Airport is one of the biggest investment projects in Europe. It represents a massive economic program financed by private funding: We will be investing a total of seven billion euros between 2007 and 2015. This will enable us to safeguard many thousands of jobs, and together with catalytic effects, it is estimated that the project will create around one hundred thousand new jobs in Germany.**

Professor Dr. Wilhelm Bender  
Chairman of the executive board

## Aviation – More capacity for Germany's leading airport

At Frankfurt Airport, Fraport's Traffic and Terminal Management and Airport and Aviation Security units as well as the Fraport Airport Expansion Program are bundled in the Aviation segment. We work closely with our customers and partners to guarantee smooth processes and a comprehensive service package 24/7.

### Capacity management and expansion

The forecasts prepared for expansion of the airport predict an increase in passenger numbers to 88 million at Frankfurt Airport by 2020. We are living up to this challenge by expanding our infrastructure to meet future needs. Construction of the new north-west landing runway will provide a substantial



In the year 2008, the workforce of 6,663 employees working in the Aviation segment generated segment sales revenues amounting to 698.4 million euros and EBITDA of 124.9 million euros. Air traffic experts are expecting a continued growth trajectory for passenger numbers and cargo volumes once the global economic crisis has come to an end. Any temporary setbacks in traffic volume resulting from a crisis have traditionally always been overcompensated by an increase in the pace of growth once the crisis has come to an end.

increase in the capacity of our runway system. This runway is projected to come onstream for the winter flight schedule in 2011/2012. This expansion of our capacity will increase the number of aircraft movements possible from the current level of roughly 520,000 a year to more than 700,000 and will considerably relieve the pressure in the peak periods with large volumes of traffic.

Until the new runway is ready, we will continue to exploit the existing tight capacities available at Frankfurt Airport to maximum effect with the assistance of innovative procedures.

CAPMAN is an advanced, high-tech capacity management system developed by Fraport for planning aircraft movements. This system will give a helping hand to ensure maximum efficiency and enable us to exploit capacity reserves in our runway system that have not been used to date. It will deliver a very positive benefit in terms of enhanced punctuality. 53 percent of the passenger volume at Frankfurt Airport relates to connecting passengers. The quality projects developed in a partnership between Fraport and Lufthansa within the structure of their system partnership have already resulted in more than 90 percent of these passengers catching the connecting flight they want. This is an outstanding statistic on the basis of international benchmarks.

### Investments in adapting the existing infrastructure

Gradual implementation of EU security regulations constitutes another focus of work in the Aviation segment. These measures were the response by the European Union to the terrorist attacks carried out on 11 September 2001. For example, a directive mandating compulsory checking for airport personnel that was to be introduced at the latest in the summer of 2009 was already implemented in 2006. This check is carried out before staff enter critical parts of the airport requiring enhanced security precautions. Another new regulation is the prohibition on any mixing or contact between screened and unscreened passengers. This means that any passengers who have been screened in accordance with the EU standard must be kept in segregated areas apart from other passengers who have not been screened in accordance with the EU standard. Here, too, implementation at Frankfurt Airport is advanced.

Implementation of the two regulations influenced the planning for the new Terminal 3 in the south of the airport complex, as well as triggering substantial construction investments in the existing Terminals 1 and 2.

## Retail & Properties – Growth with real-estate know-how

Frankfurt Airport offers retailers and restaurants enormous potential with 70,000 employees in some 540 companies and organizations at the site, around 140,000 passengers a day, and several tens of thousands of visitors. Attractive floor space and an interdisciplinary expert team of marketing specialists, architects, rental and center managers make Fraport an ideal partner for retailing. The Frankfurt site also offers attractive floor space with intermodal traffic links for companies with a high requirement for mobility or for logistics specialists.

At Fraport, the Retail & Properties segment pools all the expertise for commercial development, marketing and management of Fraport Airport. This includes real-estate development and management, parking management, and energy and utility supplies. The 2,733 employees working in Retail & Properties generated more than 20 percent of consolidated sales with 433.5 million euros in 2008, and they contributed more than 61 percent of Group EBITDA with 367.9 million euros. In 2008, retail revenue of 2.84 euros was generated for each departing or incoming passenger, 5.6 percent more than in 2007. We are projecting even more impressive increases in the coming years as we harmonize our retail concepts with further strategic optimization.

### Developing our retail floor space

As we progress modernization of our existing Terminals 1 and 2 and expand FRA, we are pursuing a policy of continuously extending the floor space available for retail and gastronomy. The multifunctional Airport City Mall is currently being created in Terminal 1 on an area measuring 6,000 square meters. The sector mix is intended to appeal primarily to younger target

groups with trendy concepts in the mid-range price segment. The first construction phase was completed in mid-January 2008.

We have also developed new retail floor space in the exclusive segment. Passengers can browse through a central gallery in the passenger areas located in Terminal 2 offering a wide

represents the culmination of vibrant architectural creativity, layout and design that has been informed by all the experience we have gathered in retail management over past decades.

Fraport and other investors will be gradually expanding Frankfurt Airport during the coming years to create the Airport City. Alongside space for retailing and gastronomy, new hotel



range of shopping options with top international brands and a duty-free area. Expansion of the shopping and restaurant areas in both terminals to 30,000 square meters is planned by 2012.

### Cosmopolitan city connecting the world:

#### Frankfurt Airport City

Retailing is also playing a significant role in planning the new Terminal 3. A total of some 30,000 square meters of commercial floor space is projected for this area. The development

complexes and ultramodern office space will be created in the real-estate development of the future, e.g., in the Airrail Center or in Gateway Gardens. The Mönchhof site will make use of tailor-made utilization concepts to cater for the needs of all logistics and distribution sectors.



## Ground Handling – Prizewinning efficiency

Ground Handling at Frankfurt Airport makes Fraport one of the world's biggest providers of ground handling services. Every day, we manage a complex logistics chain – with 53.5 million passengers and more than 40 million items of luggage every year, as well as the world's highest share of connecting passengers at 53 percent. The experience we have gathered almost 50 years helps us

to continually optimize processes and workflows in order to make them faster and more precise. This enables us to reduce downtimes for aircraft and make a key contribution to enhancing punctuality of airlines and the performance of our entire air transport system. Our guaranteed transfer time of just 45 minutes makes us one of the quickest global hub airports.

This project is a case study in close cooperation with our customers in ground handling. During the past five years, we have joined forces with Lufthansa to bring about significant optimizations in the logistics chain. The Logistics Prize is an accolade confirming the approach taken by our joint efforts and provides an important hallmark for the high quality of our service. The prestige of this prize will enable us to create a distinct profile that sets Fraport apart from its competitors in an increasingly tough competitive environment for ground handling services.

We were the first airport worldwide to take part in the initiative "Cargo 2000". Some 60 airline companies, freight forwarders, ground handling agents and IT providers have joined together in this initiative. They are all pursuing the same goal of tracking the quality of transport for goods sent by airfreight over the entire transport chain and using a common data platform to prepare a uniform quality report. The objective is to continually improve service for the benefit of airfreight customers.

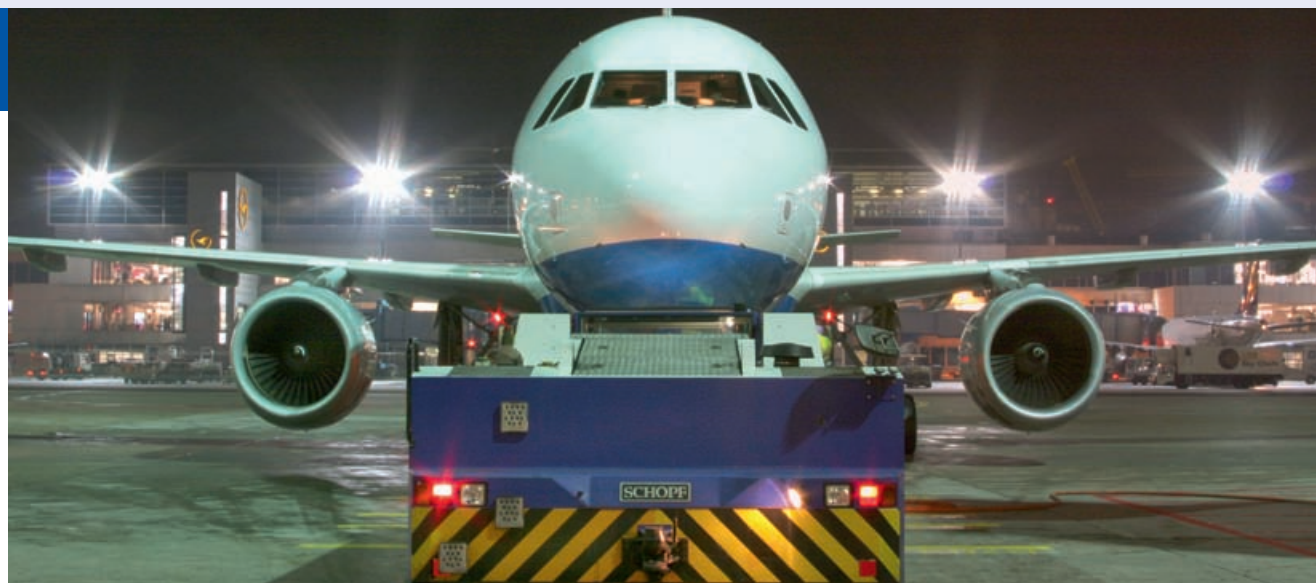
### Adopting innovative approaches

We use innovative working time models in ground handling with the aim of offering our customers peak service quality at attractive conditions while at the same time running a profitable operation. These models enable us to adapt the deployment of our personnel to take account of fluctuations in traffic volumes. A top priority is also to enhance the environmental compatibility of our services continuously. In 2008, we replaced 17 percent of our vehicles and equipment with new, more environmentally benign vehicles – thereby exceeding even our own target by seven percent.

In 2008, the Ground Handling segment generated a share of more than 30 percent of Group sales with 642.7 million euros, and it contributed 52 million or 8.7 percent to Group EBITDA. A workforce of more than 8,443 employees was working in this segment at the close of 2008.

### Outstanding cooperation

The German Logistics Prize was awarded to the project Integrated Passenger and Baggage Logistics at the Frankfurt Aviation Hub operated by Fraport and Lufthansa in 2008.



## External Activities – Developing global growth potential

Apart from the projected growth at our FRA hub, we also want to benefit from future growth in global air traffic at other sites. “External Activities” are directed toward exporting Fraport’s expertise in management and services that has been acquired during the course of operating Frankfurt’s international aviation hub. Our interests are currently focused on the economies in the Middle East and Far East. These areas present extremely good opportunities for the Fraport Group to acquire attractive management contracts and airport investments in the wake of deregulation measures.

Fraport reviews tenders for management contracts and investments strictly on the basis of the feasible profitability and specific risks within the parameters of External Business. We only offer to invest our expertise, our management services or our capital if the projected profit likely to be generated by a project meets our aspirations for a minimum return on investment. In 2008, our External Activities segment generated sales of 327 million euros with a workforce of 5,240 employees and contributed a share of 9.3 percent to Group EBITDA with 55.9 million euros.

### Investment in Frankfurt-Hahn sold

Our investment in Frankfurt-Hahn Airport sustained a slight drop in passenger numbers in the business year 2008, but increased the volume of cargo handled by 11 percent to 124,000 metric tons. Fraport has always emphasized that Frankfurt-Hahn Airport had to generate profit consistently by 2010. When a consensus could not be agreed between the shareholders in Hahn on measures directed toward this goal, we decided at the beginning of 2009 to sell our shares in the airport with effect from 31 December 2008 to our joint share-

holder, the state of Rhineland-Palatinate. Close cooperation between the two airports will continue independently of the shareholder structures.

### Future showcases in the Middle East and Far East

In 2008, Fraport succeeded in entering the market in the Middle East. Since last summer, we have been managing King Abdulaziz International Airport in Jeddah and King Khalid International Airport in Riyadh, with a contractual term of six years in each case. Alongside day-to-day operations, a key element of our activities is to develop the two sites and stimulate traffic growth. The two airports operate round the clock and handle airfreight volume of around 200,000 tonnes. In 2008, a total of 17.2 million passengers passed through Jeddah Airport – many of them using the airport as a gateway to Mecca – while 12 million passengers passed through Riyadh Airport.

China and India are among the growth engines of the global economy and the airport business in these countries offers attractive opportunities. We have already been operating in the Indian capital of Delhi since 2007. In 2008, we took over management of Xi’an Xianyang International Airport located in the major Central Chinese city of Xi’an with several million inhabitants. The central geographical location of the airport offers a great deal of potential for developing into a regional aviation hub.

Burgas Airport (BOJ)



Varna Airport (VAR)



Indira Gandhi International Airport (DEL)



Antalya Airport (AYT)



Cairo International Airport (CAI)



Jorge Chavez International Airport Lima (LIM)



Airport Hanover-Langenhagen (HAJ)

Aéroport International Blaise Diagne, Dakar (DKR)



King Khalid International Airport, Riyadh



King Abdulaziz International Airport, Jeddah

Xi'an Xianyang International Airport (XIY)



# *Group-wide environmental management and climate protection*

28

ECOLOGY

For Fraport, the primary aim of sustainable business is to achieve consistent reductions in the environmental impact of our business activities in as many areas as possible. Prevention at Frankfurt Airport and establishment of efficient environmental management at our Group sites are the focus of our strategy. The climate protection targets adopted by Fraport AG in 2008 are a key element in our environmental strategy at our home base: They envisage significantly reduced carbon dioxide emissions per traffic unit by 2020. Apart from numerous measures directed toward the real-estate portfolio and the terminals to improve energy efficiency, the new Terminal 3 is being planned as an “Eco Terminal” and will serve as an important module in achieving this goal.

| FAIRPLAY = CONSERVING RESOURCES |





## FOCUS THEME

### Group-wide environmental management

Promotion of environmental management at all Group sites is among the strategic sustainability targets Fraport has defined for the period up to 2020 (see strategic sustainability targets to 2020 on page 9). The goal is to improve sustainability performance of the Group systematically and make this performance transparent.

### Ten years of EMAS – Ten years of audited environmental management at Frankfurt Airport

As an example, environmental management at Frankfurt Airport has been validated in conformity with the European Eco-Management and Audit Scheme (EMAS) since 1999. The aviation hub was the first airport in Germany to subject itself to the critical judgment of independent experts – and this validation process has been repeated every year. Validation in conformity with EMAS is based on the conviction that an airport of the size of the Frankfurt hub can only be competitive and successful in the long term if it puts a sustainable environmental policy into practice and makes this transparent to scrutiny in the public domain.

Alongside a group-wide environmental policy, key elements in environmental management at Fraport AG are the environmental indicator system with comparable timelines over many years, the internal environmental operating audits, the assessment of environmental aspects, and the environmental program.

A detailed Environmental Statement forms the basis for validation in conformity with EMAS. The company publishes this statement every three years and the most recent Environmental Statement was published at the end of 2008. In the intervening years, Fraport publishes an abbreviated version with updates on the data and indicators as well as information on the status of the environmental program. Environmental

Statements of Fraport AG are published in German and English and they can be accessed in the Internet by clicking on [www.fraport.de](http://www.fraport.de) or [www.fraport.com](http://www.fraport.com).

### Environmental management at all Group sites

In addition to environmental activities at Fraport's FRA home base, environmental management is also being implemented at other Group locations. These Group sites benefit from the long track record of experience built up over the years by FRA. The Group executive board adopted an environmental policy for the entire Group in spring 2008. This policy is based on the principles of the Global Compact. Details of the environmental policy are published in the Environmental Report. The Group companies base their reporting on uniformly defined environmental indicators.

The experiences gained from environmental management at the Frankfurt site are available to the Group's airports around the world, for example in the form of training programs and technical support, but also on the ground at the individual sites.

Environmental management from Fraport was used at Lima Airport in the Peruvian capital to support the calculation of noise-optimized flight paths and removal of asbestos from an old terminal building. Lima Airport has been certified in conformity with ISO 14001 since 2003.

A consultation process was carried out at Antalya International Airport in Turkey prior to the introduction of environmental management. At Cairo International Airport in Egypt and Indira Gandhi International Airport in the Indian capital of Delhi the focus was on environmental training. Training programs lasting several weeks were delivered on environmental protection, environmental management and ISO 14001 to the relevant environmental management teams, and at different operational levels.

At the Frankfurt site, the Group subsidiaries also receive intensive advice and training. These programs focus in particular on companies relevant to the environment, including Fraport Cargo Services GmbH (FCS), which is responsible for handling freight and hazardous materials. In June 2008, EMAS and ISO 14001 were implemented at FCS for the first time and inspected by an environmental auditor. Fraport's N'ICE subsidiary, specialized in Aircraft de-icing, is also about to be audited for environmental management in conformity with EMAS and ISO 14001.

## FOCUS THEME

### Fraport defines “Strategic climate protection targets”

Climate protection is a key element of our Group sustainability targets for ecology. Our goal is to reduce CO<sub>2</sub> emissions at Frankfurt Airport per traffic unit (one passenger or 100 kg freight) by 30 percent and avoid additional CO<sub>2</sub> emissions caused by our expansion projects. In order to ensure that Terminal 3 is an Eco Terminal, innovative energy sources such as geothermal energy will be used (see strategic sustainability targets up to 2020 on page 9).

Fraport is committed to finding future-proof solutions to meet the ecological challenges of the 21 century. This aim is not confined to the business areas of our company that we are able to influence directly, but extends to the effects exerted by third parties, e.g., the airline companies. Although we are not directly responsible for their fleet policy, we are able to provide incentives, e.g., through landing fees.

The climate protection targets adopted by Fraport AG in 2008 constitute an important element in the environmental strategy at our home base. They aim to reduce the carbon dioxide emissions of Fraport AG which equaled 3.6 kilograms per traffic unit in 2005 by around 30 percent in 2020. A further goal is to ensure that the operation of Fraport’s own infrastructural equipment and vehicles at the Frankfurt site emit no more CO<sub>2</sub> in the year 2020 than in 2005 despite the expansion of the airport. A highlight of the program is the concept of designing the projected new Terminal 3 as an Eco Terminal with the focus on energy efficiency. Other key elements in the strategy are the current sourcing of climate-neutral power from hydropower, upgrading office and service buildings to meet the latest energy conservation requirements, and deployment of advanced logistics systems for greater fuel efficiency.

## Current measures implemented by Fraport AG for more climate protection

### Direct area of influence (Greenhouse Gas Protocol “GHG” Scope 1 and 2)

- Energy optimization of approximately 60 office and service buildings (15 percent reduction of energy consumption by 2020)
- Energy optimization of terminal systems (in particular technical control centers)
- Deployment of innovative IT tools for optimization of apron traffic
- Expansion of the stationary 400 Hz ground power supplies
- Training sessions on the issue of energy saving in the workplace
- Purchase of certified green electricity from hydropower for the years 2008–2013
- Fraport sources district heating from highly efficient cogeneration (i.e., 60 percent CO<sub>2</sub> saving compared with conventional heat generation)

### Indirect area of influence (GHG Scope 3)

- Fraport offers third-party companies at Fraport Airport the possibility of purchasing certified green electricity from renewable sources for the years 2010–2013
- Free job ticket and Carriva Carpool club for employees
- Further development of the intermodal product for passengers in high-speed trains and in the public transport system
- Launch of the rail connection and development of freight transport by train as alternatives to truck

## Fraport checks feasibility of further climate protection measures

### Energy optimization of infrastructure and processes

- Advanced planning for Terminal 3 with particular focus on energy efficiency and profitability
- Reviewing APU\* replacement by Preconditioned Air for positions on Terminal 3
- Reviewing the introduction of the Departure Management System

### Generating/sourcing of renewable energy

- Reviewing the feasibility of a geothermal power plant
- Reviewing the deployment of photovoltaics for power generation
- Reviewing the sourcing of certified green electricity from renewable sources beyond 2013

\* Auxiliary Power Units



### Logistic measures for CO<sub>2</sub> reduction

A new logistic system is currently being developed for optimizing handling processes on the apron. An advantage of the new system is the avoidance of empty runs.

A reduction in the taxiing and waiting times of aircraft before take-off is achieved using newly developed software. This enables at least one minute to be saved at take-off and represents a net fuel saving.

A reduction in the use of diesel-operated ground power units for supplying electricity to parking positions is achieved by expanding the 400 hertz ground power supplies. This has now been carried out at 112 positions. It has enabled the operating times of the Auxiliary Power Units (APU) and the deployment of diesel-operated Ground Power Units (GPU) to be reduced.

### “Eco Terminal 3” – the name is the program

We consistently followed the energy efficiency concept when we were building the new Terminal 3. In addition to the new north-west runway, the building designed as an “Eco Terminal” is a key construction project in the expansion of Frankfurt Airport. Terminal 3 will be built by the middle of the next decade on the site of the former US Air Base to the south of the airport complex. The terminal will have 50 aircraft positions directly adjacent to the building and additional 25 positions in the apron area close to the building. Once the terminal has been constructed, Fraport will have created the foundation for the infrastructure required by the anticipated increase in air traffic. It will allow an additional 25 million passengers to be handled in the future – equivalent to growth of nearly 50 percent in comparison with 2008.

### District heating from co-generation

The goal is to heat the new terminal using district heating. The heat is generated in the Frankfurt-Niederrad district-heating power station operated by Mainova AG. This is based on a highly efficient, environmentally benign gas and steam turbine (co-generation).

### Exploitation of energy storage effects

The company is also investigating the availability of technical options for optimizing energy distribution in Terminal 3. The goal is to exploit the waste heat and excess cooling capacity generated in certain sections of a building complex – for example in order to provide heating and cooling capacity for purposes of heating and cooling in other parts of the complex. Fraport is also considering how to exploit energy storage effects associated with certain times of the day. This would be possible using thermal component activation in which the heat storage capacity of walls, ceilings or floors is used to regulate the room temperature. Floor temperature regulation (attenuation) using geothermal energy is a further possibility in the check-in hall, at the gates, and in the office areas.

### Geothermy: Energy from the center of the earth

Geothermal heat near the surface of the earth can be used to supply energy for Terminal 3. If the responsible authority grants approval, the base load to meet the requirements for heating and cooling in the terminal could be provided by heat exchangers located in the earth or the groundwater. This option will therefore be pursued in the ongoing planning process.

Furthermore, Fraport is currently pursuing the use of deep geothermy for Terminal 3. The initial results from a feasibility study indicate that the use of geothermal energy up to a depth of 4,000 meters could be an option for Frankfurt Airport. This would enable Fraport to avoid emissions of up to 22,000 metric tons of CO<sub>2</sub> each year.

### Energy optimization of Terminals 1 and 2

In order to achieve the ambitious CO<sub>2</sub> savings targets we have set ourselves, we are concentrating on optimizing building technology in the existing Terminals 1 and 2 at Frankfurt Airport. These are the biggest energy consumers at Fraport AG with an electricity requirement of around 200 million kilowatt hours each day. We have optimized the management of the ventilation system in Terminal 2 in recent years and started

a process of optimizing the energy supply in Terminal 1 by upgrading two of the 50 technical control centers. This process of updating and replacement is scheduled for completion by 2011.

### Reduction of the energy requirement in service and administrative buildings

By the end of 2008, the energy consumption for some 60 service and administrative buildings was analyzed, and optimizing ideas were formulated in the form of construction and technical proposals on the basis of this analysis. Our objective is to achieve a 15 percent reduction in the energy consumption of these buildings by 2020.

As users of the buildings, our employees are also able to contribute proactively to energy savings. In 2008, we launched a series of events to provide information about the potential for savings in working areas and at home.

In addition, nearly ten percent of the pipework in the district heating network was replaced. Replacement, upgrading, and hydraulic balancing of the network will further reduce the energy losses in future.

### “Green electricity” in the vanguard

Fraport’s Energy Air subsidiary has been supplying Fraport AG and its subsidiaries at Frankfurt Airport with certified green electricity from hydropower since 2008. This measure will avoid the emission of more than 135,000 metric tons of CO<sub>2</sub> in 2008 and 2009. Green electricity will also be available to third-party companies starting in 2010. This could avoid the emission of up to 70,000 metric tons of CO<sub>2</sub> each year. Studies are currently being carried out to establish the extent to which green electricity can be used for supplying power beyond 2013.



### **Intermodality**

Low-consumption aircraft are an important method of reducing the emissions generated by air traffic, but they are not the only tool in the armory. Efficient networking of air, road and rail carriers will transfer a proportion of passenger traffic to rail. In 2008, the share of passengers traveling to the airport or leaving it by public transport increased to 36 percent (see chart on page 56).

In 2008, the existing rail connection in CargoCity South was reactivated. It aims to transport airfreight by train between Frankfurt and Leipzig airports. Moreover, Fraport AG has joined forces with partners to commission a research project for developing and implementing an airfreight-rail center at Frankfurt Airport. The study being carried out by the Fraunhofer Institute for Material Flow and Logistics will be conducted over a period of three years.

### **Job ticket for employees**

Fraport has continued to sponsor environmentally friendly travel to work in 2008 by offering all employees a job ticket. Nearly 43 percent of Fraport's employees took up this opportunity for traveling to work (see chart on page 56).

The recently founded CARRIVA Carpool Club – a pilot program in operation since the beginning of 2008 – is designed to reduce private vehicle traffic at FRA. A sophisticated and innovative software tool facilitates automatic mediation of private, flexible car pools using cellphones.



The following sections provide an overview of other environmentally relevant issues and projects at Frankfurt Airport.

### Waste

Fraport undertakes considerable efforts to prevent waste creation. Where this is not feasible, waste is recycled as far as possible. A recycling campaign for empty toner and ink cartridges launched in 2009 is an example of a recycling initiative. The proceeds are being donated to a parents' initiative for children suffering from cancer.

In 2008, we disposed of a total of 24,112 metric tons of waste – excluding soil and building rubble. Non-hazardous waste represented the largest category at 92 percent. Our materials recycling rate was 83 percent in the year under review (see chart on page 57).

### Air quality at city level

Fraport has already been monitoring air quality at Frankfurt Airport for several years. The results are published in annual air-quality reports. The data indicate that the total impact (level of pollutants) – in other words the result of all contributions from air traffic, ground transport services, automobile traffic, industry, agriculture, and domestic fires – are in a range similar to that registered in the surrounding urban area.

### Air-pollutant emissions

At Frankfurt Airport, carbon monoxide and nitrogen oxides make up the largest part of the airport's total emissions classified as percentages by volume of the locally impacting forms of gas and dust. Hydrocarbons, sulfur dioxide, PM 10 (fine dust particles with a diameter of less than 10 µm), and soot are next in line.



Air traffic is the main source of emissions at the airport. Vehicles on the apron and traffic on the roads in and around the airport constitute the second largest source of emissions. The proportion contributed by stationary sources (such as heating systems) is low by contrast, since most buildings are connected to the district-heating network.

### Modern fleet helps to reduce air pollutants

The apron traffic with vehicles, mobile work machines and handling equipment is directly influenced by technological and organizational measures. These measures also impact on Fraport's service roads. Apart from the optimization of handling processes by developing and deploying new software tools, mobile work machines are being replaced in conformity with the Directive 2004/26/EC and the latest status of the emissions standard. The target of replacing 10 percent of mobile ground support equipment every year by new technology was significantly exceeded with a replacement rate of 17 percent in 2007 and 2008. 159 mobile work machines were replaced in the year 2008.

### Airport charges with environmental element

On 1 January 2008, Fraport placed a stronger emphasis on the environmental component of airport charges. The following changes were made:

- Supplementing the noise component with a pollutant component.
- Expansion of the noise categories for the allocation of aircraft types from seven to eight categories.
- Duplication of the environmental component in relation to the preceding years.

The environmental policy of Fraport AG is therefore directed toward ensuring that lower charges are levied for aircraft that are classified as environmentally friendly than for aircraft that are classified as more polluting.

This is highlighted in particular by the example of the Boeing 747-200 that is classified as not particularly environmentally friendly. An increased charge of 450 euros is incurred here on the basis of the changed environmental component. By comparison, an increase of only 25 euros resulted for the Boeing 747-400. The Airbus A320 even makes a saving of 23 euros (see chart on page 57).



### Aircraft noise management

Aircraft noise has been measured around the airport for the past 45 years and the results have been presented in publications such as the Aircraft Noise Report and the Environmental Statement. The range of measures for aircraft noise management is set out below.

### Measures defined in the zoning approval for expanding Frankfurt Airport

The zoning approval for the airport expansion imposes a series of regulations for protecting the environment. These measures are directed toward noise abatement and reducing air pollutants. Some of these regulations affect taxiing traffic and operations on the ground:

- Thrust reversal is no longer permitted during the day or at night, except in cases where this is unavoidable for safety reasons.
- All handling positions must be equipped with stationary ground power units.
- Apart from take-off and landing, and the taxiing traffic directly associated with these operations, aircraft tow trucks must be used for taxiing.
- An engine run-up installation must be provided.
- Full-power engine run-ups for the engines may only be carried out at night in the specially designed installation.
- Engine run-ups may only be carried out at designated locations at the times defined in the approval.
- Specific maximum equivalent continuous sound levels are laid down for exposure times applicable to neighboring residential properties.

The precise regulations are defined in the adopted zoning approval for expansion of Frankfurt Airport dated 18 December 2007, which can be accessed by clicking on [www.wirtschaft.hessen.de](http://www.wirtschaft.hessen.de).



### Active noise abatement

Fraport is working together with the airlines and Deutsche Flugsicherungs GmbH (DFS = German air navigation services) to further improve active noise abatement. This includes, for example, the low-noise Continuous Descent Approach (CDA) procedure, which is already used during the nighttime from 23:00 to 5:00, when traffic volumes are low.

### Cooperation agreement with the town of Kelsterbach promotes good relations with our neighbors and opens up new perspectives

At the beginning of 2009, a cooperation agreement was concluded with the town of Kelsterbach that Fraport AG described as an “agreement promoting fair and good neighborly relations”. The package with a finance volume of more than 30 million euros comprises not only voluntary noise abatement measures but also the development of industrial and commercial floor space and closer cooperation in the future within the area of education and training – ranging from nurseries and schools to on-the-job training placements.

With respect to aircraft noise, the agreement provides for noise abatement measures that go beyond those defined in the zoning approval. They include passive noise prevention mea-

sures requested by the owners of houses in the “Am Hasenpfad” residential area, construction of a noise abatement wall with shrubs and hedging on both sides, and construction of a further noise abatement wall to the south and east of the B 40.

### Developments and studies

Work is currently being carried out on a number of projects in addition to the measures already in existence and those defined in the zoning approval. A joint declaration issued by Fraport AG, Deutsche Lufthansa, the state of Hesse, the German air navigation services (DFS), BARIG (Board of Airline Representatives in Germany), and the Chair of the Regional Dialog Forum in December 2007 defines new measures for reduction of aircraft noise. Noise reduction at the source itself is the most effective method. The agenda for potential active noise abatement measures includes tests for raising the approach glide angle, increasing the tail-wind component, lateral and vertical optimization of take-off and landing procedures, and measures to reduce noise emissions from the aircraft itself.



### Passive noise abatement

The Noise Abatement Program launched by Fraport AG in 2001 is well advanced. This program was targeted at 17,500 households in 15 towns and villages located in the immediate environment of Frankfurt Airport. The aim was to bring about a tangible reduction in the noise levels perceived. The protection measures included installation of sound-proofed windows, sliding shutter units and low-noise fans, so that a maximum level of 52 dB (A) is not regularly exceeded in bedrooms and children's rooms during the nighttime.

The status of the program in May 2008 was as follows:

- Submitted proposals: 5,400
- Prepared action plans and cost approvals: 5,050 proposals with 13,350 living units
- Action plans implemented by the applicants and reimbursed by Fraport: 4,300 applications with 9,200 living units.

Nurseries, schools, and retirement homes were also included in the voluntary noise abatement program, as being particularly important areas where noise should be reduced.

### Water

Fraport takes every opportunity to restrict the use of drinking water. The consumption of drinking water has been declining over a relatively long period of time. This is due to a number of reasons including the rise in the consumption of service water (see chart on page 57). In 2008, service water as a percentage of total water consumption amounted to 13.7 percent. Fraport is continuing to expand the supply of service water at the Frankfurt site with the goal of promoting this ecological alternative to drinking water. The company's plan currently envisages that around 38 percent of the entire water consumption at Terminal 1 alone will be covered by service water by 2014.

### Protection of biodiversity

We developed a Biodiversity Strategy in 2007 with the aim of preserving and promoting biological diversity at the Frankfurt site. The objective is to create or develop biotopes that are natural and worthwhile for conservation purposes over the long

term. These will include discontinuing forestry management operations in woodland areas, preserving the status of existing biotopes, and developing monotonous arable land into natural woodland sites.

The airport expansion and major building work such as construction of the A380 hangar involves Fraport carrying out substitution, compensation and improvement measures at other locations. An outstanding example of the success of this policy is the reforested area Hohenau in the Groß-Gerau district, which has now become an accredited nature conservation site. This is an area previously used for intensive agriculture, which has been developed as soft-wood and hard-wood floodplain woodland. Neighboring arable areas are being reforested to reflect natural conditions as a compensation measure for the current expansion. Further measures include improvement of existing forested areas to conservation status. Conservation areas will be managed over time in a phased development to create a multilayered age structure that provides a consistent stock of old and dead wood. The biotope structure on the edges of the woodland will be ecologically enhanced.

### Relocation of species at risk

If the construction work carried out by Fraport AG carries a risk of impairing or having a harmful impact on important animal species, they are relocated. Examples include lizards and stag beetles. Once biodiversity measures have been successfully completed, the effect of our action is often monitored.

### Honey bees as an environmental indicator

Honey bees are particularly sensitive in their reaction to environmental influences. They are therefore particularly useful as an "environmental indicator" to provide information about the status and development of the ecosystem at the airport. The Institute for Honey Bees at the Polytechnic Society Frankfurt in Oberursel has introduced eight bee populations at the site. The results of this biomonitoring trial demonstrate that the ecological quality of the site is above average.

### **Fraport Environmental Fund**

The Fraport Environmental Fund is a voluntary commitment launched in 1997. A total of more than 500 individual projects has been financed by the fund at a cost of 23.9 million euros. The funds are used exclusively for nature and environmental projects in the area surrounding the airport and they are not credited against mitigation measures for expansion of the airport.

In 2008, Fraport donated money from the environmental fund to a project organized with a number of partners in order to provide finance for the "Water Case" – a Water Researcher Set for children between the ages of four and ten. The set enables children to carry out experiments with water and is intended to raise awareness of the importance of the vital resource water among the youngest members of the population. The set for carrying out water experiments and the educational support provided by the environmental instructor is designed to help the young children learn on their own and act with a sense of environmental awareness. The concept is based on the Hessian educational curriculum and on the framework plan for elementary schools in Hesse.

Fraport AG is also paying for a qualified biologist to work around 20 hours a week. She takes children aged between three and twelve years old on nature trips in the fields, forests and meadows to give them an opportunity to experience animals and plants at first hand in the open. You can access detailed information on the educational services – which are available free of charge – by clicking on [www.aktivfuertiere-gion.fraport.de](http://www.aktivfuertiere-gion.fraport.de).

### **Other educational projects on the environment**

During the year under review, Fraport supported a number of other projects, including an educational initiative on the environment implemented by Rodgau-Dudenhof Animal Rescue Center. The employees of the center visited schools in the surrounding area with living specimens, in order to teach children about the beauty and ecological importance of exotic animal species.

You can find out more about biodiversity in the Environmental Report 2008 starting on page 118. This information can be accessed by clicking on [www.fraport.de](http://www.fraport.de) and then going to the menu item "Sustainability".

### **Energy and fuels**

Energy consumption at the airport is approximately equivalent, e.g., to the consumption of a town such as Hanau with its population of 93,000 inhabitants. The energy consumed by Fraport

AG for the generation of electricity, heat, and cooling capacity only underwent a minimal increase in 2008 (0.4 percent) (see chart on page 57). Fuel consumption of mobile ground support equipment operating on the apron and roadways at Frankfurt Airport increased by 4 percent to 12.45 million liters. This increase is due to construction activities, particularly in the area of Terminal 1, and the associated diversions required for apron vehicles. The mobile work machines and vehicles in operation during 2008 were on average six years old (2007: 6.5 years).



**Climate change is one of the biggest challenges of our time. A key goal of Fraport is therefore to significantly reduce our CO<sub>2</sub> emissions over the coming years. We also regard this challenge as an opportunity to secure the profitability of the company over the long term.**

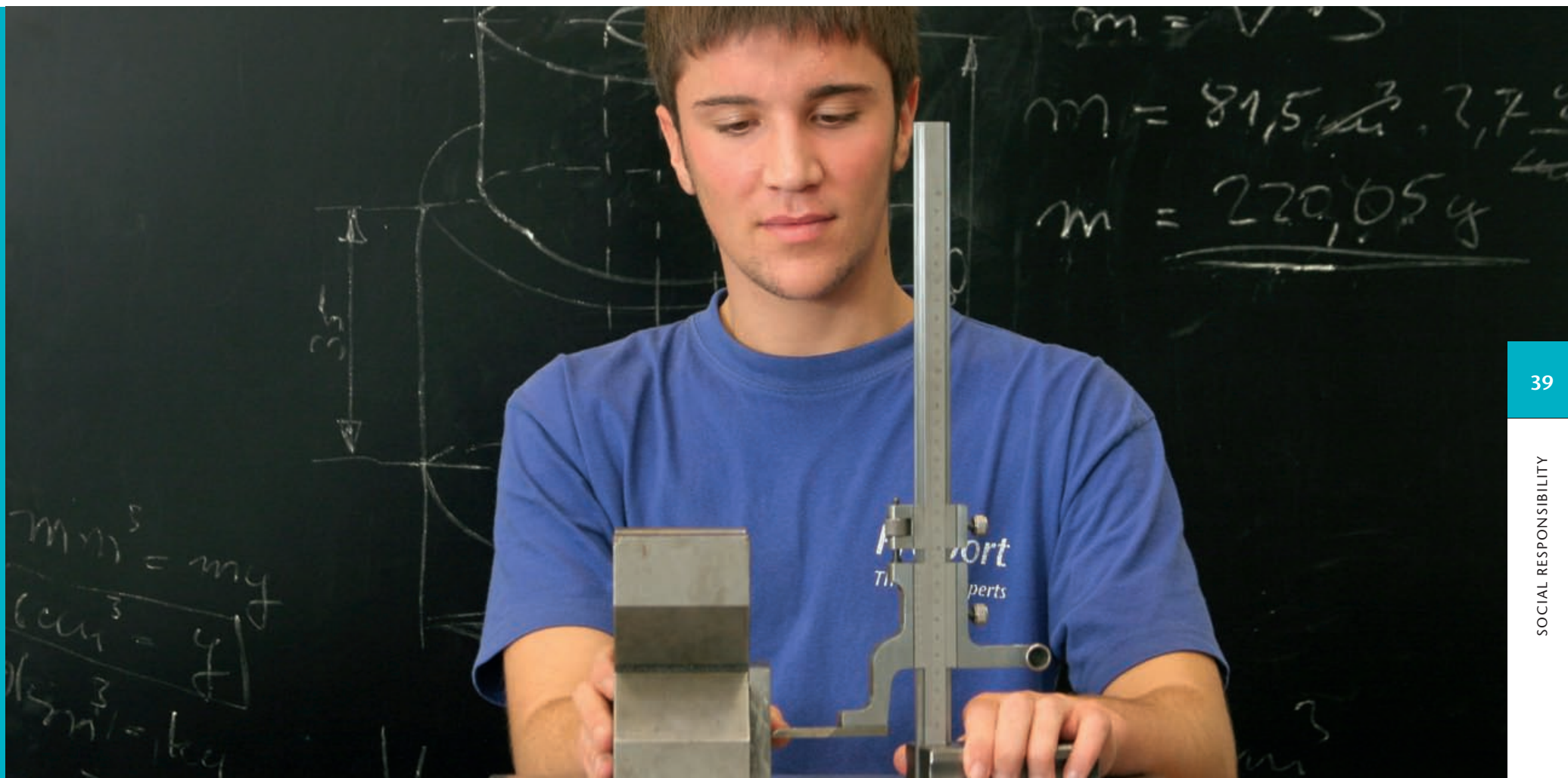
**Dr. Stefan Schulte**

Vice chairman of the executive board and executive director  
Traffic and Terminal Management, Airport Expansion



# *Education is the future*

One of the key objectives of our human resources policy is to capture the imaginations of young and motivated people with lots of talent and harness their innovative potential for the future of the Fraport Group. We are continually striving to increase the performance of our older staff members in order to mitigate the consequences of the skills deficit that is already evident today. The expertise, experience and knowledge that they have built up over the course of their long careers will continue to be an indispensable tool in the armory of our future competitiveness. We are facing up to the challenges of demographic change with an all-embracing and visionary human resources policy. | FAIRPLAY = PARTNERSHIP |



Motivated and healthy people combined with a working environment that exerts a positive effect on the performance of individuals play a key role in the success of Fraport. We are continually working toward developing a reasonable equilibrium between the commercial interests of our Group and the individual lifestyles of our employees. Flexible working hours, an employment policy based on partnership, and a broadly-based platform of training and career development packages play a role, as does the work-life balance between career and family. Initial career training is a particular focus at Fraport with the aim of supporting young people who are on the threshold of the world of work, and offering them perspectives for the future in times of economic tension.

According to forecasts by the Intraplan research institute, passenger numbers at Frankfurt Airport are likely to rise from 52 million in the year 2005 to around 88 million in the year 2020 – an annual increase of 3.5 percent (without transit). Air-freight business is expected to soar by more than 70 percent. The validity of these statistics is not modified in any way by the current decline in passenger and freight volumes in the context of the current economic crisis, because so far, a mechanism of

overcompensation has always followed a decline in traffic numbers once the crisis is over. By expanding the capacity at Frankfurt Airport, Fraport is ensuring that Germany's most important hub will be able to continue fulfilling its role in the future as an engine for jobs. Experts are predicting that 25,000 additional jobs will be created at the airport by infrastructure projects designed to meet future needs. Projections indicate that in combination with secondary, tertiary and catalytic effects in the region and beyond, the grand total may in fact be as many as 100,000 new jobs.

During the year under review, the Fraport Group employed an average of 23,079 employees (without apprentices and employees on release schemes), 7,358 fewer than in the previous year. More than 97 percent of our employees work in Europe. On the basis of all partially and proportionately consolidated companies, the total number of employees amounting to 21,835 (–9,533) at the year-end was significantly below the figure for the previous year. The reason for this substantial shift downward was the sale of our ICTS Europe Holdings B.V. subsidiary, based in the Netherlands, on 1 April 2008. At the time of the sale, ICTS employed a workforce of some 10,200 employees.

On the balance sheet date 31 December 2008, 12,363 employees were employed. This is equivalent to a decline of 170 employees compared with 2007 entailed as a result of normal fluctuation.

#### External Activities

Fraport AG's sustainability policy is not simply restricted to Frankfurt Airport. We also expect an approach that demonstrates economic, ecological and social responsibility in all operations where we hold a majority stake. The social commitment to the community shown at Lima Airport in the Peruvian capital is an ideal example of this kind of dedication.

The operating company of Lima Airport, Lima Airport Partners S.R.L. (LAP), ensures that all the companies based at the airport together with their employees and passengers are in compliance with the international regulations and standards



of conduct. These include the authorization of unions and an express prohibition on child labor. Lima Airport also demonstrates exceptional commitment to the community. Integration of disabled people in the everyday world of work since 2008 is a particular feature of this policy. A young man suffering from autism has already been given a position and expansion of the project is planned to include other young people during the coming years.

In addition, Lima Airport Partners also looks after the welfare of its employees by offering bus transfers from the

Around 55 percent of our employees were involved in the employee share program. The success-related bonus based on the commercial result of the Group varies from year to year. You can find detailed information on the issues of employee participation and retirement provision in the Annual Report 2008 on pages 44 and 45.

#### **Flexible working time**

Flexible working hours that make it easier for employees to combine their career with their private life are becoming

or 13.3 percent of the workforce were working in a framework of part-time models, while across the entire Group the figure was 1,998 or 9.2 percent. The life-long working time account is also becoming increasingly attractive. This involves overtime, remaining days of vacation and other time credits being credited to the employees' account on their request. If internal workflows permit, employees can take extended sabbaticals, particularly in the context of phased retirement before the statutory age for finishing work.

#### **Partnership to success**

We are continually working to optimize our working environment in order to continue as an attractive employer in the job market for skilled employees and managers who are motivated and dedicated to providing service. We reward performance, promote the skills and personal development of each individual, and empower all members of staff to participate in the success of the company. Since 2002, the views of employees in our subsidiary companies have appropriately been taken into account by the Group Works Council. We are dedicated to carrying out a dialog with employees on an equal footing. You can find more information on this subject in our Annual Report 2008 on page 45.



large number of suburbs around the city to the airport for all employees and paying 80 percent of the contributions of all employees taking out health insurance with EPS Rimac.

#### **Performance and incentive-based remuneration**

Fraport introduced a performance-based remuneration system in 2001. This annual performance-related one-off payment is based on a systematic performance appraisal of each employee – partly including the attainment of individually agreed goals.

increasingly important for employees. The companies also benefit from models with working hours that allow employees to create a better work-life balance. These permit compensation for seasonal variations or fluctuations in economic activity, while also contributing toward safeguarding personnel assets. Fraport meets the requirement for flexible working time with a large number of working time models, ranging from flexitime and part-time work through telework to the ideal duty roster to meet the needs of shift workers. In 2008, 1,641 employees

#### **Rewards for ideas management**

Increasing quality aspirations and shorter innovation cycles continually require new ideas. Fraport is well aware of the creativity of its employees and integrates this asset systematically within innovation and ideas management at the Group. During the course of 2008, 944 employees contributed some 788 ideas directed toward improving the structures and workflows. The benefits associated with these ideas totaled around 1.75 million euros.

The German Institute for Business Management (Deutsches Institut für Betriebswirtschaft, dib) presented Fraport with an award for its system of ideas management at the "Annual International Conference 2008 – dib Forum for Ideas Management" held in May 2008: The Group was ranked among the first four placings for the seventh time in succession. A submission team from the Ground Services business unit was ranked among the ten best ideas for the participating companies with its improvement proposal. The awards had been put through a benchmarking process involving 290 companies and public services from 18 sectors.

#### Company social benefits

In addition to the health scheme subsidy, the Staff Provident Fund acts as a non-profit organization of Fraport AG. Employees can apply for assistance in purchasing e.g., spectacles and contact lenses, medical aids, crowns and dentures, or spa therapy and rest cures. If necessary, benefits are also available to spouses, children with entitlement to child benefit, and surviving dependents of former employees. Our membership of the Wiesbaden supplementary pension fund scheme additionally enables us to offer our employees a top-up company pension plan.

#### Fraport Barometer: taking the pulse of employees

In autumn 2008, the survey for the "Fraport Barometer" was held for the ninth time. The annual survey to assess the mood and sentiment among employees is now a fixed element in the feedback tools deployed at Fraport AG. Participation by 55 percent of employees confirmed the positive trend for sentiment within the company. The index of satisfaction is calculated on the basis of the evergreen issues that are regularly surveyed. The index improved from 3.08 to 2.97 compared with the previous year. The system is based on a school grading system where the highest grade is 1 and the lowest grade is 6. The result confirms the positive trend in opinion within the com-



#### Diversity in the "global village" of an airport

Frankfurt Airport fulfills the function of a "global village" for the 53.5 million passengers that we welcomed here in 2008. Travelers from countries all over the world converge here. The international nature of the location and its cultural diversity are also reflected in the profile of the employees making up the workforce at the airport, the airline companies represented there, the hotels and restaurants, and other companies located at the airport.

The wide variety of religions represents a particularly striking feature of the different cultures. Religions define the conduct and the needs of individuals. Fraport respects and values the individual religious perspectives and is committed to religious diversity. The annual "Abrahamic Celebration" held at the airport conveys a clear signal on this issue. This is a joint event between Jews, Christians and Muslims. It gives people who are adherents of one of these three global religions the opportunity to come together in their faith and learn about each other. We believe that good relationships between the religions at Frankfurt Airport offer an impulse for harmonious relationships between cultures and religions in the community.

pany. This is directly related to numerous measures derived from the barometer surveys carried out in previous years, which have been implemented to improve working conditions.

In 2006, we also established the Group Barometer. Eight investment companies took part in the Group Barometer during the year under review 2008. This indicates that the level of employee satisfaction has also increased slightly across the Group (see chart on page 58)

### Integration of people with disabilities

A key objective at Fraport is to integrate disabled employees within the career structure and make it easier for them to play a meaningful role in society. At the end of 2008, 1,063 disabled women and men were working at Fraport AG. The proportion of disabled employees increased to 9.3 percent (as a percentage of eligible jobs) and this is significantly in excess of the statutory requirement.

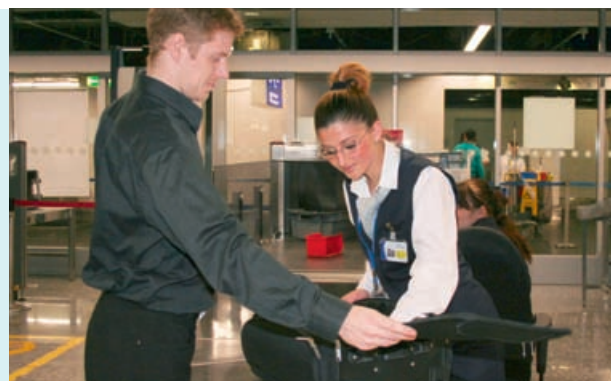
Since 2008, employees with hearing and sight impairments have also benefited from the installation of video phones and barrier-free access to the Internet and Intranet.

### Equal opportunities

Our "Company Agreement on Equal Opportunities for Women and Men" and the "Guidelines for Partnership Conduct" define our commitment to ensuring that we are able to strengthen our workforce with well-qualified women and raise the level of individual skills and expertise within the company.

Fraport AG uses the Total E Quality (TEQ) concept to achieve equal opportunities for women and men. You can find more information on this subject in our Annual Report 2008 on page 43.

We have also been working hard at getting more women into management positions for a number of years. The Cross Mentoring Program is operated throughout the company and our participation in this program is directed to this end. The aim is to help women in management positions to expand their management expertise with the assistance of a mentor.



The Network of Female Mentors, which Fraport has been cooperating with since 2004, is also based on the principle of tandem training: Fraport appointed 25 female mentors in 2008.

In the year under review the proportion of women working at Fraport AG remained stable at 18.8 percent. Across the Group it amounted to 23.6 percent. The proportion of women managers totaled 17.8 percent at Fraport AG and 20.7 across the Group.

### Campaign against domestic violence

Instruction, information, sensitization: This was the aim of an interactive career development program for Fraport employees which the Group used to support the campaign "Against domestic violence" run by the Turkish newspaper Hürriyet in 2008. All the participants gave a positive assessment of the four seminars – two in German and two in Turkish. Fraport has thereby set another benchmark for cooperation based on partnership in all areas of life.

### In demand: older employees

The average age of our employees has been increasing continuously for a number of years. In 2008, the average age of employees working at Fraport AG was 42.3 years, an increase of 0.4 years by comparison with the year-earlier period. The average age of employees in the Fraport Group was significantly lower at 39.5 years. Fraport is addressing the consequences of this development intensively and ensuring that the "New



Oldies" retain their ability to continue working, with preventive healthcare focused on needs and strategic qualification measures.

### Pillars of success: diversity

A leading company in the international airport business is interested in employing well-trained specialist staff from many different countries. During the year 2008, 2,043 employees from 78 countries were employed at Fraport AG. The proportion of foreigners in the workforce is 16.5 percent, representing a slight decrease of 0.1 percent compared with the previous year. Since excellent language skills are extremely important for the company, we have been offering employees language courses for many years, including cooperation with institutes delivering adult evening classes.

When recruiting new employees in German or in foreign subsidiaries, we always base our selection on the level of qualification of the applicants. Fraport also believes that it is important to have at least one member of the executive management of a foreign investment company who was born in the country where the company is operating or has been living there on a permanent basis.





### Award-winning: family friendly Fraport

Fraport is working intensively on getting the work-life balance right and supports the individual lifestyles enjoyed by its employees with flexible working time models and needs-based childcare. The company is also continually expanding its telework programs.

Since summer 2007, Fraport has been certified as a family-friendly company by "berufundfamilie gGmbH", an initiative of the non-profit Hertie Foundation. Fraport is dedicated to continually improving the harmonization of work and family. In May 2008, Fraport AG was awarded first prize in the corporate competition "Success Factor Family 2008" in recognition of its family-aware personnel policy. This competition is based on a joint initiative developed by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth, the Federations of German Industry, and the Confederation of German Trade Unions (see Annual Report 2008, page 45).

### Support for working parents

Ongoing restructuring in the world of work requires new forms of childcare which are based on the needs of parents and companies and cover the gaps in childcare provision. Since September 2002, "Fluggi-Land" has acted as a key point of contact from 6:00 to 22:00 for 365 days a year, if child-minders or grandparents are suddenly unavailable. This care service allows parents to have a flexible working day.

Another family-friendly solution is the "Terminal for Kids – the Children's Ark" located close to the airport in Frankfurt-Sindlingen. The Children's Ark offers an attractive package of support for small children aged between eight weeks and three years. A bilingual education is offered here (English/German). The nursery is open on a daily basis for 10 hours from Monday to Friday and is the result of a joint initiative by Fraport, Sanofi-Aventis, Infraserve and Deutsche Lufthansa ([www.medical-gmbh.de](http://www.medical-gmbh.de)). The project offers a total of 72 nursery places, half of which are allocated to these companies while the other half are available to children from Frankfurt.

### Time for relatives in need of care

Demographic change means that an increasing number of employees are having to look after old or ill relatives at home for some of the time. Generally the situation arises suddenly and triggers strong emotions like anxiety or a sense of being overwhelmed. Fraport does not abandon its employees at such times of crisis and provides them with a comprehensive concept of advice and support through the Fraport Family Service. This provides information about long-term care insurance and the system of assessment, as well as helping to look for a suitable care service.

## FOCUS THEME

### A perspective for youth: initial training at Fraport

Anyone promoting, training and developing skills in young people is making a contribution toward creating stability within the community as well as strengthening economic development. Fraport is committed to social responsibility by training teenagers and young adults and providing them with qualifications and skills.

A sound initial training which takes account of individual interests and talents still offers young adults excellent opportunities for a successful start in the world of work. Fraport supports the career goals of ambitious young people with a broad package of initial career training. This is directed toward children from all types of school and young people with integration deficits. Since demographic change will continue to intensify, the search for qualified and talented young people, specialist staff that have been trained within the Group play an important role in recruiting trainees and hence safeguarding our competitiveness. Between 1990 and the end of 2008, a total of 1,643 young people were trained of which 60 percent are still working within the Group today.



### Consistently high education figures

A total of 110 young women and men started an education at Fraport AG in 2008. While 63 apprentices started a technical vocation, such as mechatronic fitter, electronics technician for industrial engineering, cook, or specialist in warehouse logistics, 47 young people starting out on their careers opted for a commercial training such as air-traffic management assistant, medical assistant, or clerk for office communication. In order to meet our social responsibility, we have traditionally had more training places than would be necessary for our own specialist requirements. In addition, we have defined a consistently high number of 110 apprenticeship places in our "Pact for the Future 2010" which is valid until 31 December 2010.

### High-quality education

The good results achieved by our apprentices in their final examination provide an impressive testimony for the high quality of education at Fraport. These are frequently up to one grade above the average grade. The percentage of trainees not completing their training is less than five percent. Fraport intends to continue reserving the majority of technical vocations for schoolchildren with a secondary school leaving certificate. This is already applicable for taking up an apprenticeship as a design mechanic, cook, and building cleaner. These apprenticeship places are only offered to applicants with qualifications from other types of school if there is a lack of suitable applicants.

Apprentices at Fraport are not simply able to benefit from a high level of specialist training in their apprenticeship. The Group is also interested in fostering engagement with political, historical and technical issues. For example, each year 50 apprentices take part in a contemporary witness seminar in Berlin, and 30 trainees travel to visit the Optical Museum in Jena to find out about the history of optical instruments and their application in engineering and natural sciences. Last but



not least, we support our apprentices with seminars on developing personal expertise.

### Rising number of traineeships abroad

Internationalization and globalization also exert an effect on vocational apprenticeships, which increasingly include a traineeship abroad. This has been facilitated by support from the subsidiaries. Their input has assisted us in raising the number of foreign placements from 41 in 2007 to 69 in 2008. This training package has received extremely positive response from apprentices: They value the opportunities offered by a placement abroad for their personal development and appreciate the opportunity to look beyond their own horizons and acquire intercultural expertise.

### Job for at least a year

As far as anyone who has completed a vocational apprenticeship is concerned, the prospects of initially obtaining a short-term job for a year are good – assuming they have the right technical and interpersonal skills. The increased requirement for specialist technical staff means that we were able to extend the one-year contracts of 90 percent of our former apprentices after they had completed their first year of work in 2008. Moreover: Our "Pact for the Future 2010" envisages offering

at least 50 former apprentices a permanent employment contract after they have completed their first year of work.

### Attractive employer

Fraport is a popular employer. This is verified by the large number of applicants. In 2008, Fraport AG alone received 2,217 applicants for technical traineeships and 2,686 applicants for commercial traineeships.

### Dual courses of study

The range of traineeships at Fraport has changed significantly in recent years – a development that takes account of changes in structural needs and the increased requirement for trainees in the Group. In 2008, 23 of the 110 available apprenticeships were allocated to dual courses of study which combine practical on-the-job training in the company with an academic career at a university of applied sciences or a vocational academy and are completed with a bachelor's degree. Seven different courses of study are available, including bachelor of engineering in information technology and bachelor of science – business informaticion systems, and bachelor of arts – aviation management and bachelor of arts in real-estate management.

### Contacts with schools in the neighborhood

It is likely that the number of applicants will drop as a consequence of demographic changes. Fraport AG is meeting this challenge and has intensified contacts with eight schools in the Rhine-Main area in the context of its education marketing activities. The objective is to give schoolchildren practical insights into the world of work before they make their career choices while at the same time providing information about the many different career profiles at the airport. The joint-venture agreements plan 35 hours of visits to the airport for each partner school and year, and members of Fraport staff also give presentations in the schools, lead discussions and support schoolchildren in their selection of a suitable career profile. We are also planning to take part in the career training fair held in Frankfurt in 2009.

### Giving insights into the world of work

Fraport AG offers interested schoolchildren and students the possibility of finding out about the world of work through internships in a wide range of different areas. Students are also able to progress their academic studies in cooperation with Fraport. During the course of 2008, approximately 242 schoolchildren, 186 university students and 58 diploma students made use of these opportunities.

### Girls' Day

During the year under review, Fraport AG once again issued an invitation to schoolgirls from the region to the Girls' Day with the aim of recruiting female school leavers to take up what have traditionally been "men's occupations". In addition to information about technical career profiles, the young women were also given the opportunity to take part in simulated application interviews and aptitude tests. For the first time a Fraport subsidiary Airport Personnel Services GmbH (APS), was represented at Fraport's Girls' Day.

### Developing opportunities

An increasingly large number of young people is experiencing the collapse of traditional systems of family and relationships. Migration, poverty, and social distribution conflicts exert a particularly harsh impact on them. According to information provided by the German Education Report for 2008, every fourth school-leaver in Germany leaves the school system providing general education without the necessary qualifications and skills to take up an apprenticeship, and as many as eight to nine percent even fail to achieve a basic school-leaving certificate. Fraport launched the initiative "Mobile Youth" as early as 1999 with the objective of providing young people between the ages of 18 and 25 with stability in their personal lives and integrating them successfully in the world of work. The two-year training program was set up in cooperation with the Federal Employment Agency. Each year, it offers 24 young men the opportunity to qualify for a job with Ground Handling Services.

The net result of "Mobile Youth" is extremely gratifying: Since the start of the program, Fraport has trained a total of 231 young people. At the end of 2008, 46 young men were in education, and 137 have taken up jobs since the program was launched. Only 48 people left the program without obtaining a qualification – a high success rate for programs of this nature. But there is even more good news. Most of the young men who completed the program and are today working at Fraport went on to pursue further qualifications: While 30 passed the examination to become qualified aircraft handlers, one achieved the distinction of qualifying as a loading supervisor.

Activities of the ProRegion Airport Foundation dedicated to the advancement of career training complement the training commitment of Fraport AG (see "Corporate Citizenship at Fraport" from page 49).

### Pioneering: career development at Fraport

Training and career development are a top priority at Fraport and are intended to meet the Group's need for skilled staff over the long term. The Fraport College and the Fraport Academy facilitate the induction of new employees. They also provide specialist staff and managers with a wide range of further training courses tailored to specific vocations and interdisciplinary seminars and workshops on the subjects of management, communication, and intercultural expertise. We also support employees who are studying at the same time as they are working by releasing them from work on paid leave.

Fraport also has a Trainee Program for delivering training to university graduates. Each trainee on this program goes through one of three project stages in a foreign investment company. The program accepts twelve applicants each year and since introduction in 1996, Fraport has already trained 124 young people. The eleventh course started in April 2008. The trainees starting on their careers are given an unlimited employment contract and are strategically groomed for their future positions in the Group. We provide advanced training for potential internal high-flyers in the Take-Off Pool (TOP), a one-year qualification program for future managers.

### Life-long learning

Self-guided learning takes precedence over traditional seminars at Fraport. This is promoted, e.g., by e-learning or the Qualification Card. The latter comprises IT and foreign-language courses, and seminars on personality development and business administration. Members of staff are able to follow these courses in their leisure time, and the company bears the cost of the course fees. Last year, Fraport employees spent an average of 2.9 days undergoing career training.



### **If the knowledge is lost ...**

When skilled employees or managers leave a company, this always presents a big challenge, irrespective of whether this is due to reasons of age or because the member of staff is taking up a new position. Every change involves valuable knowledge and experience draining away from the company and entails the risk of the company losing this know-how for ever. Particularly detrimental consequences are involved when experts or specialists who have been working for the company over a long period of time go into retirement or move to a different job. In order to limit the loss of knowledge and experience, specialist staff and managers at all levels of Fraport can make use of the knowledge relay. This moderated transfer of knowledge is carried out on the basis of identified areas of knowledge which are defined individually in advance. They are merged and visualized in the form of mindmaps that result in maps of knowledge.

Other modules of Fraport knowledge management include the Golden Pages, an expert network, and the in-house "Sky-wiki" knowledge portal.

### **Job Alliance**

Fraport joined forces with Deutsche Lufthansa, Deutsche Bank and Degussa to create the "Job Alliance" in 2001. The initiative offers seminars and workshops for employees of the companies which support them in shaping the future of their career individually. The employees also have the opportunity to complete business internships in one of the four partner companies.

### **Occupational health and safety**

More than two thirds of our employees work in shifts. Healthy employees who take a positive approach to the negative consequences of changing working times are a key to meeting the challenges of international competition in the future. Fraport has defined the objective of looking after the physical, emotional, and psychosocial well-being of its employees by a range of comprehensive measures directed toward promoting pre-

ventive health and safety over the long term. Another function relates to developing holistic health concepts that are tailored to the specific needs of an aging workforce.

The executive board and the works council have signed a declaration of principle and established it in the Group Guidelines. Furthermore, appropriate sustainability goals have been agreed for occupational health and safety (see Group sustainability goals to 2020 on page 9 of this report).

The executive director for Labor Relations is responsible for all issues relating to occupational health and safety at the



Fraport Group. Additionally, a Job Safety Committee meets on a regular basis in order to provide advice and coordinate the goals, strategies, and measures entailed in occupational safety and accident prevention across the Group. All employees at the German sites are represented by health and safety committees.

You can find more information on these principles and on the strategic direction of occupational health and safety at Fraport in our Annual Report 2008 on page 46.

### **Comprehensive prevention**

The RUSH project is concerned with the reduction of accidents through systematic action. It was launched in 2005 and constitutes an important step on the road to fewer accidents at work. RUSH is directed toward raising the autonomous responsibility of the employees and comprises eleven packages of measures including accident analyses, safety meetings, information events, qualification offensives, and the introduction of group-wide management of job safety and outside companies.

Fraport and the German statutory insurance scheme (DGUV) cooperated in setting up the TAQP project, which is concerned with a systematic approach to productivity and health and relates to technology, innovation, work organization, qualification, and prevention. You can find more information on this subject in the Annual Report 2008 on 46 in Fairplay 2007 on pages 47/48, and in the Internet by clicking on [www.fraport.com](http://www.fraport.com) and going to the menu item "Sustainability".

### Accident figures down again

The continued downward trend in occupational accident figures during the year 2008 bears testimony to the job safety concept adopted by Fraport AG: 1,009 accidents at work occurred in 2007, while only 846 accidents occurred in the year under review. 330 of these (47.97 percent) were reportable occupational accidents. This is a fall of 163 accidents and represents an impressive drop of 16.2 percent. The improved rate of accidents per 1,000 employees (accidents per thousand insured persons) also improved and was only 26.60 in 2008 (2007: 32.35 ). No employee has suffered a fatal accident at Fraport for the past eleven years. Tailor-made advisory, training and further training packages are provided for managers and safety officers. These measures make a further contribution to optimizing job safety. The honorary safety officers of the Group play a major role in this safety program by making their colleagues aware of the importance of personal protection workwear.

### Occupational diseases

According to statistics produced by the Hesse accident insurance scheme, no occupational diseases were registered at Fraport in 2008.

### Proactive approach to health promotion

The positive development of the health rate over the medium term is directly linked with the numerous projects and campaigns on health promotion which the experts in the Fraport health management team have put in place. They work closely together with the company medical service, job safety, the works council, representatives of disabled employees, the psychological counseling service, and the social service center in order to achieve the maximum effect. In 2008, we managed to improve the health rate to 94.5 percent (2007: 94.2 percent).

### Prevention has priority

Preserving and promoting the health of our employees is a top priority at Fraport. The company health management team has developed a package of prevention programs and information packs to support this aim. Apart from regular check-ups by the company medical team, our employees benefit from free flu vaccinations and tailor-made prevention programs. They learn about measures for protection against noise and receive valuable advice on a variety of health-related subjects, including the ergonomic design of computer workstations and a healthy lifestyle. The Intranet also provides valuable advice on the health hazards presented by HIV/AIDS or noroviruses. Other success stories include our programs for giving up smoking, which have already turned 500 smokers into non-smokers. Fraport AG operates six canteens at the Frankfurt Airport complex to give employees a healthy hot meal and lots of choice. In one canteen this service is even provided 24/7 – round the clock, seven days a week.

For more than 20 years, Fraport has played a role in taking proactive measures against back problems with a campaign to “turn your back on back ache”. Employees working in the Ground Services business unit have to take part in a mandatory program teaching them how to lift and carry properly. Nearly ten years ago, we launched a campaign for back therapy and training. This is a computer-based, documented and supported training program on specially designed power units for stabilizing the muscles of the vertebral column. Around 1,600 employees have already taken part in the program. Studies have demonstrated that employees who take part in this program took fewer days off sick.

A program of “back training on-the-job” is also offered in one area of ground handling. This gives employees the opportunity to take strategic measures to strengthen the muscles of their back directly in the workplace. All employees also have access to “Fitpoint” – the Fraport fitness center located on Frankfurt Airport premises.

### Medical services

Just as Fraport AG has a leading-edge approach to health promotion, the company is also a pioneer in Medical Services. The health team offers a unique global portfolio of services for occupational medicine, emergency outpatient clinic (Airport Clinic), and rescue service. The scope and range of services available sets a global benchmark and is unparalleled among the world's airports. 100 health workers are employed in Medical Services, providing employees and customers with emergency provision for acute cases round the clock. In 2008, the team of experts provided support for 40,000 patients and the rescue service attended some 18,000 incidents. Our medical team also provides medical expertise to the Hessian Interior Ministry and the Hessian Regional Medical Board, for example on disaster planning.

### Experts in demand

Fraport AG has a long track record of working in a large number of diverse committees. These include the “Job Safety and Hazardous Goods” task force run by the Association of German Commercial Airports, and the “Hazardous Goods Working Group at Frankfurt Airport” run by the International Civil Aviation Organization (ICAO), an organization set up by the United Nations. The head of the Airport Clinic also provides advice to the Airports Council International (ACI) and the World Health Organization (WHO).

You can find the declaration of principles by Fraport AG on health and safety and other information on this subject on the Internet by clicking on [www.fraport.com](http://www.fraport.com).



### **Corporate citizenship at Fraport**

Corporate citizenship is gaining an increasingly high profile in view of the increasing social and ecological challenges besetting the world. Environmental protection and commitment to the community have been an integral part of the corporate culture at Fraport AG for more than 30 years. This sense of stewardship has been an expression of our sense of responsibility for people and the region surrounding Frankfurt Airport.

During the year under review, Fraport AG spent some 5.6 million euros on sponsoring activities to promote selected training, cultural, and sport projects where implementation promises long-term success. The Environmental Fund benefited from a donation of a further 1.5 million euros. Donations in cash and kind amounted to 900,000 euros.

### **ProRegion Foundation**

Since 1999, the ProRegion Foundation established by Fraport's predecessor company Flughafen Frankfurt/Main AG has been dedicated to integrating teenagers and young adults into the world of work. The main work of the foundation is focused on projects which improve the training and employment prospects of these target groups. In 2008, sponsorship amounting to 529,000 euros was provided for 22 projects. The total sum earmarked for specific sponsorship projects running until 2013, amounted to 3.85 million euros at the end of 2008.

The foundation has committed 1.0 million euros to the company capital of Pittler ProRegion Berufsausbildung GmbH in Langen/Hesse to safeguard the infrastructure for more than 100 training places. [www.proregion-stiftung.de](http://www.proregion-stiftung.de)



#### IN 2008, FRAPORT AG RECEIVED THE FOLLOWING PRIZES AND AWARDS:

- Advancement prize from the Hesse accident insurance scheme
- TOP employer 2008 (2007)
- Winner in the corporate competition "Success Factor Family"



#### Erich-Becker Foundation

The Erich-Becker Foundation is committed to sponsoring science and research. The foundation was founded in 1986 and named after the long-standing Chairman of the executive board of Flughafen Frankfurt/Main AG and has provided sponsorship for 624 diploma dissertations, 176 doctoral theses, and 60 post-doctoral theses, as well as other projects (status: 31 December 2008). The foundation was established with an endowment of three million marks (1,533,876 euros) and this provides funding for the projects undertaken. At the close of 2008, the total sponsorship sum amounted to 2.2 million euros. [www.erich-becker-stiftung.de](http://www.erich-becker-stiftung.de)

#### Environmental Fund

We established the Fraport Environmental Fund in 1997, and in the year under review the fund provided funding amounting to 1.5 million euros. The aim is to promote environmental protection and nature conservation on the Frankfurt Airport complex and throughout the surrounding Rhine-Main region. We have provided funding for more than 500 individual projects from the resources of the Environmental Fund. At the close of 2008, the total sponsoring sum amounted to 23.9 million euros.

#### Sports sponsoring

Relatively small sports clubs with the emphasis on youth sport are a permanent fixture in the regional sponsorship activities of Fraport. In the year 2008, we gave team shirts and tracksuits bearing the Fraport logo to 176 clubs competing in many different sports. The cost of this sponsorship amounted to some 90,000 euros. In May 2008, we also held the finals for the 8th Fraport Cup, an international soccer tournament for D Juniors (aged 11/12).

#### Donations

Fraport has made donations to charities for many years in the context of its program of sponsorship for social initiatives at local level. For example, it has given donations to the Order of Malta ambulance corps, organizations for helping the disabled, accommodation for the homeless at the Franziskustreff in the Liebfrauen Church in Frankfurt, and a number of nurseries near Frankfurt Airport. In 2008, a total of 70,000 euros were once again donated for charitable purposes in the Christmas donation campaign.

#### Social commitment at locations abroad

Lima Airport Partners S.R.L. (LAP), the operating company running Lima Airport in the Peruvian capital and majority-owned by Fraport, provides financial support for several Peruvian charitable organizations, such as "Operación Sonrisa Perú", a non-profit organization for disabled children, the "Peruvian

Association Fighting against Cancer", and a local organization that provides children suffering from radiation burns with treatment free of charge.

LAP has a special form of cooperation with the "Ann Sullivan Center". This organization provides financial support for young adults with mental or physical disabilities and for their families. LAP also actively attempts to integrate these children within society. You can find more information on the projects in Peru by clicking on: [www.operacionsonrisa.org.pe](http://www.operacionsonrisa.org.pe) and [www.annsullivanperu.org](http://www.annsullivanperu.org)

#### Commitment by employees: assistance to Romania and Hungary

Employees of Fraport AG also show individual commitment in providing support for people whose life is not as good as their own – and they have been doing this for the past 15 years. For example, they have joined forces with executive board members and chief executive officers to support the private initiative of a colleague providing basic necessities to orphans in Romania and in the eastern part of Hungary. Co-workers launched a campaign to provide "Christmas parcels" for the children from the orphanages. These were provided with lovingly packed presents suitable for children, as well as toiletries (toothpaste, toothbrushes, soap). There was also no shortage of drawing materials, soft toys, and sweets. These parcels were trucked overland to the target regions by Fraport employees and distributed personally to the children at the orphanages in Romania.

### **“Terre des Hommes in India”**

Since 2004, Fraport employees have been supporting the children’s charity organization “Terres des Hommes”. This charity has been providing assistance in a long-term project involving victims of the tsunami living in the Indian coastal region of Kerala. The goals are to rebuild schools and improve the educational opportunities available to young girls. Fraport employees donated part of their salary and any spare cents from their salary statement as well as the cash value of working hours and time credits. Members of staff also collected donations at staff parties and sporting events. Further donations were collected on other occasions including “Airport Night 2008”.

### **Trainees help to build adventure playground**

14 trainees abandoned their warm office workplaces to lend some muscle power in order to build an adventure playground for a nursery in Altengronau as part of a training program. This commitment helped to save construction costs running to a figure of five digits. Fraport also paid for the cost of the materials and made a cash donation.

### **Life-savers in the company**

Since 2001, employees of Fraport have been taking part in the typing campaign run by the German Bone Marrow Donor Database (DKMS). The costs amounting to 50 euros per test are borne by Fraport. The aim is to find potential stem cell donors – so-called “genetic twins” – for employees and members of their family who are suffering from leukemia. Six donors have already been identified among Fraport employees who then proved their worth as life-savers.



**Entrepreneurial actions must always take account of the interests of employees. This is the only way of achieving future-proof capability. Among the most important functions in the coming years are therefore achieving optimum levels of qualification for our employees and consistent development of innovative work models.**

**Herbert Mai**

Member of the executive board and executive director Labor Relations

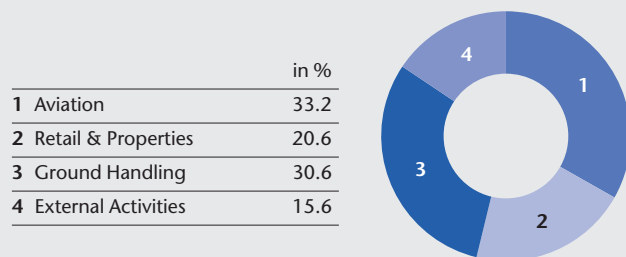
# Facts and Figures 2008

Economic indicators of the Fraport Group	2007	2008
<b>Revenue and earnings in € million</b>		
Revenue	2,329.0	2,101.6
Total revenue	2,425.8	2,201.9
EBITDA	580.5	600.7
EBIT	335.4	360.7
Result from ordinary operations (EBT)	297.6	273.3
Group profit for the year	213.7	180.2
<b>Key profitability ratios in %</b>		
Return on revenue	12.8	13.0
EBITDA margin	24.9	28.6
EBIT margin	14.4	17.2
ROCE	12.7	11.3
<b>Shareholders' equity* in € million</b>		
	2,493.3	2,510.0
<b>Personnel expenses in € million</b>		
	1,143.3	925.6

\* Including minority interests and the proposed dividend.



### Segment contributions to Group revenue 2008



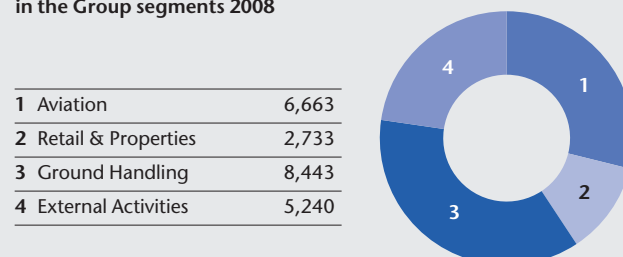
### Group segment Aviation

€ million	2008	Change compared with 2007 in %
Revenue	698.4	0.0
EBITDA	124.9	- 10.5
EBIT	58.0	29.5
Employees at Dec. 31, 2008	6,663	5.2

### Group segment Retail & Properties

€ million	2008	Change compared with 2007 in %
Revenue	433.5	- 8.0
EBITDA	367.9	10.5
EBIT	285.9	16.9
Employees at Dec. 31, 2008	2,733	- 6.2

### Average number of employees in the Group segments 2008



### Group segment Ground Handling

€ million	2008	Change compared with 2007 in %
Revenue	642.7	3.6
EBITDA	52.0	39.0
EBIT	19.0	50.8
Employees at Dec. 31, 2008	8,443	4.7

### Group segment External Activities

€ million	2008	Change compared with 2007 in %
Revenue	327.0	- 39.3
EBITDA	55.9	- 20.7
EBIT	- 2.2	-
Employees at Dec. 31, 2008	5,240	- 60.1

### Traffic figures Fraport Group

	2007	2008
Passengers of the Fraport Group* (million)	117.3	133.3
FRA site (million)	54.2	53.5
Cargo volume of the Fraport Group* (thousand metric tons)	3,231.4	3,326.3
FRA site (thousand metric tons)	2,169.0	2,111.1
Aircraft movements in the Fraport Group* (thousand)	1,141.0	1,307.1
FRA site (thousand)	492.6	485.8

### Traffic figures FRA site

	2007	2008
Passengers (inbound + outbound + transit)	54,167,817	53,472,915
Cargo (inbound + outbound + transit) [metric tons]	2,095,293	2,042,956
Airmail (inbound + outbound + transit) [metric tons]	95,168	90,346
Traffic units without transit	75,589,063	74,350,444
Aircraft movements (inbound + outbound)	492,569	485,783

\* Fraport Group including majority- and minority-owned airports and airports under management contracts.

Environmental indicators for Fraport AG at the FRA site	GRI	2007	2008
<b>Energy</b>			
Average age of the mobile work machines and vehicles deployed (not including 1-year leased cars) [years]	EN 29	6.5	6.0
Fuel consumption of mobile work machines and cars on the apron and site roads [liters]	EN 1	11,949,807	12,453,635
Total energy consumption (electricity, heating energy, cooling energy) [kWh millions]	EN 4	566.9	569.1
<b>Power</b>			
Electricity consumption [KWh millions]	EN 4	285.62	296.04
Percentage of renewable energy (hydropower, wind energy, solar energy) [%]	EN 4	21.5	100
Percentage of nuclear energy [%]	EN 4	19.5	0
Percentage of fossil fuels and other energy sources (coal, lignite, natural gas) [%]	EN 4	59	0
<b>Air</b>			
<b>Greenhouse gases (CO<sub>2</sub>)</b>			
Direct CO <sub>2</sub> emissions (Scope 1 GHG Protocol Standards: fuels, fuels for fossil-fired facilities, here heating oil, natural gas, propane gas) [metric tons]	EN 16	33,300	34,100
Indirect CO <sub>2</sub> emissions (Scope 2 GHG Protocol Standards: Sourcing of power, district heating and district cooling, incl. technical losses in the grid at the FRA site) [metric tons]	EN 16	216,000	48,700**
<b>Traffic</b>			
Percentage of employees of Fraport AG using public transport [%]	EN 29, indirect	33.2	42.9
Percentage of employees of Fraport AG traveling to work in a car pool [%]	EN 29, indirect	12.5	11
<b>Traffic (FRA site)</b>			
Percentage of passengers using public transport [%]	EN 29, indirect	34.4	36
<b>Drinking water and service water</b>			
Consumption of drinking water [m <sup>3</sup> ]	EN 8	967,000	988,000
Consumption of service water [m <sup>3</sup> ]	EN 10	116,990	156,500
<b>Wastewater (FRA site)</b>			
Sewage [million m <sup>3</sup> ]	EN 21	1.605	1.548
<b>Waste (Fraport AG incl. from third parties)</b>			
Total waste without soil and building debris [metric tons]	EN 22	24,703	24,112
Recycling rate [%]	EN 22	83	83
Non-hazardous waste [metric tons]	EN 22	23,186	22,145
Hazardous waste [metric tons]	EN 22	1,516	1,967
<b>Classification of aircraft in noise categories* (FRA site)</b>			
Number of noise category 0 (LAZ to 68.9 dB[A])	EN 26	97,553	89,840
Number of noise category 1 (LAZ 69.0 to 71.9 dB[A])	EN 26	215,939	210,633
Number of noise category 2 (LAZ 72.0 to 74.9 dB[A])	EN 26	84,259	86,810
Number of noise category 3 (LAZ 75.0 to 77.9 dB[A])	EN 26	55,935	57,785
Number of noise category 4 (LAZ 78,0 bis 80,9 dB[A])	EN 26	35,029	38,783
Number of noise category 5 (LAZ 81,0 bis 83,9 dB[A])	EN 26	3,804	1,930
Number of noise category 6 (LAZ 84,0 bis 86,9 dB[A])	EN 26	0	0
Number of noise category 7 (LAZ 87.0 dB[A] and above)	EN 26	50	2

## Environmental indicators

Antalya Airport joined the Group in 2008 and this led to a rise in some indicators (majority shareholdings in the airports Hahn, Varna, Burgas, Lima, Antalya)\*\*\*

	GRI	2007	2008
<b>Energy</b>			
Fuel consumption by equipment [liters]	EN 1	1,338,880	1,470,178
Electricity [kWh]	EN 4	48,658,372	71,255,424
Gas [m <sup>3</sup> ]	EN 3	815,834	585,365
Liquified natural gas (LNG) [m <sup>3</sup> ]	EN 3		119
Heating oil [liters]	EN 3	535,703	1,439,703
<b>Air</b>			
<b>Greenhouse gases (CO<sub>2</sub>)</b>			
Direct CO <sub>2</sub> emissions (Scope 1 GHG Protocol Standards: here fuels, heating oil, gas) [metric tons]	EN 16	6,511	9,047
Indirect CO <sub>2</sub> emissions (Scope 2 GHG Protocol Standards: here purchase of electricity)	EN 16	32,324	33,140
<b>Traffic</b>			
Percentage of passengers using public transport (bus, shuttle bus) [%]	EN 29, indirect	54.4	61.2
Percentage of employees using public transport [%]	EN 29, indirect	24.7	24.7
Percentage of employees traveling to work in a car pool [%]	EN 29, indirect	44.3	44.3
<b>Drinking and service water</b>			
Consumption of drinking water [m <sup>3</sup> ]	EN 8	694,783	859,864
Consumption of service water [m <sup>3</sup> ]	EN 10	95	458
<b>Wastewater</b>			
Sewage [m <sup>3</sup> ]	EN 21	443,735	659,805
<b>Waste</b>			
Total waste without soil and building debris [metric tons]	EN 22	8,072	7,667
Recycling rate [%]	EN 22	12.4	12.7
Non-hazardous waste [metric tons]	EN 22	7,113	6,162
Hazardous waste [metric tons]	EN 22	244	227

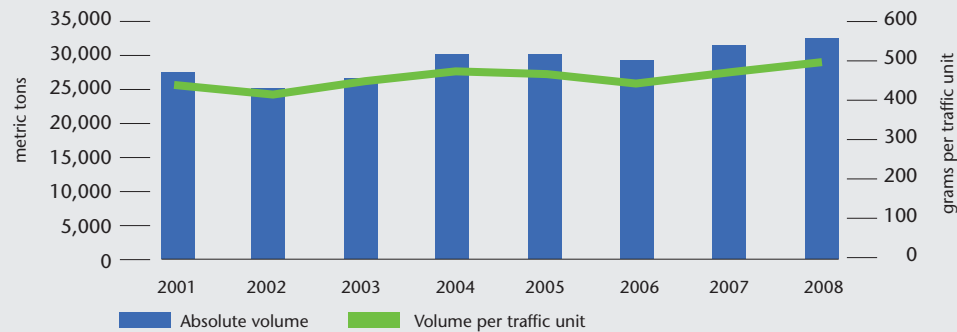
\* New noise classification system from 2008, calculation for the year 2007 carried out on the basis of the new noise classification system in 2008 for purposes of comparison.

\*\* The strong decrease in CO<sub>2</sub> emission at Scope 2 is based on the purchase of green electricity from hydropower from the year 2008.

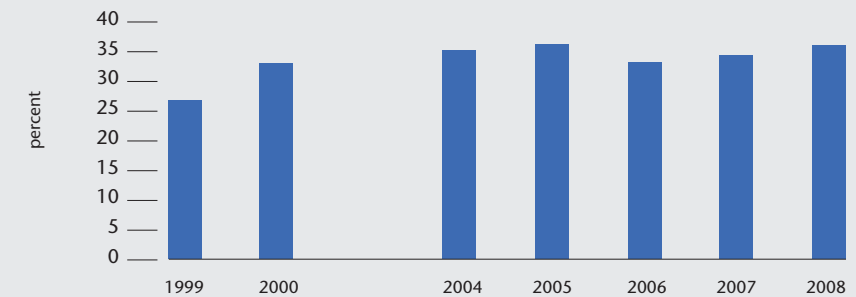
\*\*\* 2007: Airports Hahn, Varna, Burgas, Lima; 2008: Airports Hahn, Varna, Burgas, Lima, Antalya, figures partly estimated for Hahn.



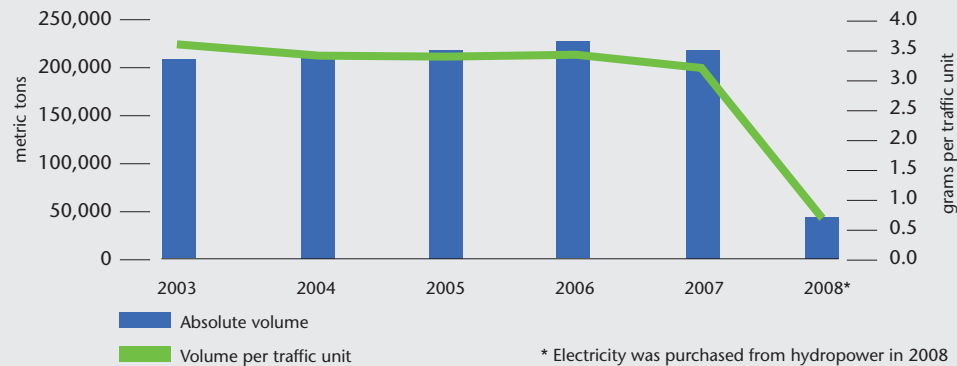
**Absolute and specific CO<sub>2</sub> emissions at Fraport AG from fuel consumption at the FRA site (Scope 1 GHG)**



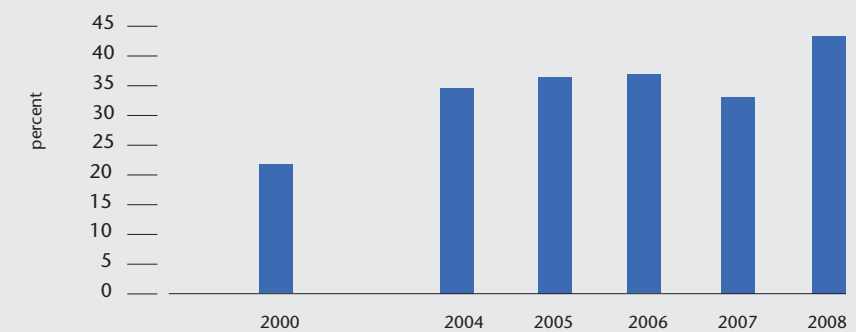
**Percentage of passengers using public transport (metropolitan railway [S-Bahn], regional train, regional express, bus, ICE, IC)**



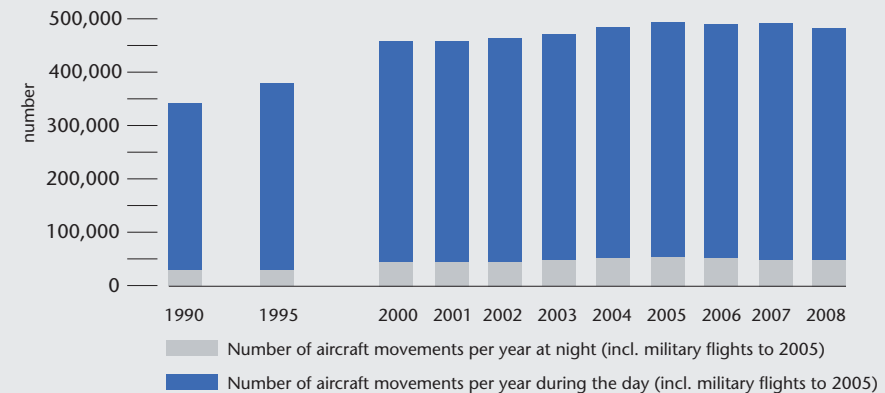
**CO<sub>2</sub> emissions from energy consumption by Fraport AG (Scope 2 GHG)**

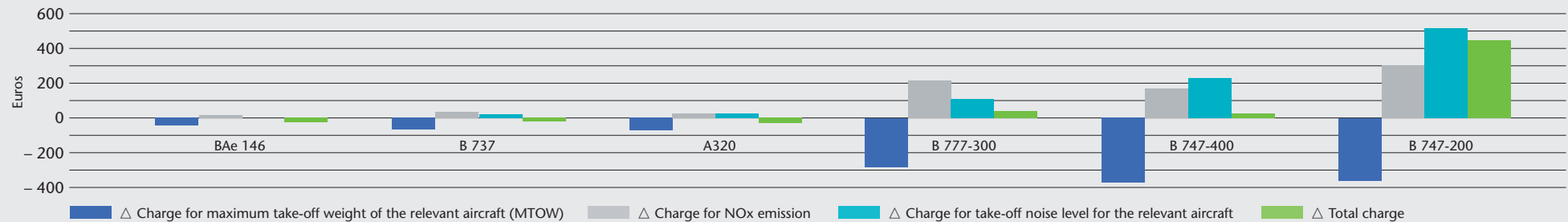


**Percentage of Fraport employees using public transport (metropolitan railway [S-Bahn], regional train, regional express, bus, ICE, IC)**

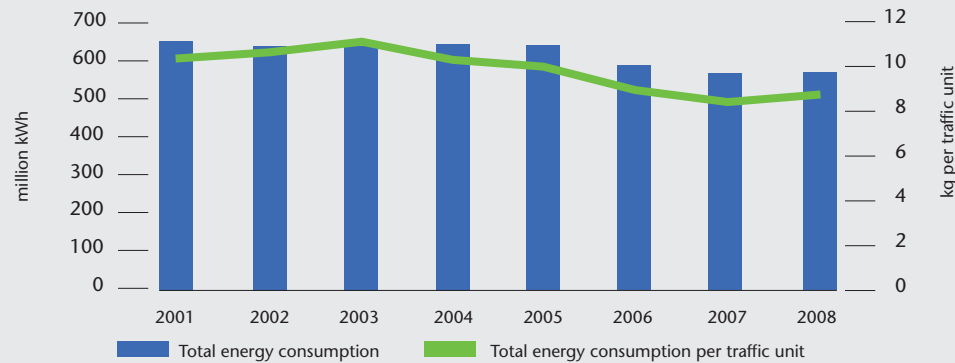


**Number of aircraft movements per year day and night**

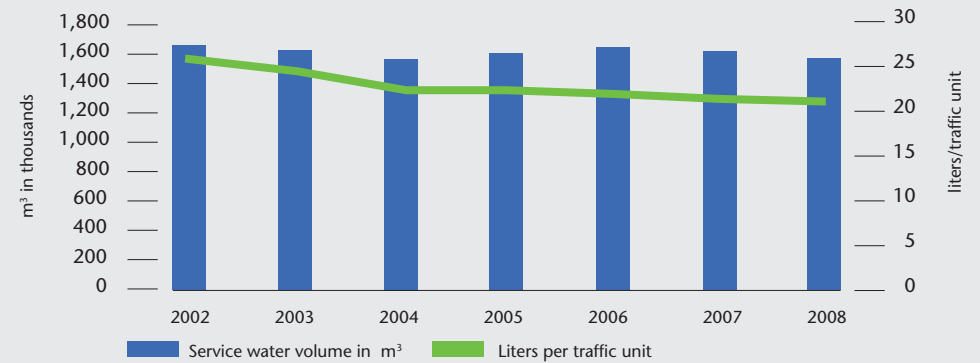


Environmental charges (NO<sub>x</sub> and noise), difference between airport charges in 2007 and 2008

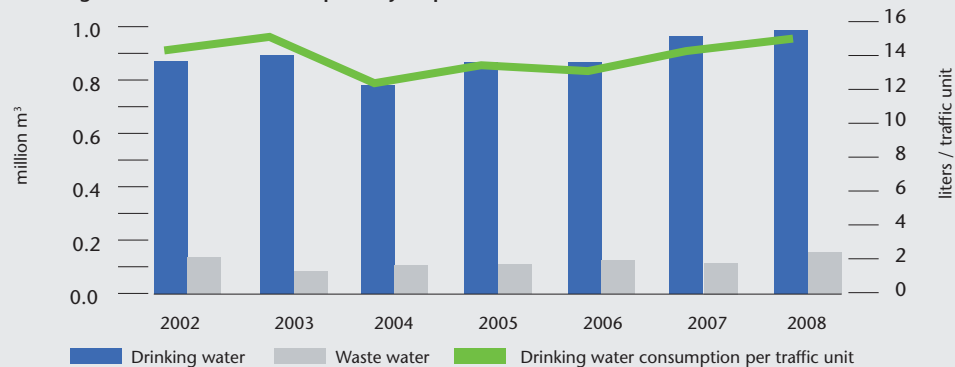
Total energy consumption by Fraport AG



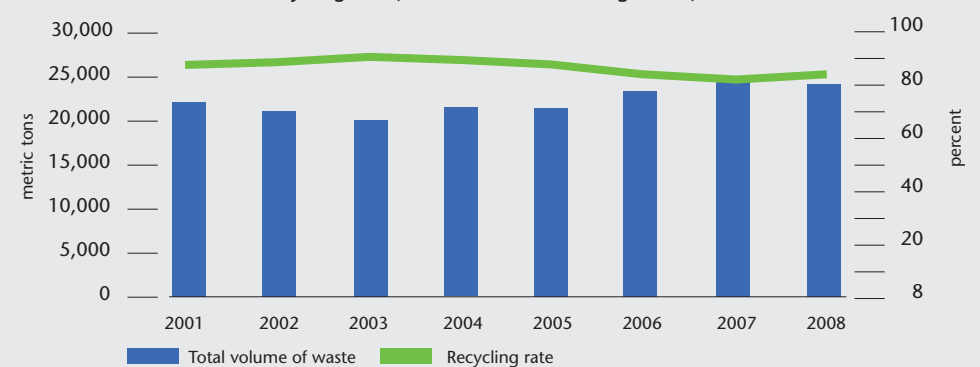
Service water volume at the FRA site (Fraport AG and more than 500 companies)



Drinking and waste water consumption by Fraport AG



Total volume of waste and recycling rate (without soil and building debris)



## Personnel indicators for Fraport AG

	GRI	2007	2008
Employees at December 31	LA 1	12,533	12,363
Apprentices at December 31	LA 1	341	329
Proportion of women in %	LA 1	18.9	18.8
Proportion of women in management positions in %	LA 1	17.9	17.8
Foreign employees	LA 1	2,079	2,043
Proportion of foreign employees in %	LA 1	16.6	16.5
Disabled employees*	LA 1	989	1,063
Proportion of disabled employees in %**	LA 1	8.5	9.3
Average age	LA 1	41.9	42.3
Total part-time employees in %	LA 1	13.3	13.3
Personnel expenses in € million	LA 1	668.3	631.7
Fluctuation rate in %	LA 2	3.4	2.4
Employees with collective bargaining agreements in %	LA 4	100	100

## Occupational health and safety

Total number of accidents	LA 7	1,009	846
Reportable occupational accidents	LA 7	408	330
Reportable days of absence	LA 7	5,131	5,634
1,000 person rate	LA 7	32.35	26.60
Number of workrelated fatalities	LA 7	0	0
Occupational diseases (acc. to Hesse accident welfare statistics)	LA 7	2	0
Health rate (according to ADV) in %	LA 7	94.16	94.51

## Training and career development

Number of hours of further training	LA 10	2.92.9	
Employees with collective bargaining contract in %	LA 12	100	100

\* Disabled employees, employees with equal status to disabled employees, and employees with multiple credits disability.

\*\* Based on eligible jobs.

## Number of employees at the Fraport Group 1999–2008 on an annual average in accordance with IFRS\* [LA 1]

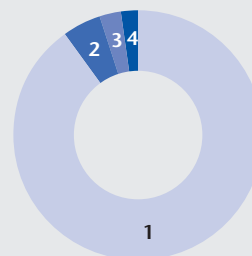
1999	13,336
2000	14,271
2001	15,526
2002	21,395
2003	23,353
2004	24,182
2005	25,781
2006	28,246
2007	30,437
2008	23,079

\* Not including employees in phased retirement and apprentices.

Employees in proportionately consolidated subsidiaries are only included pro rata.

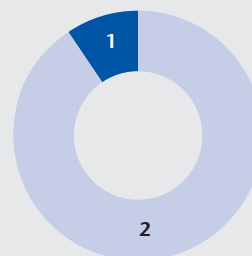
## Total number of employees in the Fraport Group – December 2008 by regions at December 31, 2008 [LA 1]

	in %
1 Germany	90
2 Europe	5
3 Asia (Turkey)	3
4 South America (Peru)	2



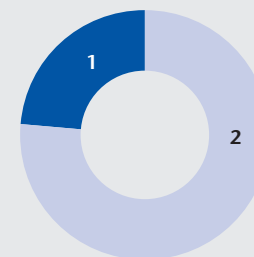
## Proportion of part-time employees in the Fraport Group at December 31, 2008 [LA 1]

	in %
1 Part-time	9.2
2 Full-time	90.8



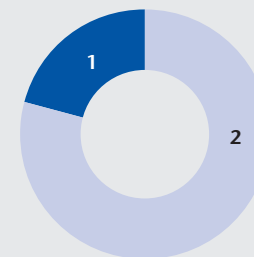
## Proportion of women at December 31, 2008 Fraport Group [LA 13]

	in %
1 Women	23.6
2 Men	76.4



## Proportion of women in management positions at December 31, 2008 Fraport Group [LA 13]

	in %
1 Women	20.7
2 Men	79.3



## Fraport Group Barometer: Trend on key issues [LA 12]

Question	2006*	2007**	2008**
Working atmosphere	2.63	02.57	2.65
Social skills	2.81	2.86	2.81
Specialist expertise	2.63	2.65	2.57
Working conditions	2.61	2.72	2.69
Professional career opportunities	3.39	3.58	3.47
Confidence in corporate policy	2.93	3.26	3.21
Workplace safety	2.80	2.63	2.74
Pay	3.65	3.72	3.69
Pride in company	2.49	2.74	2.73
<b>Indicator for Fraport Group</b>	<b>2.88</b>	<b>2.97</b>	<b>2.95</b>
<b>Indicator for Fraport AG</b>	<b>3.16</b>	<b>3.08</b>	<b>2.97</b>

Average values based on the school grade system (highest grade 1, lowest grade 6).

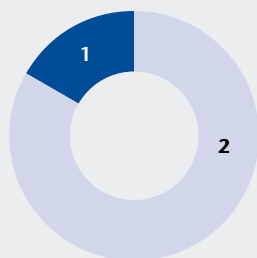
\* Participating companies in 2006: Fraport AG, ACS, APS, FCS, GCS, Hahn, MAS, Saarbrücken.

\*\* Participating companies in 2007 and 2008: Fraport AG, ACS, APS, FCS, FraSec, GCS, Hahn, MAS Media.



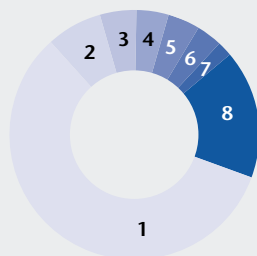
**Nationalities of employees at December 31, 2008**  
Fraport AG [LA 13]

1 Foreigners	2,043
2 Germans	10,320



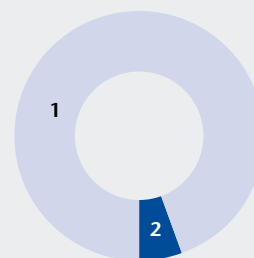
**Nationalities of foreign employees at December 31, 2008 –**  
Fraport AG [LA 13]

1 Turkey	1,182
2 Italy	150
3 Spain	93
4 Greece	88
5 USA	85
6 Croatia	65
7 Austria	41
8 Others	339



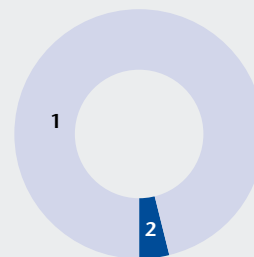
**Health rate for 2008 calculated according to German Airports**  
Association (ADV) – Fraport AG [LA 7]

	in %
1 Health rate	94.51
2 Sickness rate	5.49

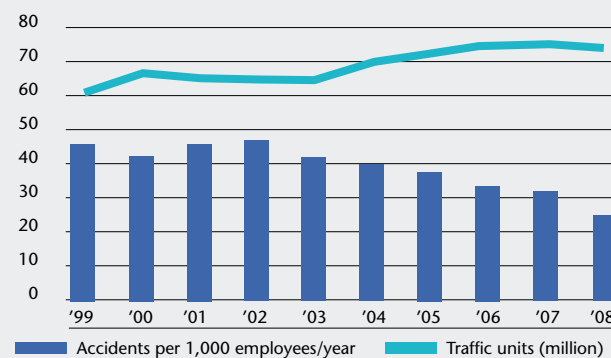


**Sickness rate for 2008 calculated according to German Airports**  
Association (ADV) – Fraport AG [LA 7]

	in %
Sickness rate	5.49
1 Sickness	5.28
2 Accident-related absence	0.21



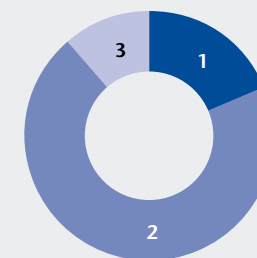
**Accident statistics 2008 – 1,000 person rate**  
Fraport AG [LA 7]



**Allocation of resources to individual projects 2008: € 8.0 million**  
Fraport AG [EC 1]

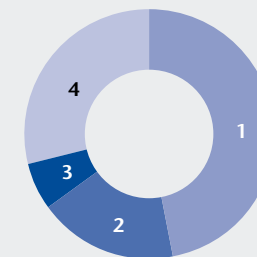
	€ million
1 Environmental funds	1.5
2 Sponsoring*	5.6
3 Donations	0.9

\* Sport, art & culture, community.



**Fraport Environmental Fund**  
Total donations 1997 – 2008 = € 23.9 million  
Fraport AG [EC 1]

	€ million
1 Regional park	11.3
2 Environmental education	4.3
3 Research	1.5
4 Nature/ Environmental protection	6.8



## UN Global Compact: Communication on progress

Fraport observes and supports the ten principles of the UN Global Compact, which enshrines the fundamental values of human rights, labor standards, environmental protection and anti-corruption ([www.unglobalcompact.org](http://www.unglobalcompact.org)). We develop and implement measures directed toward putting the ten principles into practice and contribute to their recognition. This commitment extends beyond the horizon of our own company.

The table below presents the programs/measures that we are implementing and indicates which pages of the report provide information on the activities of Fraport relevant to the ten principles of the UN Global Compact.

PRINCIPLES	PROGRAMS/MEASURES	PAGE
<b>Human rights</b>		
<b>Principle 1:</b> Business should support and respect the protection of internationally proclaimed human rights.	Fraport Social Charter in preparation, Electronic whistleblower system	7, 17, 41
<b>Principle 2:</b> Business should make sure that they are not complicit in human rights abuses.	Fraport Social Charter in preparation, Electronic whistleblower system	7, 17, 41
<b>Labor standards</b>		
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right of collective bargaining.	Cooperation with employee representatives in an atmosphere of trust	17
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labor.	Declaration on health and occupational safety	7, 17, 47
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labor.	Occupational Safety Report 2007/2008	7, 17, 41
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Company agreement on equal opportunities for women and men, guidelines for cooperative conduct in a partnership, programs for integration of foreign employees, electronic whistleblower system, ombudsman	7, 17, 42 – 44



PRINCIPLES	PROGRAMS/MEASURES	PAGE
<b>Environment</b>		
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.	Environmental management system, environmental policy	30, 31
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility.	Implementation of effective environmental management based on sustainability at all Group sites, Awareness Program on Energy Saving	30 – 32
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	Climate protection goals, systematic increase in efficiency of energy supply, fuel-cell projects, geothermal pilot project	9, 31 – 33
<b>Anti-corruption</b>		
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.	Values management system, electronic whistleblower system creation of a group-wide compliance system, training programs, declaration of commitment by the executive board on values management	15 – 18



# GRI-Index

This compact index reflects the content that is essential for Fraport and shows where information on core and supplementary indicators of the Sustainability Reporting Guidelines (Version G3) defined by the Global Reporting Initiative (GRI) can be found in this Sustainability Report 2008.

GRI	REPORTING ELEMENT (CORE INDICATORS)	PAGE
<b>1.</b>	<b>Strategy and Analysis</b>	
1.1	Statement from the CEO	1
1.2	Description of key impacts, risks and opportunities	9, 14–19, AR
<b>2.</b>	<b>Profile</b>	
2.1 – 2.10	Organizational profile	1–3, 5–7, 14–19, 22–27, 52, 53, 58
<b>3.</b>	<b>Report parameters</b>	
3.1 – 3.4	Report profile	Cover, 4
3.5 – 3.11	Report scope and boundary	4
3.12	GRI Content Index	62
3.13	Assurance	n. r.
<b>4.</b>	<b>Governance, commitments and engagement</b>	
4.1 – 4.10	Corporate Governance	14–18, AR
4.11 – 4.13	Commitments to external initiatives	1, 14–19, 30, 31, 64
4.14 – 4.17	Stakeholder engagement	1, 14–19, 22, 23, 33–37, 40–51, AR
<b>5.</b>	<b>Management approach and performance indicators</b>	
	<b>Economic performance indicators</b>	
EC 1 – EC 4	Economic performance	22–27, 41, 42, 49–53, 58, 59, AR
EC 5 – EC 7	Market presence	27, 41
EC 8, EC 9	Indirect economic impacts	10, 11, 24, 25, 49–51
	<b>Enviromental performance indicators</b>	
EN 1, EN 2	Materials	34, 54, 55, 57, ED
EN 3 – EN 7	Energy	32, 37, 54, 55, 57, ED
EN 8 – EN 10	Water	36, 54, 55, 57, ED
EN 11 – EN 15	Biodiversity	36, ED
EN 16 – EN 25	Emissions, effluents and waste	31, 33, 34, 54 – 56, ED
EN 26, EN 27	Products and services	30–37, 54, ED
EN 28	Compliance	n. r.
EN 29	Transport	37, 54 – 56, ED
	<b>Social performance indicators</b>	
LA 1 – LA 3	Employment	40, 42, 58, AR
LA 4, LA 5	Labour/management relations	58
LA 6 – LA 9	Occupational health and safety	47, 48, 58, 59, AR
LA 10 – LA 12	Training and education	41, 43, 45 – 47, 58, AR
LA 13, LA 14	Diversity and equal opportunity	43, 44, 46, 58, 59, AR
HR 1 – HR 9	Human rights	41, 42
SO 1 – SO 8	Society	15–18
PR 1 – PR 9	Product responsibility	18, 19, AR

n. r. = not reported; AR = Annual Report 2008; ED = Environmental Declaration 2008

# Glossary

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

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

**APU** → The **Auxiliary Power Unit** is a power supply on board of an aircraft which is not designed to power the aircraft. It supplies electrical energy and as necessary compressed air or hydraulic pressure for independent operation of the equipment on board of an aircraft without requiring the main engines to run.

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

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

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

**EBIT** → Earnings Before Interest and Taxes.

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

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

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

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

**FRA** → International three-letter code for Frankfurt Airport.

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

**Geothermy** → Geothermy or geothermal power (the natural heat of the earth) is heat stored in the accessible part of the earth's crust. It comprises the energy stored in the earth, to the extent that it can be removed and used, and it is included under the umbrella of regenerative energies. It can be used directly, for example for heating and cooling, and for the generation of electrical power in cogeneration for generating power and heat.

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

**GPU** → The **Ground Power Unit** is a motor used on the ground to generate electrical energy for aircraft and other onboard equipment. The use of Ground Power Units means that it is no longer necessary to use Auxiliary Units (APU) or main engines to generate electricity on board of an aircraft while parked on the ground.

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

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

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

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

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

**Photovoltaics** → Photovoltaics describes the direct conversion of radiation energy, primarily the energy of the sun, into electrical energy. Photovoltaics generates electrical energy and is used for example on roof surfaces, at parking meters, in pocket calculators, at noise abatement walls or in open spaces. Photovoltaics is designated as a subsection of the more comprehensive discipline of solar engineering, which also includes other technical uses for solar energy.

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

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

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

**Slots** → Time windows for takeoffs and landings.

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

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

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



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[www.frankfurt-airport.com](http://www.frankfurt-airport.com)

[www.airportcity-frankfurt.com](http://www.airportcity-frankfurt.com) (including CargoCity)

[www.fraport-galaxy.com](http://www.fraport-galaxy.com) (Group subsidiaries and investment

companies) [www.fraport-groundsolutions.com](http://www.fraport-groundsolutions.com)

[www.aktivfuertieregion.fraport.de](http://www.aktivfuertieregion.fraport.de)

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*Mariangela Simone on the ground: On behalf of Fraport AG, the qualified biologist provides nature trips for children to learn about their natural surroundings.*