Fraport AG Expects World Air Traffic to Grow / Dividends Anticipated for FY 2003 - EBITDA Should Reach EUR 500 Million Again

Frankfurt, Germany (ots) - Fraport AG (FSE: FRA) expects only a slight decline in passenger figures for the current business year, despite the impact of the Iraq war, SARS, and the worldwide economic slowdown. Airfreight, in contrast, is expected to register clear growth for the year, explained Fraport executive board chairman Dr. Wilhelm Bender during his presentation at the company's Annual General Meeting (AGM) at the Jahrhunderthalle in Frankfurt-Hoechst, Germany. "Long-range forecasts for world air traffic indicate continued strong growth," said Bender at the AGM.

Irrespective of two years of rather sluggish growth, FRA's capacities will be exhausted in the near future, said Bender. Fraport's Airport Expansion Program at FRA will not be shelved. This summer, Fraport AG will submit the documentation for the zoning procedure required for the construction of a new landing runway northwest of the airport.

Regarding the previous business year, Fraport's chairman emphasized that, despite the difficult market environment, the company's operating business was quite satisfactory and "the airport business is strategically well positioned". Before the exceptional effect (write-down) resulting from the Manila passenger terminal project, the EBITDA (earnings before income, tax, depreciation and amortization) reached EUR 502.5 million, even slightly more than the forecast value of EUR 500 million. Because of the full-consolidation of ICTS Europe, a provider of aviation security services, revenues climbed 14 percent to EUR 1.8 billion. Excluding this consolidation effect, sales for the Fraport Group still increased by four percent in 2002.

A substantial portion of Bender's speech was devoted to discussing the historical development and current status of the Manila project. At the AGM, he explained in detail why as a business precaution it was indispensable to write-down completely Fraport's investment in the Manila terminal project. As a result of this extraordinary expense no dividends could be paid to shareholders for fiscal year 2002.

As the chairman clearly emphasized, Fraport AG will continue preparing for the planned arbitration proceedings against the Philippine government at the World Bank in Washington. "The basis for every foreign investment is shattered if the validity of official contracts and the reliability of the state cannot be trusted when a change of government occurs." Bender explained that the moral drawn from the Manila project was that Fraport, within the scope of its external business activities, would as a rule not act as a financial investor again. "We will concentrate more intensively on securing service, management and consulting contracts in the future."

In the current business year, Fraport will endeavor to reach an EBITDA of EUR 500 million again; from today's perspective, Fraport is optimistic about being able to pay dividends again for fiscal year 2003. This is possible, if no new unforeseeeable special effects negatively impact air transport and the global economy.

Fraport's executive board chairman described the price development of the Fraport share as unsatisfactory. The current stock price does not accurately reflect "our excellent position as an efficient and competitive player in the international airport business, our total assets and our potential for the future." With pride, Dr. Bender told shareholders that - even in the economically stagnating environment of 2002 - the company was able to avoid operations-related layoffs. In response to increasing youth unemployment in Germany, Fraport AG will offer 10 percent more training positions at Frankfurt Airport this autumn.

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Internet: http://www.presseportal.de

For More Information, Please Contact:
Fraport AG Frankfurt Airport Services Worldwide
Attn: Robert A. Payne - Manager International Press
60547 Frankfurt am Main, Germany
Tel.: +49 69.690.78547 / Fax: +49.69.690.60548
E-mail: r.payne@fraport.de / Internet: www.fraport.com