Fraport Fiscal Year 2003: Financial Results Exceed Forecasts - EUR115 Million Surplus - EUR0.44 Per Share Dividend Payment Recommended

Frankfurt (ots) - In fiscal 2003, Fraport AG Frankfurt Airport Services Worldwide (FSE: FRA) achieved considerably higher revenues and earnings. The airport management company recorded an EBITDA (earnings before interest, tax, depreciation and amortization) of EUR503.4 million. Thus, despite the difficult market environment, the company slightly surpassed the previous year's figure after adjusting for the Manila write-down. Consolidated net income climbed by eight percent to EUR115.2 million. Fraport AG's executive board and supervisory board recommend a dividend payment of EUR0.44 per share.

Despite the impact of the Iraq war, the SARS (severe acute respiratory syndrome) disease, and the weak global economy, sales of the Fraport Group rose by 1.7 percent to EUR1,834.3 million. A major factor contributing to this growth included, in particular, additional profits from security services. At the beginning of the reporting year, an increase in airport charges by an average of two percent at the company's Frankfurt home base also had a boosting effect.

The total number of passengers at the Fraport Group's airports rose by 1.9 percent to 70.6 million in 2003. At the Group's Frankfurt (FRA) and Antalya (AYT) airports, a noticeable recovery in demand in the second half of 2003 nearly offset the drop in passengers during the first half of the year, when both airports had been extremely affected by the Iraq conflict and SARS. For the total year, passenger volume at Frankfurt fell only 0.2 percent short of the previous year's level. Excellently positioned for the low-cost aviation market, the Group's Frankfurt-Hahn Airport (HHN) served 2.4 million passengers and again recorded above-average growth of 67.3 percent.

With an EBITDA of EUR503.4 million, Fraport exceeded the previous year's figure of EUR502.5 million, which was adjusted for the complete write-down of the company's project in the Philippines. In addition to the steady increase in revenues, this growth was attributable to the moderate rise in operating expenditures. As a result of strict cost management - which also allowed for a strong reduction in costs for consultancy services - non-staff expenses decreased by 4.4. percent to EUR503.5 million. In contrast, personnel expenditures rose 8.6 percent to EUR933.9 million, mainly because of an increase in personnel for security.

Furthermore, the EBITDA reflects higher investment income than in the previous year. Especially the EUR17.6 million in dividends from Antalya made a positive showing. With 27.4 percent, the EBITDA margin remained at about the same level as in the previous year.

Fraport posted a consolidated net income of EUR115.2 million in fiscal 2003. This represents an 8.0 percent increase compared to EUR106.7 million in fiscal 2002. Earnings per share, as set out in the IFRS (International Financial Reporting Standards), amounted to EUR1.28.

At Fraport's AGM (annual general meeting) on June 2, 2004, both the executive board and supervisory board will recommend to declare a dividend of EUR0.44 per share - a 10-percent increase compared to 2001. In terms of the EUR22.80 closing price of the Fraport share at year-end 2003, this represents a dividend yield of 1.9 percent.

Regarding FRA's Airport Expansion Program (AEP) - the most important investment project for Fraport AG - executive board chairman Dr. Bender said: "We are working hard to maintain the ambitious schedule for building and inaugurating the planned new landing runway northwest of the airport, despite the threat of delays in the approval process. However, it requires a cooperative effort between politics, business and society to achieve this timeline." Despite the most complicated approval processes in the world, Frankfurt Airport must be expanded within a reasonable timeframe to secure its international competitiveness. Capacity requirements will determine the realization of Terminal 3, which will be built in various phases when the airport land currently used by the U.S. air base is returned to Fraport.

Fraport expects air traffic volume to increase considerably in fiscal 2004. Consequently, revenues and the EBITDA will also improve over the previous year. "We expect rebounding intercontinental traffic to give essential impetus for growth. With our Frankfurt home base - the leading European air transportation hub - we are excellently positioned for intercontinental traffic," Bender said. In terms of intercontinental traffic, Frankfurt Airport accounts for some 77 percent of the German market. At Frankfurt alone Fraport's chairman expects passenger figures to rise by between 3.5 and 4.5 percent to over 50 million passengers - "thus returning to a long-term growth path."

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