Düsseldorf Airport

Annual Report 2018

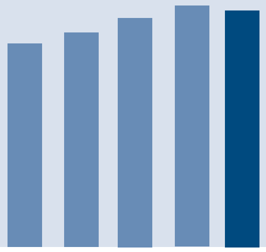
Five-Year Overview 2014–2018

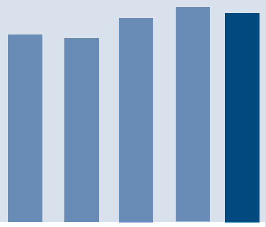
Development of Traffic

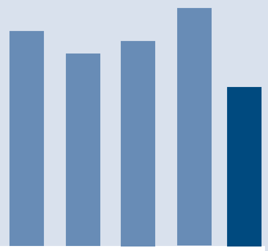
	2014	2015	2016	2017	2018
Passengers					
Number of passengers in millions	21.85	22.50	23.52	24.6	24.3
Daily average	59,864	61,579	64,443	67,463	66,533
Aircraft movements					
Aircraft movements	210,732	210,205	217,574	221,635	218,818
Daily average	578	577	576	596	560
Air freight					
Air freight (t) incl. trucking	114,180	105,300	107,619	121,614	95,955

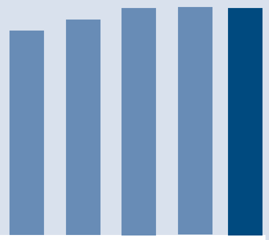
Development of Business in million EUR

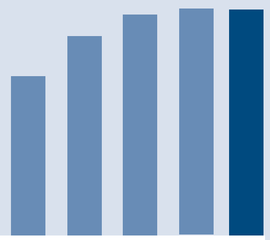
	2014	2015	2016	2017	2018
Sales revenues	425.6	449.0	464.9	482.8	474.5
Balance sheet total	1,079.8	1,044.0	987.2	993.4	1,135.4
Fixed assets	1,003.0	950.8	927.4	925.3	1,066.0
Capital expenditures	83.1	62.6	46.8	73.2	80.2
Depreciation	63.5	68.6	69.9	73.8	76.0
Result for the year	42.9	53.7	59.9	60.1	59.1
Cash flow	116.4	130.7	124.1	140.0	109.2
Number of employees (as at 31/12)	2,252	2,240	2,223	2,271	2,307

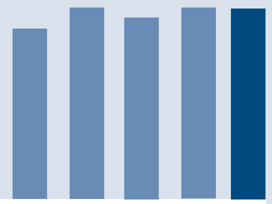

Number of passengers 2014–2018


Aircraft movements 2014–2018


Airfreight turnover 2014–2018


Sales revenues 2014–2018

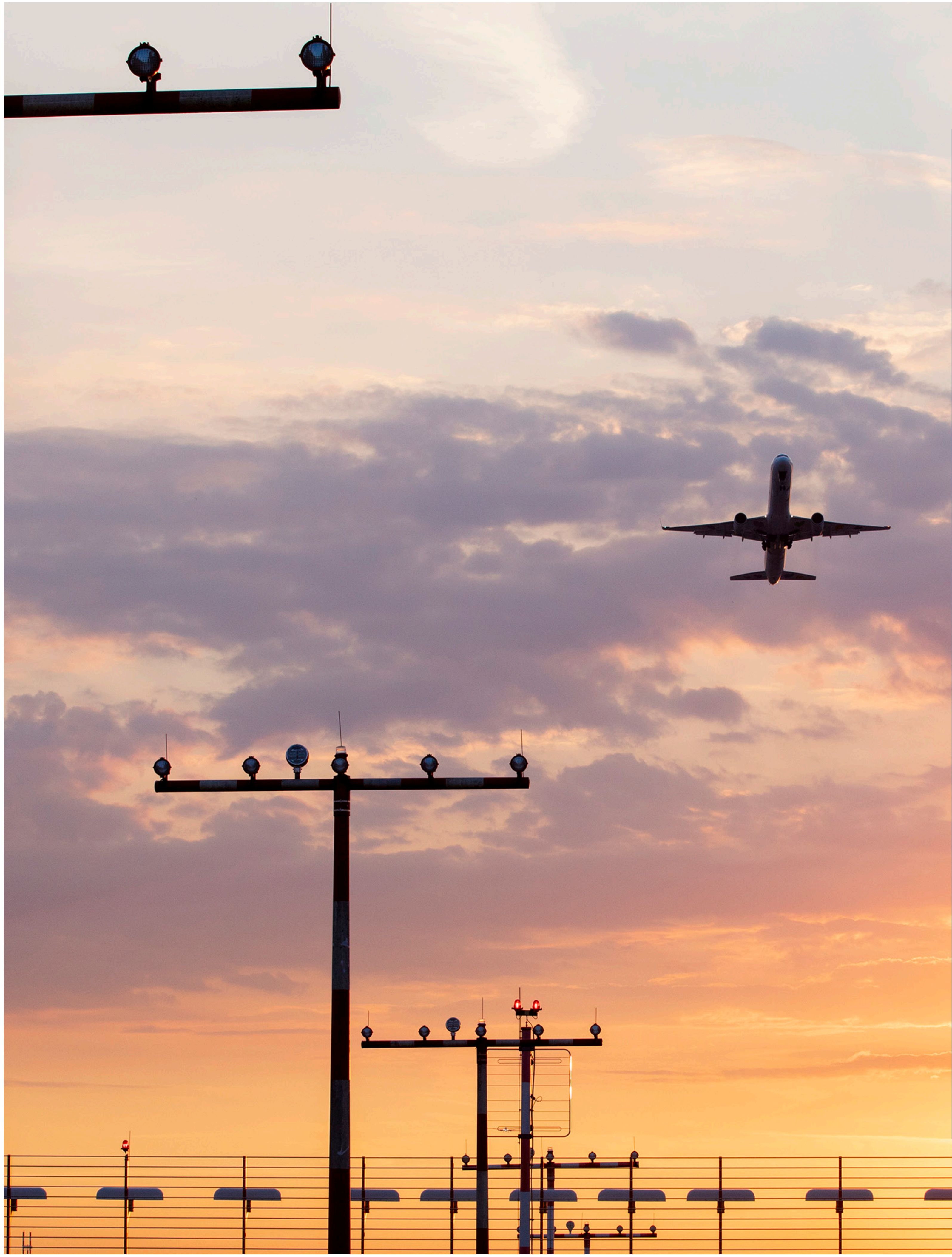

Result for the year 2014–2018


Cash flow 2014–2018

Düsseldorf Airport DUS

Annual Report 2018

Five-Year Overview 2
Foreword by the Management 5
Group Structure 6
Executive Bodies of the Company 7
Chronology 2018 8
Top Five: Destinations and Airlines 14
Flight Services 16
Report of the Supervisory Board 25
Annual Financial Statements as at 31 December 2018 27



Dear Reader,

2018 was an exciting, challenging and varied year for Düsseldorf Airport. The demand on the part of airlines for slots remained high; our network of routes places us in an excellent position in what is a fast-changing market. People love to travel to and from Düsseldorf Airport, as confirmed by the results of a recent passenger survey. All of this serves to reinforce our market leadership among airports in the Rhine-Ruhr region and throughout the state of North Rhine-Westphalia as a whole. The number of passengers, and the number of take-offs and landings, in 2018 was approximately the same as in the previous year. The year-end profit amounted to EUR 59.1 million, in spite of the discontinuation of the operations of Air Berlin, formerly our major carrier. In a joint endeavour with our partners and employees, we have managed to restore the extent of our air traffic services over the course of a year. In relocating its long-haul services to Düsseldorf, Eurowings has clearly demonstrated the attractiveness of our location. However, the moves made by other airlines, such as Condor and Tuifly, to increase their flight routes undertaken have also gone some way to ensuring that Düsseldorf Airport will be able to continue along its growth trajectory in the future.

We are approaching the future with optimism and will modify our infrastructure and the range of services we offer in line with the population's and the economy's growing demand for mobility. The ruling of the Higher Administrative Court (*Oberverwaltungsgericht*) of Münster on the legitimacy of the "Alternative Zone West Apron" project may be viewed as positive in this context. We are also hoping for a positive outcome in the procedure for obtaining planning permission for the increasein our capacity from the competent State Ministry of Transport (*Landesverkehrsministerium*), which is currently processing our application in accordance with the applicable law and regulations. Düsseldorf Airport needs to exploit opportunities for growth in order to remain competitive. This is evidenced by the high demand for slots which has been observed over a number of years.

Michael Hanné, Thomas Schnalke (CEO),
Dr. Martin Kirchner-Anzinger (from left to right)

As the largest employer in Düsseldorf, with more than 20,000 employees, the Airport is a major driver of employment in the state. We are working hard every day to further improve the quality of our location. We also wish to retain our attractiveness as an employer who promotes tolerance and cooperation among the workforce.

In view of the positive results, we would like to extend our warmest thanks to all those who have contributed towards our success in the past year: our passengers, visitors to the Airport, the airlines and our other business partners. And not least our employees, whose great commitment and dedication helps ensure that Düsseldorf Airport is ready for take-off each and every day.

The Management

Thomas Schnalke
CEO

Michael Hanné

Dr. Martin Kirchner-Anzinger

Group

Flughafen Düsseldorf GmbH

50% State Capital City of Düsseldorf
50% Airport Partners GmbH
- 40% AviAlliance GmbH
- 20% AviC GmbH & Co. KGaA
- 40% Aer Rianta International cpt

Subsidiaries

Flughafen Düsseldorf Ground Handling GmbH, Düsseldorf
(100% FDG)

Flughafen Düsseldorf Cargo GmbH, Düsseldorf
(100% FDG)

Flughafen Düsseldorf Immobilien GmbH, Düsseldorf
(100% FDG)

Flughafen Düsseldorf Security GmbH, Düsseldorf
(100% FDG)

BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG, Düsseldorf
(100% FDG)

Flughafen Düsseldorf Energie GmbH, Düsseldorf
(100% FDG)

Estamin Beteiligungs GmbH, Düsseldorf
(100% FDG)

BISAWA Beteiligungs GmbH, Düsseldorf
(100% FDG)

Estamin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz
(100% FDG)

Japon Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz
(100% FDG)

Flughafengesellschaft Mönchengladbach GmbH, Mönchengladbach
(20% FDG)

SITA Airport IT GmbH, Düsseldorf
(30% FDG)

Flughafen Düsseldorf Tanklager GmbH, Düsseldorf
(40% FDG)

Shareholders
Airport Partners GmbH
State Capital City of Düsseldorf

Supervisory Board

Thomas Geisel
Lord Mayor of the State Capital City of Düsseldorf
Chairman (until 15 January 2019)
Second Vice Chairman
(from 16 January 2019 onwards)

Dr. Rolf Pohlig
Management consultant
(from 26 September 2018 onwards)
Chairman
(from 16 January 2019 onwards)

Peter Büddicker
Regional department head in the regional administration of the Unified Service Trade Union (Vereinte Dienstleistungsgewerkschaft, ver.di)
Employee representative
First Vice Chairman

Gerhard Schroeder
Managing Director AviAlliance GmbH
Second Vice Chairman
(until 15 January 2019)

Cafer Celik
Assistant Warehouse Manager
Employee representative

Prof. Christoph Ehrhardt
Managing Partner of Bennix Strategic Advisors GmbH
(from 26 September 2018 onwards)

Dr Axel Epe
Lawyer
(until 25 September 2018)

Raymond Gray
Group CFO daa plc, Ireland

Heinz Hardt
Mayor (retired) of the State Capital City of Düsseldorf
(until 28 February 2018)

Angela Hebeler
Spokesperson for the GREEN PARTY on the City Council

Michael Henning
Consultant for wildlife control and hunting law
Employee representative (alternate member)

Rainer Hindenburg
Section Head
Employee representative

Uwe Kasischke
Personnel administrator
Health management
Employee representative

Werner Kiepe
Trade Union Secretary
Regional administration of the Unified Service Trade Union (Vereinte Dienstleistungsgewerkschaft, ver.di)
Employee representative

Stefani Kleeberg
Editor
Employee representative

Frank Krugmann
Shareholder representative daa plc, Ireland
(until 25 May 2018)

Holger Linkweiler
Managing Director AviAlliance GmbH

Volker Maassen
Chairman of the Flughafen Düsseldorf Works Council Ground Handling GmbH
Employee representative

Markus Paulich
Chairman of the Works Council of Flughafen Düsseldorf GmbH
Employee representative

Stephanie Peifer
Managing Director
Regional administration of the Unified Service Trade Union (Vereinte Dienstleistungsgewerkschaft, ver.di)
Employee representative

Andreas Rimkus MdB
Member of the German Bundestag

Michael Röder
Head of Personnel Management
Employee representative

Rolf Tups
Management consultant

Stefan Wiedon
Educational specialist
(from 9 April 2018 onwards)

The Management

Thomas Schnalke
Chief Executive Officer
Management Division Aviation, Non-Aviation and Strategic Development
Düsseldorf

Michael Hanné
Managing Director
Labour Director
Management Division Operations and Labour Director
Düsseldorf

Dr Martin Kirchner-Anzinger
Managing Director
Management Division Real Estate Management and Commercial Affairs
Cologne

Authorised Signatories

Stefan Beitelsmann
Head of the Operations and Security
Düsseldorf

Rüdiger Burs
Head of the Real Estate Management
Kaarst (from 1 January 2019 onwards)

Anja Dauser
Head of the Real Estate Management business division
Düsseldorf

Klaus Dirmeier (Dipl.-Ing.) (retired)
Head of the Real Estate Management
Essen (until 31 August 2018)

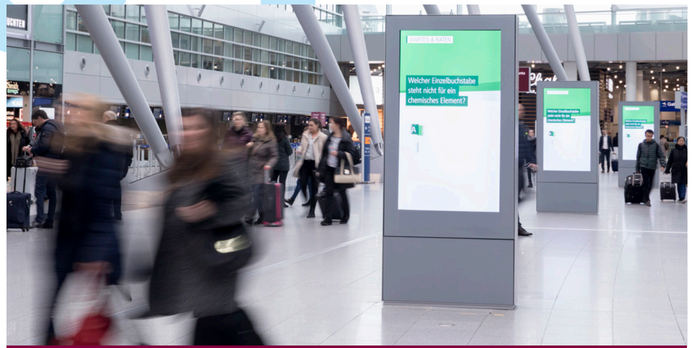
Ellen Kirschenfauth
Head of the Service and Control Centre Human Resources
Cologne

Andreas Klingler
Head of the Law & Compliance department
Düsseldorf

Ilse Ruffer
Head of the Customer Management
Düsseldorf

Thilo Schmid
Head of the Aviation Management & Corporate Development business division
Mülheim an der Ruhr

Ulrich Worzalla
Head of the Service and Control Centre Commercial Division
Duisburg



10 January
New digital advertising medium
Düsseldorf Airport is expanding its range of digital advertising services. Starting immediately, advertising companies will be able to present their advertising messages to an attentive audience on a total of 45 "Airport mall video screens" located in the public areas and along the three piers.

15 January
Climate protection thanks to use of district heating
Conclusion of contract in the interests of climate protection: The Airport will be connected to the central district heating grid of the Stadtwerke Düsseldorf (municipal utility) by the end of 2019, which will enable it to heat the terminal and other buildings in an environmentally and climate-friendly manner in the future, and thereby reduce not only emissions of particulate matter and nitrogen monoxide but also the amount of carbon dioxide generated by approximately 70 percent.

1 February
Accolade for commitment to environmental issues
Düsseldorf Airport has once again improved its CO_2 balance, as confirmed by the international certification programme, "Airport Carbon Accreditation" (ACA). The total emissions generated at the Airport site have been taken into account for the second time.

16 February
Eurowings places its faith in Düsseldorf
Eurowings is increasing its range of services at Düsseldorf Airport by 30 percent in anticipation of the upcoming summer flight schedule, which will enable it to offer its customers a million seats per month. This growth is also reflected in the size of its fleet: Approximately 40 aircraft – representing an increase of approximately 50 percent – will be stationed in Düsseldorf this summer, including an initial three (and subsequently eight) long-haul jets.

20 March
Flights to Spain with Laudamotion
The Austrian airline Laudamotion is setting its sights on Düsseldorf Airport for the first time. Also on board: Niki Lauda, three-time Formula 1 World Drivers' Champion and owner of the newly founded airline, presenting the summer flight schedule to numerous representatives of the media. Laudamotion announces that it will be establishing its largest base in Düsseldorf and intends to offer even more flights by the launch of the summers season.

19 April
Airport meets start-up
The Airport participates in the Düsseldorf "Start-up Week" and hosts an "Airport meets Start-up" event in the terminal. "Fresh ideas from the creative community are always in demand", stresses Thomas Schnalke, Spokesperson for the Management of Düsseldorf Airport. "Innovative impulses and products can help us to improve Airport processes and to respond to the needs of our customers more swiftly and in a more targeted manner."

26 April
Schoolgirls take a close look at male-dominated professions
Schoolgirls attending a Girls' Day experience – live and in colour – what it is like for women wishing to assert themselves in careers typically dominated by men. They were invited by the airport group and its airline partners Lufthansa, Eurowings, Sun Express and Aviapartner to try some of these vocational fields on for size for one day.

28 April
Water fountain reception
Major welcome at the Airport: Some 600 fans celebrate Fortuna Düsseldorf's promotion to the Bundesliga, Germany's premier football league. A chartered jet with flight number VO 7001 lands at Düsseldorf Airport at 7:23 pm to cheers from fans. The aircraft, with a Fortuna flag flying from the cockpit window, met with a water fountain reception.

29 April
DUS sponsors Metro Marathon
Michael Hanné, Managing Director and Labour Director, fires the starter gun sending the relay runners on their way during the Metro Marathon, which is once again being sponsored by Düsseldorf Airport. Runners from among the Airport staff set off on the long-distance race together with 12,000 other sports enthusiasts.

6 May
A very vocal "AirCappella Festival"
The terminal is filled with song. At the "AirCappella Festival" twelve bands from Germany, Austria and the Netherlands are gathering for a musical tête-à-tête – entirely without instrumental backing and with Henning Wehland, one of the founders of H-Blockx and a member of the band Söhne Mannheims, making a special guest appearance.

9 May

New partner: Icelandair

The Icelandic airline Icelandair announces a flight connection to Keflavik. In the future, there will also be four flights to North America departing from Düsseldorf via the home airport in Keflavik.

7 May

Airport supports koala breeding endeavour

Düsseldorf Airport has adopted a koala, and thus assumed a major share of the annual costs involved in the care of these creatures in support of the internationally renowned breeding programme of Duisburg Zoo, which is able to avoid any time delays in its supply of eucalyptus thanks to thrice-weekly direct flights between Miami and Düsseldorf.

28 May

Handelsblatt Media Group makes its presence felt

A life-size bull takes a seat in the departures building where, with a copy of the Handelsblatt on its knee, it serves to showcase the well-known business and finance newspaper. The campaign is one of many components of a collaborative partnership entered into by the Airport with the Handelsblatt Media Group.

1 June

Ryanair opens a base in Düsseldorf

The low-cost carrier Ryanair opens a new base in Düsseldorf and celebrates the launch of three new routes to Alicante, Malaga and Palma, which will be serviced as part of the airline's summer flight schedule. Lutz Honerla and Ulrich Topp from the Airport greet the airline's representative Lisa Maria Rumpf, Sales and Marketing Executive DACH.

8 June

Planning permission decision is found to be legitimate

The Higher Administrative Court (*Oberverwaltungsgericht*) of Münster hands down its ruling as to the legitimacy of the decision granting planning permission for the "Alternative Zone West Apron" project. The cities of Kaarst, Meerbusch and Ratingen, as well as several private individuals, had appealed against the decision of the Ministry of Transport for the State of North Rhine-Westphalia granting such planning permission, issued in June 2015. Düsseldorf Airport will now be able to construct the parking positions which are so important for its flight operations over the coming four years.

27 June

A Rheinland-Pitch final imbued with start-up spirit

There is true start-up spirit in the air at the final of "Rheinland-Pitch", a pitching competition renowned in the start-up community. At the Airport station, four young company founders present their innovative business ideas in the hopes of winning over the greatest possible number of experts on the jury taking part in the online voting. Approximately 1,000 top-class guests, including entrepreneurs and potential investors, watch the showdown organised by Düsseldorf Airport as the host of the event.

1 July

Thomas Schnalke becomes Vice President of the ADV

Dr. Stefan Schulte, Chairman of the Executive Board of Fraport AG, assumes the office of president of the German Airports Association (Flughafenverband – ADV). He will be assisted by Thomas Schnalke, Spokesperson for the Management of Düsseldorf Airport, in the capacity of Vice President. His term of office will run until the end of 2020. The ADV advocates in favour of the maintenance of competition in the air traffic sector and modern, efficient airports in Germany. In terms of content, the association meetings are used by airport directors as a forum for the expression of their policy-related expectations.

9 July

More space at Security Check A

The new entrance area in front of Security Check A will be opened in good time ahead of the summer holidays. The boarding pass check has been moved forward, thereby creating more space for the waiting area. This expansion is part of the package of measures intended to improve the degree of customer satisfaction.

19 July

Web reports facilitate greater transparency

Düsseldorf Airport has been depicting all aircraft movements, including noise measurement values, virtually in real time on a map on its website for almost four years. The "TraVis" system displays, among other things, the sound level, speed and type of the aircraft taking off and landing in Düsseldorf. As of now, web reports will also supplement the data depicted to date. Users will now be given insight into the monthly measurements results and traffic data for each of the total of 13 stations for the measurement of aircraft noise.

1 August

Düsseldorf Airport reduces shareholding

Flughafen Düsseldorf GmbH and NEW, the municipal utility serving the region to the left of the Rhine, restructure their shareholding in Flughafengesellschaft Mönchengladbach GmbH (FMG). Düsseldorf Airport now holds only 20 percent – as opposed to the previous 70 percent –, while the owners in Mönchengladbach have increased their shareholding from 30 to 80 percent. The city of Willich will retain its 0.01 share in the company.

20 August

Youth Symphony Orchestra gives concerts in Japan

Together with the Japanese carrier All Nippon Airways ANA and Thomas Geisel, the Lord Mayor of Düsseldorf, Michael Hanné, Managing Director, bids farewell to just under 100 musicians of the Düsseldorf Youth Symphony Orchestra in the terminal ahead of their departure. Two concerts in the Japanese prefecture Chiba are planned. The musicians are heading to Tokyo with ANA to start their concert tour.

1 September

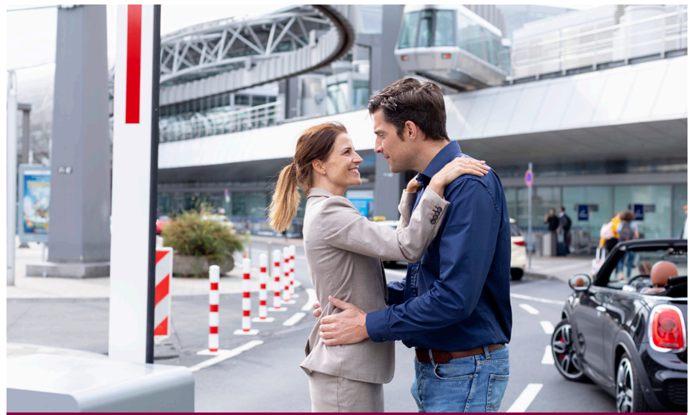
Open day in the training workshop

The training workshop opens its doors. School leavers wishing to get an idea of the training opportunities available at the Airport can obtain comprehensive information on the prospects for the future advancement offered by the Airport at the "open training day" held at the training workshop.

1 September

Airport sponsors the DUS Cup

Teams from the football clubs from the surrounding areas traditionally gather for a grand youth football tournament on the first Saturday after the summer holidays. From bambini to members of the D-level youth football teams, players of all ages are represented at the DUS Cup. The Airport, as the organiser of the event, is a guest of the sports club TuS Düsseldorf Nord, at its grounds on Ammerweg in Düsseldorf Unterrath.



1 September

New access controls

New barrier systems along the access road to the departures and arrivals levels are helping to improve the flow of traffic. Passengers are embracing the new access controls after a brief period of acclimatisation.

2 September

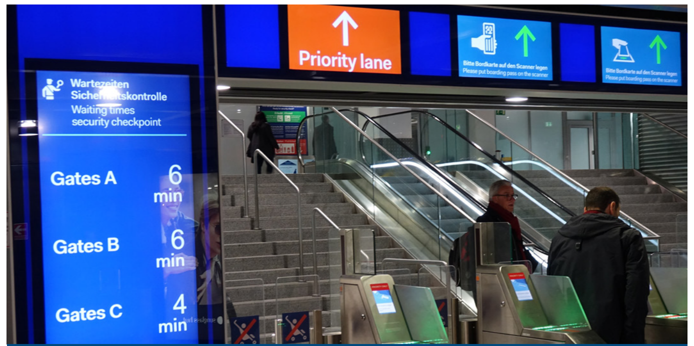
First time on tour with Airlebnis

For the first time, the Airport goes on tour with an Airlebnis and holds a major "Airport.Children's.Party" ("Kinder. Flughafen.Fest") way from the Airport grounds. 15,000 enthusiastic spectators transform the racetrack to the North of Düsseldorf into an enormous play and fun zone for one day.

11 September

Apprentices begin their training

22 new trainees in five training professions and six students of three courses of study start their careers at the Airport. There have never been as many new young colleagues as in this year: a further Airport training record.



12 September

Digital sensor technology records waiting times

Starting immediately, waiting times at the security checks in all piers will be recorded in real time. This data will provide the operational units and the strategic product and operational planning divisions with valuable information for the scheduling and management of passenger flows. Passengers will be notified of current waiting times via screens at the check pointsand also via the Airport app and website.

1 November

Digital advertising

The Airport's "Premium Digital Skywall" is currently the largest outdoor digital space, at approximately 144 square metres, at any airport within Germany. It was created by extensively modernising the analogue advertising space along the approach road to the departure level in line with the most recent state-of-the-art digital technology.

7 November

New Airport web cams

The Airport's web cam service is one of the most popular features on its website, having been accessed approximately 3.2 million times in the past year. Four of the total of five web cams have been replaced with modern, high-resolution HD cameras, which now provide viewers with even "sharper" images of the happenings at the Airport.

14 November

All systems "go" for "thinkDUS"

Thomas Schnalke, Spokesperson for the Management of Düsseldorf Airport, and Robert Henrich, COO of Mola, a VW subsidiary, inform those attending the first event held in the new "thinkDUS" network format of new means of locomotion and mobility. Approximately 80 guests from the political sphere, government ministries, the city council and the chambers of industry and commerce (*Industrie- und Handelskammer*) follow the arguments put forward by the speakers in the KIT Café on the Mannesmannufer with interest and then participate in a discussion on the subject of the future of mobility.

12 December

Changes on the Supervisory Board

Dr. Rolf Pohlig will become the new Chairman of the Supervisory Board. His term of office will commence with effect as at 16 January 2019. The 66 year-old holder of a degree in economics, who has over the course of his professional career helped to shape the enterprises of Franz Haniel, Veba, Eon and RWE, among others, most recently held the position of Chief Financial Officer of RWE AG. The Lord Mayor, Thomas Geisel, who most recently chaired the Supervisory Board on a rotational basis, is appointed Second Vice Chairman.

28 December

100 additional jobs generated by servicing of Condor aircraft

Condor, the second largest airline at the Airport, will in the future have its fleet of Airbus aircraft serviced at the Düsseldorf location by its subsidiary Condor Technik GmbH. The stipulated term of the lease agreement for Hangar 7 is ten years. Approximately 80 mechanics and technical experts, as well as approximately 20 logistics employees, will already be deployed on location in the summer of 2019.

31 December

Traffic numbers remain at the high level of the previous year

The number of passengers once again exceeds the 24 million mark in 2018. In spite of Air Berlin's withdrawal from the market, at approximately 24.3 million it is only slightly short of the previous year's record result (-1.6 percent). While the first nine months of the year remained impacted by base effects resulting from the airline's insolvency, a significant increase in traffic and passenger volume has once again been recorded since October. The number of aircraft movements, at 219,000 take-offs and landings, was also approximately as high as in the previous year (-1.2 percent).

1 Palma de Mallorca
1.5 million passengers

2 Munich
1.4 million passengers

3 Berlin
1.2 million passengers

4 Istanbul
1.0 million passengers

5 London
0.9 million passengers

1 Germanwings/ Eurowings
8.3 million passengers

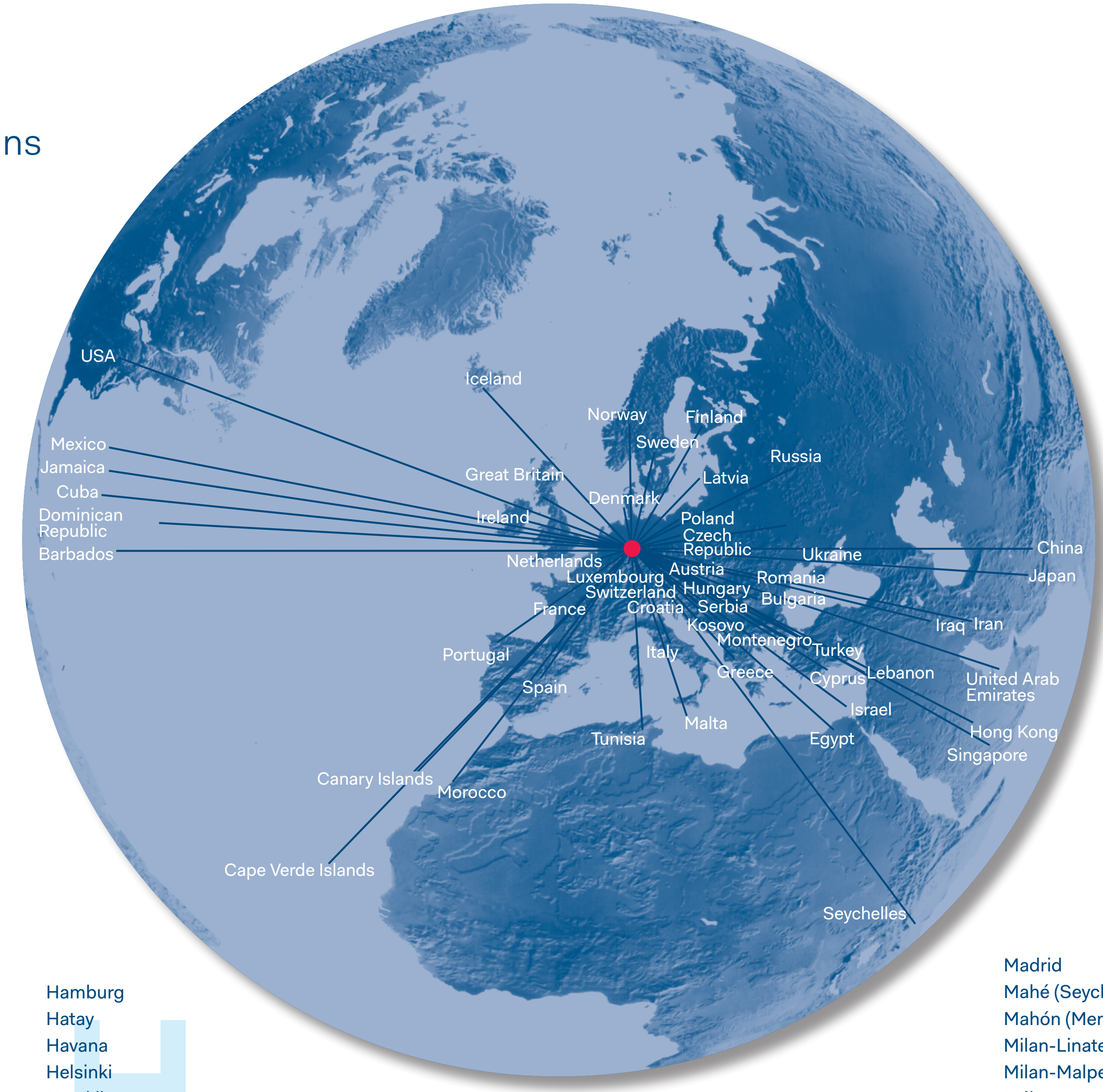
2 Lufthansa
1.7 million passengers

3 Condor
1.6 million passengers

4 TUIfly
1.0 million passengers

5 Sun Express
0.7 million passengers

217 destinations
57 countries
75 airlines



Abu Dhabi
Adana
Agadir
Alicante
Almería
Amsterdam
Ankara
Antalya
Arbil/Erbil
Arrecife (Lanzarote)
Athens
Atlanta

Baghdad
Bangkok
Barcelona
Bari
Basel
Bastia
Beirut
Belgrade
Berlin-Tegel
Bilbao
Billund
Birmingham
Boa Vista
Bodrum
Bologna
Bordeaux
Bridgetown
Brindisi
Bristol
Budapest
Bucharest
Burgas

Cagliari
Cancún
Cardiff
Catania
Chania (Crete)
Cork

Dalaman
Diyarbakir
Djerba
Dresden
Dubai
Dubai-World Central
Dublin
Dubrovnik

Edinburgh
Edremit
Elaziğ
Enfidha

Faro
Florence
Fort Myers
Frankfurt
Friedrichshafen
Fuerteventura
Funchal

Gaziantep
Gazipaşa
Geneva
Glasgow
Gothenburg
Gran Canaria
Graz
Guernsey

Hamburg
Hatay
Havana
Helsinki
Heraklion
Heringsdorf (Usedom)
Hévíz-Balaton
Hong Kong
Hurghada

Ibiza
Innsbruck
Istanbul-Atatürk
Istanbul-Sabiha Gökçen
Izmir

Jerez de la Frontera
Jersey
Jönköping

Kalamata
Karphathos
Kavala
Kayseri
Kiev
Kittilä
Konya
Copenhagen
Corfu
Cos
Košice
Kraków
Kütahya

La Romana
Lamezia Terme
Larnaca
Leeds-Bradford
Leipzig/Halle
Linz
Lisbon
Ljubljana
London-City
London-Heathrow
Luxembourg
Luxor
Lyon

Madrid
Mahé (Seychelles)
Mahón (Menorca)
Milan-Linate
Milan-Malpensa
Málaga
Malatya
Malta
Manchester
Marrakesh
Marsa Alam
Marseilles
Mauritius
Miami
Monastir
Montego Bay
Montpellier
Moscow-Domodedovo
Moscow-Sheremetyevo
Mostar
Munich
Mykonos
Mytilene

Nador
Nantes
Naples
New York-JFK
New York-Newark
Newcastle
Newquay
Nice
Novosibirsk
Nuremberg

Olbia
Ordu-Giresun
Oslo

Palma de Mallorca
Paphos
Paris-CDG
Patras-Araxos
Peking/Beijing
Podgorica
Ponta Delgada
Porto
Porto Santo
Prague
Preveza
Priština
Puerto Plata
Pula
Punta Cana

Reykjavík/Keflavík
Rhodes
Riga
Rijeka
Rome

Sal
Salzburg
Samaná
Samos
Samsun
Santa Cruz de la Palma
Santorini (Thira)
Sharm El Sheikh
Singapore
Sitia (Crete)
Skiathos
Skopje
Southampton
Split
St. Petersburg
Stockholm
Stuttgart

Tehran
Tel Aviv
Tenerife-South
Thessaloniki
Tivat
Tokyo-Narita
Trabzon
Trieste
Tunis

Umeå

Valencia
Varadero
Varna
Venice

Warsaw
Westerland (Sylt)
Vienna
Wrocław/Breslau

Zadar
Zagreb
Zakynthos
Zonguldak
Zurich

217 destinations. 57 countries. 75 airlines. DUS, as the largest airport in North Rhine-Westphalia, wishes to further expand its operations in order to be able to meet demand on the part of airlines and passengers.

Düsseldorf Airport intends to meet the future head on by employing modern retail concepts, with the wishes and needs of its customers being at the forefront of its considerations in this regard.

Airport City is living up to its reputation as an attractive and successful business park in Düsseldorf and beyond. Airport City II is set to build on the successful of this business model.

In spite of the far-reaching changes experienced in the air traffic sector, 2018 was once again a successful year for Düsseldorf Airport, which was able, even in the wake of the insolvency of the airline Air Berlin in 2017, to reassert its position as the largest airport in North Rhine-Westphalia, with 24.3 million recorded passengers. Thanks to its densely populated and economically strong catchment area, as well as the outstanding work of all of those involved, it succeeded in offsetting the losses resulting from Air Berlin's withdrawal from the market before the year was through, thereby remaining one of the major pillars of the region's economic prosperity and an indispensable element for its continued development. Demand for mobility services on the part of the individuals and companies in the Rhine-Ruhr region remains high and is set to rise further in the future, and Düsseldorf Airport intends to continue to meet this demand in the future through the provisions of an attractive network of routes and tailored flight services. Thus, Eurowings further intensified its commitment to the Düsseldorf location, in particular by relocating its long-haul services to Düsseldorf, in the past year, as have a number of other airlines on an unconditional basis, for example Condor and Tuifly, all of which have increased many of their flight connections. It is expected that further tangible growth will be experienced in 2019. Due to the persistently high demand for take-off and landing rights, the Airport urgently requires prospects for further development, which will be contingent upon a corresponding expansion of its capacity to be achieved by means of the modification of its operating license, having regard to the interests of the residents of the surrounding area.

During the business year under review, the Supervisory Board of Flughafen Düsseldorf GmbH discharged the responsibilities incumbent upon it pursuant to the law and the Partnership Agreement and also supervised and advised the Managing Directors of the company in the performance of their work. In so doing, the Supervisory Board addressed such matters as the situation of the company, the development of its business, its business plan, its investment activities and its corporate policy in depth, and also obtained additional information from the management on selected issues in the context of its advisory and supervisory activities.

The Supervisory Board and the committees composed of certain of its members were kept informed of the company's situation and performance, and also of any significant events or important business transactions, by the management by means of regular written and oral communications. Where any transactions or measures required the express consent of the Supervisory Board, such consent was duly obtained. The Chairman of the Supervisory Board furthermore kept abreast of any material events occurring in the operational context through continuous contact with the management.

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf was appointed auditor of the company's financial statements by the Shareholders' Meeting. It was granted a corresponding mandate by the Supervisory Board, pursuant to which it audited the annual financial statements as at 31 December 2018 prepared by the management, the management report 2018, the consolidated financial statements as at 31 December 2018 and the group management report 2018, and subsequently issued an unqualified audit certificate in this regard. The audit reports were presented to the Supervisory Board. The auditors attended the meeting held by the Supervisory Board on 19 March 2019 to discuss the balance sheet and reported on the findings of their audit. The Supervisory Board has reviewed and discussed in detail the annual accounts submitted to it, the management report and the proposal for the appropriation of the net profits, the consolidated financial statements and the group management report 2018 on the basis of the audit reports, the findings of the audit conducted in accordance with Section 53 of the German Budgetary Principles Act (*Haushaltsgrundsätzegesetz*) and the principles governing the auditing of companies published pursuant thereto, and does not raise any objections to the above. The Supervisory Board approves the annual financial statements as at 31 December 2018 prepared by the management and the consolidated financial statements 2018, and does not raise any objections to the results of the audit conducted by the auditors.

The Supervisory Board proposes that the Shareholders' Meeting should:

- adopt the annual accounts as at 31 December 2018
- approve the 2018 consolidated annual accounts and the group management report
- distribute three-quarters of the year-end profit for the business year 2018 in the amount of EUR 58,662,112.59, i.e. EUR 43,996,584.44, to the shareholders, and allocate one-quarter thereof, i.e. EUR 14,665,528.15, to the revenue reserves
- approve the actions taken by the Managing Directors in the business year 2018

The term of office of the Lord Mayor, Thomas Geisel, as Chairman of the Supervisory Board of Flughafen Düsseldorf GmbH, which office he discharged with great dedication, ended as at 15 January 2019. In this capacity, he supervised the adoption of necessary decisions with regard to the strategic approach of Flughafen Düsseldorf GmbH and the direction consequently taken, thereby significantly contributing to the successful development of the air traffic operations of Düsseldorf Airport. At the same time, the term of office of Mr. Gerhard Schroeder, as Second Vice Chairman of the Supervisory Board, also came to an end. The Supervisory Board thanks the holders of both of these office for their endeavours on behalf of Düsseldorf Airport. Dr. Rolf Pohlig was appointed Chairman and the Lord Mayor, Thomas Geisel, was appointed Second Vice Chairman of the Supervisory Board, with effect as at 16 January 2019.

Mr. Heinz Hardt, Dr. Axel Epe and Mr. Frank Krugmann resigned from their positions as members of the Supervisory Board of Flughafen Düsseldorf GmbH in 2018, with Prof. Christoph Ehrhardt, Dr. Rolf Pohlig and Mr. Stefan Wiedon being appointed as their successors. The Supervisory Board would also like to take take this opportunity to thank its formers members for their efforts and their commitment and dedication to furthering the interests of Düsseldorf Airport.

The Supervisory Board also wishes to thank the Managing Directors, Mr. Thomas Schnalke (Spokesperson), Mr. Michael Hanné, Dr. Martin Kirchner-Anzinger and all of the company's employees for their great commitment and outstanding work in the business year 2018.

Düsseldorf, 19 March 2019

Flughafen Düsseldorf GmbH
The Supervisory Board

Dr. Rolf Pohlig
(Chairman)

Annual Accounts as at 31 December 2018

Balance Sheet FDG 28

Profit and Loss Account FDG 30

Audit Certificate 31

Consolidated Balance Sheet 35

Consolidated Profit and Loss Account 37

Notes 38
- General notes 38
- Group of consolidated companies 38
- Accounting and valuation principles 40
- Notes to the Consolidated Balance Sheet 46
- Notes to the Consolidated Profit and Loss Account 48
- Additional information 50

Group Management Report 54

Balance Sheet
FDG as at 31/12/2018

Assets

		31/12/2018	31/12/2017
	EUR	EUR	EUR
A. Fixed assets			
I. Intangible assets			
1. Concessions acquired in return for consideration, industrial property rights and similar rights and values, as well as licenses relating to such rights and values	13,087,374.47		14,329,564.47
2. Advance payments	2,584.00		36,933.75
		13,089,958.47	14,366,498.22
II. Tangible assets			
1. Land, leasehold rights and buildings, including those on third-party land			
a) Airport buildings, including land	545,112,945.20		469,510,642.51
b) Land with residential buildings	18,378,641.60		18,468,898.02
c) Land without buildings	15,107,833.30		15,741,718.07
d) Building leases	60,841,776.36		1,604,425.00
2. Plant and machinery			
a) Airport facilities	111,102,769.00		106,298,346.00
b) Operating facilities	138,081,831.77		151,792,025.77
3. Other facilities, business and operating equipment	26,404,214.66		21,521,398.50
4. Payments on account and assets under construction	56,459,224.90		45,140,632.28
		971,489,236.79	830,078,086.15
III. Financial assets			
1. Shares in affiliated undertakings	26,129,834.84		22,260,080.10
2. Investments	19,985,005.25		4,072,784.75
3. Other loans	75,509.38		117,753.57
		46,190,349.47	26,450,618.42
		1,030,769,544.73	**870,895,202.79**
B. Current assets			
I. Inventories			
Raw materials and supplies		2,181,927.91	2,161,964.50
II. Accounts receivable and other assets			
1. Trade accounts receivable	20,926,759.20		17,160,610.20
2. Receivables owed by affiliated undertakings	10,649,431.80		21,781,541.95
3. Receivables owed by undertakings in which the company has a participating interest	453,440.77		1,921,291.87
4. Other assets	3,920,605.86		5,616,713.05
		35,950,237.63	46,480,157.07
III. Liquid funds		7,480,719.46	4,486,731.36
		45,612,885.00	**53,128,852.93**
C. Deferred expenses and accrued income		**2,766,124.27**	**1,783,347.07**
		1,079,148,554.00	**925,807,402.79**

Liabilities

		31/12/2018	31/12/2017
	EUR	EUR	EUR
A. Equity			
I. Subscribed capital	25,564,594.06		25,564,594.06
II. Capital reserve	80,582,202.95		80,582,202.95
III. Revenue reserves (other revenue reserves)	1,230,210.15		1,230,210.15
IV. Year-end profit	58,662,112.59		60,907,441.32
		166,039,119.75	**168,284,448.48**
B. Special items relating to investment subsidies for tangible assets		**35,285,351.85**	**38,455,401.77**
C. Special item with accrual character		**47,856,338.17**	**49,931,415.01**
D. Provisions			
1. Provisions for pensions and similar obligations	5,422,213.00		5,463,885.00
2. Provisions for taxation	217,586.58		2,154,734.07
3. Other provisions	50,868,539.24		55,797,900.89
		56,508,338.82	**63,416,519.96**
E. Liabilities			
1. Liabilities owed to banks	735,061,527.17		546,083,676.47
2. Liabilities from trade accounts payable	4,211,299.59		11,697,955.84
3. Liabilities owed to affiliated undertakings	13,977,205.71		13,775,644.89
4. Liabilities owed to undertakings in which the company has a participating interest	3,227,503.97		14,340,521.19
5. Other liabilities	15,706,895.34		17,511,063.61
		772,184,431.78	**603,408,862.00**
F. Deferred income and accrued expenses		**1,274,973.63**	**2,310,755.57**
		1,079,148,554.00	**925,807,402.79**

Profit and Loss Account
FDG for the Period from 01/01/2018 to 31/12/2018

Profit and loss account

	01/01/– 31/12/2018 EUR	01/01/– 31/12/2017 EUR
1. Sales revenues		
	446,676,031.26	443,576,033.70
2. Capitalised cost of internally generated assets		
	2,658,829.22	2,447,991.40
3. Other operating income		
	11,309,872.34	10,404,932.59
4. Cost of materials		
a) Expenditure on raw materials and supplies		
b) Expenditure on purchased services	28,336,642.92	28,407,921.04
	83,612,835.41	77,731,772.77
	111,949,478.33	**106,139,693.81**
5. Personnel expenses		
a) Wages and salaries		
b) Social contributions and other pension costs	77,593,887.27	73,534,755.27
	19,725,210.34	18,699,762.77
	97,319,097.61	**92,234,518.04**
6. Depreciation on intangible fixed assets and tangible assets		
	67,322,917.34	65,873,128.63
7. Other operating expenses		
8. Investment income	86,844,701.01	89,749,427.55
9. Income from profit transfer agreements	9,320,960.71	3,629,504.30
10. Income from lending out of financial assets	1,982,457.56	6,206,181.05
11. Other interest and similar income	2,072.27	2,778.05
12. Loss acceptance expenses	184,200.15	791,369.30
13. Depreciation on financial assets and short-term securities	9,172,251.52	12,955,843.72
14. Interest and similar expenses	600,000.00	0.00
15. Taxes on income and earnings	13,713,568.17	12,122,954.40
16. Earnings after taxes	24,919,350.93	27,234,527.33
17. Other taxes	**60,293,058.60**	**60,748,696.91**
18. Year-end profit	1,630,946.01	-158,744.41
	58,662,112.59	**60,907,441.32**

Audit Opinion

We have audited the consolidated financial statements of Flughafen Düsseldorf GmbH, Düsseldorf, and its subsidiaries (the Group), comprising the consolidated balance sheet as at 31 December 2018, the consolidated profit and loss account, the consolidated statement of changes in equity, the consolidated cash flow statement for the business year commencing on 1 January 2018 and ending on 31 December 2018, and the notes to the consolidated financial statements, including the description of the accounting and valuation methods used. We have furthermore audited the group management report of Flughafen Düsseldorf GmbH, Düsseldorf, for the business year commencing on 1 January 2018 and ending on 31 December 2018. In accordance with the applicable provisions of German law, we have not audited the content of the declaration of the management of the company limited to the issue of the proportion of women in management positions, contained in the section of the group management report entitled "Non-financial performance indicators", or the information not pertaining to matters generally addressed in the context of the group management report contained in the sections "2.4. Segment reporting" and "2.8. Environment and society" of the group management report.

It is our opinion, formulated on the basis of our findings in the context of our audit, that:

- the consolidated financial statements included herein have, in all material respects, been prepared in accordance with the requirements of German commercial law, and provide a true picture of the net assets and financial position of the Group as at 31 December 2018 and of its earnings situation with regard to the business year commencing on 1 January 2018 and ending on 31 December 2018, having regard to the principles of proper accounting prevailing in Germany, and

- the group management report included herein as a whole provides a true picture of the circumstances of the Group. In all material respects, the group management report is in line with the consolidated financial statements, has been prepared in accordance with the applicable provisions of German law and accurately depicts the opportunities and risks associated with the future development of the Group. The conclusions of our audit as regards the group management report do not extend to the content of the above-mentioned parts of the group management report not included within the scope of our audit.

We hereby declare, in accordance with the first clause of Section 322(3) of the HGB , that our audit has not given rise to any reservations on our part with regard to the correctness of the consolidated financial statements and the group management report.

Basis for the Audit Opinion

We have conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 of the German Commercial Code (*Handelsgesetzbuch* – HGB), having regard to the German standards for the proper conduct of audits of financial statements as stipulated by the German Institute of Auditors (Institut der Wirtschaftsprüfer – IDW). Our responsibility pursuant to these standards and principles is described in greater detail in the section of our Audit Certificate entitled "Responsibility of the Auditor for the Audit of the Company's for the Consolidated Financial Statements and the Group Management Report". We are independent of the Group companies as required by the provisions of commercial law and the rules of professional conduct in force in Germany, and have discharged any other professional duties to which we are subject in Germany in accordance with these requirements. We believe that our findings in the context of our audit provide a sufficient and suitable basis for our audit opinion as regards the consolidated financial statements and the group management report.

Other Information

The legal representatives of the company are responsible for the disclosure of other information. Other information comprises the declaration of the management of the company issued in accordance with Section 315d of the HGB and provided to us prior to the date of this Audit Certificate, and the content of those parts of the group management report not included within our audit specified in the section entitled "Audit Opinion".

The scope of our audit opinion as regards the consolidated financial statements and the group management report does not extend to such other information, with the result that we do not provide any audit opinion or come to any other conclusions with regard thereto.

Our responsibility in connection with the conduct of our audit of the consolidated financial statements comprises a perusal of this other information and an analysis of whether it:

- contains any material inconsistencies vis-à-vis the consolidated financial statements, the audited content of the group management report or our findings in the context of the conduct of our audit, or

- appears to have been presented in some other materially incorrect manner.

Should we come to the conclusion, on the basis of the audit work carried out by us with regard to the other information provided to us prior to the date of this Audit Certificate, that this other information has been presented in a materially incorrect manner, we are obligated to report this finding. We do not have anything to report in this connection.

Responsibility of the Legal Representatives and the Supervisory Board of the Company for the Consolidated Financial Statements and the Group Management Report

The legal representatives of the company are responsible for the preparation of the consolidated financial statements, which are in line with the provisions of German commercial law in all material respects, and for ensuring that the consolidated financial statements provide a true picture of the net assets, financial position and earnings situation of the Group, having regard to the principles of proper accounting prevailing in Germany. The legal representatives of the company are furthermore responsible for carrying out the internal checks which they deem necessary, on the basis of the principles of proper accounting prevailing in Germany, to enable the preparation of consolidated financial statements which are free of any material – intentional or unintentional – misstatements.

In preparing the consolidated financial statements, the legal representatives of the company are responsible for assessing the Group's ability to continue in operation as a going concern. Moreover, they are responsible for the disclosure of any relevant matters pertaining to the Group's continuation in operation as a going concern. They are furthermore responsible for drawing up the accounts on the basis of the accounting principle of continuation in operation as a going concern, provided that this is not precluded by any matters of a factual or legal nature.

The legal representatives of the company are additionally responsible for the preparation of the group management report which, as a whole, accurately depicts the circumstances of the Group and, in all material respects, is in line with the consolidated financial statements, has been prepared in accordance with the applicable provisions of German law and accurately depicts the opportunities and risks associated with the future development of the Group. The legal representatives of the company are furthermore responsible for taking the precautions and measures (systems) which they deem necessary to enable the preparation of a group management report in accordance with the applicable provisions of German law and to facilitate the provision of sufficient and suitable evidence to substantiate the statements contained in the group management report.

The Supervisory Board is responsible for monitoring the accounting procedure implemented by the Group in connection with the preparation of the consolidated financial statements and the group management report.

Responsibility of the Auditor for the Audit of the Company's for the Consolidated Financial Statements and the Group Management Report

Our objective is to ascertain, with a sufficient degree of certainty, whether the consolidated financial statements, as a whole, are free from material – intentional or unintentional – misstatements, and whether the group management report, as a whole, accurately depicts the circumstances of the Group and, in all material respects, is in line with the consolidated financial statements and the findings of the audit, has been prepared in accordance with the applicable provisions of German law and accurately depicts the opportunities and risks associated with the future development of the Group, and to issue an audit certificate comprising our audit opinion with regard to the consolidated financial statements and the group management report.

Although a sufficient degree of certainty constitutes a high degree of certainty, it does not provide any guarantee that an audit duly conducted in accordance with Section 317 of the HGB and having regard to the German standards for the proper conduct of audits of financial statements as stipulated by the German Institute of Auditors (Institut der Wirtschaftsprüfer – IDW) will in all cases uncover the existence of any material misstatements. Misstatements may be due to infringements or inaccuracies and will be deemed to be material where they may reasonably be expected, on an individual or a collective basis, to have an effect on decisions of an economic nature made by the addressees of those misstatements on the basis of these consolidated financial statements and the group management report.

We exercise due discretion and maintain a critical attitude during the conduct of our audit. Furthermore,

- we identify and assess the risks associated with material misstatements – whether intentional or unintentional – in the consolidated financial statements and the group management report, plan and perform audit procedures in response to these risks, and find evidence which provides a sufficient and suitable basis for our audit opinion. The risk that material misstatements may not detected is higher in the case of infringements than in the case of inaccuracies, as infringements may be concealed by means of fraudulent collaboration, fabrication, intentional disclosure of incomplete information, misleading representations or suspension of internal checks.

- we gain an understanding of the system of internal checks which is of relevance for the audit of the consolidated financial statements, and the precautions and measures which are of relevance for the audit of the group management report, with a view to planning the implementation of audit procedures which are appropriate in the given circumstances, however without the objective of expressing an audit opinion on the effectiveness of these systems.

- we assess the appropriateness of the accounting methods applied by the legal representatives of the company and the tenability of the estimates and related disclosures undertaken by the latter.

- we draw conclusions as to the appropriateness of the application of the going-concern accounting principle applied by the legal representatives of the company and, on the basis of the findings of our audit evidence, as to whether there is a significant degree of uncertainty as to whether any events or circumstances exist which could cast substantial doubt on the Group's ability to continue in operation as a going concern. Should we come to the conclusion that there is such a significant degree of uncertainty in this regard, we are obligated to draw attention in our audit certificate to the related disclosure in the consolidated financial statements and the group management report or, where such disclosure is inappropriate, to modify our corresponding audit opinion accordingly. We draw our conclusions on the basis of the findings of our audit accruing until the date of our audit certificate. However, future events or circumstances may render the Group incapable of continuing in operation as a going concern.

- we assess the overall presentation, the structure and the content of the consolidated financial statements, including the disclosure contained therein, and whether the consolidated financial statements depict the underlying business transactions and events in such a manner as to ensure that the consolidated financial statements provide a true picture of the net assets, financial position and earnings situation of the Group, having regard to the principles of proper accounting prevailing in Germany.

- we obtain sufficient and suitable evidence to substantiate the accounting information pertaining to the companies within or the business activities of the Group, with a view to enabling us to issue an audit opinion with regard to the consolidated financial statements and the group management report. We are responsible for guiding, supervising and conducting the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

- we assess the conformity of the group management report with the consolidated financial statements, its compliance with the applicable legal provisions, and its depiction of the circumstances of the Group.

- we subject the forward-looking statements presented by the legal representatives of the company in the group management report to audit procedures, whereby we verify, in particular, the material assumptions underlying the forward-looking statements presented by the legal representatives of the company in light of the sufficient and suitable findings of our audit, and determine whether the forward-looking statements have duly been construed on the basis of these assumptions. We do not express a separate audit opinion with regard to the forward-looking statements or the assumptions underlying the latter. There is a significant, unavoidable risk that future events may diverge materially from the circumstances depicted in the forward-looking statements.

We discuss, among other things, the planned scope and timing of the audit, as well as any significant discoveries which may be made over the course of our audit, including any identification of deficiencies in the system of internal checks, with the individuals responsible for monitoring the conduct of the audit.

Düsseldorf, 18 February 2019

Warth & Klein Grant Thornton AG
Auditing company

Hermann-Josef Schulze Osthoff
Auditor Auditor

Robert Schreiner
Auditor Auditor

Consolidated balance sheet
as at 31/12/2018

Assets

		31/12/2018	31/12/2017
	EUR	EUR	EUR
A. Fixed assets			
I. Intangible assets			
1. Concessions acquired in return for consideration, industrial property rights and similar rights and values, as well as licenses relating to such rights and values	13,090,429.83		14,345,636.83
2. Goodwill	3,108,627.75		955,259.31
3. Advance payments	231,664.00		249,673.75
		16,430,721.58	15,550,569.89
II. Tangible assets			
1. Land, leasehold rights and buildings, including those on third-party land	677,378,498.95		559,231,148.88
2. Plant and machinery	262,324,833.77		272,818,775.77
3. Other facilities, business and operating equipment	33,082,121.38		28,203,956.22
4. Payments on account and assets under construction	57,262,165.50		45,827,689.73
		1,030,047,619.60	906,081,570.60
III. Financial assets			
1. Shares in joint ventures and associated undertakings	19,420,645.50		3,501,236.03
2. Other loans	75,509.38		117,753.57
		19,496,154.88	3,618,989.60
		1,065,974,496.06	925,251,130.09
B. Current assets			
I. Inventories			
Raw materials and supplies		2,226,642.60	2,235,821.44
II. Accounts receivable and other assets			
1. Trade accounts receivable	25,154,097.92		22,727,723.77
2. Receivables owed by joint ventures and associated undertakings	453,440.77		1,921,291.87
3. Other assets	4,389,649.88		6,029,192.74
		29,997,188.57	30,678,208.38
III. Liquid funds		14,978,200.38	9,130,273.93
		47,202,031.55	**42,044,303.75**
C. Deferred expenses and accrued income		**2,927,716.22**	**1,795,924.52**
D. Deferred tax assets		**19,325,435.61**	**24,302,551.53**
		1,135,429,679.44	**993,393,909.89**

Liabilities

		31/12/2018	31/12/2017
	EUR	EUR	EUR
A. Equity			
I. Subscribed capital	25,564,594.06		25,564,594.06
II. Capital reserve	80,582,202.95		80,582,202.95
III. Revenue reserves (other revenue reserves)	2,829,810.15		2,855,001.48
IV. Adjustment item for minority interests	0.00		175,692.52
V. Consolidated balance sheet profit	45,259,181.14		47,077,698.54
		154,235,788.30	**156,255,189.55**
B. Differential amount resulting from capital consolidation		**7,140,337.70**	**0.00**
C. Special items relating to investment subsidies for tangible assets		**35,285,351.85**	38,455,401.77
D. Provisions			
1. Provisions for pensions and similar obligations	5,724,087.00		15,267,795.00
2. Provisions for taxation	650,774.71		2,441,933.20
3. Other provisions	68,727,184.19		75,163,200.11
		75,102,045.90	**92,872,928.31**
E. Liabilities			
1. Liabilities owed to banks	812,647,360.45		562,594,670.59
2. Liabilities arising out of property financing	10,225,155.67		74,899,212.03
3. Liabilities from trade accounts payable	5,803,910.40		13,860,005.67
4. Liabilities owed to joint ventures and associated undertakings	3,009,218.43		14,715,521.19
5. Other liabilities	16,927,631.66		20,987,323.59
		848,613,276.61	**687,056,733.07**
F. Deferred income and accrued expenses		**2,993,070.05**	**3,324,849.94**
G. Deferred tax liabilities		**12,059,809.03**	**15,428,807.25**
		1,135,429,679.44	**993,393,909.89**

Consolidated Profit and Loss Account
for the Period from 01/01/2018
to 31/12/2018

Profit and loss account

	01/01/– 31/12/2017	01/01/– 31/12/2017
	EUR	EUR
1. Sales revenues	474,538,430.33	482,780,630.08
2. Disposals of land earmarked for sale	0.00	-868,374.87
3. Capitalised cost of internally generated assets	2,658,829.22	2,447,991.40
4. Other operating income	21,315,611.52	10,963,431.04
5. Cost of materials		
a) Expenditure on raw materials and supplies	24,081,509.32	24,780,417.86
b) Expenditure on purchased services	65,233,715.22	70,153,932.87
6. Personnel expenses		
a) Wages and salaries	116,459,293.96	111,700,327.56
b) Social contributions and other pension costs	29,951,847.99	28,674,350.60
7. Depreciation on intangible fixed assets and tangible assets	76,016,929.81	73,549,326.23
8. Other operating expenses	79,996,378.90	87,964,627.55
9. Income from application of equity method	906,881.54	2,489,651.87
10. Income from other securities and lending out of financial assets	2,072.27	2,778.05
11. Other interest and similar income	71,613.81	790,827.04
12. Depreciation on financial assets	617,812.03	282,181.76
13. Interest and similar expenses	16,375,558.17	13,351,051.36
14. Taxes on income and earnings	29,505,319.45	27,784,382.21
15. Consolidated earnings after taxes	**61,255,073.84**	**60,366,336.60**
16. Other taxes	2,166,149.92	254,808.12
17. Consolidated year-end profit	**59,088,923.92**	**60,111,528.48**
18. Profit carried forward	47,077,698.54	48,220,268.86
19. Distribution of dividends	60,907,441.32	61,254,098.80
20. Consolidated balance sheet profit, including shares of other shareholders	**45,259,181.14**	**47,077,698.54**

General Disclosures

Flughafen Düsseldorf GmbH is obligated, in its capacity as the parent company of the Flughafen Düsseldorf GmbH Group (the FDG Group), to prepare consolidated financial statements pursuant to Section 290 et seqq. of the HGB (German Commercial Code). Flughafen Düsseldorf GmbH has its registered office in Düsseldorf and is entered in the Commercial Register of the Local Court of Düsseldorf under the registration number HRB 28.

The consolidated financial statements as at 31 December 2018 have been prepared in accordance with the relevant provisions of German commercial law and the regulations governing the accounting principles to be applied by limited liability companies (*Gesellschaften mit beschränkter Haftung* – GmbHs). They comprise the statutorily prescribed constituent elements required pursuant to Section 297(1) of the HGB (consolidated balance sheet, consolidated profit and loss account, consolidated cash flow statement, consolidated statement of changes in equity and notes to the consolidated financial statements). The consolidated balance sheet and the consolidated profit and loss account have been prepared in accordance with the principles governing their layout contained in Section 298(1) in conjunction with Section 266 and Section 275 et seqq. of the HGB, with the profit and loss account being drawn up on the basis of the total cost method, as in the previous year, and its layout being amended in accordance with Section 275(4) of the HGB in conjunction with Section 158 of the German Companies Act (*Aktiengesetz* – AktG).

The reporting date for the consolidated financial statements is the same as that for the annual financial statements of the parent company. The annual financial statements of all of the subsidiaries and associated undertakings have been prepared as at this reporting date.

Group of Consolidated Companies

Changes in the group of consolidated companies

The composition of the group of companies included in the consolidated financial statements changed over the course of the business year, thereby reducing the extent of their comparability with the figures for the previous year. The following changes have occurred in the group of consolidated companies since the previous year:

Full consolidation of BISAWA Beteiligungs GmbH

Flughafen Düsseldorf GmbH acquired 100% of the shares in BISAWA Beteiligungs GmbH, Düsseldorf, as at 1 October 2018, as of which point in time the company has been included, for the first time and by way of full consolidation, in the consolidated financial statements. This was not previously included in the consolidated financial statements in the absence of any shareholding in the company. BISAWA Beteiligungs GmbH does not have any business operations of its own. Its first-time consolidation has therefore not had any impact on the net assets, financial position and earnings situation of the company as reported in the consolidated financial statements.

Full consolidation of BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG

BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG, Düsseldorf (BISAWA) was included in a fully-consolidated capacity in the consolidated financial statements for the first time as at 1 October 2018, upon the company's acquisition of the shares in the management company BISAWA Beteiligungs GmbH. BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG was included as a joint venture in the consolidated financial statements of FDG as at 31 December 2017.

In the interests of enabling a comparison of the most recent data with that for the previous year, the net assets of BISAWA are presented as at 31 December 2018 and 31 December 2017 in the individual financial statements below.

BISAWA largely sold all of the assets from its business operations (in material piers) to FDG with effect as of 31 December 2018. The current assets comprise liquid funds in the amount of EUR 3.797 million and receivables owed by FDG in the amount of EUR 1.113 million, which have been included in the consolidated financial statements.

Full consolidation of Estamin Beteiligungs GmbH

Estamin Beteiligungs GmbH was included, for the first time and by way of full consolidation, in the consolidated financial statements upon the acquisition of all of its shares as at 31 January 2018. This was not previously included in the consolidated financial statements in the absence of any shareholding in the company. Estamin Beteiligungs GmbH does not have any business operations of its own. Its first-time consolidation has therefore not had any impact on the net assets, financial position and earnings situation of the company as reported in the consolidated financial statements.

De-consolidation of Flughafengesellschaft Mönchengladbach GmbH and Flughafen Mönchengladbach Grundstücksverwaltungsgesellschaft mbH

Flughafengesellschaft Mönchengladbach GmbH (FMG) was de-consolidated in the business year upon the reduction of the shareholding in the company as at 31 July 2018, as was Flughafen Mönchengladbach Grundstücksverwaltungsgesellschaft mbH, which was previously held via the former company. FDG still holds 20 % of the shares in FMG and continues to report this shareholding in the consolidated financial statements in the context of the application of the equity method.

Buildings with a book value of EUR 9.804 million, liquid funds in the amount of EUR 519,000, pension and other provisions in the amount of EUR 822,000 and liabilities owed to banks in the amount of EUR 1.501 million, in particular, were transferred from the individual financial statements to the consolidated financial statements as at 31 December 2017. The remaining items in the individual financial statements were largely eliminated in the wake of the consolidation process

Overview of the Group companies included in the group of consolidated companies

The following table indicates the companies which have been included in the consolidated financial statements by way of full consolidation and the information pertaining to those companies which is subject to disclosure pursuant to Section 313(2)(1) of the HGB:

Name Share of capital in %	Location of registered office	
Flughafen Düsseldorf GmbH	Düsseldorf	Parent company
Flughafen Düsseldorf Ground Handling GmbH	Düsseldorf	100
Flughafen Düsseldorf Cargo GmbH	Düsseldorf	100
Flughafen Düsseldorf Immobilien GmbH	Düsseldorf	100
Flughafen Düsseldorf Security GmbH	Düsseldorf	100
BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG	Düsseldorf	100
Flughafen Düsseldorf Energie GmbH	Düsseldorf	100
Estamin Beteiligungs GmbH	Düsseldorf	100
BISAWA Beteligungs GmbH	Düsseldorf	100
Estamin Grundstücksverwaltungs gesellschaft mbH & Co. Vermietungs KG	Mainz	100
Japon Grundstücksverwaltungs gesellschaft mbH & Co. Vermietungs KG*	Mainz	100

* Special purpose vehicle in accordance with Section 290(2)(4) of the HGB

The following table indicates the companies which have been included in the consolidated financial statements by way of application of the so-called equity method and the information pertaining to those companies which is subject to disclosure pursuant to Section 313(2)(2) and (3) of the HGB:

Name	Location of registered office	Share of capital in %	Remarks
Flughafengesellschaft Mönchengladbach GmbH	Mönchengladbach	20	Associated undertaking
SITA Airport IT GmbH	Düsseldorf	30	Associated undertaking
Flughafen Düsseldorf Tanklager GmbH	Düsseldorf	40	Associated undertaking

Consolidation, Accounting and Valuation Principles

Consolidation principles

In the consolidation context, regard was generally had for both the provisions of the HGB and the stipulations contained in the German Accounting Standards (*Deutsche Rechnungslegungsstandards* – DRS) promulgated by the German Accounting Standards Committee (Deutsches Rechnungslegungs Standards Committee).

Preparations ahead of Full Consolidation

The annual financial statements of the parent company and its subsidiaries are included in the consolidated financial statements on the basis of uniform accounting, valuation and reporting methods stipulated in the Group's accounting guidelines.

Where the individual financial statements of any of the subsidiaries have not been prepared on the basis of the accounting, valuation and reporting methods applied by the parent company and / or the accounting, valuation and reporting methods applied in the consolidated financial statements differ from those applied in the individual financial statements of the parent company, the requisite harmonisation of the disclosure is achieved by means of the preparation of so-called commercial balance sheets II.

Given that the consolidated financial statements solely comprise companies domiciled in Germany to date, no currency conversion is required pursuant to Section 308a of the HGB.

Full consolidation

The full consolidation measures comprise:

- Capital consolidation
- Debt consolidation
- Consolidation of expenses and income
- Elimination of inter-company profits and losses (where not dispensed with on grounds of immateriality)

Deferred taxes are also taken into account in the consolidation context, where necessary.

Capital is consolidated for all of the subsidiaries in accordance with the revaluation method, with first-time consolidation being undertaken as at the acquisition date in question, whereby at the acquisition date assets, debts and accrued and deferred items are valued at their fair value, provisions are valued in accordance with the second and third clauses of Section 253(1)) and with 253(2) of the HGB, and deferred taxes are valued in accordance with Section 274(2) of the HGB, in the latter case on a retroactive basis where applicable during the transitional period for the application of the German Accounting Law Modernisation Act (*Bilanzrechtsmodernisierungsgesetz* – BilMoG). Any difference in a positive amount remaining as a result of the capital consolidation is reported as goodwill. A negative differential amount accruing for the first time in 2018 has been reported in equity as a differential amount resulting from capital consolidation in accordance with DRS 23. Any hidden reserves and charges identified are carried forward in the context of the subsequent consolidation of capital and goodwill is depreciated or, as the case may be, the differential amount resulting from capital consolidation is written off.

Accounts receivable, provisions and liabilities, as well as any other contractual obligations in place between companies included in the consolidated financial statements, are eliminated in the context of the consolidation of debts undertaken pursuant to Section 303 of the HGB.

Any income and expenses realised – in particular, as a result of the delivery of goods or the performance of services as between the companies – that are included in the consolidated financial statements are eliminated in the context of the consolidation of expenses and income.

Pursuant to Section 306 of the HGB, deferred taxes are recognised in relation to consolidation measures in accordance with the so-called balance sheet-oriented (temporary) concept. Deferred taxes must also be taken into account in the capital consolidation context, except in the case of differential amounts remaining following an offsetting of capital. Any so-called asset surplus potentially resulting from the recognition of deferred taxes in relation to consolidation measures is capitalised in full.

Deferred taxes accruing as a result of consolidation measures are reported in a gross amount and aggregated with any non-consolidation-related deferred taxes in the consolidated financial statements in accordance with Section 274 of the HGB.

Consolidation of associated undertakings

Associated undertakings are included in the consolidated financial statements on the basis of the equity method. the first-time application of which occurs in a manner similar to that adopted for full consolidation as at the acquisition date.

In the case of associated undertakings, the option to dispense with any adjustment in line with the accounting, valuation and reporting methods applied by the Group is exercised.

An elimination of inter-company profits and losses is dispensed with in the context of the application of the equity method in the interests of simplicity.

The application of the equity method has not given rise to any goodwill or any differential amounts to be recognised as liabilities.

Accounting and valuation principles

Fundamental principles

The accounting, valuation and reporting methods applied in the consolidated financial statements are generally in line with those methods applied in the annual financial statements of the parent company. Any divergences are indicated in the following.

With regard to any deferred taxes accruing at the level of the consolidated financial statements of the parent company and the subsidiaries, or at the level of the commercial balance sheets II, the options pursuant to Section 298 and Section 274 of the HGB are exercised in the context of the consolidated financial statements such that any so-called asset surplus potentially resulting from the recognition of deferred taxes is capitalised and deferred tax assets and liabilities are reported in a gross amount. In contrast, the capitalisation of any asset surplus is dispensed with at the level of the individual financial statements of the parent company.

Any divergences between the amounts reported on the commercial balance sheets and the balance sheets for tax purposes are evaluated on the basis of the tax rate applicable to the group at the time of the reduction of the divergence in question. No discounting is undertaken in this context. The rates currently applied by the Group are applied by way of alternative where the tax rates which will apply in the future have not been specified to a sufficient degree.

The amount of the deferred taxes accruing up to the level of the commercial balance sheets II is reported aggregated with the (gross) amount of the deferred taxes accruing on consolidation measures. The different approach taken to the exercise of the options with regard to the recognition of the deferred taxes up to the level of the commercial balance sheets II ensures the essentially analogous treatment of the consolidation-related and the non-consolidation-related deferred taxes.

The exercise of the option pursuant to the second clause of Article 28 of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch* – EGHGB) with regard to the recognition of provisions for so-called indirect pensions and similar obligations means that no provisions are established for such obligations in the individual financial statements of the parent company. In the consolidated financial statements, the FDG Group has to date taken account of indirect pensions and similar obligations by way of intermediate recognition, i.e., a partial rather than the full amount of the obligation sum has been deferred. The allocation of a corresponding partial amount was allocated for the first time with regard to the business year 2008. The partial amount is liquidated only where the obligations to which it relates no longer apply. These obligations related to vested company pension rights held by certain Group employees who are beneficiaries of the supplementary pension fund for the Rhine region (Rheinische Zusatzversorgungskasse – RZVK). The full amount of the provisions was written off in the year under review 2018, given that the company is not expected to enter into any further obligations in this regard.

In the individual financial statements of the parent company, special items with accrual character were established on the liabilities side of the balance sheet in accordance with the corresponding tax regulations, particularly in the context of the recognition of reinvestment reserves on the balance sheet for tax purposes, on the basis of the reverse authoritativeness principle until the entry into force of the so-called BilMoG. The option to continue to do so was exercised during the transition to the BilMoG system in favour of the retention of this special item. Since then, no special items with accrual character have been recognised in the consolidated financial statements.

The accounting and valuation methods applied at the level of the companies included within the Group and thus in the consolidated financial statements are based on the going concern assumption pursuant to Section 252(1)(2) of the HGB.

The option to capitalise internally generated intangible assets (development expenses) has not to date been of relevance to the FDG Group. Therefore, no such assets are reported on the consolidated balance sheet.

Where variable interest loans are currently hedged against interest rate risk as part of the Group's risk management activities, the FDG Group has established corresponding valuation units at the balance sheet level. Interest swaps and forward interest swaps existing in the form of so-called micro hedges are correspondingly aggregated with the secured loan tranche in question into valuation units, with the so-called net hedge presentation method being applied as the accounting method. Any negative market values for financial instruments not included in valuation units and any ineffective portions of established valuation units are covered by provisions for contingent losses.

The requirements as to the timing for the preparation and auditing of the consolidated financial statements necessitate the implementation of a so-called fast close procedure. The revenues and expenses reported for the month of December, in particular, are therefore estimates based on planning data estimates and past experience.

Intangible assets and tangible assets

Intangible assets acquired in return for consideration are capitalised at their acquisition cost and, where they are subject to wear and tear, depreciated on a linear basis over the course of their useful lives.

Tangible assets are reported on the balance sheet at their cost of acquisition or manufacture less any scheduled depreciation on a linear basis, where they are subject to wear and tear. Only buildings acquired between 1993 and 1995 are depreciated in accordance with Section 7(5) of the German Income Tax Act (*Einkommensteuergesetz* – EStG). Personnel and material costs generated in connection with the manufacture of an asset by employees who are responsible for the planning, execution and monitoring of such projects are capitalised as internally generated assets.

Any interest accruing on borrowed capital in the context of the acquisition or manufacture of an asset is capitalised for the duration of the manufacturing or acquisition process (construction period interest) where there is an indirect relationship between the asset and the borrowed capital in question.

Useful lives are estimated on the basis of the Useful Life Table (*Nutzungsdauertabelle*) published by the German Airports Association (Arbeitsgemeinschaft der deutschen Verkehrsflughäfen – ADV).

Depreciation of assets at their fair value, where this is lower than the cost of acquisition or manufacture, is undertaken only where they are subject to permanent impairment.

Low-value assets originally costing between EUR 250.00 and EUR 800.00 are depreciated in full in the year of their acquisition.

Costs of acquisition of EUR 250.00 or less will be directly reported under costs from 2018 onwards.

The goodwill reported in the consolidated financial statements is attributable to the subsidiaries FD Cargo GmbH, Estamin Beteiligungs GmbH and BISAWA Beteiligungs GmbH, and to the merger of Flughafen Düsseldorf Verwaltungs GmbH with Flughafen Düsseldorf Immobilien GmbH in 2016. The useful life of the goodwill resulting from the consolidation of FD Cargo GmbH was determined having regard to the fact that the FDG Group's key sales and procurement markets are subject to change to only a minor degree, there is a high level of customer loyalty on the sales side and there are certain barriers to market entry in place. The useful life was determined to be 20 years. Goodwill accruing after 31 December 2015 is depreciated over a period of 10 years in accordance with the third and fourth clauses of Section 253(3) of the HGB.

Financial assets

Shares in joint ventures and associated undertakings are reported on the balance sheet in accordance with the equity method (see the foregoing).

Other loan receivables relate to loans granted by the employer, which are recognised at their nominal value.

Depreciation of assets in accordance with the third clause of Section 253(3) of the HGB is undertaken only where they are likely to be subject to permanent impairment.

Current assets

Raw materials and supplies are valued at their average cost price, under consideration of the lowest value principle.

Accounts receivable and other assets are reported on the balance sheet at their nominal value. Risks associated with accounts receivable and other assets are taken into account in the form of appropriate individual and lump-sum value adjustments.

Liquid funds comprise cash in hand and bank balances and are reported on the balance sheet at their nominal value.

Accruals and deferred incomes (assets and liabilities)

Expenditures made prior to the reporting date for the financial statements which continue to constitute expenses for a certain period of time thereafter are reported as deferred incomes on the assets side of the balance sheet. Earnings realised prior to the reporting date for the financial statements which continue to constitute income for a certain period of time thereafter are reported as accrued income on the liabilities side of the balance sheet.

Provisions

Provisions are made for identifiable risks, contingent obligations, contingent losses on pending transactions and deferred maintenance measures to be implemented within a period of three months after the end of the business year. These are valued at the necessary repayment amount according to prudent commercial judgement, taking into account any future price and cost increases which have been specified and quantified to a sufficient degree as at the reporting date for the financial statements. Provisions with a residual term of more than one year are discounted on the basis of the average market interest rates stipulated by the Deutsche Bundesbank for the past seven years which are applicable to their residual term.

The valuation of provisions for pensions and similar obligations (benefit payments), partial retirement obligations, anniversary obligations and ongoing payments of remuneration in the event of death has been undertaken on the basis of the values calculated by the actuarial expert.

The provisions for pensions and similar obligations (benefit payments) were discounted at the interest rate applicable to a flat-rate residual term of 15 years in accordance with the second clause of Section 253(2) of the HGB.

The interest rate for the discounting of the provisions for pensions was determined, in accordance with the second clause of Section 253(2) in conjunction with Section 253(6) of the HGB, on the basis of the average interest rate for the past ten years assuming a global residual term of 15 years. This interest rate, as projected for the reporting date 31/12/2018, is 3.21 % (previous year: 3.68 %). The option of determining the interest rate up to three months prior to the balance sheet date was exercised in this regard, with the interest rate being determined as at 31/10/2018 and carried forward to the balance sheet date on the basis of an assumed unchanged interest rate level.

Any actuarial calculations undertaken are generally based on the following:

- the projected unit credit (PUC) method by way of actuarial procedure or net present value method in the case of partial retirement obligations
- the Reference Tables RT 2005 G published by Heubeck Richttafeln GmbH by way of biometric basis
- a pension progression trend of 2 %
- a price or cost increase trend 2 % in the case of benefits and, where applicable, anniversary bonuses
- age-dependent fluctuation assumptions in the case of anniversary bonuses and ongoing payments of remuneration in the event of death

With regard to the partial retirement commitments existing solely on the basis of the so-called "block model", payment of the so-called top-up amount is deferred upon the conclusion of the contract in question and the amounts of arrears accruing over the course of the working period are aggregated within the provision.

Where the other provisions were subject to price / cost increases, these were included in the calculation at a rate of 2 % p.a.

Liabilities

Liabilities are reported in their repayment amount.

Schedule of Changes in the Fixed Assets of the Group

Cost of Acquisition and Manufacture

	Carried forward to 01/01/2018	Additions during the business year	Additions due to changes in group of consolidated companies	Attributions	Transfers	Disposals	Status on 31/12/2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets							
1. Concessions acquired in return for consideration, industrial property rights and similar rights and values as well as licenses relating to such rights and values	72,870,448.52	2,490,332.52	0.00	0.00	632,111.84	202,692.24	75,790,200.64
2 Goodwill	930,199.80	0.00	2,295,925.17	0.00	0.00	0.00	3,226,124.97
3 Payments on account	249,673.75	18,924.00	0.00	0.00	-36,933.75	0.00	231,664.00
Total intangible Assets	**74,050,322.07**	**2,509,256.52**	**2,295,925.17**	**0.00**	**595,178.09**	**202,692.24**	**79,247,989.61**
II. Tangible assets							
1. Land, leasehold rights and buildings, including those on third-party land	1,161,492,036.68	8,931,621.51	149,733,399.84	0.00	2,255,301.97	26,038,462.75	1,296,373,897.25
2. Plants and machinery	891,099,789.52	17,318,823.21	3,198.00	0.00	5,432,897.82	31,985,920.00	881,868,788.55
3. Other facilities, business and operating equipment	132,039,352.04	11,183,067.07	5,418.00	6,967.83	2,017,705.95	7,664,080.20	137,588,430.69
4. Payments on account and assets under construction	45,827,689.34	22,221,096.96	0.00	0.00	-10,301,083.83	485,537.36	57,262,165.11
Total tangible assets	**2,230,458,867.58**	**59,654,608.75**	**149,742,015.84**	**6,967.83**	**-595,178.09**	**66,174,000.31**	**2,373,093.281.60**
III. Financial assets							
1. Shares in joint ventures and associated undertakings	4,042,461.29	18,037,221.50	0.00	0.00	0.00	1,500,000.00	20,579,682.79
2. Other loans	117,813.50	0.00	0.00	0.00	0.00	42,244.19	75,569.31
Total financial assets	**4,160,274.79**	**18,037,221.50**	**0.00**	**0.00**	**0.00**	**1,542,244.19**	**20,655,252.10**
Total fixed assets	**2,308,669,464.44**	**80,201,086.77**	**152,037,941.01**	**6,967.83**	**0.00**	**67,918,936.74**	**2,472,996,523.31**

Accumulated Depreciation / **Book Values**

	Carried forward to 01/01/2018	Additions	Attributions	Transfers	Disposals	Status on 31/12/2018	Book Values: Status on 31/12/2018	Book Values: Status on 31/12/2017
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets								
1. Concessions acquired in return for consideration, industrial property rights and similar rights and values as well as licenses relating to such rights and values	58,524,811.69	4,371,651.36	0.00	0.00	196,692.24	62,699,770.81	13,090,429.83	14,345,636.83
2 Goodwill	-25,059.51	142,556.73	0.00	0.00	0.00	117,497.22	3,108,627.75	955,259.31
3 Payments on account	0.00	0.00	0.00	0.00	0.00	0.00	231,664.00	249,673.75
Total intangible Assets	**58,499,752.18**	**4,514,208.09**	**0.00**	**0.00**	**196,692,24**	**62,817,268.03**	**16,430,.721.58**	**15,550,569.89**
II. Tangible assets								
1. Land, leasehold rights and buildings, including those on third-party land	602,260,887.80	30,267,970.10	0.00	-1,910.72	13,531,548.88	618,995,398.30	677,378,498.95	559,231,148.88
2. Plants and machinery	618,281,013.75	33,094,644.08	0.00	4,094.69	31,835,797.74	619,543,954.78	262,324,833.77	272,818,775.77
3. Other facilities, business and operating equipment	103,835,395.82	8,140,107.54	0.00	-2,183.97	7,467,010.08	104,506,309.31	33,082,121.38	28,203,956.22
4. Payments on account and assets under construction	-0.39	0.00	0.00	0.00	0.00	-0.39	57,262,165.50	45,827,689.73
Total tangible assets	**1,324,377,296.98**	**71,502,721.72**	**0.00**	**0.00**	**52,834,356.70**	**1,343,045,662.00**	**1,030,047,619.60**	**906,081,570.60**
III. Financial assets								
1. Shares in joint ventures and associated undertakings	541,225.26	617,812.03	0.00	0.00	0.00	1,159,037.29	19,420,645.50	3,501,236.03
2. Other loans	59.93	0.00	0.00	0.00	0.00	59.93	75,509.38	117,753.57
Total financial assets	**541,285.19**	**617,812.03**	**0.00**	**0.00**	**0.00**	**1,159,097.22**	**19,496,154.88**	**3,618,989.60**
Total fixed assets	**1,383,418,334.35**	**76,634,741.84**	**0.00**	**0.00**	**53,031,048.94**	**1,407,022,027.25**	**1,065,974,496.06**	**925,251,130.09**

Notes to the Consolidated Balance Sheet

Fixed assets

The changes in the fixed assets during the 2018 business year and a breakdown thereof are depicted in the Schedule of Changes.

Accounts receivable and other assets

	31/12/2018 EUR k	31/12/2017 EUR k
Trade accounts receivable	25,154	22,728
Thereof, with a residual term of up to one year	25,154	22,728
Receivables owed by joint ventures and associated undertakings	453	1,921
Thereof, with a residual term of up to one year	453	1,921
Other assets	4,390	6,536
Thereof, with a residual term of up to one year	4,390	6,536
Thereof, of more than one year	0	0

Current assets

The inventories reported in the amount of EUR 2.227 million relate to raw materials and supplies.

Accruals and deferred incomes

The largest single component of this balance sheet item comprises costs incurred in connection with the procurement of funds in the amount of EUR 716,000, as well as insurance costs in the amount of EUR 476,000.

Subscribed capital

The full amount of the consolidated balance sheet profit is available for distribution to the shareholders of the parent company. The overall amount potentially available for distribution by the parent company exceeds the amount of the consolidated balance sheet profit.

Capital reserve

There has been no change in the capital reserve.

Revenue reserves

The revenue reserves decreased by EUR 25,000 as a result of changes in the group of consolidated companies.

Consolidated balance sheet profit

The entire amount of the consolidated balance sheet profit is available for distribution to the shareholders of the parent company. The amount attributable to the parent company which is potentially available for distribution exceeds the amount of the consolidated balance sheet profit.

Adjustment item for minority interests

The adjustment item for minority interests related to shares held by the co-shareholders of Flughafengesellschaft Mönchengladbach GmbH. Flughafen Mönchengladbach GmbH ceased to be fully consolidated within the company in 2018 following the disposal of its shares. A corresponding adjustment item will no longer be reported from the year under review onwards.

Differential amount resulting from capital consolidation

A differential amount resulting from the capital consolidation of BISAWA KG was reported for the first time in the year under review. This is to be reported as a "differential amount resulting from capital consolidation" after equity (Section 301 III of the HGB) and will be written off in the profit and loss account in subsequent periods (Section 309 II of the HGB). This development was due to the application of the revaluation method with regard to Bisawa KG upon its first-time consolidation. The existence of hidden reserves and charges was revalued in the revaluation context. The differential amount is EUR 7.140 million.

Special items relating to investment subsidies for tangible assets

Flughafen Düsseldorf GmbH has in the past few years received investment grants (state subsidies to improve the traffic situation in the municipalities) for the construction of a gondola lift system between the new IC railway station and the new terminal building. Income from the liquidation of EUR 3.141 million was recorded in 2018.

EU grants for the construction and equipping of the check-in hall at the IC railway station are also included, with income from the liquidation of EUR 950,000 being reported in the year under review.

Provisions

This item comprises a provision for noise protection measures (EUR 7.715 million), intended to cover potential claims for the reimbursement of expenses incurred in connection with the implementation of noise protection measures by owners of residential property and agencies responsible for facilities which are in particular need of protection within a stipulated noise protection area. It also comprises a provision for the settlement of anticipated claims for payment of compensation for impaired use of outdoor areas in accordance with the company regulations of Düsseldorf Airport dated 21 September 2000.

Flughafen Düsseldorf GmbH has established a provision in the amount of EUR 2.032 million to cover the risk, identified on the basis of testing of ground water samples, of perfluorinated compound (PFC) contamination of the ground water on the airport grounds and the decontamination obligations arising as a result.

Other material provisions related to outstanding invoices (EUR 7.246 million), airline promotion measures pursuant to the airport's schedule of fees (EUR 14.394 million) and personnel-related provisions in the amount of EUR 12.391 million, of which amount EUR 3.586 relate to partial retirement commitments, EUR 1.077 million to anniversary commitments and EUR 3.027 million to payments of variable remuneration. Other provisions relate to various provisions established in line with normal business practice, for example with regard to the audit of the annual financial statements.

The differential amount pursuant to the first clause of Section 253(6) of the HGB amounted to EUR 721,000 as at 31 December 2018.

Liabilities

The following table provides a breakdown of the liabilities and an indication of their maturity dates:

Liabilities	31/12/2018	Residual term	Residual term	Residual term	31/12/2017
		Up to 1 year	1 to 5 years	More than 5 years	
	EUR k	EUR k	EUR k	EUR k	EUR k
Liabilities owed to banks	812,647	177,607	207,089	427,951	562,595
Trade property financing	10,225	870	3,481	5,874	74,899
Trade liabilities	5,804	5,804	0	0	13,860
Liabilities owed to joint ventures and associated undertakings	3,009	3,009	0	0	14,716
Other liabilities	16,928	16,928	0	0	20,987
–thereof, arising out of Loans	71	71	0	0	72
–thereof, arising out of	2,710	2,710	0	0	2,925
–thereof, in connection with social security	45	45	0	0	33
	848,613	204,218	210,570	433,825	687,057

The following collateral has been furnished for the liabilities owed to banks and the liabilities arising out of property financing:

	31/12/2018 EUR k	31/12/2017 EUR k
Secured by means of encumbrances on property	77,553	116,725
Secured by means of negative pledge	727,062	546,084
	804,615	662,809

The disclosure relating to liabilities with a residual term of up to one year takes account of the differentiated interest rates for the loans and the contractual stipulations governing the repayment of long- and short-term loans.

Liabilities arising out of property financing

In 2003, ESTAMIN concluded a receivables purchase agreement with Bayerische Landesbank, Munich, and Stadtsparkasse Düsseldorf as a means of financing the purchase price for the properties Car Parks 3 and 4 as well as the hotel in Car Park 3. Pursuant to this agreement, the banks acquired, in instalments, all of the receivables arising in connection with loans extended to tenants and the leases entered into by ESTAMIN exclusively with other Group companies and having a term ending in 2029.

The financing in the form of the forfaiting of rental income was fully paid off by means of a buy-back of receivables as at 31 January 2018 and replaced with loan agreements. As a result, this will no longer be reported under liabilities arising out of property financing from the year under review onwards; instead, the loans taken out to finance the buy-back of receivables will be reported under liabilities owed to banks.

Opportunities and risks associated with the leasing arrangements will accrue to Flughafen Düsseldorf GmbH in the wake of its assumption of complete control in this regard.

Japon has concluded a receivables purchase agreement with Deutsche Postbank AG, Bonn, for the financing of the purchase price for Car Park 8 (underground garage), pursuant to which Japon is to sell the bank the total receivables with regard to the lease rates payable pursuant to the leasing agreement entered into exclusively with other Group companies and having a term ending on 30 September 2030. The initial fixed interest period will expire on 30 September 2020, after which appropriately adjusted lease rates will be payable.

Collateral has been furnished in the form of, for example, a registered land charge on the leased property in the amount of the loan and in favour of the bank.

Accruals and deferred incomes

The deferred income and accrued expenses reported in the amount of EUR 2.993 million primarily comprise an advance payment of a rent subsidy (EUR 750,000) for an ongoing lease agreement, as well as membership contributions from airlines in the "Cold Pool" in connection with aircraft de-icing activities. The membership contributions have been recognised as accrued expenses on a pro rata basis for the years 2018 and 2019 in accordance with the respective number of months of the duration of the de-icing period from October until April allocable to each year.

Notes to the Consolidated Profit and Loss Account

Sales revenues

The number of passengers at Düsseldorf Airport decreased to 24,284,745, which represents an increase of 1.4 % as compared to the previous year. The total number of aircraft movements likewise decreased to 218,818 take-offs and landings in 2018, which represents an increase of 1.3 % as compared to the previous year.

The revenues from airport fees, which essentially comprised landing and take-off fees, as well as passenger fees, amounted to EUR 248.906 million (previous year: (EUR 245.280 million), which represents an increase of 1.5 %.

The sales revenues decreased slightly from EUR 482.781 million to EUR 474.538 million, which represents an increase of 1.7 % as compared to the previous year.

The revenues from aviation operations likewise decreased by 1.5 % to EUR 289.806 million (previous year: EUR 294.650 million). and primarily comprise take-off and landing fees, parking and security fees and remuneration for ground handling services. While the landing fees rose slightly in the year under review (+1.4 %), a significant fall was observed in the revenues from both ground handling services (-17.1 %) and cargo handling fees (-14.6 %).

The decrease in the amount of cargo handling fees was attributable to the significantly lower tonnage of 96,000 tonnes (previous year: 121,600 tonnes), with this 21 % decrease representing the first time that the tonnage has fallen below the 100,000 tonne mark since 2012. The fall in the revenues from ground handling services was largely due to the withdrawal of FDGHG from its aircraft handling activities on the basis of direct contractual relationships with airlines, which activities will now be limited to the provision of isolated aircraft handling services for individual special flights and on behalf of its competitors Acciona and Aviapartner.

The non-aviation operations recorded a decrease in revenues of 2.1 % to EUR 184.784 million (previous year: EUR 188.721 million). These revenues primarily comprised revenues from the renting and leasing of catering and retail premises and the renting of properties owned by the airport itself, revenues from the provision of utility (energy supply) services, revenues from the management of advertising space and revenues from the renting of parking space in connection with its in-house management activities.

While the rental revenues increased by EUR 5.206 million from EUR 85.041 million, the other non-aviation operations recorded decreases, with the most significant fall being observed in the case of the profits from the sale of properties, in particular, decreased from EUR 4.529 million to EUR 25,000.

Other operating income

The other operating income in the amount of EUR 21.316 million (previous year: (EUR 10.963 million) primarily comprises income from the liquidation of other provisions from other accounting periods in the amount of EUR 11.832 million (previous year: EUR 2.546 million) and income from the liquidation of special items for subsidies in the amount of EUR 3.191 million (previous year: (EUR 3.191 million). The increase in the amount of provisions liquidated was due to the obligation previously entered into in connection with the vested company pension rights held by certain Group employees who are beneficiaries of the supplementary pension fund for the Rhine region (Rheinische Zusatzversorgungskasse – RZVK). The full amount of the provisions was written off in the year under review 2018, given that the company is not expected to enter into any further obligations in this regard.

The operating revenues furthermore comprise income from the de-consolidation of FMG in the amount of EUR 1.552 million.

Disposals of land earmarked for sale

Expenses in the amount of EUR 868,000 were incurred in connection with the reduction of land holdings in the previous year. No changes in the land holdings were recorded in the year under review.

Cost of materials

The cost of materials decreased, as compared to the previous year, by EUR 5.619 million to EUR 89.315 million.

The cost of materials primarily comprises expenditure on materials, energy and maintenance costs, ground rent, certain rental and leasing expenses and certain third-party services.

Personnel expenses

The personnel expenses, which comprise wages and salaries, as well as social contributions, pension costs and expenses relating to the provision of assistance), increased by EUR 6.036 million from EUR 140.375 million in the previous year to EUR 146.411 million.

This increase was primarily due to changes to collective bargaining agreements (3.19 % pay rise, continued implementation of the new schedule of remuneration pursuant to the collective bargaining agreement for the public sector (*Tarifvertrag für den öffentlichen Dienst* – TVöD) applicable to all employees covered by said agreement).

Depreciation

The depreciation in the amount of EUR 76.017 million is EUR 2.468 million higher than in the previous year, with EUR 143,000 of this amount being attributable to depreciation on goodwill. No unscheduled depreciation on plant and machinery was recorded as compared to the previous year (EUR 1.678 million).

Other operating expenses

This item comprises, among other things, public relations expenses, individual value adjustments on receivables, EDP costs, legal and consultancy fees, expenses in relation to insurance premiums and expenditure on surveillance and security services.

Income from the application of the equity method

This income is attributable to SITA Airport GmbH, Düsseldorf, and represents the results for the business year 2018 in accordance with commercial law.

Depreciation on financial assets

The depreciation on financial assets in the amount of EUR 600,000 related to Flughafen Düsseldorf Tanklager GmbH. Due to unforeseeable delays in the progression of the project, the book value of this shareholding was depreciated on the pro rata amount of equity held in FDTG in the business year.

Other Disclosure

Interest expenses

The interest expenses in the amount of EUR 16.376 million (previous year: EUR 13.351 million) primarily relate to long-term financing arrangements.

The accrual of interest on provisions results in interest expenses in the amount of EUR 940,000 (previous year: (EUR 817,000).

Income taxes

The taxes on income and earnings in the amount of EUR 29.505 million comprise expenses relating to deferred taxes for the year under review in the amount of EUR 3.666 million.

The other taxes in the amount of EUR 2.166 million mainly relate to property tax; a significantly lower amount of expenses was attributable to a tax rebate in the previous year (EUR 255,000).

Breakdown of the number of employees

The average number of employees can be broken down as follows:

Employees	2018	2017
Salaried staff	2,130	2,139
Apprentices	74	70
Total	2,204	2,209

Contingent liabilities

Flughafen Düsseldorf GmbH assumed suretyships in the amount of EUR 491,00 in connection with the capital decrease undertaken at Flughafengesellschaft Mönchengladbach GmbH in 2012. However, it is unlikely that there will be any drawdowns on the suretyships, given that the investment company is expected to be in a position to make the corresponding payments.

As a result of the purchase of the partial building leases for Maintenance Hangar 7, the air freight building and the car rental centre, all of the lease assumption commitments entered into by Flughafen Düsseldorf GmbH vis-à-vis BISAWA KG in recent years no longer apply.

Off-balance sheet transactions and other financial obligations

The company has entered into various leasing agreements with regard to immovable property and movable property with a view to improving its liquidity and financial performance. The movable property generally comprises assets which require replacement on a regular basis, such as motor vehicles and office equipment. Any leasing agreements involving so-called sale-and-lease-back transactions were entered into as a means of generating funds for the financing of certain new investments.

Flughafen Düsseldorf GmbH sold fixed assets to Estamin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG as part of a sale-and-lease-back transaction in 2003. The assets in question were Car Parks 3 and 4 and the hotel in the building of Car Park 3. A profit in the amount of EUR 63.9 million was realised on the sale proceeds (EUR 115.0 million) from the disposal of the assets in 2003, and EUR 38,000 of this amount was allocated to a reserve in accordance with Section 6b of the EStG (Income Tax Act), such reserve being re-assigned to the hangar in front of Gate C which was completed in 2003. The sale by Deutsche Anlagen-Leasing GmbH of the shares in Estamin Grundstücksverwaltungsgesellschaft mbH to Flughafen Düsseldorf GmbH as of 31 January 2018 was agreed upon by way of notarised purchase agreement dated 25 January 2018. The purchase price amounted to EUR 1.248 million. Flughafen Düsseldorf GmbH therefore holds 100% of the shares in Estamin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG and is simultaneously the tenant of the properties Car Park 3 and the existing hotel, as well as Car Park 4

As things currently stand, the future rents which will be payable until 2028 will total EUR 65.905 million, although the term of the lease agreement for the hotel will already expire in 2025. The three properties generated revenues in the total amount of EUR 26.371 million in the business year 2018.

Since 2004, the company has leased the Car Park 8 from its subsidiary Flughafen Düsseldorf Immobilien GmbH (FDI), which itself leases the underground garage from Japon Grundstückverwaltungsgesellschaft mbH & Co. Vermietungs KG. The FDI was involved in the sale of the land in question. When the fixed term of the lease comes to an end, FDI will have the right to acquire the car park, which Flughafen Düsseldorf GmbH will be entitled to assume by way of priority. The company is also obligated in certain cases to accede to the agreements in place between FDI and Japon. As things currently stand, the future rent to be paid by FDG will total EUR 25.593 million by 2030, however, they may be adjusted in line with any changes made to the refinancing arrangement upon the expiration of the next fixed interest period. The management of the parking facilities will give rise to opportunities for the company during the term of the lease. Revenues in the amount of EUR 3.108 million were realised in this connection in the business year 2018.

Flughafen Düsseldorf GmbH leases Car Park 5 from Filana Grundstücksvermietungs-Gesellschaft mbH & Co. KG. The car park was completed in 2006. Flughafen Düsseldorf GmbH was involved in the purchase of the land by Filana in the capacity of intermediary. As things currently stand, the future lease rates will total EUR 11.962 million by 2029, however, they may be adjusted in line with any changes made to the refinancing arrangement upon the expiration of the next fixed interest period. When the fixed term of the lease comes to an end, Flughafen Düsseldorf GmbH will have the option of acquiring all of the limited partner's shares in Filana, as well as all of the shares in the general partner GmbH. The management of the parking facilities will give rise to opportunities for the company during the term of the lease. generating revenues in the amount of EUR 5.073 million in the year under review.

In the business year 2018, FDG reacquired the partial building leases sold to BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG in 2008, together with the related buildings, for a purchase price in the amount of EUR 148.615 million. The partial building leases in question relate to the DACC freight centre, Hangar 7, Hangar 8, the Lightweight Hangar East and the car rental centre. FDG had previously purchased all of the shares in BISAWA Beteiligungs GmbH, Düsseldorf, the limited partner of BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG. The purchase price of the partial building leases was financed by means of new bank loans.

Flughafen Düsseldorf GmbH resolved in the business year 2012 to commission the construction of a new administration building via a letting company, which it would subsequently rent from the latter. Its subsidiary Flughafen Düsseldorf Immobilien GmbH sold the land on which the building was constructed to the future lessor, LAROBA GmbH & Co. KG (hereinafter referred to as LAROBA), at the end of 2012. Flughafen Düsseldorf Immobilien GmbH is the limited partner of LAROBA. The nominal capital of LAROBA amounts to EUR 25,000. Flughafen Düsseldorf GmbH is now renting the completed building for an initial period of 15 years, however, it has the option of either extending the lease term or indirectly acquiring the property by way of the acquisition of the shares in LAROBA. The rent payable pursuant to the lease agreement amounted to EUR 45.280 million as at the balance sheet date.

In addition to the transactions described in the foregoing, a building lease agreement (the business operations of Flughafen Düsseldorf GmbH are predominantly conducted on land subject to building leases) and various lease and maintenance / servicing agreements have also been entered into in the ordinary course of business.

The ground rent payable pursuant to the building lease expiring in 2027, excluding the building leases acquired from BISAWA, amounts to EUR 10.865 million. The term of the lease agreement applicable to the building leases acquired from BISAWA will expire in 2047, and the annual ground rent payable pursuant thereto currently amounts to EUR 170,000.

The off-balance-sheet transactions described in the foregoing will give rise to earnings opportunities for FDG in the form of sales revenues realisable in the parking context. The risks associated with these off-balance-sheet transactions relate, in particular, to the ongoing obligations to pay rent assumed by FDG vis-à-vis its contractual partners in this regard.

In addition to the risks associated with the off-balance-sheet transactions described in the foregoing, other financial obligations in a total amount of EUR 287,000 will accrue until 2021. These obligations relate to lease rates for motor vehicles, in particular.

FDG has also assumed order commitments in relation to contracts awarded for investments as at the balance sheet date in the amount of EUR 37.2 million.

Disclosure relating to valuation units

Flughafen Düsseldorf uses interest swaps and forward interest swaps to hedge against the risk of a raising of interest rates for variable interest EUR-denominated loans. Reference is made, with regard to the formation and reporting of valuation units, to the statements on the accounting and valuation principles applied. The variable interest rate to which the underlying transactions are subject is usually based on the EURIBOR.

The hedges relate to tranches of a consortium loan in the amount of DM 1,050 million taken out in 1998 following the fire damage incurred in 1996 and bilateral loans taken out in 2013 and 2018. A residual amount of EUR 141.457 million for the consortium loan has been included as an underlying transaction in existing valuation units. A residual amount of EUR 217.600 million for the bilateral loan has been included in the valuation units. Anticipatory hedges exist in the amount of EUR 80.000 million. The secured promissory note loans taken out in 2014 were repaid ahead of schedule in 2018.

The valuation units take the form of so-called micro hedges – i.e. an individual hedge has been entered into for the full amount of each secured tranche for the entire duration of the residual term of the tranche or beyond the duration of such term (so-called rate anticipation swaps), and is generally entirely effective. Follow-up financing (forward interest swaps) may also be in place, where applicable. The risk of changes in the cash flow arising out of the underlying transactions is also hedged. The underlying transactions are not exposed to any risks other than the risk of rising interest rates. The hedging transactions result in negative market values in the amount of EUR 13.516 million (previous year: EUR 10.702 million), which are not reported on the balance sheet upon the establishment of the valuation units.

The effectiveness of the hedging activities is predicted using the so-called critical terms match method. Provisions for contingent losses are established for those portions of the existing valuation units which prove to be ineffective as a result of differences in the critical terms applicable to the underlying transactions and the hedging transactions.

The current hedges will remain in place until at least the fourth quarter of 2019 but not beyond 2038. The hedging activities produce synthetic, fixed-interest loans at interest rates between 0.910 % and 2.863% plus the respectively applicable credit margin.

Disclosures relating to deferred taxes

The amount of the deferred taxes was determined on the basis of a Group-wide tax rate of 29.9 %, given that all of the companies included within the Group are based in Germany.

Any material divergences between the amounts reported on the commercial balance sheets and the balance sheets for tax purposes relate to:

- pension and benefit obligations; deferred tax assets
- other provisions, in particular partial retirement obligations, contingent losses, costs of litigation and anniversary bonuses; deferred tax assets
- neutralisation of purchase price surcharge relating to disposals to intra-Group companies by the special purpose entities ESTAMIN and Japon; deferred tax assets (EUR 17.842 million)
- special items with accrual character; deferred tax liabilities

No losses have been carried forward.

Auditing and consulting fees

Audit fees in the amount of EUR 128,000 were incurred by the Group in the business year 2018 in connection with the audit of the consolidated financial statements, including the individual financial statements of the parent company, the subsidiaries and one joint venture, conducted by the Group's auditor. Of this amount, EUR 120,000 were attributable to services performed in accordance with the conduct of the audit of the financial statements and EUR 8,000 to other confirmation services.

Total salaries paid to current and former members of the management and remuneration paid to the members of the Supervisory Board

The total salaries paid to the Managing Directors in the business year 2018 amounted to EUR 1,385,465.50. The pension provisions established for this group of individuals amount to EUR 1,501,210.00.

An amount of EUR 257,579.90 was paid to former members of the management and their surviving dependants. The pension provisions established for this group of individuals amounted to EUR 3,662,061.00 as at 31 December 2018.

The members of the Supervisory Board were paid remuneration, including a fee for their attendance of board meetings, in the amount of EUR 66,722.62.

Disclosure relating to the cash flow statement

The Group's financial funds essentially comprise cash (cash funds and sight deposits due on a daily basis) and cash equivalents (short-term, extremely liquid financial investments subject only to minor fluctuations in value) held by the Group. They do not include bank liabilities which are due on demand. There were no cash equivalents held as at the current and previous reporting sheet dates, and therefore none are included in the Group's financial funds. The cash inflow from ongoing operations, at EUR 109.189 million, was lower than in the previous year. Investments in fixed assets amounted to EUR 68.128 million. All of the profits realised by FDG GmbH in 2017 in the amount of EUR 60.907 million were distributed to the shareholders in 2018. Changes to the group of consolidated companies resulted in a change in the financial funds in the amount of EUR 7.359 million.

No dividends were paid out to minority shareholders.

Supplementary report

There were no events of particular significance for the company occurring after the balance sheet date which are not reflected in the annual financial statements.

Düsseldorf, 18 February 2019

Flughafen Düsseldorf GmbH

Thomas Schnalke
Michael Hanné
Dr Martin Kirchner-Anzinger

Basic Information relating to the Group

Business activities

Flughafen Düsseldorf GmbH (hereinafter also referred to as FDG) undertakes the development and operation of Düsseldorf Airport. The majority of its subsidiaries are also involved in its airport operation activities, The conduct of air transportation operations is not part of FDG's field of activity, rather falls within the remit of the airlines themselves.

Airports today are rather more than mere transportation hubs, or the point of departure or arrival for travellers: they offer a world of experience and also function as service centres, and provide an ideal location for retail and F&B operations. This is certainly how FDG views its business model.

Its Operations and Security business division, which is responsible for handling flight operations, is flanked by its Real Estate Management business division, which oversees the technical aspects of the operation of FDG's infrastructure. FDG is also involved, via its Customer Management, Media Management Property Management business divisions, in the management of F&B, retail and advertising space, the provision of parking facilities and the renting of commercial spaces (hotel, hangars, offices, etc.), in which context it often works with partner companies in the capacity of lessor, landlord or overall coordinator.

Economic significance

The Airport is a major driver of growth for NRW, as a centre of commerce and industry, as a whole. In addition to its important function as an employer and a mobility platform, it also plays a crucial role in the domestic economy as a principal in the context of the award of contracts. According to a formula applied in the air traffic context as a result of numerous workplace surveys conducted in airport regions, a single job at the Airport will give rise to at least another two jobs within the region. Approximately 22,000 individuals were employed at Düsseldorf Airport in 2018. Düsseldorf Airport and the surrounding region are located at the centre of Europe and in the industrial heart of Germany, in geographical terms. Virtually all European hubs are within one and a half hours' reach by plane. The region boasts a population on a par with that of the metropolitan areas of London and Paris and, from an economic standpoint, holds great potential as a market. The Rhine-Ruhr region is the third strongest regional economy within Europe.

The headquarters of 16 of the top-performing German companies are located in North Rhine-Westphalia, among them nine of the 30 companies listed on the DAX share index, including Eon, Henkel, Metro, Bayer, Thyssen Krupp and RWE. NRW – the most populous state in Germany – has become the business location of choice not only for conglomerates but also for approximately 765,000 smaller and medium-sized companies, and also functions as the centre of operations for the German and European activities of approximately 15,000 foreign companies from the most important investor countries, among others 3M, BP, Ericsson, Ford, LG Electronics, QVC, Sony, Toyota and Vodafone. The successful settlement within the greater Düsseldorf area of top corporations such as SAP, Siemens, Mitsubishi Electric and Huawei can also be attributed to the proximity of the airport. A dense network of connections to major business destinations and long-haul flights to important centres of business provide a strong argument in favour of settling in the vicinity for both German and foreign companies.

The entities operating out of the airport purchase goods and services in the value of EUR 2 billion every year. At Düsseldorf Airport, the provision of services generates tax revenues in the amount of more than EUR 800 million every year, and gross value added is realised in the amount of approximately EUR 3.4 billion.

Traffic-related developments

The "Düsseldorf Airport" railway station links the Airport, via more than 400 train connections, to the long-distance railway network of Deutsche Bahn and the regional transportation services of numerous other providers. It is located along one of the busiest railway routes in Germany and at the centre of a network of major German transport routes and links spanning the entire Ruhr district. Trains running at least once an hour bring passengers from all over the catchment area directly to and from the airport. The Airport is committed to the concept of seamless travel, which enables passengers to switch from one means of transport to another with ease. Our guests can use the Airport's own SkyTrain service to reach the terminal building within a matter of minutes. Alternatively, there are trains travelling to Düsseldorf Central Train Station and other destinations at 20-minute intervals from the S-Bahn (suburban railway) station directly below the terminal building.

Düsseldorf Airport believes that this concept of inter-modal passenger transport covers more than just journeys by train. The Airport is located at a point of intersection for important transport routes such as the A 3, A 52 and A 44 motorways, with a separate motorway exit of its own, and is also easily excellent for passengers from the Netherlands and Belgium. There are approximately 22,000 parking spaces available at the Airport , which makes it one of the largest car park operators at a single location within Germany .

Economic Report

Economic framework conditions

The financial boom which has been experienced by the German economy for some time now lost momentum somewhat in the year currently under review. In particular, there was a significant increase in the risks to foreign trade, with the economic forecasts drawn up over the course of the year being adjusted downwards. The imposition of import tariffs on steel and aluminium products pursuant to US economic policy, and the threatened imposition of tariffs on other products, has forced export companies within the eurozone to give some thought to their production chains, and brought about the postponement of corresponding investments.

The buoyancy of the domestic economy has remained unaffected. Private consumer spending and investments in construction continue to rise. Positive impetus for growth was largely driven by domestic factors in 2018. Consumer spending by private households (+1.0 %) and government bodies (+1.1 %) was higher than in the previous year. However, the rate of this growth was considerably lower than in the past three years.

Overall, the price-adjusted gross investments increased by 4.8 % as compared to the previous year. The investments in construction rose by 3.0 %; considerably more funds were invested, above all in public civil engineering activities, than in the previous year. The other investments, including the expenditure on research and development, were 0.4 % higher than in the previous year.

According to initial calculations by the German Federal Statistical Office (Statistisches Bundesamt, Destatis), the price-adjusted gross domestic product (GDP) in 2018 was 1.5 % greater than in the previous year. The German economy has thus experienced its ninth consecutive year of growth, The price-adjusted GDP had increased by 2.2 % in each of the two preceding years. A more long-term observation indicates that the rate of growth experienced by the German economy in 2018 was 1.2 % higher than the average value for the past ten years. According to the forecasts of the leading institutions from December 2018, the gross domestic product is expected to grow by 1.6 % (DIW) or 1.8 % (IfW) in 2019, while the ifo Institute predicts GDP growth of only 1.1 % in 2019.

At the beginning of 2018, the ECB continued its implementation of its asset purchase programme (APP) with a monthly volume of approximately EUR 30 billion, leaving the main refinancing rate and 0% and the deposit facility rate for 2018 unchanged at 0 % and -0.4 %, respectively.

Financing conditions in the eurozone remain favourable. While base rates are set to remain at the current level in 2019, the APP volume was already reduced over the course of the year under review, and is likely to reach zero in 2019.

The German Government realised a record surplus in the amount of EUR 59.2 billion in 2018 (2017: EUR 34.0 billion). According to provisional calculations, the German Federal Government, the Federal States, local authorities and social security funds reported a surplus at the end of the year, for the fifth time in a row. This represented a surplus ratio of 1.7 % for the German Government in 2018, on the basis of the gross domestic product at current prices.

Sector-specific framework conditions

Changes in traffic volume (January to December)

Overall, the traffic sector developed in a positive manner in Germany as a whole in the period under review (January to December 2018). The following observations can be made with regard to these general developments:

Once again, there was some inconsistency in the developments as a whole: A number of airports (e.g. FRA, NUE, STR) benefited to an above-average degree from, among other things, the development of various low cost airlines and reported positive rates of growth, while other airports (e.g. TXL, DUS, HAM) continue to feel the effects of Air Berlin's withdrawal from the market and experienced a downward trend with regard to the number of both aircraft movements and passengers.

- Domestic traffic decreased by 0.8 %. Attempts were made at the national level to plug the gap in flight services left by Air Berlin's withdrawal from the market. These largely took the form of the assumption of Air Berlin's former routes by other airlines or increased flight frequencies, however the fast rate of growth observed in the second half of the year was insufficient to fully offset the decline experienced in the first half of the year.
- The considerable rise in the growth rate observed with regard to flight services to destinations within Europe was the primary driver of the rise in passenger numbers at German airports, with a significant increase in traffic to tourist destinations, particularly in Spain, Italy and Portugal, being reported. Traditional holiday destinations in South-East Europe (Greece, Turkey, Croatia) likewise experienced strong growth. The resurgence in demand for flights to Russia, in spite of the upholding of the sanctions imposed against the Federation, is also particularly worthy of note. The football World Cup in June was responsible for a major rise in passenger numbers. Not only holidaymakers but also travellers visiting friends / relatives and cruise passengers contributed greatly to a noticeable growth spurt.
- The rate of growth observed with regard to flight services to destinations outside of Europe was lower in percentage terms (+3.1 %) than that in the case of flight services to European destinations. The main driver of this growth was the traffic to (North) Africa, with demand for flights to destinations in Egypt and Tunisia being particularly high. Other regions, with the exception of Central America (as a result of limited hotel availability in the Caribbean), also experienced growth, above all the Far East destinations China, South Korea (Olympic Games), Thailand and Vietnam.

Overview of changes in traffic as compared to the previous year:

Passengers	2018	2018
Destination	**Germany***	**DUS**
Domestic	-0.8%	-6.0%
Europe	5.9%	1.5%
Outside of Europe	3.1%	-11.5%
Thereof, long-haul routes		-26.1%
Total	**4.0%**	**-1.4%**
Movements	**4.2%**	**-1.3%**

* Source ADV

Development of traffic at DUS (January to December)

- Overall, the development of traffic in the period under review was characterised by the discontinuation of routes by Air Berlin and Niki from October 2017 onwards. The number of aircraft movements and passengers had been relatively high in the previous year. Even though the projections with regard to demand over the medium term suggest that the Air Berlin-induced slump had been overcome by the third quarter of 2018, various key figures initially remained in negative amounts or at lower levels than in the previous year.
- In the period from January to December 2018, the number of passengers and the number of aircraft movements in Düsseldorf were both lower than in the previous year, having decreased by 355,928 (-1.4 %) and 2,817 (-1.3 %), respectively.
- The performance indicators seats / flight (149; -4.0 seats) and MTOW / flight (72.0 t; -3.4 t) fell, among other things, as a result of the discontinuation of the AB intercontinental routes with corresponding wide-bodied aircraft. At the same time, the volume of flights with small regional aircraft (Q400) remained constant.
- The proportion of overall passengers represented by transfer passengers, at 6.5 % (departing passengers: 793,763; -534,972) was 4.3 % lower than in the previous year.
- The 6.0 % fall in domestic traffic was primarily due to the discontinuation of the operations of Air Berlin, which could not be offset in spite of the very considerable growth of +29.9 % reported by the Lufthansa Group (Lufthansa + Eurowings / Germanwings). In the domestic context, only one competitor, easyJet, has joined the Berlin (TXL) route to date.
- In the European context, Greece, Spain, Portugal Croatia and Cyprus proved to be high-growth destinations in the period under review. Italy and Switzerland did not reach the level of the previous year, due to the non-availability of the necessary (aircraft) capacities. Traffic to Turkey increased (by 19.9 %), with both Istanbul and Antalya reporting growth in this regard. Also worthy of note in this context is the resumption of traffic to Russia, with the corresponding figures slightly surpassing those of the previous year.

  The gaps in available flight services left by the withdrawal of Air Berlin and Niki from the market have largely been plugged: Swiss extended its measure raising of the frequency of its flights from three to five times a day beyond the winter season into the summer. Austrian Airlines virtually doubled the frequency of its weekly flights to Vienna. SAS also increased the number of its weekly connections on all three of its routes to Stockholm, Copenhagen and Oslo. Condor significantly expanded its flight services departing from DUS in its summer flight schedule, offering more than 100 flights per week departing to just under 35 destinations, a figure which represents approximately 80 % more departures than in the summer of 2017.

  Eurowings (EW) also greatly increased its flight services in its summer flight schedule 2018, offering more than 830 flights per week departing from DUS to 95 destinations. These increases were due to an increase in the frequency of certain flights, as well as the addition of flights to new destinations. Laudamotion collaborated with Ryanair to launch flights from DUS to various Mediterranean destinations. As of 1 June, Ryanair flew to three destinations from DUS, namely by way of daily flights to Palma, Alicante and Málaga. TUIfly and Germania likewise included numerous new connection sin their summer flight schedule. The range of scheduled flight services during the period under review was also increased as a result of the servicing of many new destinations by new airlines (such as Astra Airlines, Cobalt Airlines, Air Arabia Egypt, Orange2Fly, Adria Airways, Nordwind).

  The driver of this European growth was the Wings Group (Eurowings / Germanwings), which reported an increase in passenger numbers in the total amount of 991,818 (+21.0 %).
- On balance, Düsseldorf Airport recorded a decline in passenger numbers on long-haul flights (-26.1 %), which was largely due to the discontinuation of all of the routes previously serviced by Air Berlin. During the summer, Eurowings serviced, in addition to the routes to Cancun and Punta Cana already added in the winter season, six weekly connections to JFK, New York and also three weekly connections to Fort Myers and Miami. Azur Air undertook the last long-haul flights departing from DUS for the time being at the end of the winter flight schedule.
  Flights to and from the US dropped by 53.5 % (-494,909 passengers) while the overall number of passengers travelling to and from the Caribbean fell by 18.7 % (-67,390 passengers).

  The number of passengers travelling to Asia likewise fell, by approximately 117,000 (-8.3 %) as compared to the previous year, The gulf carriers Emirates (with flights to Dubai) and Etihad Airways (with flights to Abu Dhabi) reported lower passenger numbers than in the previous year, and therefore proved to be less significant drivers of growth than had been the case in the past. Cathay Pacific discontinued its connection to Hong Kong on 24 March.

  An increase (+39.8 %) in the number of North African destinations serviced by flights to Africa (Egypt, Morocco and Tunisia) was observed, with the number of passengers travelling to and from Africa rising significantly as a result (+295,956; +47.1 %).

The Lufthansa Group significantly extended the range of flights offered by it in Düsseldorf and recorded an increase in aircraft movements of approximately 24,943 (+35.1 %) and a simultaneous rise in the number of passengers using its services of 28.4 % (+2,192,630). The performance indicator number of passengers per flight fell from 109 to 104, while the degree of capacity utilisation rose from 67.4 % to 71.4 %.

Düsseldorf Airport recorded a 2.3 % decrease in the proportion of total travellers represented by those travelling on business (28.9 %) in the first three quarters of 2018 as compared to the equivalent period of the previous year (31.2 %), with the share of total travellers represented by those travelling in a personal capacity increasing correspondingly from 68.8 % to 71.1 %.

In absolute terms, the number of business travellers fell by 754,000 (-12.7 %). A significant increase in the number of business travellers as compared to the previous year was reported by, above all, Eurowings (approximately 329,000 or +16.5 %), Easy Jet (approximately +187,000 or +100 %), Austrian Airlines (approximately +103,000 or +86.8 %), Lufthansa (approximately 74,000 or + 11.8 %) and Swiss (approximately +60.000 or +79.6 %). However, this was insufficient to offset the decrease in the number of business travellers as a result of the Air Berlin insolvency (-1,527,000) .
The number of travellers travelling in a personal capacity likewise decreased by 348,000 (-2.7 %),

Growth was observed in the context of outbound travel for the purposes of tourism (+624,000; +9.2 %) and also for the purposes of visiting friends / relatives (+164,000; +4.8 %), however, the number of passengers taking connecting flights in a personal capacity dropped significantly (-1,019,000; -58.7 %).

Viewed as a whole, the rise in outbound travel of 2.5 % was insufficient to offset the decline in inbound travel and travel involving connecting flights of 8.5 % and 55.6 %, respectively.

Approximately 695,000 travellers from the Netherlands departed from or landed at Düsseldorf Airport in the first three quarters, which represents a decrease in the amount of just under 65,000 passengers or 8.6 % as compared to the previous year, A fall was recorded both in the number of business travellers (-22,000; -8.6 %) and in the number passengers travelling in a personal capacity (-43,000; -8.6 %).

The proportion in percent of the total number of passengers represented by travellers from the Netherlands amounted to 3.9 %, 0.1 percentage points lower than in the previous year.

An analysis of the land-based modes of transportation used by outbound passengers to travel to the Airport shows that the proportion of those passengers opting to travel by train increased by 0.6 % from 24.3 % to 24.9 % as compared to the previous year, which represents an increase in absolute terms of 59,000 passengers.

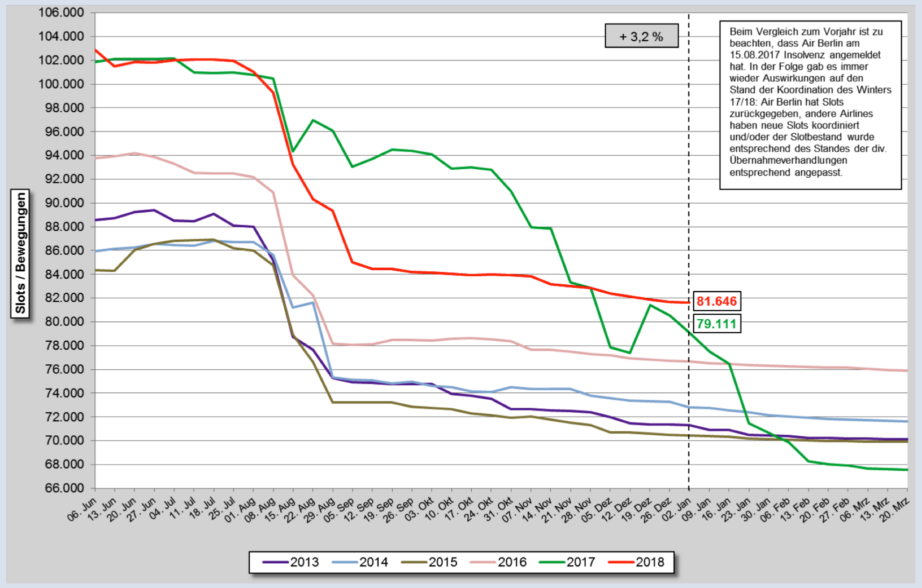
The proportion of passengers opting to travel by car increased by 2.3 % from 51.9 % to 54.2 %, In absolute terms, 211,000 more passengers drove or were driven to the Airport than in the previous year. The number of travellers using the long-term car park (i.e. parking their car at the Airport for the entire duration of their trip) increased by 49,000 (+4 %), while the demand for short-term parking facilities fell by 8,000 (-3.9 %). In contrast, a considerable increase (+170,000; +5.7 %) was recorded in the number of passengers who were driven to the Airport by car, without any use being made of the parking facilities.

An above-average decrease was observed with regard to the use of taxis (-163,000; -11.3 %), rental cars (-53,000; -16.9 %) and public bus services (-29,000; -26.1 %).

Slot coordination: winter 2018 / 19 (on a standardised 21-week basis)

As at 02/01/2019, the coordination status for the winter flight schedule 2018 / 19 was 3.2% higher, at 81,646 reported movements, than in the equivalent period of the previous year. It should be noted in this context that the relevant period in the winter season 2017 / 18 included many slots allocated to Air Berlin and Fly NIKI , although the flight operations of these two airlines had already been discontinued by that point in time. As a result of this exceptional situation, any comparison of the current and the previous season will be of only limited informative value.

In contrast, a comparison of the current winter season with the winter season 2016 / 17, i.e. the final season in which the flight operations of Air Berlin were still ongoing and in which the slot coordination process was undertaken in the typical manner, paints a different picture. If one compares these two seasons with each other, the number of coordinated slots for the current winter season 2018 / 19 is 7.1 % higher than for the equivalent period in the winter season 2016/17.



Development of the coordination status (scheduled & chartered flights) for each week for the winter flight schedules 2013 – 2018 (on a standardised 21-week basis)

During the current flight scheduling period, the airlines have shown themselves to be well-disciplined as regards slot coordination, with the result that not many slots have been relinquished during the ongoing season. The only slots which have been cancelled are those of Azur Air, which has discontinued its flight operations. The relinquishment of all other slots has been effected on the usual grounds, e.g. due to adjustments to the flight schedule at short notice or flight cancellations on public holidays or during the holiday season.

Organisation and Development of the Business Operations of Flughafen Düsseldorf GmbH

Flughafen Düsseldorf GmbH is divided into the following organisational business divisions:

- Customer Management
- Media Management
- Property Management
- Real Estate Management
- Operations & Security
- Aviation Management & Corporate Development

Issues relating to digitalisation and changes in consumer behaviour remain a focal point for the commercial divisions "Customer Management" and "Media Management", the activities of which are aimed at ensuring that passengers experience an optimised customer journey and enabling the generation of added value in the new business models and business segments in the future.

The Property Management business division comprises the areas of activity property development and property leasing, which in this context also comprises the management and the development of the "Airport City" business park. The completion of the marketing activities for Airport City I in the business year 2017 meant that, there were no material revenues from disposals, apart from the revenues generated on an ongoing basis from the leasing of existing infrastructural space. The commencement of further marketing activities, and thus the generation of further revenues from disposals, is planned for the end of 2019. In the leasing segment, almost all of the vacancies resulting from the insolvency of Air Berlin could be filled – albeit in some cases at lower rents – in 2018.

The Real Estate Management business division is responsible for the planning and construction, and also the maintenance and operation, of all technical facilities, buildings and spaces located at the Airport. Reference is made to the statements regarding the fixed assets under the description of the company's net assets with regard to material new and supplementary investments in this context.

The development of the Operations & Security and Aviation Management & Corporate Development business divisions in 2018 continued to be impacted by Air Berlin's withdrawal from the market in 2017. Flughafen Düsseldorf GmbH was called upon to coordinate and offset the gaps in both flight services and sales in the wake of the discontinuation of all of the airline's flight operations for the winter flight schedule 2017 / 2018. The plugging of the gaps in flight services to European destinations and the re-allocation of the market at the Düsseldorf location to other airlines could largely be completed upon the announcement of the summer flight schedule 2018, however precisely the subsequent summer months were characterised by many flight cancellations, poor punctuality and numerous late arrivals.

The measures implemented to improve waiting times at the security checks began to bear fruit in 2018, doing away with excessively long waiting times even during peak hours. The emergency and safety management department initiated further measures to ensure the reliable and safe operation of the Airport, for example by means of the commissioning of a new information and warning system.

Segment reporting (content not audited by the auditor of the company's financial statements)

Customer Management

The material strategic divisions of the Customer Management business division are

Mobility, Retail / Food and Beverages 4.0 and Digital Commerce. The proliferation of forms of digitalisation, disruptive technical developments and an enormous shift in values on the part of the younger and upcoming generations (Millennials, Generation Z, etc.) are bringing about massive changes in consumer behaviour and customers' expectations. These changes are already strongly manifesting themselves in Germany, for example in the form of an adverse impact on sales in the bricks-and-mortar retail sector. Similar trends are also being observed in connection with the consumption of mobility-related services (e.g. the sharing economy, etc.).

DUS is poised to meet these challenges with an integrated focus on customers' needs and the development and implementation within DUS of both potential new sources of revenue and new business models being of crucial importance in this context. Its ability to do so will depend on a corresponding ability to take prompt action on the basis of a sound understanding of its responsibility in assuming an active role in the design of the DUS MarketPlace, for example by extending the value-added chain by means of digitalisation. To this end, a strategy has been developed for the CM division, as an offshoot of the company's overall business strategy, which places the focus squarely on the "customer journey" and on the basis of which spheres of action were derived from FDG's business strategy and projects were defined in 2017. These projects have been launched and are currently at various stages of development and implementation, and include:

- Mobility master plan, e-mobility
- In-house management of car park operations
- Digital commerce platform
- Collaborative projects / lively working environment

The Airport DUS will be able, through the interplay of all of these projects, to ensure that passengers experience an optimised customer journey and to generate added value in the new business models and business segments in the future. Looking towards the future, the next steps to be taken must involve the establishment of links to both on- and off-site partners, with the CM business division being responsible for developing a strategy for this purpose in 2019.

Media Management

The past business year was a dynamic once for the Media Management business division, which is responsible for the Airport Media business at Düsseldorf Airport, with the focal point of 2018 being first and foremost the commissioning of the Premium Digital Skywall, the largest outdoor LED screen, at approximately 144 m² in size, at any airport within Germany. One of the partners continuing to use this large-scale digital advertising space is Vodafone, which has been making an impact with its Airport-oriented campaigns at one of the most relevant touchpoints along the approach road to the terminal building. In addition, the range of products in this context has been extended to include a premium digital lounge network in the common user lounges and in the VIP lounge, which is set to be progressively over the next business year. The new customers acquired by the Media team include Air China, the luxury jewellery brand Messika, Teufel, a direct seller of speaker systems and the smartphone manufacturer Huawei, which has developed a creative campaign designed specifically for the DUS location.

The Media Management team will continue to specialise in the development of digital media and related services in 2019. The content of the relevant touchpoints along the customer journey at DUS will be directed at defined target audiences with the help of "targeted playlists", with the team also focussing on the use of programmatic advertising, which draws attention to the target audience, rather than the actual product, at the individual locations.

Property Management

The Property Management business division comprises the areas of activity: property development and property leasing at the Düsseldorf Airport location.

Its property leasing functions range from the acquisition of new tenants and the provision of support services to existing tenants to the development of potential utilisation concepts, the objective being to ensure the best possible marketing of the properties owned by the Airport on the basis of strategic and market-relevant criteria. The total leased space amounts to approximately 300,000 m², and is the subject of approximately 450 lease agreements. The property portfolio comprises approximately 120 properties owned by the Airport in the Lohausen district, as well as office premises, the Hangars and the storage and apron areas throughout the entire Airport grounds.

The business division's property management functions can be broken down into the development of concepts for the handling of existing land reserves, the demarcation and securing of new development areas and the development of such areas, with the property development team thus being responsible for the management and development of the "Airport City" business park. In this context, revenues are generally realised through the sale of properties, with roads and green areas remaining under the Airport's ownership. The plot in question, which is approximately 23 ha in size, was acquired in 2003 by the Group company Flughafen Düsseldorf Immobilien GmbH. The marketing activities for the result of the first phase of the construction, the so-called Airport City I, were concluded in 2017. The approval procedure for the land development plan for the second phase of the construction, the so-called Airport City II, is expected to conclude at the end of 2019, with an additional gross surface area of approximately 65,000 m² becoming available upon the attainment of legal validity for the plan. The Airport plans to construct a hotel with approximately 200 rooms on part of the land in question. Other functions performed by the property management team include the assumption of the role of developer's representative and project manager in the context of building construction projects, the objective being to ensure the structural implementation of the user requirements adopted by the property leasing team on the basis of the results of a prior economic feasibility analysis.

Real Estate Management

The Real Estate Management business division successfully undertakes strategic and operational asset management, as well as project planning and management, activities at Düsseldorf Airport. It is responsible for the maintenance and operation of all of the technical facilities, buildings and spaces located at the Airport. The following were also central issues during the period under review:

- In the spring of 2018, it was decided, in the wake of the insolvency of Air Berlin, to draw up new flight schedule projections on the basis of the current transport structures.
- The timeframe for the construction of the new baggage-handling system at Pier C was amended to the effect that the system will be ready for initial use for actual flights from the end of February 2019, with general operations set to commence as of the end of March 2019. It will also be available for baggage handling by means of basin operations in the future.
- The construction of the points of connection to the district heating grid has already commenced at several locations within Düsseldorf. Moreover, the tender procedure has been completed and the corresponding additional contracts have been awarded for the area within the scope of application of the Airport's own network, with the result that the Airport is on schedule to be connected to the central district heating grid of the Stadtwerke Düsseldorf (municipal utility) by the beginning of the heating season 2019 / 2020. This will enable it to heat the terminal and other buildings in an environmentally and climate-friendly manner in the future Terminal.
- Certain priorities have been set in the industrial cleaning context as part of the Airport's quality assurance endeavours.
- The storm water reservoir West in the North-Western segment of the Airport grounds was completed, as the second of three such reservoirs, in the spring of 2018.

Operations and Security

The Operations & Security business division ensures the reliable and safe operation of the entire Airport complex, the focal points in this regard being the flight operations and the terminal building. The business division comprises five departments, each dedicated to the performance of individual aspects of these functions:

1. Aviation and central infrastructure
2018 was very much characterised by the after-effects of the insolvency of Air Berlin, which took the form of many flight cancellations, poor punctuality and numerous late arrivals during the summer months. Fortunately, the situation had stabilised somewhat by the end of the third quarter of the year.

A further focal point of the year 2018 were the measures implemented to improve waiting times at the security checks. Intensive talks were held and measures agreed upon, at various levels, in the context of a dialogue between the DUS location, on the one hand and the German Federal Police, the latter's service provider Kötter Aviation Security, the airlines and other affected parties, on the other hand, with a view to bringing about an improvement in the personnel situation with regard to aviation security assistants and also the optimal use of resources. Further measures included the relocation of the boarding pass check in front of Pier A for the purposes of enlarging the queuing areas in front of the checking lanes, and equipping the areas around the checking lanes with measuring sensors for the recording of waiting times in real time. These measures succeeded in doing away with excessively long waiting times even during peak hours.

The barrier systems along the access road to the departures and arrivals levels were put into operation on schedule on 1 September 2018 as a means of controlling and restricting the flow of traffic. After a brief period of adjustment to the new situation along the access road, the intended changes in the flow of traffic, in particular with regard to the reduction of congestion, were realised, with all road users benefiting from a more relaxed traffic situation overall in front of the terminal building.

2. Fire brigade
Düsseldorf Airport is required, in accordance with the stipulations of the International Civil Aviation Organisation (ICAO), the European Union Aviation Safety Agency (EASA), Düsseldorf District Council and the planning commission of the City of Düsseldorf to maintain an on-site fire brigade, as a prerequisite for safe flight and terminal operations. In 2018, the Airport commissioned the preparation of a new expert report in connection with a fire protection and development plan in response to a corresponding request from the District Council. The District Council is now poised to order the implementation, over the coming 6 years, of the recommendations of the report, which has since been submitted, in January 2019. This will call for a significant increase in personnel numbers, among other things.

3. Emergency and safety management
Preparations for the introduction of the KATWARN catastrophe warning system intended for use as an information and warning system at Düsseldorf Airport were completed as part of the implementation of the emergency management strategy, and the system was put into operation as at 01/06/2018.

A so-called safety scoring system was implemented as at 01/12/2018 for the purposes of evaluating the safety performance of the ground handling service providers (*Bodenverkehrsdienstleister* – BVDs) operating at Düsseldorf Airport. This should enable a comparison of the performance of the various BVDs on the basis of their degree of attainment of stipulated evaluation parameters, such as average risk exposure and number of violations of the Airport User Regulations, and should also improve operational safety levels.

4. Security
Ever more challenges are emerging in the security context. While the trend towards strict regulation persists in the "air-related security" context, for example in connection with travel to and from the US, and audits are regularly conducted by various organisations and authorities, security measures implemented on the ground (landside) require constant adjustment in line with the growing threat of terrorist attacks, for example. A specialist "landside security" segment has since been established to process proposed measures aimed at protecting the terminal building against landside risks.

5. Fire safety management
Departmental fire protection plans or statements have been drawn up for numerous construction measures, and have provided a basis for the approval of those measures by the planning commission. The fire protection management department has also monitored the verification of the effectiveness of the systems in place, i.e. the interaction of all security systems and the elimination of any defects which are of relevance from a safety perspective.

Aviation Management and Corporate Development

The Aviation Management & Corporate Development business division is responsible for the further development of the airline business within the national and international aviation markets. In addition to facilitating the continuous development of the route network by means of the acquisition of new airlines, the reinforcement of existing airline partnerships, and active management of the available slots, the business division employs marketing measures to assist in the marketing of seat capacities, collects and analyses all traffic data, and draws up forward-looking traffic plans. Furthermore, it continually refines the airport fee and promotional structures and coordinates the cooperative arrangements with all airlines, relevant authorities, organisations, associations and interest groups. As part of the division's corporate development activities, all operational processes are continuously optimised, company-wide projects are monitored and the business strategy is further developed on the basis of an analysis of developments in the market and the surrounding environment.

From an aviation standpoint, 2018 was very much characterised by the after-effects of the insolvency of Air Berlin in the second half of 2017. Following the discontinuation of all of Air Berlin's flight operations at the end of October 2017, the Airport launched an in-house, company-wide project – "DUS Recovery" – aimed at plugging the anticipated gaps in both flight services and sales over the short to medium term. Air Berlin was the largest airline operating at DUS until 2017, with approximately 6 million passengers per year and a market share of approximately 30% at the end. The discontinued flight services to Florida and the Caribbean were resumed by Eurowings, Condor and Azur by the start of the winter flight schedule 2017 / 2018, and the assumption by Eurowings, easyJet, Condor and Laudamotion of parts of Air Berlin's operations brought about an early reallocation of the market. Numerous airlines published growth projections and announcements together with their flight schedules for the summer of 2018. In addition to the introduction of many new connections to European destinations and an increase in the frequency of flights to existing destinations, the number of intercontinental connections offered also increased as a result of Eurowings' assumption of long-haul services. This development continued through the winter season 2018 / 19, thereby ensuring that any gaps were completely plugged.

Performance of subsidiaries and investment companies

As the third largest aircraft handling company at Düsseldorf Airport, **Flughafen Düsseldorf Ground Handling GmbH (FDGHG)**, a company within the Düsseldorf Airport Group, essentially undertakes the conveyance of passengers and crews to the Airport apron, as well as de-icing activities, for various airlines, as well as performing ground handling services on behalf of the two other aircraft handling companies, although the latter no longer constitute a core element of its operations.

The company handled a total of 5,200 aircraft movements in 2018; however, those occurring from the middle of 2018 onwards related solely to partial aircraft handling services performed on behalf of its competitors Acciona and Aviapartner. This number represented a decrease of 33.3 % as compared to the 7,800 aircraft movements handled in 2017. The market share of Flughafen Düsseldorf Ground Handling GmbH, on the basis of the number of aircraft movements, amounted to 3.7 % in 2017, falling to 2.3 % in the first half of 2018 and again to 0 % in the second half of the year. In the passenger transportation context, FDGHG was able to conclude contracts with some new additions, the airlines (*Luftverkehrsgesellschaften* – LVGs) Laudamotion and Ryanair, and also with rotating companies such as Aegean Airlines, Etihad Airways, Bulgarian Air Charter and Hahn Air. All other conveyances of passengers to the Airport apron were undertaken pursuant to the existing framework agreement entered into with Acciona and Aviapartner. FDGHG has been performing additional services on behalf of FDG since the middle of 2018.

The number of actively employed individuals fell by a total of 15 to 501.

The business year came to a close with EBITDA in the amount of EUR -4.775 million (previous year: EUR -8.622 million) and a year-end loss before transfer of profits in the amount of EUR -6.928 million (previous year: EUR -10.542 million), which was thus significantly in excess of the projected amount of EUR -2.856 million. On a comparison of the projected and actual figures, higher revenues from handling fees were counteracted by lower revenues from de-icing activities due to the prevailing weather conditions. In addition, revenues from passenger transportation activities decreases as a result of the lower-than-projected traffic volume. The performance of additional services on behalf of FDG had a positive impact on revenues, however the full effect of this development was experienced with a one-month delay. The personnel expenses, which proved to be higher than projected, are reported under costs.

It may be concluded, on the basis of the net assets, financial position and earnings situation as depicted herein and the inclusion of FDGHG within the Group, that the economic situation of the company is to be viewed as stable; however, the company will remain non-viable in structural terms until the restructuring concept has successfully been implemented. Reference is made to the section entitled "Significant opportunities and risks" with regard to FDGHG's development over the medium and long term.

FDGHG expects a significant improvement in its earnings situation in 2019, with an operating loss in the amount of approximately EUR -45,000, however this us subject to considerable uncertainty in view of the highly volatile nature of the prevailing framework conditions.

The business operations of **Flughafen Düsseldorf Cargo GmbH** (FDCG) comprise the performance of services in connection with airfreight turnover at Düsseldorf Airport. These services extend across the entire range of import- and export-related airfreight handling activities, which include physical and documentary processing of airfreight consignments and other, separate services in relation to security and the storage and loading and unloading of cargo. The company reported a fall of 21 %, as compared to 2017, in the tonnage handled to approximately 96,000 tonnes in 2018 (previous year: 121,600 tonnes), with this decrease representing the first time that the tonnage has fallen below the 100,000 mark since 2012.

The distribution of the freight volumes handled in Düsseldorf changed slightly as compared to the preceding years (exports: 54 % and imports: 46 %) to exports: 51 % and imports: 49 %.

The sales revenues fell by -13.7 %, and thus significantly less than the tonnage handled, to EUR 16.571 million (previous year: EUR 19.208 million), which was largely due to the insolvency of Air Berlin and the resultant decrease in intercontinental flights with large additional cargo loads. A change in the combination of services offered had a positive impact.

The earnings before taxes amounted to EUR 1.341 million, EUR 1.335 million less than in the previous year.

Overall, a year-end profit after taxes in the amount of EUR 831,000 was realised in the business year under review (previous year: EUR 1.764 million).

Flughafen Düsseldorf Security GmbH (FDSG) primarily performs security-related services at Düsseldorf Airport. Flughafen Düsseldorf Security GmbH ended the business year 2018 with positive results. The company's economic and financial position is stable as a result of the overall economic conditions in conjunction with the award of numerous contracts for the provision of services at Düsseldorf Airport. FDSG continues to generate its sales revenues primarily through companies or business divisions of the FDG Group.

On the whole, the total sales revenues amounted to EUR 31.366 million in 2018, having increased by 8.59 % as compared to the previous year. This positive development was primarily due to sales to Group companies on the basis of an increased, unscheduled need for security and the provision of services, and price adjustments rendered necessary by the conclusion of collective bargaining agreements.

External personnel was deployed, in the interests of cost effectiveness and greater flexibility, to assist in the provision of the security-related services performed in the business year 2018. The company had 232 employees as at 31 December 2018 (previous year: 218).

The year-end profit in 2018 amounted to EUR 1.032 million (previous year: (EUR 1.171 million). This profit was transferred to Flughafen Düsseldorf GmbH in accordance with the terms of the domination and profit transfer agreement.

In 2003, **Flughafen Düsseldorf Immobilien GmbH** (FDI) acquired a barracks complex adjoining Düsseldorf Airport from the Federal Republic of Germany in furtherance of its stated purpose. No further revenues from property sales were generated in the year under review due to the fact that all of the Airport City I properties have been sold to investors.

The rental revenues, which were primarily attributable to the letting out of an underground garage to a company within the Group, amounted to EUR 2.9 million (previous year: EUR 2.9 million). Sales revenues in the total amount of EUR 3.7 million were realised (previous year: EUR 8.2 million). The sales revenues for the previous year comprised EUR 4.5 million from the disposal of properties forming part of Airport City I .

The year-end loss for the business year 2018 before assumption of losses amounted to EUR 651,000.

Flughafen Düsseldorf Energie GmbH (FDE) is responsible for the distribution and to some extent generation of useful forms of energy (heating and cooling) at Düsseldorf Airport, i.e. for the operation of the energy generation plants and the grid infrastructure. In addition, the Flughafen Düsseldorf Group purchases the vast majority of the electricity used or distributed by it via FDE, however it was able to reduce the volume of electricity procured in this manner, and thus the quantity of goods and materials used by it, following the commissioning of a second combined heat and power station in 2015. In the for the business year 2018, the company realised sales revenues in the amount of EUR 15.967 million (previous year: EUR 16.050 million) and a year-end profit before transfer of profits in the amount of EUR 950,000 (previous year: year-end profit of EUR 1.503 million).

Flughafen Düsseldorf Tanklager GmbH (FDTG) was established as a joint venture in December 2013, together with partners from the mineral oil industry and airlines, the objective being to organise the logistics of the supply of fuel for flight operations over the medium term, following the construction of a new fuel depot, via this autonomous entity, in which FDG is a minority shareholder with a 40 % stake. The company reported a year-end loss in the amount of EUR 45,000 as at 31 December 2018 (previous year: year-end loss of EUR 705,000), with this result primarily being due to financing costs. The book value of FDG's shareholding in FDTG was depreciated in the amount of EUR 600,000 in the business year 2018. Reference is made in this regard to our statements with regard to the net assets and earnings situation.

By way of purchase agreement dated 22/11/2018, **BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG** (BISAWA KG) sold partial building leases, together with the related buildings, to FDG as of the end of the year under review for their market value of EUR 148.615 million. These relate to the following properties: DACC freight centre, Hangar 7, Hangar 8, the Lightweight Hangar East and the car rental centre. FDG had previously taken over all of the shares in **BISAWA Beteiligungs GmbH**, Düsseldorf, itself the limited partner of BISAWA Objekte Airport-Düsseldorf GmbH & Co. KG, for a purchase price of EUR 1.097 million.

Of the sales revenues generated by BISAWA KG in the amount of EUR 15.136 million, EUR 12.419 million were attributable to rental revenues and the rest to incidental rental costs and consumption costs. BISAWA KG realised a year-end profit after taxes in the amount of EUR 7.336 million in the past business year, of which amount EUR 3.336 million were allocated to the company reserves.

Due to the sale of the above-mentioned assets, the company will not realise any further revenues in the future and will be merged with FDG in 2019.

FDG sold the majority of its shares in **Flughafengesellschaft Mönchengladbach GmbH** (FMG) to the development company of the City of Mönchengladbach (Entwicklungsgesellschaft der Stadt Mönchengladbach mbH – EWMG) as at 1 August 2018, by means of a complex transaction resulting in the settlement of all of the claims and liabilities as between FDG and FMG. FDG assumed the share of the losses incurred in the period between 01/01 and 31/07/2018 in the amount of EUR 1.593 million pursuant to the provisions of the domination and profit transfer agreement hitherto in force. This domination and profit transfer agreement was terminated as at 31/07/2018. In addition, agreement was reached upon a revision of the rules governing the allocation of priorities in the context of the flight operations of FDG and FMG in favour of FDG.

FDG made cash funds in the amount of EUR 17 million available as part of a capital increase of 18.71 %subsequently undertaken at FMG, to the exclusion of the subscription rights of NEW and EWMG. FDG now holds 20 % of the shares FMG, and is not subject to any further obligations in this regard. A further 54.75 % are held by EWMG, 25.24 % by NEW, the utility serving the Lower Rhine region, and 0.01 % by the City of Willich.

The sale by Deutsche Anlagen-Leasing GmbH of the shares in **Estamin Grundstücksverwaltungsgesellschaft mbH** (ESTAMIN) to Flughafen Düsseldorf GmbH as of 31 January 2018 was effected by way of notarised purchase agreement dated 25 January 2018. The purchase price amounted to EUR 1.247 million. Flughafen Düsseldorf GmbH now holds 100% of the shares in Estamin Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG and is simultaneously the tenant of the real estate properties Car Park 3 and the existing hotel (Sheraton), as well as Car Park 4 As things currently stand, the future rents which will be payable until 2028 will total EUR 65.128 million, although the term of the lease agreement for the hotel will already expire in 2025. The company realised a year-end profit in the amount of EUR 3.032 million in the past business year. ESTAMIN is set to merge with FDG in 2019.

Financial Performance Indicators

Net assets, financial position and earnings situation

Earnings situation

The internal management of the company has identified the following financial performance indicators, which may comprise certain imputed elements as compared to the data reported in accordance with the applicable provisions of commercial law data and may therefore diverge from the figures reported in the consolidated financial statements.

The development of the stipulated financial performance indicators, on the basis of internal key figures, was as follows:

Key data at the Group level	Actual 2018	Actual 2017
EBIT (in EUR k)	109,263	100,990
EBITDA (in EUR k)	185,280	174,540
EBITDA margin	39.0 %	36.2 %
ROCE	12.1 %	12.4 %
Return on equity (EBIT)	49.5 %	50.1 %
Return on sales (EBIT)	22.5 %	20.4 %
Return on capital	9.8 %	10.8 %
Sales / FTE employee (in EUR)	231,379	238,012
Personnel expenses / employee (in EUR)	71,388	69,205
Economic equity (in EUR k)	179,019	175,483
Economic equity / balance sheet total	15.77%	17.66%

The targets for the key operating figures, by way of multi-year average over the medium term, include an EBITDA margin in excess of 40 % and a ROCE of more than 10.0 %.

In the business year 2018, the Düsseldorf Airport Group generated total sales in the amount of EUR 474.5 million (previous year: EUR 482.8 million) and a year-end profit in the amount of EUR 59.1 million (previous year: EUR 60.1 million).

The revenues from aviation operations amounted to EUR 289.807 million (previous year: (EUR 294.123 million), which represents a slight decrease of 1.5 % as compared to the previous year, and primarily comprised take-off and landing fees, parking and security fees and remuneration for ground handling services. The airline promotion measures pursuant to the Airport's schedule of fees in the amount of EUR 11.5 million have been recognised as a reduction in revenues in the sales revenues from landing fees. This decrease was largely attributable to a fall in the amount of ground handling services performed and in the tonnage actually handled.

The aviation revenues comprise fixed and variable landing fees, parking fees and remuneration for ground handling services. The landing fees increased by 1.4 % from EUR 245.6 million to EUR 249.2 million, while ground handling service revenues decreased significantly from EUR 29.8 million to EUR 24.7 million. This was largely due to the withdrawal of FDGHG from its aircraft handling activities on the basis of direct contractual relationships with airlines.

The revenues from "non-aviation" operations decreased by EUR 3.9 million to EUR 184.8 million in 2018. The non-aviation revenues comprise rental revenues (for example, from F&B, retail and advertising spaces), lease and sales-based rent revenues (fro example, from F&B, retail and advertising spaces), income from the provision of utility supply services and other revenues (e.g. workshop services provided to third parties). The rental revenues increased by 6.5 % from EUR 79.8 million to EUR 85 million, The lease and sales-based rental revenues, as well as other revenue items, decreased as compared to the previous year,. falling slightly from EUR 67.6 million to EUR 67.4 million. Income from the provision of utility supply services fell by EUR 1.7 million to EUR 12.4 million. Given that FDI did not dispose of any properties in 2018, its sales figures were accordingly reduced virtually to zero, in contrast to the EUR 4.6 million in revenues realised from such property disposals in 2017. The other revenues likewise decreased from EUR 22.7 million to EUR 19.8 million in the year under review as a result of lower passenger numbers and the effects of the Air Berlin insolvency in the previous year.

Other operating revenues comprise income from the liquidation of other provisions in the amount of EUR 11.8 million and special items for subsidies in the total amount of EUR 3.2 million.

The cost of materials decreased, as compared to the previous year, by EUR 5.6 million to EUR 89.3 million. The cost of materials for the FDG Group comprises, among other things, energy consumption, the land rent for the Airport grounds, certain rental and leasing expenses, costs relating to the disposal of rubbish and waste water, maintenance expenses and other third-party services. The cost of materials in the narrower sense comprises workshop and repair materials, consumables and de-icing agents.

The personnel expenses at the Group-wide level increased as compared to the previous year by EUR 6.0 million to EUR 146.6 million, This increase was primarily due to changes to collective bargaining agreements (3.19 % pay rise, continued implementation of the new schedule of remuneration pursuant to the collective bargaining agreement for the public sector (*Tarifvertrag für den öffentlichen Dienst* – TVöD) applicable to all employees covered by said agreement). The number of employees increased slightly from 2,209 (31 December 2017) to 2,230 (31 December 2018).

Depreciation increased as compared to the previous year by EUR 2.5 million to EUR 76 million. No unscheduled depreciation was recorded as compared to the previous year (EUR 1.7 million).

The item other operating expenses in the amount of EUR 80 million comprises, among other things, public relations and marketing expenses, individual valuation adjustments for accounts receivable, EDP expenses, legal and consultancy fees, expenses in relation to insurance premiums, money transaction costs and expenditure on surveillance and security services. The other operating revenues for the previous year comprised individual valuation adjustments on receivables owed by Air Berlin. No material individual valuation adjustments were undertaken on a comparable scale in 2018.

According to the company's internal calculations, the developments described in the foregoing resulted in EBIT in the amount of EUR 109.3 million (previous year: EUR 100.9 million) and thus EBITDA in the amount of EUR 185.3 million (previous year: EUR 174.5 million) and an EBITDA margin of 39.0 % (previous year: 36.2 %).

Investment income from equity valuations in the amount of EUR 0.9 million was realised with regard to SITA Airport IT GmbH in the business year 2018.

The interest expenses on loans increased from EUR 13.3 million in 2017 to EUR 16.4 million in 2018. The loans in the total amount of EUR 812.6 million (having increased by EUR 250.1 million as compared to the previous year) were secured at fixed interest rates of approximately 95 %. The interest charges increased as compared to the previous year as a result of the longer term of the loans and the higher basis for assessment. involved External financing is generally obtained by the parent company FDG. The decrease in liabilities arising out of property financing was attributable to the refinancing of Estamin KG. The special purpose vehicle Japon is an independently financed entity.

Net assets

The medium- and long-term tied assets increased significantly from EUR 925.3 million as at 31 December 2017 to EUR 1,066 million in 2018. The increase in tied assets is largely due to the inclusion of BISAWA KG in the consolidated financial statements for the first time.

The change in tangible fixed assets amounted to EUR 124.0 million and related to the Airport buildings including land, which represented a net addition of EUR 118.1 million attributable to the additions as a result of changes in the group of consolidated companies (EUR 149.7 million) and to investments undertaken in the current year (EUR 59.7 million) less depreciation (EUR 71.5 million).

The additions to operating facilities in the amount of EUR 17 million largely related to measures implemented in connection with the conversion of the new baggage-handling system in the amount of EUR 1.2 million, flare path 23 R in the amount of EUR 0.4 million, the lighting of the Southern runway in the amount of EUR 0.4 million, entrance bands 1-3 of the baggage-handling system in the amount of EUR 0.3 million, passenger boarding bridge B3 in the amount of EUR 0.2 million and passenger boarding bridge B1 in the amount of EUR 0.4 million.

The investments made with regard to Airport buildings in the amount of EUR 11.2 million largely related to measures implemented in connection with runway TWY L 8 South, 2nd construction phase (EUR 5.6 million), additions for car park P13 (EUR 1.3 million) and access to storm water reservoir West (EUR 0.9 million).

The short-term tied assets amounted to EUR 50.1 million in as at 31 December 2018, having increased by EUR 6.3 million as compared to the situation on the balance sheet date for the previous year.

The accounts receivable amounted to EUR 25.2 million in 2017, as compared to EUR 22.7 million in 2017, with this change largely being attributable to the valuation adjustment on receivables owed by Air Berlin undertaken in 2017.

In divergence from the individual financial statements of the Group companies, deferred taxes were recognised with regard to differences between the amounts reported on the commercial balance sheets and the balance sheets for tax purposes at the so-called "commercial balance sheet II" level in the consolidated financial statements. Deferred taxes were also recognised with regard to consolidation-related differences, with the deferred tax assets and liabilities being reported in shown in a gross (i.e. an unnetted) amount. The deferred tax liabilities are primarily due to non-recognition of special items with accrual character for tax purposes, while the deferred tax assets are the result of differences between the amounts reported in the individual financial statements of the leasing companies and those reported with regard to the assets in question in the consolidated financial statements.

Financial position and overall conclusion

There were no changes in the subscribed capital or the capital reserve as compared to the previous year. There have been some slight changes in the revenue reserves as a result of changes in the group of consolidated companies. The full amount of the year-end profit of Flughafen Düsseldorf GmbH from the previous year was distributed.

The provisions for pensions and similar obligations decreased significantly by EUR 9.5 million as compared to the previous year. The full amount of the provisions established with regard to obligations relating to vested company pension rights held by certain Group employees who are beneficiaries of the supplementary pension fund for the Rhine region (Rheinische Zusatzversorgungskasse – RZVK) was liquidated given that the company is not expected to enter into any further obligations in this regard.

The other provisions decreased slightly from EUR 75.2 million in 2017 to EUR 68.7 million in 2018. Major individual provisions are those established in connection with the emission control / noise protection programmes and discounts / haulage vis-à-vis airlines. This decrease was largely attributable to a decrease in the amount of provisions established with regard to haulage services.

The liabilities owed to banks 2018 increased by EUR 250.1 million to EUR 812.6 million in 2018. These largely comprised residual liabilities arising in connection with a consortium bank loan taken out in the amount of EUR 162 million in the wake of the fire damage incurred in 1996, residual liabilities arising in connection with a promissory note loan taken out in 2014 in the amount of EUR 86 million, bilateral loans taken out in preceding years in the amount of EUR 165 million and, in particular, new bilateral loans taken out in 2018 in the amount of EUR 310.6 million. Of the liabilities newly assumed in 2018, EUR 50 million were used for investment purposes and EUR 112 million for the repayment of tranches of the promissory note loan taken out in 2014 which were subject to variable interest rates. Furthermore, EUR 148.6 million were used for intra-Group refinancing of properties, which enabled a more favourable presentation of new refinancing commitments with regard to those properties. FDG took advantage of the favourable market considerations to improve its financing portfolio, in terms of the maturities of and fixed interest rates for the loans in question.

Surplus liquidity generated in the context of existing framework agreements for working capital loans concluded with investment companies is deducted for the purposes of better liquidity management. The liabilities owed to banks were the result.

The financing in the form of the forfaiting of rental income by Estamin KG was fully paid off by means of a buy-back of receivables as at 31 January 2018. The new source of financing took the form of bilateral loan agreements. The lease agreement entered into with FDG in 2003 was replaced with a triple net lease agreement.

The financial funds amounted to EUR 15.0 million at the end of the reporting period (previous year: EUR 9.1 million) after payments for investment activities, payments to the shareholders, the repayment of medium- and long-term financial loans and the assumption of further financial loans. Short-term working capital loans are not included in the financial funds.

In addition to the optimisation of the costs and risks involved in the company's financing arrangements, the financial management strategy is largely focussed on the company's ability to meet its due payment obligations at any given time.

Overall, the management considers the net assets, financial position and earnings situation of the Group to be satisfactory and as providing an excellent starting point for its further development.

Non-financial performance indicators

Flughafen Düsseldorf GmbH as an employer

The Human Resources department, together with the specialist divisions, oversees and shapes any changes in the working environment at the Airport. In addition to well-known trends such as digitalisation, demographics, employer branding and employee recruitment and retention, the company will also in the future be focussing more closely on the integration within its ranks of the upcoming Generations Y and Z. The adoption of more flexible workplace / working time models, self-determination and "agile" working in small, less hierarchically structured teams will continue to gain in importance in this context, with a major success factor – apart from appropriate education / training – in the future furthermore being in-house ongoing qualification measures for employees, in particular with regard to airport-specific job requirements. Düsseldorf Airport was once again awarded the "Apprentice Seal of Approval" and named an "Excellent Training Centre" in 2018.

Personnel development

The collective bargaining agreement for airport employees in the public sector (*Tarifvertrag für den öffentlichen Dienst für Beschäftigte der Flughäfen* – TVöD-F) is applicable to all employees of Flughafen Düsseldorf GmbH who are covered by said agreement. An amount of performance-based remuneration was paid to employees entitled to such payment in addition to the amount of remuneration payable to them in accordance with the table pursuant to Section 18 of the TVöD-F. In the case of executives up to the level of middle management, a non-tariff remuneration grading system, which comprises variable salary components developed by Willis Towers Watson and is linked to a target attainment system, is applied.

Number of employees:

Employees	31/12/2017	31/12/2018
Salaried staff (incl. temporary workers)	2,139	2,143
Apprentices	70	87
Total	2,209	2,230

The average age of the employees of Flughafen Düsseldorf GmbH (including apprentices) was 44.5 years as at 31/12/2018, with the age structure of the workforce being such that there are considerably more employees in the upper age categories: thus, 11% of the employees are between 41 and 45 years of age, 15% are between 46 and 50 years of age and 18% of are between 51 and 55 years of age. The average age has decreased slightly as compared to the previous year (average age: 44.6 years). The overall rate of turnover for 2018 was 3.4 %, 1.2 % of which related to employees of regular retirement age (2017: 3.4 % overall turnover rate, 0.6 % thereof employees of retirement age).

A budget in the amount of EUR 800,000 was allocated for training and continuing education on a centralised basis in 2018, and EUR 700,000 of this amount were used for all manner of advanced training measures.

Target: proportion of women in management positions

By way of resolution dated 20 September 2017, the Supervisory Board of Flughafen Düsseldorf GmbH set a target of 15.0 % with regard to the proportion of women holding positions on the Supervisory Board and a corresponding target of 0.0% as regards the composition of the management of the company.

By way of resolution adopted on the same day, the management set corresponding targets of 15.8 % for 1st level executives under the level of management and 25.9 % for 2nd level executives. The deadline for the attainment of the aforementioned targets was set at 30 June 2020 across the board.

Environment and society (content not audited by the auditor of the company's financial statements)

The Airport's "Neighbourhood Dialogue, Environment and Sustainability" in-house service centre, which also organises airport tours for visitors, is manned by 25 employees.

Emission control and noise protection

Düsseldorf Airport has been implementing an extensive noise protection programme in its surrounding areas since 2003. Since the commencement of the current noise protection programme in 2003, the Airport and the airlines have together invested EUR 74.5 million in noise protection measures, such as the installation of sound-absorbing windows and balcony doors, as well as soundproofed ventilation systems in bedrooms. The deadline for the submission of requests for noise protection measures on the basis of the operating license from 9 November 2005 would have expired in July 2014. However, the Airport has declared itself willing to also process requests submitted after this date on a voluntary basis and to reimburse costs incurred in connection with such measures. The total amount spent on compensation payment of compensation for impaired used of outdoor areas, at EUR approximately 7.0 million, has virtually remained unchanged as compared to the previous year, due to the fact that only a small number of corresponding claims remain to be processed. Approximately 6 full-time employees are currently involved in the implementation of the noise protection programme.

The Airport maintains a flight noise measuring system comprising 13 stationary and two portable measuring devices, in addition to a measuring vehicle. The measuring results are published in the form of monthly measurement statistics. The Airport additionally operates, on a voluntary basis, air quality measuring devices for the identification of nitrogen oxide, sulphur dioxide, benzene, toluene, particulate matter PM10 and PM2.5, as well as ozone. Given that these measurements also capture exhaust gasses produced by other facilities, propagation calculations are additionally carried out.

The Airport's emission control department keeps closely abreast of current research findings and activity, which enables it to answer corresponding questions from local residents and its own workforce in a competent manner. The Airport does not rule out the possibility of it expanding its measurement activities once related measurement procedures and thresholds have been defined.

Neighbourhood dialogue

Düsseldorf Airport's Local Citizens' Office is the first point of contact for those in the neighbourhood wishing to pose aviation-related questions, file a complaint about the impact of flight operations or enquire into the assertion of noise protection claims. Local residents are kept up-to-date with matters pertaining to the Airport by way of publications such as pamphlets on the noise protection programme or flight operations at Düsseldorf Airport, regular announcements on the "neighbourhood" pages of the FDG website and letters providing information on any changes in the flight operations or activities on the airport apron being implemented at short notice but for a limited period of time. The Airport demonstrates its commitment to limiting the negative impact of its operations to an absolute minimum and to raising the degree of acceptance air traffic in spite of its harmful effect on the environment by providing information on necessary operating procedures in the airport context and its activities in relation to flight noise and air quality, in particular.

The Higher Administrative Court (*Oberverwaltungsgericht* – OVB) of Münster confirmed the legitimacy of the decision granting planning permission for the "Alternative Zone West Apron" project on 8 June 2018. The cities of Kaarst, Meerbusch and Ratingen, as well as several private individuals, had appealed against the decision of the Ministry of Transport for the State of North Rhine-Westphalia granting such planning permission, issued in June 2015. The judgment handed down in the summer of 2018 provides the necessary certainty to enable the implementation of the construction measures, which is expected to commence in the spring of 2019.

Düsseldorf Airport continues to strive for the greatest possible degree of transparency in the ongoing debate as to delayed night-time flights. The monthly Punctuality Report published on the company's website and the punctuality statistics contained therein depict the current monthly data for Düsseldorf Airport, together with the long-term average, on the basis of a Europe-wide comparison. Reasons are given for the delays on the ten days of each month with the most delayed flights. The Airport is working very closely with its partners to improve the situation involving night-time delays in the interests of local residents.

In light of this, airlines, airports and the DFS, the agency responsible for air traffic control in Germany, have increased their efforts in an attempt to contribute further to the stabilisation of flight operations, with these efforts comprising the additional staffing measures, the maintenance of reserve resources (crews and aircraft), the optimisation of processes on the ground (on the airport apron and at the terminal) and the monitoring of time-sensitive flights and where possible, preferential handling of such aircraft both on the ground and in the air. To this end, Düsseldorf Airport implemented a number of measures during the summer season, for example it provided apron supervisors to assist in the performance of ground handling services and improved the check-in and security check experience by deploying personnel to guide passengers through the process.

The amount of information made available to local residents with regard to flight operations at Düsseldorf Airport was increased, with the objective of achieving the greatest possible degree of transparency. For almost four years now, Düsseldorf Airport has been depicting all aircraft movements virtually in real time on a map on its website by means of flight-tracking software by the name of Track Visualisation, or "TraVis" for short, which displays, among other things, the sound level, speed and type of the aircraft taking off and landing in Düsseldorf. The data depicted to date has also been supplemented with web reports since July 2018. Here, the acoustic indicators and parameters for flight operations are linked to the relevant traffic data. By clicking on the web reports, users can now gain some insight into the monthly measurement results and traffic data for each of the total of 13 stations at the Airport for the measurement of aircraft noise. The frequency of sound, the continuous sound level, the route allocation, the number of aircraft movements, the allocation of operating directions and lanes, and combinations of types of aircraft are depicted using diagrams and tables. What makes this service really special: the data can be traced back over a twelve-month period. Developments can simply be traced by viewing a chronological depiction of the data for the individual months.

Climate protection

At the beginning of 2018, Düsseldorf Airport's commitment to environmental issues and to the reduction of carbon dioxide (CO_2) emissions produced by its operations once again received official recognition in the form of the award of the seal of approval of the prestigious climate protection programme "Airport-Carbon-Accreditation" (ACA) for Level 3 "Optimisation". The year under review was 2016, with the corresponding report being submitted at the end of 2017. The documents for re-certification in the year under review 2017 were submitted in December 2018, and the matter is still pending. Düsseldorf Airport was able to present both a comprehensive climate protection strategy and a valid CO_2 balance in its application for Level 3 certification ("Optimisation") . The CO_2 balance for 2015 as submitted includes the volume of CO_2 missions produced by activities and systems which are directly under the Airport's control in accordance with Scope 1 (internally generated energy and fuel), Scope 2 (quantities of energy purchased from third parties) and Scope 3 of the ACI Scope 3 emissions are emissions produced on site by third parties and over which the Airport has no direct influence, i.e. quantities of emissions produced by aircraft during the LTO (landing and take-off) cycle, by third-party handling companies or by feeder traffic, by way of example.

In 2017, 47,106.77 t of CO_2 emissions were produced. This represents a further reduction of 5.5 % as compared to the absolute quantity produced in 2016, namely 49,866.27 t of CO_2. The simultaneous increase in the number of traffic units meant that the emissions per traffic unit could be further lowered by 9.95 % to 1.84 kg, i.e. below the median value for the past three years of 2.25 kg / TU (average for 2014 – 2016).

Due to the fact that the reduction target of 2.55 kg / TU (traffic unit) for Scope 1 and Scope 2 emissions produced at Düsseldorf Airport originally stipulated for 2020 has consistently been adhered to in recent years, the Airport has now set itself a new relative, and for the first time also absolute, reduction target for 2030. The relative CO_2 footprint in kg of CO_2 per TU should fall to 1.3 kg / TU by 2030, which represents a 54 % reduction as compared to the base year 2010. At the same time, the absolute emissions should fall to 38,500 t of CO_2 by 2030, which represents a 35 % reduction in carbon dioxide emissions as compared to 2010.

Outlook and Opportunities and Risks Report

Outlook

Economic and sector-specific outlook

The financial boom which has been experienced by the German economy since last year lost momentum somewhat in the year currently under review. In particular, there was a significant increase in the risks to foreign trade, with the economic forecasts drawn up over the course of the year being adjusted downwards.

According to the December forecasts of the leading institutions, the gross domestic product is expected to grow by 1.6 % (DIW) or 1.8 % (IfW) in 2019, with the researchers also expecting a similar growth rate in 2020. while the ifo Institute predicts GDP growth of only 1.1 % in 2019.

Application for and coordination of slots for the summer of 2019 (on a standardised 31-week basis)

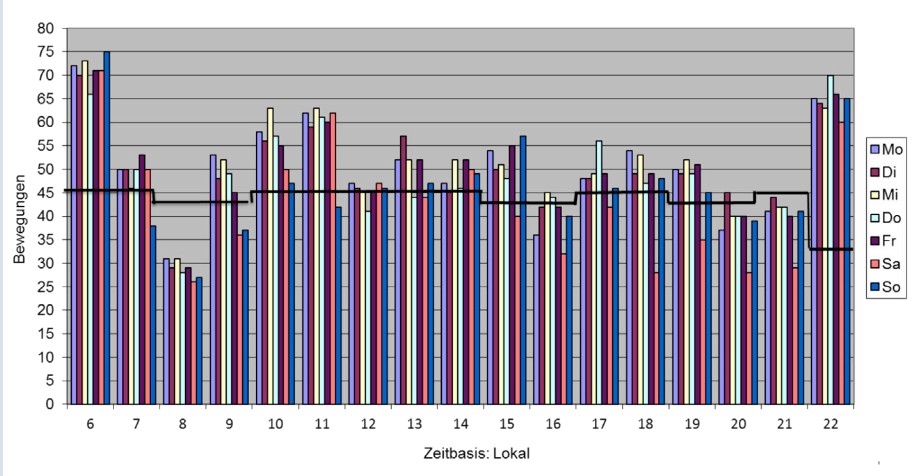
At the meeting of the Coordination Committee held on 5 September 2018, it was unanimously resolved that the coordination parameters for the summer 2019 flight schedule of 43 aircraft movements (one-way operations) or 45 aircraft movements (two-way operations) would remain unchanged. A standardised duration of 31 weeks has been applied for the summer season 2019 in line with preceding seasons for comparison purposes.

A total of 187,466 requests for slots at Düsseldorf Airport for the summer of 2019 had been submitted by the deadline of 4 October 2018, which represents a decrease of 11.6 % in the number of applications for aircraft movements as compared to the corresponding number made in the previous year for the summer 2018 flight schedule. It should be noted in this regard that this does not constitute a truly negative development due to the fact that the number of requests for slots made with regard to summer 2018 included slots historically allocated to Air Berlin and FlyNIKI (approximately 30,000 slots).

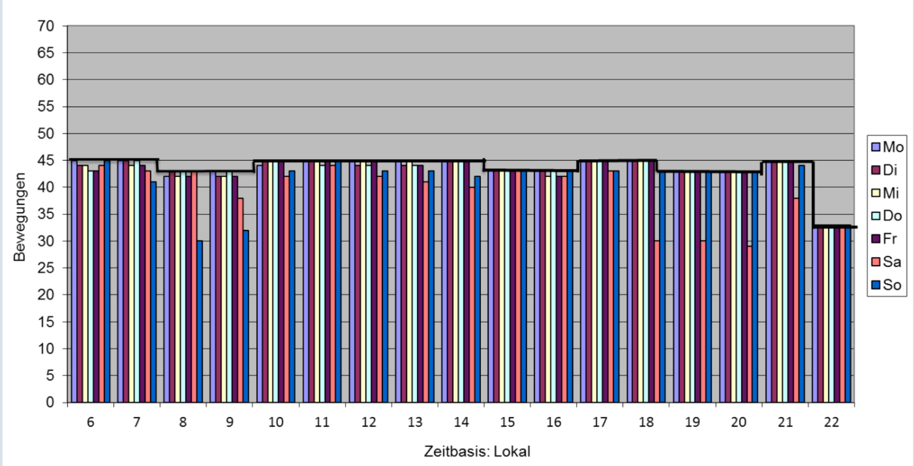
In this context, requests were once more submitted by the airlines at Düsseldorf Airport for significantly more aircraft movements during peak hours – up to 73 slots per hour – than may be allocated by the airport coordinator (maximum: 45 aircraft movements / hour in the case of two-way operations). The highest number of slots requested for a single day was in excess of 900 slots - with a maximum of 747 coordinated slots / day actually being legally possible.

Following the initial coordination for the summer of 2019, the airport coordinator allocated coordinated 153,941 slots for scheduled and chartered flights at Düsseldorf Airport, which represents a difference of -1.8 % as compared to the initial coordination for the summer of 2018, with the number of slots which the Airport coordinator was unable to allocate being in excess of 33,000, i.e. only 82 % of the demand for slots could be met in Düsseldorf.

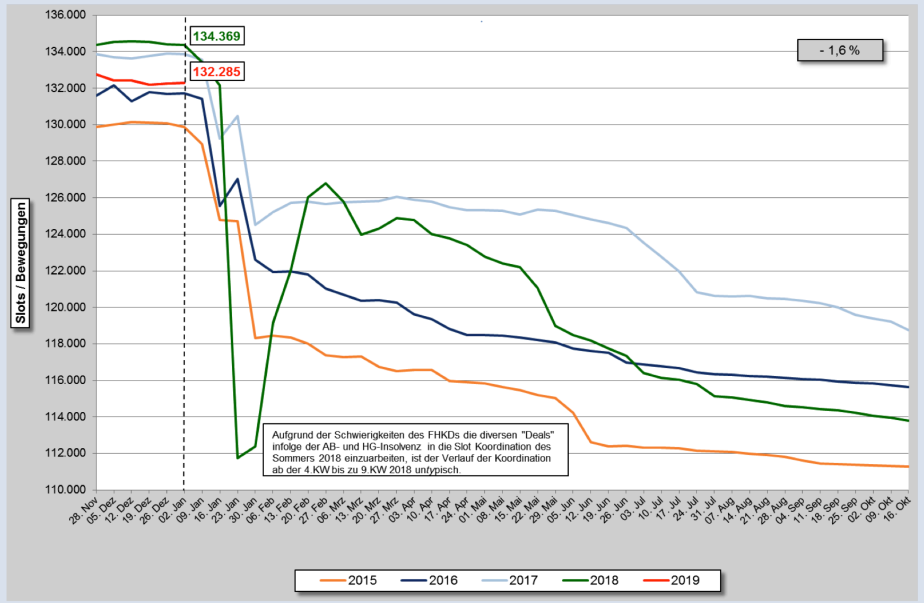
As at 2 January 2019, 132,285 slots had been coordinated for the summer 2019 flight schedule, which constitutes 1.6 %, or 2,084 fewer coordinated aircraft movements than in the equivalent period in the summer of 2018.



Sample week depicting the application data available with regard to summer 2019



Sample week depicting the initial coordination data available with regard to summer 2019



Development of the coordination status (scheduled & chartered flights) for May to October 2015 – 2019

Outlook for 2019

The management of FDG anticipates, on the basis of the framework conditions for traffic development described in the foregoing, that the number of passengers at Düsseldorf Airport in the business year 2019, at 25.5 million, will be approximately 1.2 million higher than in 2018. Sales are expected to rise in both the aviation and the non-aviation context as a result of the rise in traffic volume. The operating result is expected to increase to approximately EUR 100 million. All in all, Flughafen Düsseldorf GmbH is set to experience a continual improvement in its earnings situation.

The current projections have been drawn up on the assumption that the remaining shell companies BISAWA and Estamin will be merged with Flughafen Düsseldorf GmbH in the coming business year.

Material investments to be undertaken in the coming business year, in addition to replacement investments, will relate to the commencement of the construction of a new car park and the demarcation of the Airport grounds.

On the basis of the framework conditions described in the foregoing and the market reports for Düsseldorf, the Property Management business division expects its operations to continue to develop at a steady pace. Demand for office premises at the Airport City location remains stable, with the vacancy rate remaining correspondingly low. The interest on the part of project developers and property companies in continuing to invest in this location also remains unchanged. The earliest possible point in time for the sale of further premises in Airport City II will depend on the progression of the approval procedure for the land development plan (Airport City II).

In 2019, the cash flow from current business activities is likewise expected to be greater than in 2018. As a result of the persistently high level of investment activity, and in view of the pivotal distribution of the entire amount of the current year-end profit, it is expected that new long-term net loans in the amount of up to EUR 60 million will be taken out.

The restructuring of FDGHG is set to continue. FDGHG also plays a significant role in Düsseldorf Airport's quality assurance endeavours in the operational context.

Overall, the management believes FDG to be well placed to continue along its successful growth trajectory.

Opportunities and risks report

Management of opportunities and risks

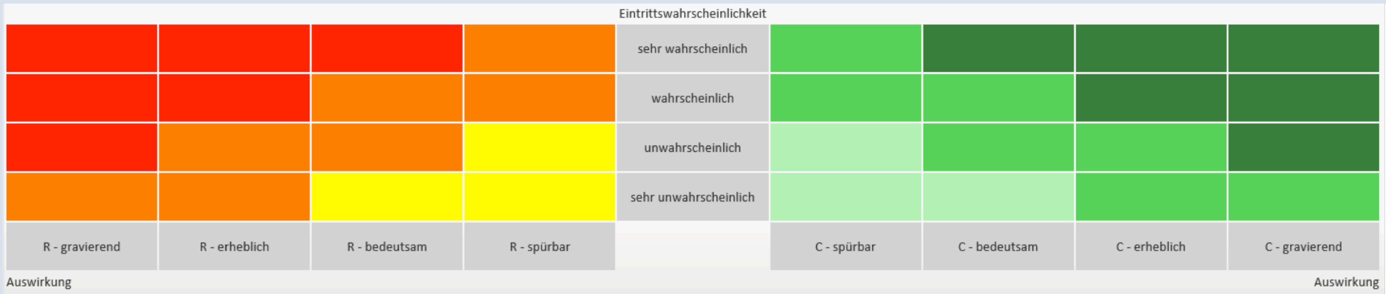
The extensive opportunity and risk management system in place at Flughafen Düsseldorf GmbH, which also extends to its subsidiaries, enables the company to promptly and comprehensively identify material opportunities and risks for the future development of its business. The associated processes can essentially be broken down into the following phases: identification, assessment, management, monitoring and communication, the operationalisation and implementation of which is governed by internal Opportunity and Risk Management Guidelines.

It is the company's central opportunity and risk management system which, as part of the corporate controlling organisation, is responsible for managing overarching opportunities and risks. Regular updates are undertaken by the risk owners and risk officers of the individual business divisions and the affiliated undertakings, who assess any identified opportunities and risks and develop and follow up on the implementation of appropriate management and monitoring measures. This process is underpinned by the maintenance of detailed documentation of the entire risk management system by means of software provided in the form of a central database for all identified opportunities and risks and related measures. The emergence of material new opportunities and risks must be immediately reported by way of ad hoc notification, separately from the regular reporting process. Furthermore, an inventory of the opportunities and risks is conducted at the Group level on a quarterly basis.

Opportunities and risks are allocated to one of three categories of opportunity or risk, respectively. Opportunity / risk category A represents the highest level, opportunity / risk category B a moderate, and opportunity / risk category A a low level, of (risk) potential. This system of ranking underscores the relative significance of the opportunities and risks in the risk reporting context. All A category opportunities and risks are subjected to a quantitative assessment and monitored over a period of several years. "Multi-year evaluations" of this sort provide a clearer indication of the impact on the company's business plan of the opportunities and risks in question.

For the purposes of the quantitative assessment, a specific range of amounts is assigned to each of the criteria for determining the extent of such impact, however this may vary from one company to the another, given that the extent of the damage / impact will affect each company differently depending on its particular net assets and earnings situation.

Between 60 and 70 opportunities and risks are actively managed within the Group over the course of a given year.



Significant opportunities and risks

In the traffic context, the traffic projections on which the company's business plan is based indicate the existence of a risk of route cancellations, withdrawal from the market by airlines, strikes, terrorist attacks, changes in the economic situation and a generally lower degree of aircraft utilisation. A further, unassessed risk relates to the potential impact of Brexit on the aviation sector, in the event that the UK Parliament votes against the proposed compromise negotiated by the EU and the UK Government. The United Kingdom is set to withdraw from the EU at the end of March 2019. The airlines have been preparing themselves for all possible scenarios since the referendum in 2016. Without new post-Brexit rules, UK airlines and airports will be faced with a chaotic state of affairs which may have unforeseen consequences. The possibility cannot be excluded that economic crises occurring within the eurozone and also political conflict may have an effect on business and tourist travel.

The development of the non-aviation business areas is likewise subject to risks and opportunities. For example, the rental business could experience losses as a result of the termination or non-extension of rental contracts, which would then have to be offset by some other means. The advertising business is highly dependent on the development of the economy as a whole, however it still offers in the wake of the emergence of new forms of advertising and increasing digitalisation. The parking business is characterised by volatile prices and a highly competitive environment, and the Airport has taken steps to counteract these factors in the holiday parking sector by establishing the "Parkvogel" brand via its subsidiary Sita Airport IT GmbH. This business will be transferred back to FDG as at August 2019. The expansion and modernisation of the F&B and retail space at the Airport will bring about an increase in retail revenues, with the trend towards digitalisation also providing marketing opportunities in this context.

On 15 June 2015, the State Ministry of Transport (Landesverkehrsministerium) passed a decision with regard to the granting of planning permission for the construction of airport aprons in the western sector of the Airport grounds. The cities of Ratingen, Kaarst, Meerbusch and 10 private individuals have already appealed against the decision and filed an application to have it overturned; furthermore, Meerbusch and the 10 aforementioned private individuals have filed a petition for the re-establishment of the suspensive effect of the actions brought by them. By way of judgment handed down on 08/06/2018, the OVG dismissed all of the four actions brought against the plan approval decision and denied the parties in question further leave to appeal. Some of the applicants then appealed against such denial of leave to appeal. The plan approval decision is, however, enforceable, i.e. construction may continue. Should the appeals against the denial of leave to appeal be allowed, the legal proceedings would be resumed and it would not be possible to use the properties which have already been built.

The business plan has been drawn up on the basis of an assumption that the extension of the operating license will be granted, with the initial repercussions for air traffic being felt from the summer flight schedule 2023 onwards. There is a possibility that the Ministry of Transport may issue the plan approval decision earlier than expected and that the first positive effects thereof will already manifest in 2021. with the granting of planning permission and the resultant increase in traffic volumes being expected to result both in necessary investments in infrastructure and in positive effects on earnings due to additional aviation and non-aviation revenues. If the application for increased capacity is not approved, the development of the Airport's business operations is likely to experience stagnation.

Airports are subject to particularly stringent monitoring by public stakeholders and opinion leaders. A multitude of potentially negative issues could expose the company to the risk of a loss of reputation / damage to its image damages at the public relations level, should it fail to act in an appropriate manner in response thereto. There is also a derived risk that the damage to its reputation could cause travellers to seek out other airports within the region, with such loss of customers potentially having an adverse effect on the company's earnings situation. The risk of of a loss of reputation may result from all types of scenario with different probabilities of materialisation and effects. One example relates to the delays in the baggage-handling context and the shortages of staff at some security points experienced in 2018. Given that FDG does not itself have any contractual relationships with the external providers of the baggage-handling and security services in question, it has only an indirect influence on the manner in which those services are performed; however, it is Düsseldorf Airport which is the responsible party in the eyes of the passengers affected. The company endeavours to address this issue by holding regular meetings to discuss the matter, by imposing contractual penalties in accordance with the Airport User Regulations and by offering to carry out the security checks on behalf of the Federal Government.

One source of risk over which Düsseldorf Airport ultimately has no control relates to weather conditions and damaging events, with snowfall and icy conditions potentially posing a threat to air traffic and thus FDG 's sales. This same will apply in the case of natural disasters such as volcanic eruptions – such as those most recently occurring in the business year 2010. The de-icing business of Flughafen Düsseldorf Ground Handling GmbH (FDGHG) is also greatly dependent on weather conditions, and as such may equally constitute an opportunity for or a risk to this subsidiary.

The liberalisation of the ground handling services which have been performed by FDG's wholly-owned subsidiary FDGHG since 2004 has resulted in a sustained strengthening of competition in this context, The implementation of the restructuring concept developed in 2012 / 2013 is currently underway. It discontinued its aircraft and baggage handling activities for airlines on the basis of direct contractual relationships as at July 2018. The main elements of its service portfolio comprise the conveyance of passengers and crews to the Airport apron, the de-icing of aircraft and, to a greater degree, the performance on stipulated services on behalf of FDG. Moreover, it provides isolated services to the other providers of handling services and itself handles special flights on an individual case basis However, in spite of the staff cutbacks which have already occurred, there is a risk that the implementation of the other planned restructuring efforts may not be possible. In addition, there is a risk that an amount of compensation may have to be paid to the payments to the supplementary pension fund for the Rhine region (Rheinische Zusatzversorgungskasse – RZVK) on grounds of possible substantial staff losses.

The Environmental Agency (Umweltamt) of the City of Düsseldorf has been testing samples of ground water from northerly areas of the city for possible perfluorinated tenside (PFT) contamination since 2007, identifying high concentrations of PFT in soil and ground water on the airport grounds and also in the ground water in Kaiserswerth, Kalkum and Lohausen. A hazard assessment was carried out on the basis of numerous such tests, and three ground water treatment facilities were installed at the former fire drill pond in November 2015, at the Fire Station North in May 2016 and at Runway South (Atlas Air accident site) in June 2016 following the successful trial of a pilot system. A provision for the anticipated testing and decontamination measures was established and reported in the annual financial statements as early on as 2010. The decontamination endeavour also extends to the PFT contamination plumes identified in Kaiserswerth, Kalkum and Lohausen, and FDG is currently consulting with the authorities as to the targets and additional measures to be pursued in this regard. No mandatory statutory thresholds or decontamination targets have been stipulated with regard to soil and ground water, nor is it definitively clear whether FDG is solely responsible for the contamination or may have a claim for the recovery of at least some of the costs borne by it. Moreover, additional construction costs may be incurred in connection with underground engineering work where the soil is contaminated with PFT and must be disposed of separately. The projects in question may also be subject to delays.

An EEG price share has been set for 2019 in the amount of 6.41 ct / kWh in accordance with the German Renewables Energies Act (*Erneuerbare Energien Gesetz* – EEG). It is also expected that EEG-related costs will continue to rise, or additional costs will be incurred, in the next few years in the wake of more extensive use of renewable sources of energy. Rising energy costs generally entail a risk to the development of FDG's business. Measures have already been taken to address this risk in recent years and FDG's management has also considered and implemented other means of minimising its exposure in this regard, for example by increasing the company's self-sufficiency.

FDG has for years been expending considerable effort on its noise protection activities, i.e. on limiting the degree of noise pollution caused by air traffic in residential areas located in the immediate vicinity of the Airport. The prolongation or extension of operating permits has in the past often been subject to the imposition on FDG of obligations with regard to noise protection measures. FDG has established corresponding provisions for the current noise protection programme. However, it cannot be said with any degree of certainty that these provisions will prove to be sufficient, nor can the possibility be excluded that the airport may in fact be subject to further noise protection obligations in the future.

IT systems are exposed to latent potential risks as a result of the fast-paced development of information and communications technology and an ever growing degree of interconnectedness, as well as the rapidly rising threat of cyber attacks. In addition, the legal requirements imposed on operators of critical infrastructure by the German IT Security Act (*IT-Sicherheitsgesetz*) and the stipulations of the Ordinance Governing the Designation of Critical Infrastructure in Accordance with the Act on the Federal Office for Information Security (Verordnung zur Bestimmung kritischer Infrastrukturen nach dem BSI-Gesetz – BSI-KritisV) must be complied with. An active and precautionary approach to the management of IT security issues will take account of such matters; it will furthermore ensure compliance with the applicable data protection regulations.

FDI is currently involved in an approval procedure for the land development plan for the continued development of the business park at the Airport, with a view to enabling the realisation in subsequent years of profit from the sale of land or from potential proprietary developments. The company intends to realise additional gross floor area in the amount of approximately 65,000 m^2 by the end of 2029 as part of the continuation of the second construction phase (Airport City II). The sale of the first building plot for Airport City II planned for the business year 2018 had to be postponed until 2019 as a result of a delay in the B Plan proceedings caused by a height restriction, which was revoked by the end of the business year, thus enabling preparations to be made for the resumption of the B Plan proceedings. It is hoped that legal validity will be conferred by the third quarter of 2019. The primary risk relates to delays in the Airport City II project as a result of further delays in the property-related negotiations with the City or the non-attainment, contrary to expectations, of legal validity for the land development plan. In addition, the U81 construction measure may have repercussions for the development of Airport City II and the related marketing activities.

Flughafen Düsseldorf Cargo GmbH (FDCG) is greatly dependent on changes in tonnage, which in turn are highly dependent on the economic climate. Moreover, it is precisely intercontinental connections which provide opportunities for additional tonnage. Opportunities and risks will accrue to FDCG as a result of the development of these influencing factors.

Risks arising out of the use of financial instruments

FDG is not subject to any noteworthy exchange rate risks with regard to either its sales or its procurement activities.

The risk of any non-recovery of accounts receivable is handled by means of comprehensive payment reminder mechanisms. Given that the nature of FDG's business means that classic types of credit limit system can only be applied to a limited degree, its customers are required to pay deposits, among other things, the amount of which must be maintained for the entire duration of the business relationship in question. Appropriate value adjustments of doubtful accounts receivable are undertaken.

Reference is made to the foregoing statements with regard to risks arising in connection with the Group and the investments (holdings) of FDG.

Some of FDG's loan financing activities are subject to variable interest rates, usually on a EU-RIBOR basis, with FDG striving to hedge against this risk to a comprehensive degree while leaving a certain, smaller portion unhedged to leave some room for interest rate-related opportunities. The so-called Treasury Board resolves upon the overall extent of the hedging to be undertaken, and also upon individual hedging transactions. As at the end of 2018, the proportion of overall loans represented by fixed interest loans or loans secured by way of SWAPs was approximately 95 %. The only forms of hedges used by FDG are so-called micro hedges. The sole hedging instruments used are interest swaps. The effectiveness of hedging is determined on the basis of the so-called critical-terms-match method. Provisions for contingent losses are established for those portions of the existing valuation units which prove to be ineffective as a result of differences in the critical terms applicable to the underlying transactions and the hedging transactions. In the case of loan tranches with attached repayments, care is taken to ensure that a "repayment" is also executed for the hedging instrument. In some cases, the loan tranches are not hedged for their entire residual term. Interest swaps with a term extending beyond that of the underlying transaction (so-called rate anticipation swaps) have been entered into in some cases. Efforts are made, in the interests of maintaining the valuation unit as between the existing interest swap and an underlying transaction, to ensure that FDG's strategy also provides for follow-up financing. So-called forward interest swaps are entered into by way of follow-up hedges, where appropriate. The hedging transactions described in the foregoing will generally be recognised on the balance sheet as valuation units together with the loan (portion) in question, such that no further risks will arise in connection with the (forward) interest swaps themselves in this regard. Any negative market values will be covered by provisions. FDG took advantage of the low interest rates in 2018 to obtain financing for 2019, with the result that bilateral loans in the total amount of EUR 120.0 million are available for disbursement in 2019. Refinancing and new financing arrangements as of 2020 would be likely to result in higher interest expenses were the yield curve to rise more quickly than currently projected.

The consortium loan agreement comprises so-called financial covenants, non-compliance with which could result in the termination of the loans. Specifically, these covenants pertain to the maintenance of an economic equity ratio and a minimum ratio of cash liquidity to average degree of servicing of debts for the next 5 years, with cash liquidity in this context being taken to mean a type of cash flow. The possibility of (future) non-compliance with financial covenants currently seems highly unlikely.

Overall evaluation of risks and opportunities

FDG's risk situation within the FDG Group appears to be a manageable one overall. No risks which could compromise the Group's continued operation as a going concern are discernible at the present time.

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Flughafen Düsseldorf GmbH

Thomas Schnalke
Michael Hanné
Dr. Martin Kirchner-Anzinger

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Düsseldorf Airport
P.O. Box 30 03 63
D-40403 Düsseldorf

Telephone +49 211 421 0
Fax +49 211 421 66 66

dus.com