/Perspectives

Munich Airport: Annual Report 2013

Living ideas – Connecting lives

Perspectives

We are an airport operator. We run a major piece of aviation infrastructure – part of an international, interconnected transport network that sustains global mobility and unites people across national boundaries. We are also a responsible corporate citizen who seeks an open, fair and balanced dialogue with stakeholders and interest groups and for whom the long-term protection of the environment, climate and natural resources is paramount. As such, we pursue a forward-looking business strategy intended to strike a successful balance between business, environmental and social objectives. We provide our dedicated workforce with the training and continuing education they need to be their best; we offer attractive, long-term employment; and we deliver valuable economic and labor-market stimulus with a reach far beyond the bounds of our airport. Our goal: to create value – for our customers, employees, owners and host region.

/Message

Munich Airport is a success story: one we are looking to continue and develop in the future; and one that finds expression in our new brand identity. The essence of the new brand is simple: **Living ideas – Connecting lives**. Together with our customers and partners, we are rising to the challenges of the future and are drawing on our knowledge and innovative approaches to develop today the dynamic solutions for tomorrow. Our apprized brand helps us create sustainable values for the airport, our employees, our customers and partners.

/Perspectives 2013

Motivation

Our goal is to sharpen our customer focus and enhance the appeal of the products and services we offer air travelers and visitors.

We work to conserve resources and reduce our environmental impacts out of respect for the environment and future generations.

We believe in supporting and empowering our employees, creating value for our customers, and partnering with our region to promote growth.

Markets

A balanced contribution by all divisions to revenue and value creation levels out cyclical fluctuations and contributes to a sustainable development of earnings.

Reduction of environmental impacts resulting from operation of the airport and a conservation-minded approach to dealing with the resources employed are applicable for the entire value-creation chain of our portfolio of services and products.

We promote cooperative development with the region, assume responsibility for our employees, and create added value for our customers.

Message

This year's report focuses on the concept of message.

Our brand is an investment in the future and indispensable for the economic growth in our strategic fields of action.

Economy

Forward thinking, sustainable and responsible corporate development is crucial to the growth of the airport. This is why a core element of our brand value is our commitment to conserving resources and protecting the environment.

Environment

At the heart of our business model is the constructive cooperation within the company and with partners. No better is this highlighted than in the core of our brand: »Living ideas – Connecting lives«.

Company and Employees

/Contents

Munich Airport in Brief 2013
Facts and figures on Munich Airport

Brand attributes

Appealing

We inspire. More passengers than ever before used Munich Airport in 2013. And we are looking to grow further as an attractive location in the future.

p. 18

Farsighted

We are experts in sustainable airport operations. Our work encourages to think one step ahead – as we did in 2013, to protect the environment and conserve resources.

p. 20

Passionate

Of course we are passionate about what we do. Together we are deeply committed to our company, the region and the society.

p. 22

/Executive board

Dr. Michael Kerkloh
President and Chief Executive Officer
Personnel Industrial Relations Director

Thomas Weyer
Vice President and Chief Financial Officer
Chief Infrastructure Officer

/Executive board

»The new brand is an important investment in the future and reflects our diversity and our vibrancy.«

»›Living ideas – Connecting lives‹ is at the heart of our brand in Munich and around the world. Our international business is becoming increasingly important.«

/CEO's letter

Dear Reader,

»Living ideas – Connecting lives« – this has been the calling card in our communications since the fall of 2013. Not only does the claim go hand in hand with our new logo, our new brand appearance and newly defined standards of our work, it also accompanies the development of our strategy: a vision comprising concrete measures and goals in five strategic fields of action which defines our sustainable development up to 2025.

We have undertaken these initiatives from a position of strength. Despite difficult underlying conditions, Munich Airport closed 2013 having handled a record 38.7 million passengers and having achieved outstanding financial results. The Munich Airport Group posted excellent net profit (EAT) of nearly € 100 million, in line with the level of the prior year. Although we witnessed a drop in the number of aircraft movements of some four percent, consolidated revenue of around € 1.2 billion matched that of 2012. Cash flow – a key performance indicator for investments – rose by € 24 million to € 465 million. In line with this, Bavaria's air traffic hub is one of the few German airports that is currently in the profit zone. Neighboring municipalities also stand to gain from Munich Airport's encouraging results with nearly € 30 million in local trade tax being transferred in 2013.

These results vindicate our strategy in a difficult environment. The economic slump in many European countries has dampened demand in European air traffic. At the same time, enormous competitive pressure is also forcing German airlines to consolidate. On top of this, airlines and airports in Germany were again hit by the national aviation tax introduced in 2011. This levy not only distorts the market by making flight tickets in Germany more expensive, it also leads to many passengers switching to nearby airports in neighboring countries or to using alternative means of transport.

We also witnessed an extremely positive trend in our non-financial KPIs, which we use to observe corporate developments. Up front, these included the quality of our service performance, cuts in carbon emissions and employee retention. Munich Airport scored top marks when it comes to passenger appreciation, for example. Munich Airport was chosen as the »Best Airport in Europe« for 2014 by London-based market researchers »Skytrax«, and Munich's airport crew as the best airport team in Europe. Only Singapore and Seoul ranked higher in a global comparison.

We owe this success to the commitment of our employees, the positive collaboration with our business partners both on and beyond the airport campus and to the support given by the local region. We will be looking to maintain such dialog in the future and to consolidate common ground.

The topping-out ceremony in September, 2013 for the satellite building extending Terminal 2 marked a key milestone in our strategic expansion plans. Completion of the satellite, which will provide an additional 27 aircraft parking positions, is envisaged for 2015. New plans have also been drawn up to refurbish and expand Terminal 1 that aim to increase both capacity and the appeal of the terminal. The pan-EU tender for project management and planning services were prepared in 2013. Investment volume for the project is anticipated to reach several hundred million euros. From today's standpoint, construction is expected to begin in 2016.

Ongoing and planned terminal expansion measures on the one hand and the strategic positioning on the other are key cornerstones to equip Munich Airport to face the growth forecast in passenger numbers. At the same time, we also have an eye on developing the available runway system. In February 2014, the Bavarian Higher Administrative Court dismissed objections against the planning approval. The third runway remains necessary and is a one-off strategic opportunity to develop Bavaria and Germany as an attractive location for business. This is an opportunity we have to take.

We are cautiously optimistic for the current fiscal year. We are anticipating a slight rise in passenger volumes and also expect results to improve. Besides pursuing our goals in the fields of action, we will also be paying special attention to the continued improvement in our service quality on the road to becoming Europe's first five-star airport. At the same time, we are looking to enhance our carbon footprint and increase employee satisfaction. We would be delighted to have you with us on this journey.

Dr. Michael Kerkloh

/Management team

↑ from left to right
Josef-Heinz Loichinger Director, Senior Vice President Finance and Controlling
Helmut Mahl Chief Executive Officer FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH
Christian Stoschek Chief Executive Officer CAP Flughaften München Sicherheits-GmbH
Carsten Wilmsen Director, Senior Vice President Real Estate
Jörg Ebbighausen Senior Vice President Corporate Development

↖ from left to right
Siegfried Pasler Chief Executive Officer, AeroGround Flughafen München GmbH
Michael Roth Senior Vice President Corporate Services
Christian Wallner Chief Executive Officer, Terminal 2 Gesellschaft mbH & Co OHG
Rainer Beeck Director, Senior Vice President Consumer Activities
Sven Zahn Chief Executive Officer, eurotrade Flughafen München Handels-GmbH
Michael Richter Chief Executive Officer, AeroGround Flughafen München GmbH
Hans-Joachim Bues Senior Vice President Corporate Communications

from left to right
Wolfgang Lohde Chief Executive Officer, Flughafen München Baugesellschaft mbH
Manfred Zötl Chief Executive Officer InfoGate Information Systems GmbH
Dr. Josef Schwendner Director, Senior Vice President Legal Affairs, Compliance and Environment
Alexander Borgschulze Senior Vice President Security
Michael Zaddach Senior Vice President IT

from left to right
Gerhard Halamoda Chief Executive Officer Allresto Flughafen München Hotel und Gaststätten GmbH
Florian Glück Chief Executive Officer MediCare Flughafen München Medizinisches Zentrum GmbH
Dr. Ralf Gaffal Chief Executive Officer Munich Airport International Beteiligungs-GmbH
Johann Bernhard Director, Senior Vice President Engineering and Facilities
Dr. Robert Scharpf Director, Senior Vice President Human Resources
Andreas von Puttkamer Director, Senior Vice President Aviation
Josef Riepl Chief Executive Officer CAP Flughafen München Sicherheits-GmbH

Management team as of December 31, 2013

Not shown: Hans-Joachim Püschner, Chief Executive Officer EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH

The photographs of the Executive board and the Management team were taken in the »brand room« at Munich Airport.

/Highlights 2013

Third runway: Negotiations begin

On March 20 oral proceedings commence in the Bavarian Higher Administrative Court in respect of appeals against the planning approval notice for construction of the third runway. The proceedings examine whether the granting of planning approval to build the third runway by the Upper Bavarian government 18 months ago was just.

Daily flights to Vancouver

During the summer timetable season, which extends from March 31 through October 26, 2013, travellers can fly to 223 destinations around the world from Munich. New destinations: Expanding its intercontinental service, Lufthansa flies to Vancouver daily from May 16.

Once again number six worldwide

In a worldwide passenger survey conducted by the London-based aviation research institute, Skytrax, Munich Airport affirms its international ranking, taking sixth place behind Singapore, Seoul, Amsterdam, Hong Kong and Beijing. The »World Airport Awards«, conducted in April, heaps praise on both dining and hotel services with passengers rating Munich Airport's restaurants as the best in the world and the Kempinski Hotel as the best airport hotel in Europe.

Airport CEO with new responsibility

On June 11, Dr. Michael Kerkloh, CEO of Flughafen München GmbH, is elected to the Board of the Airports Council International for a term of three years.

T2 celebrates its birthday

On June 29, Terminal 2 celebrates its tenth anniversary. Planned, financed and jointly operated by Flughafen München GmbH and Lufthansa, the terminal has handled 2.8 million flights and 225 million passengers since it opened.

Aerospace Days stir interest

During the »Aerospace Days« on July 8 and 9, 15,000 visitors take a look behind the scenes of the airport. Munich Airport was just one of 20 locations throughout Germany participating in the air traffic industry promotion days.

2.5
new jobs every day

Job engine Munich Airport

The new study, »Munich Airport: the workplace«, presented in July reveals that the number of employees at the airport has increased by nearly 2,800 since the end of 2009 to 32,250 today. Viewed statistically, this means that Munich Airport generates 2.5 new jobs every day. Every three years Munich Airport releases its latest workplace survey, summing up key figures on employment trends at the airport.

Brand film goes viral on YouTube

An unconventional image trailer for the Munich Airport showing the airport and its staff in a congenial, appealing way becomes a real YouTube hit in August. The lipdub production showing employees mouthing the words to a song was viewed by more than 50,000 users from 80 countries within the first five weeks.

Daily Dreamliner flights to Munich

From September, Japan's largest airline All Nippon Airways uses the Dreamliner to fly from Tokyo-Narita to the Bavarian capital. After Qatar Airways, ANA is the second airline to deploy the Boeing 787 on its regular services to Munich.

Topping-out ceremony for satellite

More than 800 guests are in attendance at Munich Airport on September 12 to mark the topping-out ceremony for the new satellite facility that expands Terminal 2, which Flughafen München GmbH jointly operates with Lufthansa. An island on the airport apron, the satellite will have gate positions for a total of 27 aircraft, three more in fact than the larger Terminal 2. Work on the satellite is proceeding on schedule and is due for completion in 2015.

Day care center opens

The »Airport-Hopser« moves location. September 19 sees the opening on the new children's day care center in the airport's visitors' park. The new center, which accommodates children of parents working for FMG, its subsidiaries and other companies located in the airport, will increase the number of available places from a current 30 to 48 children. Just opposite from its previous home in the premises of the Flight Operations Center, the new building offers much more space and many more options for playing and handicrafts.

Condor: Long-haul comeback

For the new winter timetable from October 27, 2013 through March 29, 2014 airlines have scheduled about 146,000 flights. Condor returns after a six-year absence offering eight long-haul routes to holiday destinations.

/The new brand

Flughafen München GmbH (FMG) has a new brand identity. It provides orientation through clear focus, sets out a unique standard, differentiates Munich Airport from its competitors and lays the foundations for current and future growth. In generating a common identity the new brand reinforces the feeling of belonging within the enterprise.

How it all began

From the beginning there was the desire to strengthen the we feeling and to emotionally enhance the way we appeal to external groups. In the search for a suitable agency the choice was made in favor of brand consultants, Interbrand. In dialog with the management, the initial framework was defined for the new brand image and the clear desire formulated for a company with one culture and brand. This core statement always served as a guideline and fixed point for all decisions relating to the new brand strategy and architecture.

Central message

»Living ideas – Connecting lives« is the central message formulated at the heart of the brand, which points the way forward and conveys an identity for the airport. It stands for the unique range of services and experiences available at Munich Airport. The four values partnership, expertise, responsibility and innovation lay the foundation for the brand identity. The approach taken by the company and its employees in bringing these values to life in their everyday contacts with partners and customers is defined by the brand attributes »passionate«, »farsighted« and »appealing«.

A strong signal

The »M«, launched as the new airport's logo when it opened more than 20 years ago, has been freshened up as part of the rebranding: the biggest change in the logo is the so-called connector. It links the elements of M, that can take on the four colors blue, green, purple and orange and is an unmistakeable reminder of the core brand message: »Living ideas – Connecting lives« The logo is the common anchor in the overall appearance, reflects the brand identity and ensures that the company speaks with one voice. The company's own font, Munich Airport Pro, gives the brand appearance a strong and modern face.

A team built on passion

FMG's management and the brand team presented the new brand to around 4,000 staff mid November 2013. Staff were introduced to the new M – the new common logo for the whole enterprise – and the fresh colors and images. In workshops, employees were asked to play the part of the brand's core message »Living ideas – Connecting lives« and bring it alive.

Brand goes public

On November 25, 2013, Supervisory Board chairman, minister of state Dr. Markus Söder, FMG CEO Dr. Michael Kerkloh and CFO Thomas Weyer presented the new brand appearance to the public, describing it as a key symbol for the future direction of the company. They emphasized that the new brand was an investment in the future and indispensable for the economic growth in our strategic operating areas.


Ankunft Arrivals
Check-in 304–335

Economy

Appealing

Passengers & business partners

↘ **Friday, September 27 – the busiest day** of the year with 1,197 take-offs and landings plus 139,099 passengers

↘ **4.06 from** a possible **5** points and **2nd place** in the **Airport Service Quality (ASQ) rating** scheme

108 / +5 [1)]
passengers per flight

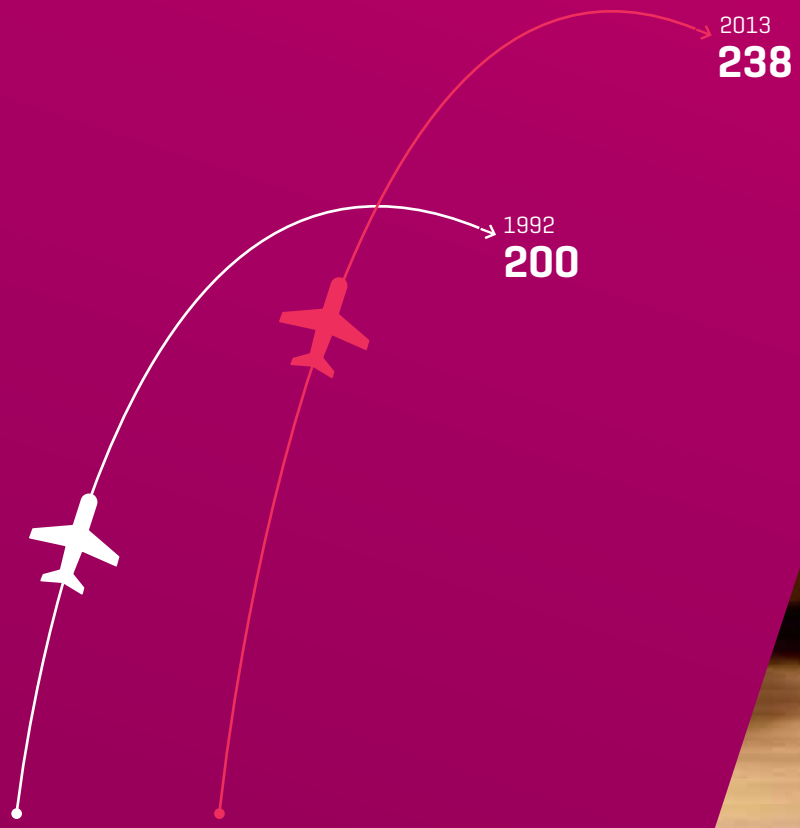
144 / +6 [1)]
seating availability per flight

75.2 % / +0.7 pp [1)]
capacity utilization

[1)] Change compared to the prior year.

152 shops and service facilities

Accolade for Munich Airport at the **European Business Awards**



Number of **destinations** flown to

Economy

Appealing

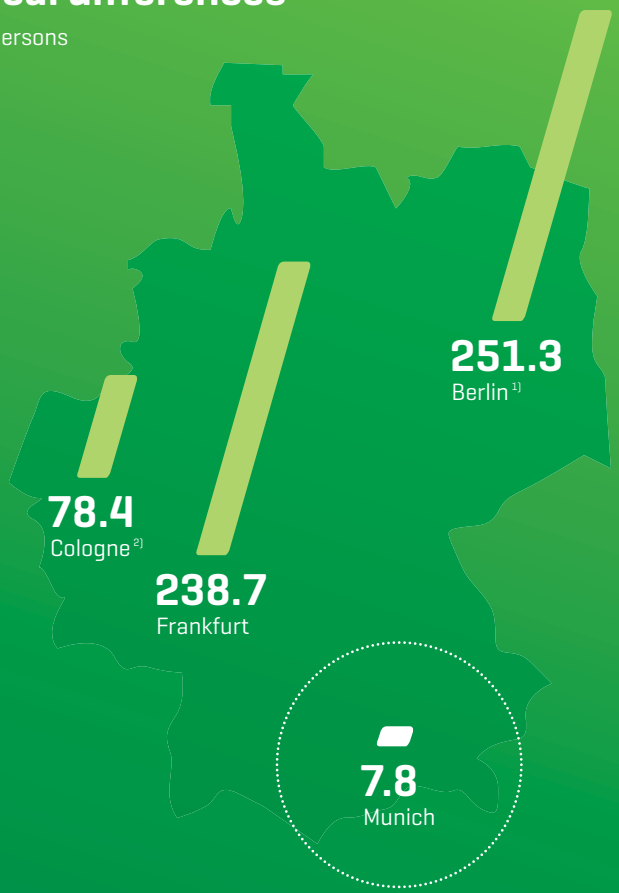

Farsighted
Environment

Neighbors & environment

- Munich Airport becomes the first major commercial airport to use energy-saving **LED technology** in apron lighting.

- Munich Airport saves **40,000 t of CO_2** every year through use of combined heat and power in its own CHP plant.

Impact of noise
Large local differences
Thousands of persons

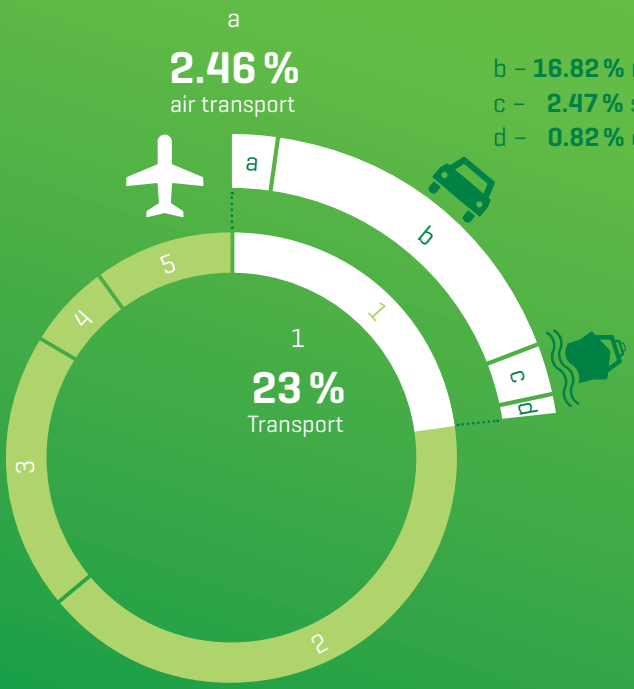


Source: Federal Environment Agency 2010
1) Berlin Tegel
2) Cologne/Bonn

2020: Munich Airport is aiming for climate neutral growth by the end of the year.

Munich Airport is actively committed to **climate protection**: CDP, aireg, ACA.

Air traffic contribution to global greenhouse gas emissions



b – **16.82 %** road
c – **2.47 %** shipping
d – **0.82 %** other sectors

2 – **41 %** heat and power
3 – **20 %** industry
4 – **6 %** domestic
5 – **10 %** other sectors

Source: German Aviation Association (BDL)/ International Energy Agency 2011

Farsighted
Environment

Passionate

Employees & employer appeal

One in four tax-paying employees in the communities of Erding and Freising **works at the airport.**

Airport businesses employ **695 apprentices** in 39 apprenticeship careers.

Paid employees
at Munich Airport

15,455
1994

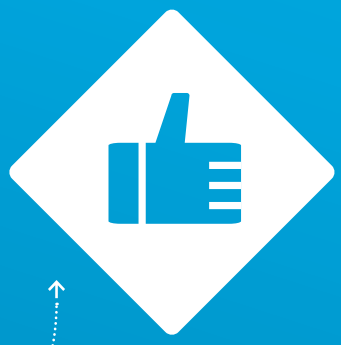
+109 %

32,250
2012

Day care center opening hours: 6 a.m. to 9 p.m. for practically the whole year

19 % part-time working quota in the Munich Airport Group

Employee retention index
Flughafen München GmbH



73 %
2013

61 %
2010

Company and Employees
Passionate

94 airlines
238 destinations
68 countries

Picture of the future 2025

New strategy with five fields of action

€ 1,184.4 million
Group revenue

58 million
Passenger forecast for 2025

Company profile and strategy

/Company profile

↗ Web
www.munich-airport.com/portrait

→ Management report
Organization and investment structure
see page 104

Corporate structure and overview

Flughafen München GmbH (FMG), founded in 1949, operates Munich Airport along with its 14 subsidiaries. Headquartered in Munich, the company has been co-owned by the Free State of Bavaria (51 percent), the Federal Republic of Germany (26 percent), and the City of Munich (23 percent) since 1973. Together with its subsidiaries, Flughafen München GmbH is a »full-service operator«, offering services across all sectors of airport management.

Opened on the new Erdinger Moos site in 1992, the airport became a leading European air traffic hub within just a few years. To continue this success story, 7,624 employees[1] contribute their skills and commitment to the Munich Airport Group. Besides its core business at Munich Airport, the Group's strategic unit »International Business« has also been providing consulting, management and operational services worldwide since 2010.

Structurally, all essential corporate functions of FMG are divided into business divisions, service divisions, and corporate divisions. While business units operate independently in their markets, service divisions primarily work internally and support the business divisions. Corporate divisions are responsible for overall management and control functions.

Structural organization of Flughafen München GmbH

[1] Including trainees, but excluding workers in marginal employment, contract workers and interns

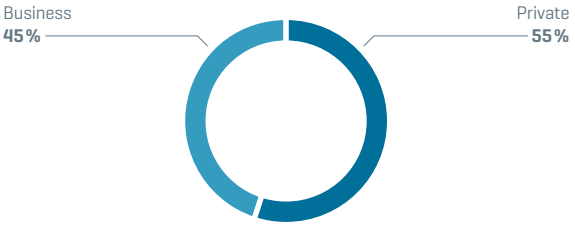
Again best brand among passengers

In 2013, 38.7 million passengers used Munich Airport, up nearly one percent year on year. This corresponds to average traffic of 105,952 passengers per day (2012: 104,810). In addition, there were 372,010 aircraft movements in commercial traffic, an average of 1,019 take-offs and landings per day (2012: 1,060). Ninety-four airlines flew to a total of 238 destinations from Munich in 2013.

In the period under review, 287,809 tonnes of airfreight and airmail were transported, down 0.9 percent on 2012. Each day, 789 tonnes of cargo were transported (2012: 793). In the period under review, 269,980 tonnes of airfreight were transported, down 0.8 percent on 2012.

Passengers' reasons for travel

Total passengers: 38.7 million



Source: Passenger survey 2013; 37,135 passengers questioned to gather data on traffic structure; projected base: 19.2 million boarding passengers

Destinations regulary served[1)]

[1)] Scheduled and package-tour traffic – passenger routes only

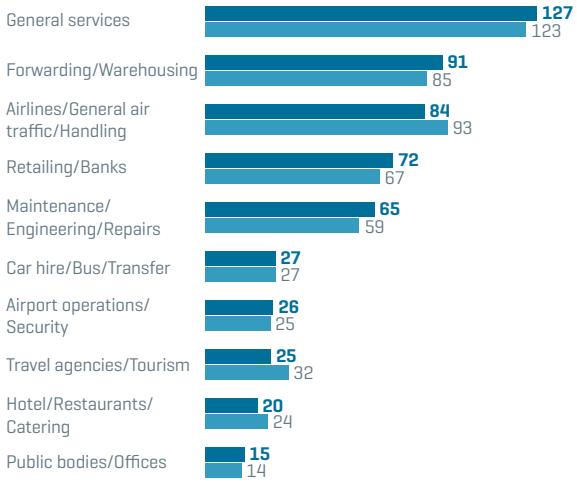
→ Glossary

Great diversity of business at the airport

The airport campus is home to over 550 companies from a variety of industries that offer a myriad of products and services. This industry mix creates a wide range of jobs. The two largest employers on the airport campus are the Munich Airport Group with around 8,200 employees and the Lufthansa Group with roughly 10,800. In total, 32,250 people work at the airport, including more than 27,600 employees and around 1,680 public servants, in ten different sectors and industries. The majority of airport workers (11,375) are employed by airlines or in the general air traffic and handling sectors; a further 8,098 work in airport operations and security; 2,939 are involved in general services; and 2,925 work in the hospitality, restaurant, and catering industry. Besides the various public and government agencies and offices, there are organizations in a number of other sectors at the airport – including retailing/banks, freight warehousing and forwarding, engineering, servicing and maintenance, car hire, bus and transfer services, and travel and tourism – which together employ a further 6,913 people.[1)]

Distribution of companies by segment

■ 2012 ■ 2009



Key economic figures (IFRS)

€ million	2013	2012	2011 [2)]	% change 2013/12
Group revenue	1,184.4	1,186.8	1,134.7	–0.2 %
Aviation percentage	51 %	51 %	51 %	
Non-Aviation percentage	49 %	49 %	49 %	
EBITDA [2)]	467.7	513.7	483.1	–9.0 %
EBIT [2)]	258.8	278.4	239.2	–7.0 %
Earnings after taxes [2)] (EAT)	98.6	95.3	60.9	3.4 %
EBITDA margin [2)]	39.5 %	43.3 %	42.6 %	
EBITDA / Pax (€) [2)]	12.1	13.4	12.8	–9.7 %
EBIT margin [2)]	21.9 %	23.5 %	21.1 %	
ROCE [2)]	6,1 %	6.5 %	5.6 %	
Cash flow from operations	457.0	440.8	436.8	3.7 %
Investments	284.6	235.8	141.7	20.7 %
Shareholders' equity	1,839.8	1,714.2	1,660.8	7.3 %
Equity ratio	34.1 %	32.6 %	32.0 %	
Net debt	2,400.5	2,502.8	2,563.5	–4.1 %
Net debt / EBITDA [2)]	5.1	4.9	5.3	4.1 %
Net gearing (Net debt/Equity)	130 %	146 %	154 %	

[2)] 2011 results adjusted for special effects: Provisions for regional fund (€ 82 million) and for ground handling (€ 96 million revenue)

[1)] Data based on a 2012 workplace study

Revenue at prior year level

At € 1,184.4 million, Group revenue fell marginally, just short of the prior year level. The decline in sales in Ground Handling was compensated by revenue growth in Non-Aviation areas. As in 2012, Non-Aviation areas accounted for nearly 50 percent of Group revenue.

Operating result and total earnings up slightly

Adjusted for one-off special effects, operating result (EBIT) rose three percent to € 266.8 million year on year.

Both 2013 and 2012 contain special effects in EBIT. Provisions of € 8 million were recognized in profit and loss for Ground Handling in 2013, while in 2012 a one-off amount of € 11 million was accounted for. In addition, EBIT 2012 contained one-off insurance compensation of € 8 million. Earnings after taxes (EAT) rose by nearly three percent to just short of € 100 million year on year. This was principally the result of an improved financial result.

→ Management report
Results and financial position from page 113

→ Glossary

/Strategy and Management

Picture of the future 2025

Strategy 2025 – road map for the future

In 2013 we defined our new Strategy 2025 for the Munich Airport Group. The seeds for the development of this strategy were sown back in 2011 with a scenario analysis on the future of mobility and air traffic that identified five strategic fields of action and their respective aims. These represent the most crucial strategic opportunities and challenges for Munich Airport and have been bundled together in our Picture of the future 2025, the heart of our new strategy.

→ Management report
Strategic outlook from page 125

→ Glossary

The strategic fields of action include:

- **Air traffic development**
  Munich Airport has set itself the strategic aim of building on its position as an air traffic hub. Increasing passenger demand is to be met by expanding capacity.
- **Landside access and traffic development**
  We are also looking to continue our developments to make Munich Airport a multimodal ground traffic hub. Besides improving rail access, we will also be promoting alternative travel approaches, such as car sharing, to enable passengers and employees to arrive at the airport quicker and more conveniently.
- **Seamless Travel**
  The transition between transport modes should be »seamless« for passengers at Munich Airport. To achieve this, ground handling processes such as passenger guidance and baggage handling have to be improved and the various modes of transport more closely interconnected. The deployment of mobile communications technology makes it possible to provide individualized travel information. The range of services focusing on passenger comfort all contribute to improving customer satisfaction.

- **Expansion of non-aviation business**
  A wide array of products, services and events have helped increase the appeal of Munich Airport. Now we are driving development ahead to become an Airport City and are expanding the campus in close collaboration with surrounding municipalities.

- **Off-campus growth**
  Munich Airport is also building up its international business to participate in the growth opportunities presented by the worldwide air traffic market and to hedge location risks. Our portfolio of consultancy services will be expanded considerably, founded on the expertise of our staff. In future, off-campus business will be targeting management services and investments in other locations.

Strategic management and governance

Strategic goals are divided among the units and broken down into initiatives and individual measures. Implementing corporate strategy extends from the top management creating a vision for the future down to management levels setting individual annual targets.

While the executive management is responsible for formulating and achieving the strategic goals, Senior Vice Presidents and business field managers at first and second levels are responsible for implementing the initiatives and measures derived from the strategic goals. The achievement of targets is also the foundation for performance-related remuneration. The latter also helps us to deliver our strategy effectively and achieve sustainability targets in the work carried out by our business units. The attainment of individual goals is reviewed on a regular basis within the scope of internal management reporting.

In 2013, besides pursuing our business goals we targeted issues such as improvements in service quality, carbon-neutral growth and employee retention. Alongside traditional financial KPIs of EBIT and EBITDA, these issues were reflected in non-financial performance indicators: Airport Service Quality (ASQ), cutting carbon emissions and employee retention.

Sustainability as an integral element of strategic management

Economic, environmental and social responsibility is an integral element of the strategic orientation of Munich Airport. Sustainable corporate development is the fundamental principle behind the strategy and the picture of the future 2025.

Each year, Munich Airport's strategic sustainability management identifies key issues of sustainable development, highlighted by surveying the concerns of internal and external stakeholders. Those addressed internally include managers and employees, while people surveyed externally include, among others, employees, business partners and local residents. These survey results are presented in a materiality matrix.

↗ Web
munich-airport.com/stakeholders

In 2013, the spectrum of issues in the materiality matrix was extended to include other key sustainability issues. The matrix now includes the topics »Attractive product and service portfolio«, »Energy use and efficiency«, »Resource conservation«, »Reduction of greenhouse gas emissions« and »Employee satisfaction« at the top of the list.

The central topics of the materiality matrix are assigned to the perspectives of sustainability management and translated into sustainability goals through various initiatives and measures that make up the sustainability program.

→ Sustainability program
see page 176

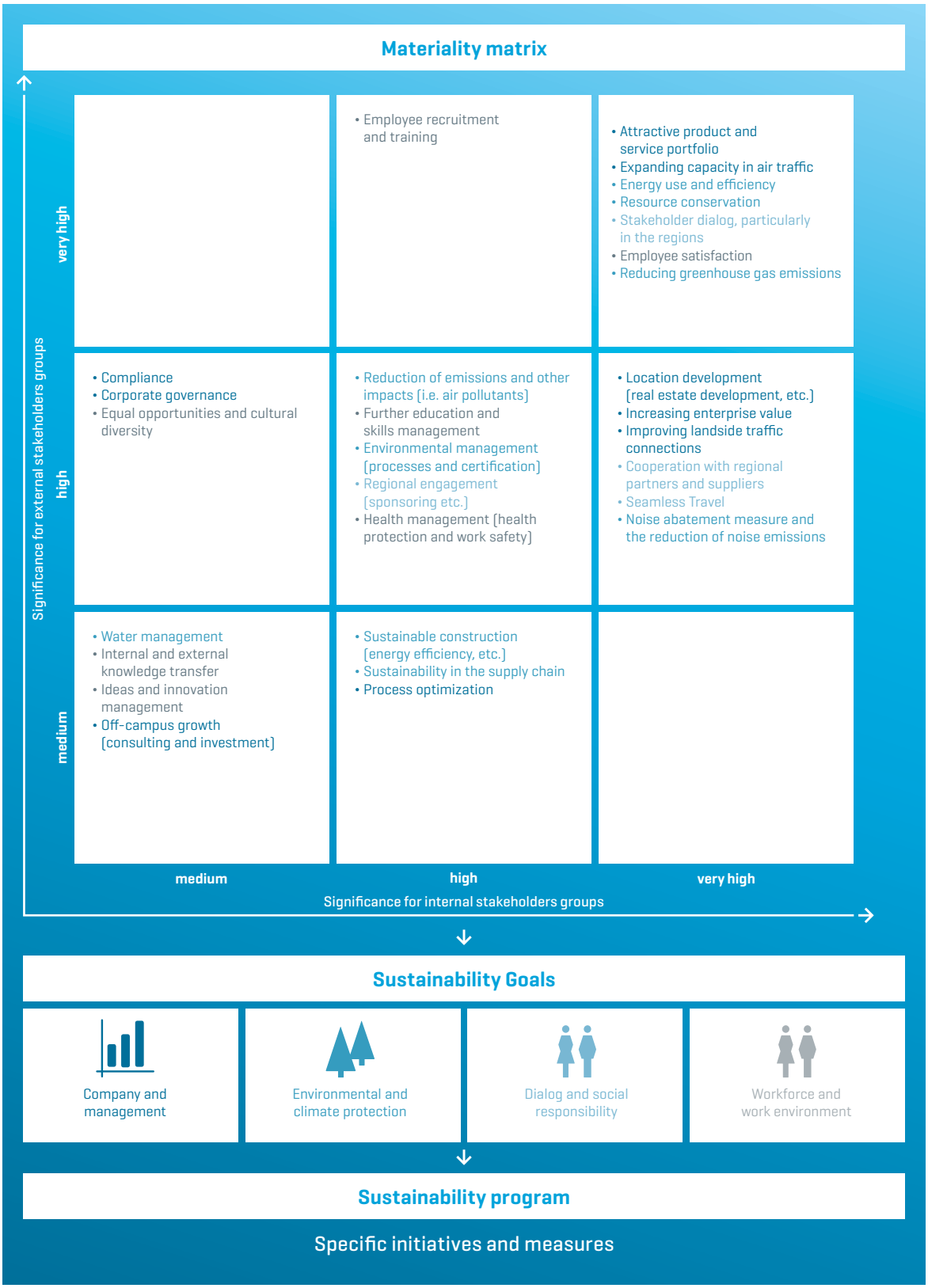
As part of strategic sustainability management, the Sustainability Panel meets half-yearly to make fundamental decisions on sustainability-based projects. Composed of the heads of Human Resources, Finance and Controlling, Corporate Communications, Engineering and Facilities, and Corporate Development, the panel recently approved participation in the SME initiative of the Carbon Disclosure Project.

→ Chapter Environmental and climate protection
Carbon Disclosure Project see page 88

→ Glossary

→ Glossary

→ Management report
Non-financial KPI's
see page 113



→ Sustainability program
see page 176

/Expansion plans

Macro-economic dimension

For the state of Bavaria and the local region, an efficient hub airport is a significant location factor, not least because access to air transport plays a crucial role for the state's exporting industries. With an export rate of around 50 percent, Bavaria is one of the most economically successful regions, not just in Europe but in the whole world. In 2013 its companies established a new record in foreign trade, exporting goods valued at 167.8 billion euros. In a study conducted on behalf of the Bavarian industry association VBW, Bavaria secured ninth spot amongst 46 countries analyzed in terms of the development of the quality of their location behind countries such as China, India and Brazil. Together with Sweden, Bavaria is the only industrialized state in the leading group of countries.

The state also enjoys an outstanding reputation as a center of research and development, a hotbed of cutting-edge technology, a major banking and trade fair location, and a strong logistics center. On top of this, Bavaria's 25 million tourists per year make it Germany's most popular tourist destination.

If Bavaria is to maintain its international competitive edge, it must improve and expand connections to the world's growth markets. A key requirement for this is an efficient airport that is ready and equipped to meet tomorrow's challenges.

To quote the state government's strategy paper for future development, »Action must be taken in the long term to ensure that Munich's commercial airport, an important European aviation hub, can expand in line with demand and operate efficiently.« The current regulation on Bavaria's regional development program dated August 22, 2013 came into force on September 1, 2013. It continues to adhere to the principle that Munich's civil airport will, as a European hub, safeguard Bavaria's long-haul air connections and the domestic and international air connections of southern Bavaria. The construction of a third take-off and landing runway together with the associated taxiways and apron is expressly set as a goal of state development.

The growth projected for Munich Airport will therefore continue to have a positive impact on employment. The construction of the third runway, for which an investment of around € 1.2 billion is calculated, also represents an exceptionally important economic stimulus.

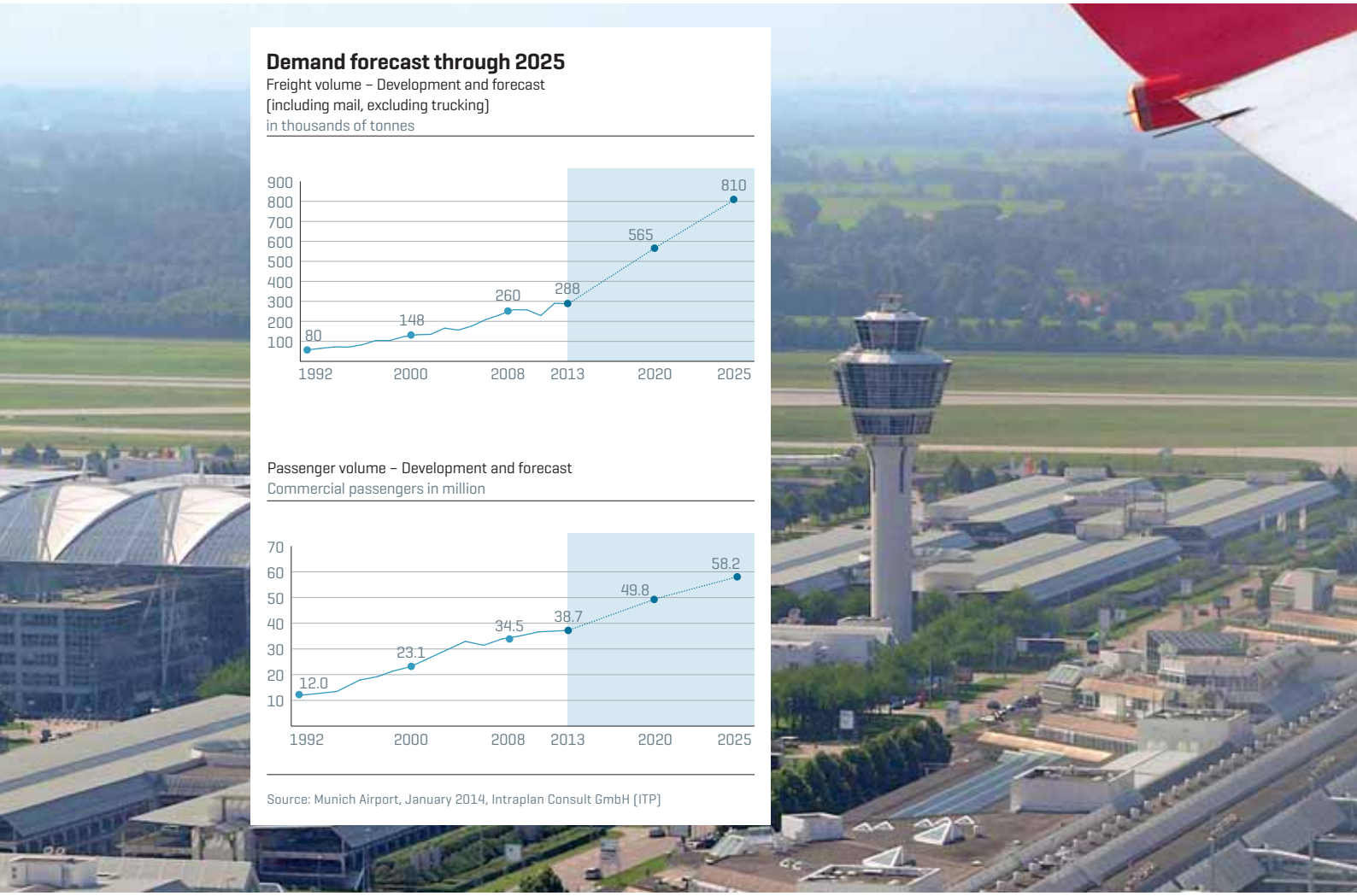
↗ Web
munich-airport.com/en/company/konzern/ausbau/index.jsp

At the limits of capacity

For years now there have been regular bottlenecks at peak times on both runways, for which a maximum of 90 aircraft movements an hour are permitted. Therefore, the airlines' demand for slots (scheduled times at which planes can take off and land) can scarcely be met.

This has been confirmed by independent studies. For instance, in its Aviation Report 2007, the German Center for Aerospace (DLR) attested that, in 2006, Munich Airport was already utilizing 90 percent of its capacity for scheduled flights. This finding was substantiated by a study for the EU conducted by British consultants Steer Davies Gleave in 2009 who calculated a slot utilization of approximately 92 percent for Munich Airport. During the proceedings relating to the planning approval process for the planned third runway, the airport coordinator for Germany, who is responsible for awarding slots, confirmed that, in 2011 for example, weekday arrival and departure pairings could only be allocated early in the morning and late in the afternoon and that at peak times, 97 percent of available slots were used.

The air traffic forecast for 2025 cannot be handled with the two-runway system. The useful capacity of an airport cannot be determined by simply adding up the available slots. In determining the practical available capacity, fluctuation in demand over the year, the week, and during the day must also be taken into account. This means that airlines have no appreciable scope for expanding their route networks out of Munich. The third runway, which would make it possible to increase capacity to at least 120 aircraft movements per hour would make it possible to handle the forecast traffic volume and ease the bottlenecks.



Demand forecast through 2025

Freight volume – Development and forecast
(including mail, excluding trucking)
in thousands of tonnes

Passenger volume – Development and forecast
Commercial passengers in million

Source: Munich Airport, January 2014, Intraplan Consult GmbH (ITP)

Planning for the future

Munich Airport has developed into one of Europe's foremost aviation hubs. It is not only an originating and termination airport, but also a transit airport for international air traffic. Its passenger volume has tripled in comparison with 1992, the first year at the new location. For 2025, a further increase to 58 million passengers is forecast. Airfreight volumes are also set to increase further. The goal is to maintain Munich Airport's position in Europe and to continue to meet the growing demand for air travel within our catchment area which comprises southern Germany and neighboring countries. For this reason, a course was set for airport expansion to match demand and, in 2007 a planning application made for the construction of a third runway.

This was approved by the government of Upper Bavaria in July 2011. Following an intensive examination and consideration of all public and private ramifications, the zoning authority confirmed the needs presented by Flughafen München GmbH and their plans submitted for the third runway. This approval is valid for up to 15 years.

Judgment passed by the Bavarian Higher Administrative Court (Bayerischer Verwaltungsgerichtshof) on February 19, 2014 concerning the third runway upheld Munich Airport's expansion plans. Following five meetings on site, 41 days' proceedings and an extremely intensive assessment of the 2,800 pages of the planning application submitted to the local government of Upper Bavaria, the court dismissed 16 objections raised against the approval granted for the »third runway«. The judges concluded that the approval granted by the government of Upper Bavaria met technical and legal requirements and is therefore lawful.

Noise impact on local residents

One of the effects of air traffic is the impact the noise has on people living in the area surrounding Munich Airport. Due to the optimum site operating regulations, Munich Airport compares favorably with other major airports in this respect. In comparison with the similarly affected population in Frankfurt, noise measurements are five percent lower and one percent lower compared to London's Heathrow airport. Munich Airport also compares favorably with other modes of transport in terms of the impact of noise.

Based on the Air Traffic Noise Act, the regional government of Upper Bavaria, the relevant zoning authority, examined the potential noise impact from the third runway as part of a wider assessment conducted during the zoning approval process. This was confirmed by the Bavarian Higher Administrative Court in February 2014. The government of Upper Bavaria held the construction of the runway to be compatible with the need to protect the general public and neighbors from aviation noise if provisions concerning entitlement to reimbursement and compensation as well as incidental provisions in the zoning approval are taken into account.

Key regulations concerning noise:

↗ Web
munich-airport.com/noise-protection

- **Operating regulations**
  The operation of particularly noisy types of aircraft can, given the framework of operating restrictions, be permanently or temporarily restricted or prohibited. Aircraft without an ICAO (International Civil Aviation Organization) Annex 16 noise certificate are not allowed to take off or land at Munich Airport. On the airport's third runway, the same will apply to Chapter 2 aircraft and to marginal Chapter 3 aircraft.

- **No changes to the current night-flight curfew**
  The current night-flight curfew, introduced in 2001, will remain unchanged, not least because FMG has not applied for approval to conduct regular night-flight operations on the airport's third runway. The runway may only be used at night in exceptional circumstances – in the event of an emergency or if one of the two existing runways is closed. This means that the current noise quota will remain the same. The provisions contained in the zoning approval are such that residents around the airport need not be concerned that they could be affected by night flights on the third runway.

The path to the T2 satellite

In December 2010, FMG and Lufthansa gave the go-ahead for the construction of the T2 satellite. FMG and Lufthansa, who jointly operate Terminal 2, thus responded to the dynamic growth in passenger numbers at Munich Airport. The new building provides additional capacity for eleven million passengers a year. The satellite will cost around € 650 million to build and, as with Terminal 2 previously, the expense will be shared 60:40 by FMG and Lufthansa.

→ Management report
Air traffic from page 102

→ Glossary

The satellite building was designed as an extension to the existing baggage sorting hall on the apron to the east of Terminal 2 and will have a total of 52 gates. The building will also have 27 aircraft stands, more than doubling the number of contact stands currently available for Terminal 2.

Green Building

The new building has been planned as a »green satellite« and ambitious carbon targets will apply, which means carbon emissions will be 40 percent lower than those of the two existing terminals. This will be achieved through many measures, such as a climate facade, advanced air source technology for the air conditioning and LED lighting and dimming.

→ Glossary

Construction work on schedule

Construction work started in spring 2012 with the next important steps following in 2013. In March, the building received its facade; in May, passenger boarding bridges were positioned in pairs while interior design work began in summer. Representatives from politics and business joined 500 construction workers on September 12 to mark the traditional topping-out ceremony.

The facade and the shell of the building are scheduled for completion and the roof will be closed during the first half of 2014. By the end of the year, the first vehicles will be delivered for the passenger transport system. Completion of the new terminal building is planned for 2015.

Numerous contracts that will appeal to SMEs in the vicinity of the airport were put out to tender. Munich Airport has launched a special website as a central contact point where companies can register and specify the construction services they offer.

T1 refurbishment to accelerate passenger handling

Thanks to the satellite building, work to expand Terminal 2 capacity is already fairly well advanced. By contrast, the next big construction project in the passenger segment, the refurbishment of Terminal 1, is still at the planning phase. The refurbishment will significantly increase the appeal of Terminal 1, creating enhanced capacity and expanding the functionality of the terminal.

FMG is also planning to merge the separate arrival and departure areas A and B in Terminal 1. This will increase efficiency in passport and security controls, and in the baggage claim area for the non-Schengen area. On top of this, a new central shopping area will be developed. As part of the refurbishment, Terminal 1 will be raised by two floors, or 22 meters, on the apron side. The additional floor space will be used for centralized arrival checks and new lounges. The investment cost for the rebuilding will amount to several hundred million euros. Construction is scheduled from 2016.

→ Glossary

New plans for the north-west of the airport campus

Munich Airport is planning to reorganize the urban landscape to the north-west of the airport campus. In the 1980s and 1990s, the area served as a construction center while the airport was being built. Today, with its two building centers the area is used as a car park for taxis and rental cars and as a temporary storage site for construction materials.

In future, we envisage using the areas for office space, areas for winter and emergency services, power and utilities plant and for parking for passengers and employees. In addition, plans have been drawn up to improve access to the road network by adding another traffic junction on the central airport distribution road and a roundabout on Freisinger Allee heading out to Nordallee.

Expanding the Hotel Kempinski

Having opened in 1994, the Kempinski Hotel Airport München is a five-star business hotel with 389 rooms, spa facilities and a small conference area operating in close vicinity to the terminals. The hotel is well-positioned in the market and is highly profitable. Given the high hotel occupancy rates, further business growth would only be possible through hotel expansion. An hotel extension of approximately 160 rooms on six floors and office areas is planned. The extension is to be accessed via a connecting passage from the lobby of the existing building. Completion is scheduled for the end of 2016. FMG will raise the capital expenditure required of 36 million euros from its own resources.

World's best airport dining

Top destinations

London, Dubai

MAC-Forum

Numerous events on Europe's largest covered free open-air space

39%

Percentage of transit passengers

Service portfolio

/Aviation

→ Management report
Economic environment
for aviation see page 109

Munich Airport very attractive to passengers

38.7 million passengers took-off, transferred or arrived at Munich Airport in 2013, meaning that, as in the previous year, Munich Airport ranked 7th by passenger volume among Europe`s biggest airports. While the state capital airports of crisis-afflicted Italy and Spain recorded single figure and double figure downturns respectively, volume growth at Istanbul-Atatürk Airport was once again in double figures.

Trend towards larger aircraft continues

In 2013, despite increased passenger numbers, the number of flight movements fell by four percent in comparison with the previous year to just above 380,000 take-offs and landings. Once again, the reason for the contradicting trends in the numbers of passengers and flights is that many airlines are switching over their short and medium-haul fleets to larger aircraft types. The Embraer 195, for example, which seats 112, has been used by various airlines to replace their 70-seaters such as the Canadair CRJ7, the Dash 8 and the ATR 72 and has recently become the most frequently used aircraft at Munich Airport. Notwithstanding the reduced number of flight movements, the provision of seats was maintained.

Effective hub in spite of difficult overall situation

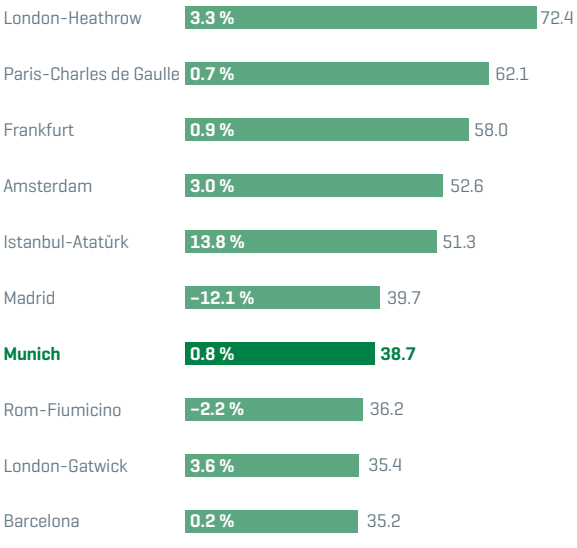
Once again the stabilizing factor at Munich Airport in 2013 was hub traffic, with the high level of transit passengers remaining unchanged at 39 percent. Overall, the general air travel situation was tough. For example, the number of airlines operating regular scheduled and charter flights out of Munich Airport fell from 101 to 94. Smaller airlines could no longer sustain the competitive pressure and had to cease trading or were taken over by competitors. Moreover, costs such as air travel taxes remained in place in 2013.

Different trends for different traffic regions

In 2013, passenger growth had a quite different outlook dependent on the region considered: domestic German traffic at Munich Airport fell by around three percent to 9.4 million passengers, not least because of the demand reducing effect of the air travel tax. Simultaneously, the number of flights reduced by some nine percent. By contrast, European and long haul traffic increased.

Europe's top ten airports

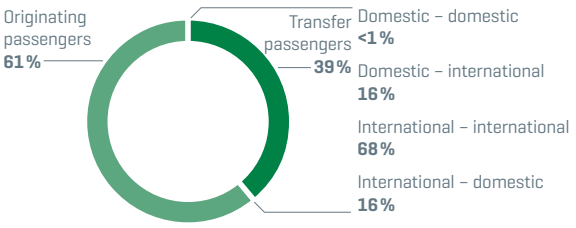
2013 passenger volume in millions/Change to prior year



Source: Airports Council International (ACI), as of January 29, 2014

Transit passenger flows

Share and distribution in percent



Rounded up: 19.2 million originating passengers, Source: Aviation Statistics 2013
Rounded up: 7.5 million transfer passengers at departure

Within Europe, flights on offer were used by some 23.4 million passengers, two percent more than the prior year. The most popular European destination in 2013 was once again London-Heathrow, followed by Paris-Charles de Gaulle and Barcelona. There was particularly high growth in tourist travel to Spain with a total of 2.9 million passengers carried over these routes, up 180,000 on last year. The successful development of European traffic formed the basis for the positive overall trend in passenger volumes in 2013.

Long haul traffic also contributed to the passenger record at Munich Airport. Overall, long haul passenger numbers increased by nearly two percent to 5.8 million passengers. There was also strong demand in 2013 for flights between Munich and the American continent with 2.7 million passengers carried, over 100,000 more than the previous year. African destinations also enjoyed growth while, compared with 2012, traffic to Asia fell back somewhat. Once again Dubai was the long haul destination which saw the greatest increase in passengers.

↗ Web
munich-airport.com/statistics

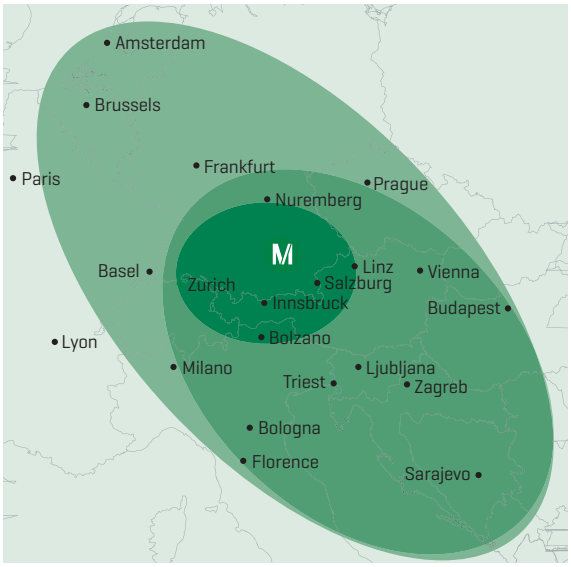
Increase in cargo planes

Cargo carried in 2013 in respect of airfreight and airmail remained practically unchanged relative to the previous year with a slight decrease of 0.9 percent. A total of some 270,000 tonnes of airfreight was handled. Combined with airmail volumes, the total cargo throughput was around 288,000 tonnes. The proportions of bellyhold cargo and cargo-only in the total cargo volume remained at approximately the same level as in the previous year. In fact, once again much more airfreight was carried on passenger planes (bellyhold cargo). However, in 2013, the only growth in the transport of cargo came from the transport of cargo in dedicated cargo planes (cargo-only). The cargo-only share grew by two percentage points to 13 percent.

In the summer of 2013 Munich Airport welcomed Cargolux, a renowned cargo airline, to its client base. In June, the airline started a weekly freight line along the route Atlanta-Luxembourg-Munich-Luxembourg-Viracopos (Brazil). This is Cargolux's first freight service to a German airport.

Catchment area for airfreight

small moderate large



↗ Web
aeroground.de

↗ Web
aerogate.de

AeroGround: Still the market leader in aircraft handling operations

AeroGround Flughafen München GmbH, a wholly-owned subsidiary of FMG, is the leading high quality service provider in respect of aircraft handling at Munich Airport. Around 2,000 employees provide aircraft handling services for up to 300 aircraft a day, from regional jets right up to the A380, the world's largest passenger jet. Ninety-eight percent of aircraft handled by AeroGround took off on time, proof of AeroGround's high reliability in aircraft handling in 2013.

In the fiercely competitive market of ground handling services, this FMG subsidiary once again came through as market leader in 2013. In cooperation with its sister companies aerogate and Cargogate, AeroGround is the sole provider at the airport that can offer all airside and landside aircraft and passenger handling services as a »one-stop provider«. A key component of this concept is the central sales department of AeroGround, which since 2013 has handled all the sales and marketing activities for the three ground handling companies AeroGround, aerogate and Cargogate.

AeroGround's client base includes more than 100 airlines. The portfolio extends from Deutsche Lufthansa and numerous Star-Alliance partners such as United Airlines, Singapore Airlines, Qatar Airways and Thai Airways in Terminal 2 through to airberlin, Condor and Delta Airlines along with the Gulf airlines, Emirates and Etihad Airways in Terminal 1. Where cargo handling is concerned, long-term customers such as FedEx, UPS and TNT continued to rely on AeroGround's services.

After intense negotiations, AeroGround successfully concluded contract extensions and new contracts for handling with more than 30 airline customers during 2013. Amongst the most important successes in 2013, were new agreements with Air Malta, Croatia Airlines, Austrian Airlines, All Nippon Airways and Qatar Airways in Terminal 2 as well as with Air Lituanica, Czech Airlines, Delta Airlines, FedEx, Icelandair, Israir, Norwegian Air Shuttle, Pegasus, SkyWork Airlines, UTair and Estonian Air in Terminal 1. Contracts comprising the »full-handling« package which combines both aircraft and baggage handling provided by AeroGround with passenger handling provided by aerogate in Terminal 1, were, amongst others, successfully extended with Delta Airlines, S7 Airlines, LLC Globus and Norwegian Air Shuttle.

AeroGround also had to accept the loss of some customers during 2013 in the extremely price-sensitive and very competitive ground handling services market. After grueling price negotiations, long-term customers such as Vueling, British Airways, Iberia, Air France, KLM and Alitalia switched to a competitor.

AeroGround is considering expanding its business activities to other airports. A cooperative agreement has been concluded with Goldair Handling, one of the leading ground handling companies in Greece, to set up a sales network. The award procedure for a total of three handling licenses for the Berlin-Schönefeld and BER airports to run from July 1, 2015 was started at the end of 2013. AeroGround submitted an expression of interest in the procedure at the start of 2014. The actual application phase started in March 2014.

aerogate: Passenger handling expands once again

aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH, a wholly-owned subsidiary of FMG, provides passenger handling, a baggage delivery service, operation of lounges, arrival services, ramp supervision and an IATA ticket agency. In 2013, some 400 employees handled 28,884 flights and more than 3.6 million passengers. With 20 air traffic service clerk apprentices, aerogate is the largest training provider in this profession.

In the extremely competitive passenger handling segment, aerogate was able to claim a market share of nearly 60 percent in Terminal 1. Amongst its 60 customers were scheduled service airlines such as airberlin, Iberia and EL AL, tourist airlines such as TUIfly and long haul customers such as Emirates, Etihad, Saudi Arabian Airlines, Oman Air and Delta Airlines. In Terminal 2, aerogate is primarily active in ticketing and supervision for a number of the Star Alliance airlines, amongst them Thai Airways, TAP, Qatar and ANA.

Aerogate's EMAS Certificate for continual improvement in environmental performance through environmental management remains valid until April 2015. A surveillance audit was performed in 2013. The 2013 agenda included the replacement of old cars with three new lower consumption Smart cars. At the 2013/2014 turn of the year we converted to print-free boarding cards without a wallet,

Passengers at Munich Airport

1993–2013: Commercial passengers in millions

1993	12.7
1994	13.5
1995	14.9
1996	15.7
1997	17.9
1998	19.3
1999	21.3
2000	23.1
2001	23.6
2002	23.2
2003	24.2
2004	26.8
2005	28.6
2006	30.8
2007	34.0
2008	34.5
2009	32.7
2010	34.7
2011	37.8
2012	38.4
2013	**38.7**

Airfreight at Munich Airport

1993–2013: Airfreight flown in thousand tons (to + from + transit)

1993	65
1994	72
1995	71
1996	83
1997	104
1998	104
1999	123
2000	133
2001	135
2002	166
2003	156
2004	177
2005	209
2006	232
2007	258
2008	257
2009	229
2010	290
2011	303
2012	287
2013	**285**

Aircraft movements at Munich Airport

1993–2013: Aircraft movements in thousand

1993	192
1994	200
1995	214
1996	233
1997	268
1998	278
1999	299
2000	319
2001	338
2002	344
2003	356
2004	383
2005	399
2006	411
2007	432
2008	432
2009	397
2010	390
2011	410
2012	398
2013	**382**

greatly reducing paper consumption. Since spring 2014, the 2.5 million baggage labels consumed annually have been produced using a carbon-neutral production process. Moreover, apprentices attended two-day courses on sustainability during 2013.

Cargogate: Strong market position in spite of customer losses

↗ Web
cargogate.de

Cargogate Flughafen München Gesellschaft für Luftverkehrsabfertigungen mbH, a wholly-owned FMG subsidiary, has provided cargo handling at Munich Airport since 1975. With some 190 employees, Cargogate is responsible for cargo handling and storage, documentation, and customs clearance services. The company provides cargo handling for more than 70 percent of the airfreight customers that fly to Munich Airport, a figure equivalent to nearly one-third of the airfreight arriving at or leaving Munich.

During 2013, Cargogate not only had to deal with the difficult global circumstances that hit the freight market but also with the associated falling tonnage that affected Munich and many other airports. The client portfolio was scaled down during 2013 with the loss of Etihad Airways, UTair and Iberia. However, thanks to the establishment of a central sales organization, which also markets the services of AeroGround and aerogate, new contracts were acquired with smaller customers such as Air Lituanica and Air Croatia. In spite of compensatory measures, Cargogate could only partially offset sales losses in 2013. However, the company is expecting to win new customers again in 2014.

Cargogate's EMAS Certificate for continual improvement in environmental performance through environmental management, which was awarded following an audit in 2013, remains valid until April 2015. The focus of our environmental actions was the changeover to lower power consumption high-frequency chargers and the resulting cut in emissions of 35,000 kilogram CO_2. On top of this, existing T8 fluorescent tubes were replaced throughout the warehouse by energy saving T5 tubes that consume up to 60 percent less energy.

↗ Web
efm.aero

EFM: Efficient and quality-focused

EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH, is an associate company in which Flughafen München GmbH holds a 49 percent stake. GGG Service for Airlines GmbH, a Lufthansa Group company, holds the remaining 51 percent stake in the company. EFM, with around 140 employees, carries out aircraft pushback and deicing operations and supplies preconditioned air.

In the 2012/2013 financial year, EFM performed around 170,000 pushback and maneuvering operations and de-iced around 14,700 aircraft compared to 165,000 push-back and maneuvering operations and 9,100 deicings in 2011/12. Since responsible environmental practices are a central quality feature of EFM, the company integrated environmental protection into its quality management system, which has been certified under ISO 9001 since 1997.

/Non-Aviation

Non-aviation contributed nearly half of group revenue

Munich Airport is not only a favorite meeting point for passengers and visitors, but also an in-demand location for retail operators, restaurants and service units, for hoteliers and advertising industry representatives.

The two FMG business divisions Real Estate and Consumer Activities, together with the subsidiaries Allresto (dining) and eurotrade (retail) comprise the non-aviation sector. While the Real Estate division is essentially involved with the acquisition and strategic development of properties and land at the airport site, the Consumer Activities division with its business areas, parking, center management, and advertising/media and marketing, is responsible for the leasing and marketing of existing areas. The share of non-aviation business in the total revenue of the Munich Airport Group remained unchanged at around 49 percent in 2013.

Real estate business grows in importance

The air traffic industry is subject to significant and unremitting change. International hub-airports such as Munich must constantly adapt to these changes through regular adjustment of the business strategy. Against this background, the property business was defined as a core business field.

The central activity of the Real Estate business division is the economic, property life cycle-directed supervision and development of the airport infrastructure along with all the property and land located on campus and outside the airport. Further tasks include maintaining existing stock and acquiring land for future expansion measures together with exercising responsibility for airport property strategy.

The activities of the Real Estate business division include:

- Property assets, air traffic and Airport City
- Property development, planning and implementation
- Central control, marketing, sales and research

Airport City exhibits at Expo Real

Munich Airport exhibited at Expo Real, Europe's largest property fair at the Munich trade fair site in October 2013. Also represented on the airport stand were the municipalities of Hallbergmoos, Oberding and Marzling who together with Munich Airport make up the »Munich Airport Area«. Using a general model, FMG property experts demonstrated to investors and project developers from across the globe which areas at the airport are best suited for new property such as hotels, logistics or other air traffic related office buildings. The München Airport Center (MAC) is playing a key role in considerations regarding property developments.

The development and marketing of property under the new »airsite« term is an important business area for FMG: in 2013, the company achieved 10.8 percent of its revenue in this segment. This proportion is set for continued growth in the future.

Optimum mix of shopping and catering

↗ Web
munich-airport.com/realestate

Spread across an area of more than 37,000 square meters the retail industry – with its 152 stores and service units, together with 49 food outlets – accounts for a large share of the non-aviation sector. At the commercial heart of the airport, the two terminals and the München Airport Center together deliver a mix of products and services that is tailored to the requirements of the target groups.

↗ Web
munich-airport.com/shopping

A large refurbishment project launched in 2013 in the international departures area of Terminal 2 on Level 05 will continue until the summer of 2014 and offer new high value brands such as GUCCI, Bottega Veneta, Mulberry, TOD's or Emporio Armani in the central plaza, thus catering for the consumer preferences of international air travelers. A champagne bar and »Selman's 5« complement the offer on the gastronomic side.

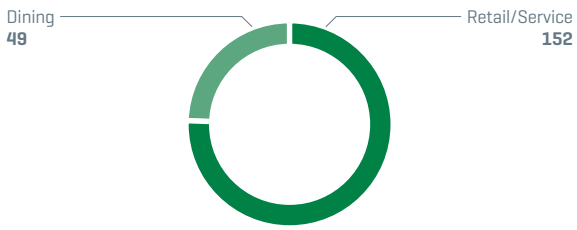
Further important activities included:

- Germany's first Victoria's Secret store with its range of cosmetics and accessories which opened in December 2013.
- Downsizing the newsagent in Terminal 2, Level 04 provided space for new stores, with Wolford, Lufthansa Worldshop and another branch of soccer's successful Bayern Munich merchandise store all opening their doors.
- The EDEKA branch in the München Airport Center has been refurbished.
- Following renovation and expansion, the open design of the Dallmayr Restaurant in Terminal 2 is a real eye catcher.
- The newly designed childcare area Kinderland with attractive offers and diverse activities for the smaller airport visitor moved into new, larger premises.

→ Management report
Business development for commercial activities
see page 111

We started to let new food outlets as early as the winter of 2013 in the new satellite building of Terminal 2, where a further 8,000 square meters of retail surface on two departure levels are now available. Consultations with retail operators will commence in summer 2014.

Commercial units
Total: 201



Excluding Visitors Park, Ringeltaube Nordallee, Sparkasse office, travel offices

eurotrade: Successful with attractive stores and brands

↗ Web
eurotrade.org

Eurotrade Flughafen München Handels-GmbH, a wholly owned Flughafen München GmbH subsidiary, is a retail operator at Munich Airport. It has 64 retail stores in the sectors duty-free/travel-value, newsagent and souvenir shops, fashion and textiles, watches, jewellery and accessories, as well as small food outlets. In addition, eurotrade operates a duty-free/travel-value store at Friedrichshafen Airport.

In 2013, the company employed a workforce of over 1,000 and generated net sales of € 188.8 million – a rise in sales of 0.7 percent, year on year eurotrade achieved its second largest profit in the history of the company. In order to secure a positive trend in earnings, eurotrade is focusing on a product portfolio oriented toward international customers and, at the same time, is pushing forward further expansion of its selection of global leading brands.

Allresto: Certified organic and environmentally friendly

Allresto Flughafen München Hotel und Gaststätten GmbH operates some 85 percent of all the catering facilities at Munich Airport. It is sub-divided into three business segments, restaurants, canteens and hotels. Allresto's core business comprises restaurants that it runs itself serving German, Bavarian, Italian, and Asian food. Alongside bistros, a fast-food restaurant, cafés, and a variety of bars in the airport's two terminals, Allresto runs the municon Conference Center. The five employee canteens on campus and the Kempinski Hotel Airport Munich are managed by caterer Eurest Deutschland GmbH and the Kempinski Group, respectively.

Through its mixed franchise- and license-based model and its own strong brands, Allresto delivers attractive and innovative hospitality to passengers and visitors to Munich Airport. Due to its high standards of service, it was recognized in the 2013 passenger survey by Skytrax, the British market research firm, as providing the world's best airport dining. Allresto sources around 90 percent of its produce from local suppliers in Bavaria and was recertified by EMAS in 2013. Allresto is not only committed to resource conservation in the way it handles foodstuffs but also to sustainability in cleaning and logistics. Allresto's organic certification means the company is authorized under EU regulations to produce organic food, which it serves in the Bistro Organic in Terminal 2.

The declared aim of the company, which with an average of 670 employees achieved revenues, including other earnings, of €95 million in 2013, is to be Europe's most attractive, efficient, and sustainable gastronomy provider in the travel industry.

MAC-Forum: Favorite amongst advertising partners

Munich Airport offers an extensive range of advertising space in its two terminals, the München Airport Center (MAC) and outdoors. This includes promotional and event space plus a variety of other advertising options. Besides standard advertising, such as lightbox signs and posters, advertising customers can choose from a range of more specialized forms of advertising, such as giant posters on building façades and car parks, advertising on baggage trolleys, and Gobo advertising on floors. We also offer exhibition and display space for standing and suspended advertising objects.

↗ Web
allresto.de

Europe's largest covered open-air space – the MAC-Forum – was used on numerous occasions by Audi during 2013. The Ingolstadt car maker used the area to present its new Audi RS 6. Porsche AG also presented its new exclusive model, the Porsche Panamera.

↗ Web
airport-media-muc.de

Events for every season: Surf & Style and winter market

The highlight of 2013 events was again the »Surf & Style« event in the MAC-Forum. Here, for the third time, Munich Airport presented the world's largest stationary wave pool at an airport. Professionals and beginners alike were able to surf the wave. On August 11 and 12 we hosted the third European stationary wave riding championship, which drew a crowd of more than 22,000 spectators. Again in winter

Activities in international business

2013, the numerous stands at the winter market in the MAC-Forum were the draw for passengers and customers alike to wander round and feast on seasonal specialties. Alongside a highly varied stage show, the curling rink was the greatest attraction.

Services and parking: Onwards along the path to success

↗ Web
munich-airport.com/parking

Our Services and Parking unit operates the parking facilities, comprising 14 multi-storey car parks and numerous parking areas, with a total capacity of more than 34,000 parking spaces. Alongside passengers and visitors, the customers include airport tenants and employees. In 2013, a total of about 9.3 million vehicles were parked, representing an increase of twelve percent on the prior year. This is primarily attributable to the incremental restriction of the previously freely accessible drop-off areas, which now makes it possible to count the number of vehicles parked there.

»Premium and secure parking« is part of the service portfolio offered in the P20 parking garage, a parking area which, thanks to its special services, is very popular particularly with frequent flyers, corporate customers, and business travelers. Other services offered are online parking reservations and valet parking.

MediCare: Experts in health care

The emergency ambulance of MediCare Flughafen München Medizinisches Zentrum GmbH is on hand to ensure safe 24-hour medical care for air travelers, visitors, and employees at Munich Airport. In addition, MediCare offers vocational and air travel related medical services to all the employees of FMG and its subsidiaries along with any other companies headquartered on the campus. In addition, MediCare runs AirportClinic M, a specialized health care center that offers care in such specialisms as orthopedics, gynecology, and urology to patients from the airport environs. Flughafen München GmbH holds a 51 percent stake in the company with MAHM GmbH, a partnership of medical practitioners, holding the remaining 49 percent. MediCare currently has a workforce of 80 employees, and in 2013 reported sales of nearly € 7 million. MediCare is expected to post further growth in 2014.

Off-campus business continues to grow

With its trouble-free move to a new site in just one night, Munich Airport qualified itself in May 1992 as an adviser to airports across the world in matters concerning airport openings, terminal refurbishments and terminal start-ups. Since then, more than 25 large projects involving FMG in a consultative capacity, have been successfully concluded. Due to the continuing demand, an in-house strategic business unit »International Business« has coordinated the off-campus activities of Flughafen München GmbH since the beginning of 2010. Alongside high quality and high value consultancy, the service portfolio includes management and operating services as well as capital participations/private equity investments. Where necessary the business unit can draw upon the specialist and expert knowledge of all business units in the Munich Airport Group and offer tailor-made consultancy across an airport's entire service spectrum.

In 2013, the team achieved revenues of some € 8 million from its international business. Munich Airport is currently contributing its know-how in support of airports in Oman, Doha and Saudi Arabia. FMG also advised the Viracopos Airport in Campinas near Sao Paulo, Brazil during preparations for the opening of a new terminal. However, the greatest success in 2013 was the acquisition of a 30-year concession for the airport »Tancredo Neves International Airport« (Confins) in Belo Horizonte, Brazil. Together with the partners Infraero (Brazilian state airport operator), CCR/Companhia de Concessões Rodoviárias (a Brazilian company specialized in concession acquisitions) and Flughafen Zürich AG, FMG will be responsible for the construction and operation of the airport from August 2014.

↗ Web
medicare-m.de

FMG has made the development of off-campus business one of the keystones of its Group strategy. Consequently, this business unit will continue to gain in importance in the coming years. The consistent expansion of the consultancy business, the opening up of new products and markets for the parent company and Group subsidiaries as well as capital participations should all contribute significantly to further growth.

InfoGate develops new sites

InfoGate Information Systems GmbH is a wholly-owned subsidiary of Flughafen München GmbH. It markets the proprietary »InfoGate« information system, which has been in use at Munich Airport since 2011, beyond the airport. The InfoGate product family offers multilingual, video based customer communications and a broad array of functions in information, reservation, and navigation services. The indoor guidance module helps visitors find their way around even in large buildings and the shortest path to their destination. This is particularly attractive for companies with widely dispersed premises and whose information and customer services need to be centralized to optimize costs. The InfoGate solution is especially geared to large infrastructure operators, companies in the transport industry and trade show sites.

↗ Web
munich-airport.com/
infogate

In the second year of operation, InfoGate incorporated additional locations in Terminal 1 and the car parks. In addition, a series of essential system upgrades were implemented such as a flexible homepage and the InfoGate solution which are available on mobile terminals. Outside Munich Airport, InfoGate has been able to establish itself in the retail and project development segments as well as placing a number of pilot systems successfully in operation in the airport and retail trade sector. A number of further installations in 2014 will form the basis for sustainable growth.

/Quality, security and safety

Important awards for service quality

↗ Web
worldairportawards.com

Munich Airport places great emphasis on the opinions of its partners and customer to help it continually improve service quality. This includes passengers, airlines, airport employees and visitors, but also the employees of other companies who work at the airport The benchmarking program »Airport Service Quality« operated by the Airports Council International in Europe provides Munich Airport with annual feedback on how satisfied customers are with its standards of service. The annual passenger surveys conducted by the London-based independent market researcher Skytrax also provide Munich Airport with important findings and information.

→ Glossary

Once again Munich Airport has been chosen as the best central European airport in the Skytrax »World Airport Awards« 2013. In international rankings, Munich held on to its sixth place from the previous year and for the ninth time in succession was ranked among the six best airports in the world. Globally, only Singapore, Seoul, Amsterdam, Hong Kong and Peking were rated higher by passengers. There were outstanding individual values for Munich Airport's gastronomy and the Kempinski Hotel Airport München. According to Skytrax, Munich Airport has the best airport restaurants in the world and the best airport hotel in Europe. In the »World Airport Awards«, passengers annually assess international airports across 40 categories, for example customs clearance and service quality, friendliness and competence of the airport personnel, retail and entertainment provision or transport mode interchange options. In 2013, with more than twelve million survey respondents, more passengers than ever participated.

↗ Web
munich-airport.com/feedback

More than 200 airports from across the world take part in the ASQ benchmark program of the Airports Council International. Where customer satisfaction was concerned, Munich Airport achieved a better rating in 2013 than in the previous year up from 4.02 to 4.06 out of a maximum possible score of 5. In comparison with European hub airports, Munich came second, just behind Zurich, moving up one place in 2013. Customer satisfaction increased the most with respect to Internet/WiFi provision at Munich Airport. This is one result of the simplified log-in process for the free WiFi access at the airport. A further clear improvement was in the transfer quality. This is where Munich was able to achieve the top rating in comparison with other European hubs.

↗ Web
airportservicequality.aero

On the way to becoming a 5-star airport

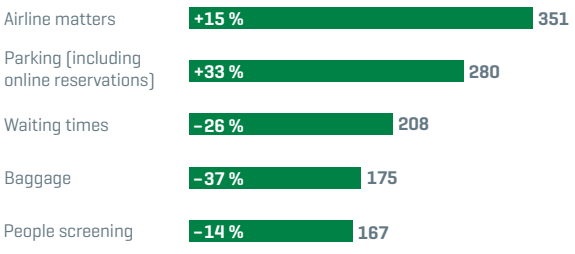
In August 2013, Skytrax performed a quality audit along the passenger chain at Munich Airport. The aim of this detailed analysis was to determine suitable measures which would further improve service and products for the passengers. Currently, Munich Airport has already been awarded four stars out of a possible five in the Skytrax rating system. After evaluating the audit results, the »5-star« program was initiated in the fourth quarter of 2013 with the aim of becoming the first European airport to achieve five-star rating. Consequently 2014 will see further optimizations in the areas of service and hospitality, available services, ambience and comfort, signage, information provision and cleanliness.

Customer feedback for service quality

For many years Flughafen München GmbH has run a feedback system in order to take on board positive suggestions and complaints from customers. Simultaneously, customer satisfaction surveys help in being able to offer a wide range of services and an optimum level of service quality. All customer suggestions and complaints are responded to promptly and individually by the central customer management team and are also systematically recorded and regularly evaluated. In 2013, customer management recorded a total of 1,418 suggestions on 1,723 individual topics. Of these, 40 percent are not the direct responsibility of the Munich Airport Group. Customer feedback on airline-related matters (such as cancellations, flight delays, airline service), public authority checks, public transport and services provided by third-party passenger handling companies were forwarded to the responsible bodies. Due to the continuous improvement processes in baggage handling, complaints, especially with respect to waiting times before baggage release, continued to fall back sharply, in line with the 2012 trend.

Complaints by topic

Number of times mentioned/Change on prior year



High level quality management

Quality management introduced and continuously updated at Munich Airport on the basis of the international standard DIN EN ISO 9001:2008 creates structures that support the systematic assessment and sustainable improvement of corporate processes. 2013 saw the recertification of AeroGround Flughafen München GmbH plus the certified areas of FMG (airport fire fighting/preventative fire protection, vehicle management and fire protection and safety systems) by the German inspection agency TÜV SÜD. The basis for the audit was a comprehensive catalog of criteria with which TÜV SÜD carefully inspected processes and procedures. The TÜV auditors certificated the quality management to a high level and attested the professional implementation of the existing standards in day-to-day operations. They particularly highlighted the fact that all employees surveyed had a quality ethos in their approach to work.

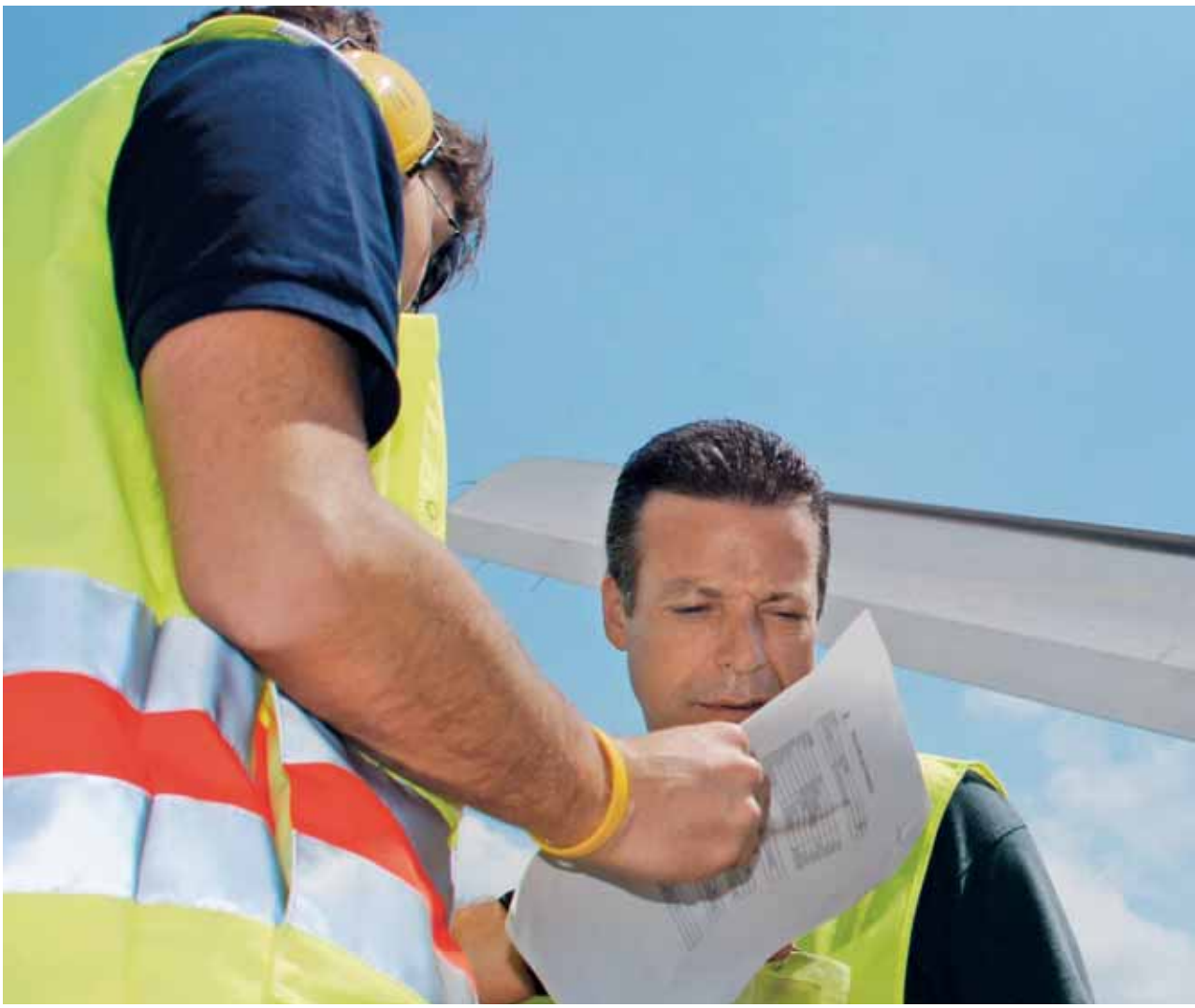
The certification processes necessary for the market are a way of providing visible evidence of the customer-orientation that is anchored in all operative and technical organization units. Through constant process optimization, the airport is successfully achieving a leading position in the market based on the resulting high quality standards and competence.

Award-winning quality

Once again Munich Airport was able to confirm its quality through the various awards and prizes it won in 2013. In this respect Munich Airport was also able to convince top-class juries, industry experts and the readers of the trade press.

Excellent cargo airport

Munich Airport won two prizes for its performance as a cargo airport: in the Air Cargo Excellence Award promoted by trade journal Air Cargo World it won a Diamond class seal of approval in the category »Europe up to 400,000 tonnes«. In the international survey of airlines and logistics companies, Munich came joint first with 119 points alongside Zurich airport in the category »Overall impression«. In the »Infrastructure« sector, the Munich hub was clearly in front with 124 points. Readers of the transport and logistics magazine »Cargonews Asia« voted Munich Airport the »Best Airport – Europe« ahead of Amsterdam, Frankfurt, Hamburg, Leipzig/Halle, London-Heathrow, Luxembourg, Paris-Charles de Gaulle and Vienna as Europe's best cargo airport. The judging criteria included the quality of innovations, the service provision and customer relations management in the cargo business, the competitive price level and the demand-driven development of the freight infrastructure at the airport and its surroundings.



Excellent marketing and healthy innovative capacity
Munich Airport also won prizes for its marketing and innovative capacity in 2013, being awarded the »European Routes Award 2013« for its excellent marketing performance in the Budapest-based competition. Munich Airport came first in the largest European airports category with at least 20 million passengers, ahead of Rome and Vienna. And Munich was declared overall winner of the European Routes Awards. Furthermore, FMG was recognized in the »European Business Awards« 2012/13: in the Customer Focus category, it won an outstanding second place in the overall assessment. The »European Business Awards« are aimed at gaining attention and recognition for Europe's most innovative companies. From the final short-list, 100 companies, amongst them FMG, were recognized with the distinction Ruban d'Honneur.

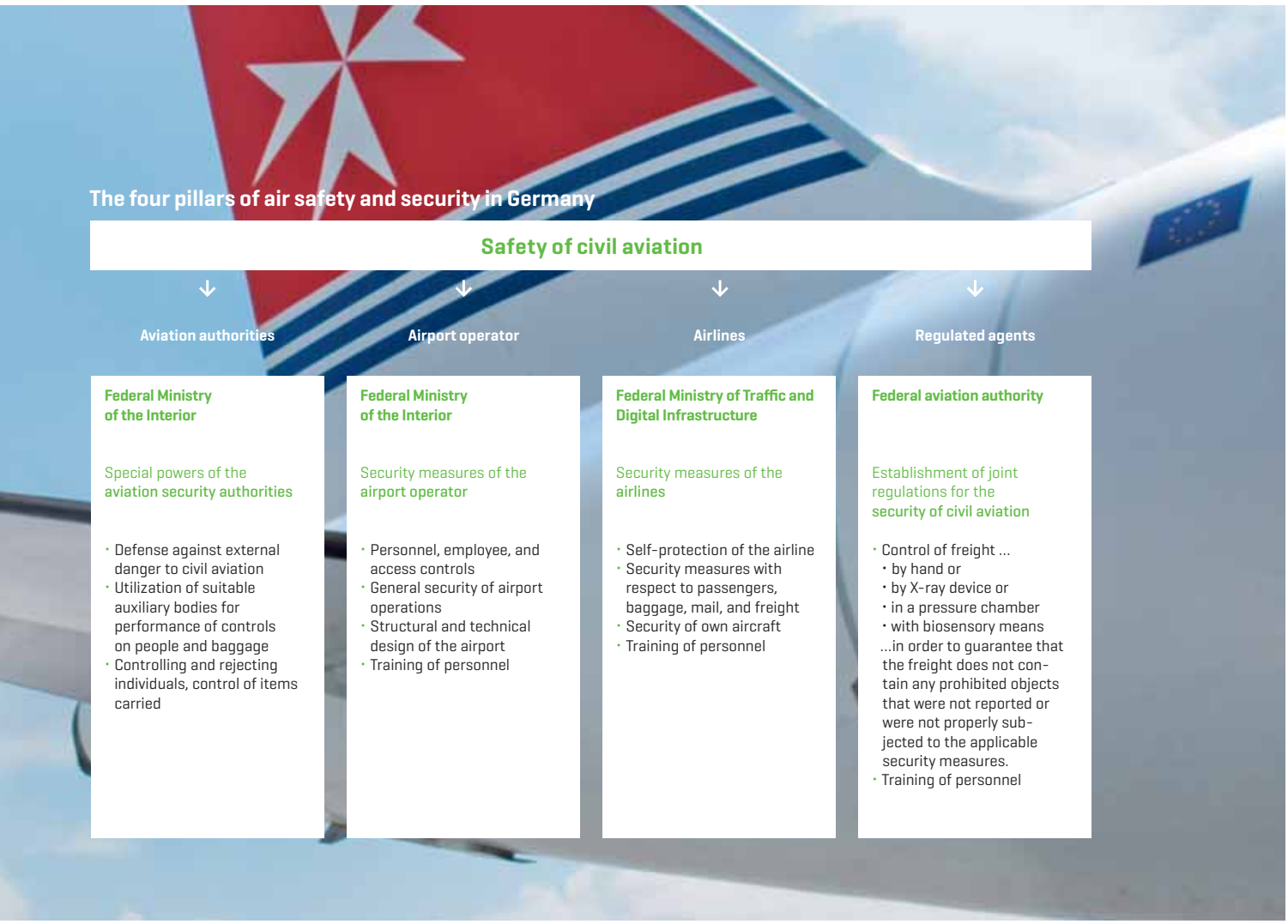
High safety and security standards

Safety and security always come first at an international airport and Munich Airport is no exception with both general security and, pursuant to the statutory regulations governing air traffic, the safe operation of aircraft and their handling on the ground both awarded utmost priority. Against the background of constantly increasing air traffic figures, the focus of airport safety is on avoiding and minimizing accidents and hazardous situations and recognizing systematic risk of error.

In operating an airport in accordance with Section 8 of Germany's Aviation Security Act, FMG is responsible in its own interest for structural/technical, human resources, and organizational measures. Alongside FMG itself, CAP Flughafen München Sicherheits-GmbH, an FMG subsidiary, is also responsible for the operational implementation of this responsibility.

Under Section 9 of the Aviation Security Act, air transport companies operating at Munich Airport are responsible for ensuring both their own security and the security of their cargo. In this respect, the German Federal Aviation Authority is the supervisory authority. Continuous quality controls are performed by national and EU safety inspectors and are supplemented by an in-house quality management system in the area of Security. Munich Airport is monitored by the Bavarian Aviation Supervisory Authority.

↗ Web
munich-airport.com/security



The federal police and customs provide aviation security at Munich Airport. The federal police are responsible for passport control at arrival and departure. They also assume various security functions such as in the case of at-risk flights and at passenger control points in the terminals. Customs performs import and export checks on goods carried by passengers.

Safer air traffic with SESAR

Flughafen München GmbH is participating in the European research project SESAR (Single European Sky ATM Research) aimed at creating a uniform European airspace. Together with five other major airports (London, Paris, Amsterdam, Zurich, Frankfurt) and other participants such as EUROCONTROL, Airbus and well known airlines, it is pursuing the paramount goal of making air travel more efficient and safer.

FMG is actively participating in many other projects, including defining an »Airport Operation Center« which, in the event of severe disturbances, will work in conjunction with the various participants to find solutions. In addition, FMG participated in a SESAR validation focusing on »Airport Performance Management«. Moreover in 2014 it will conduct its own validation for the »Follow the greens« taxiing concept for the first time .

Airport fire service: Swiftly on site

To satisfy our own rigorous safety standards at Munich Airport, we have two fire stations on campus. The south fire station is responsible for firefighting on the south runway, in Terminal 1's ramp areas, in the cargo and maintenance areas, and in the helipad area. The north fire station is responsible for the north runway and Terminal 2's ramp area situated to the east. The two fire stations work together to combat structural fires.

Munich Airport's fire service meets International Civil Aviation Organization (ICAO) guidelines under the highest category 10 under which crews are required to be able to deploy to any point on the runways and begin fighting a fire within 180 seconds of being called out. In the event of an alarm for aircraft fire protection, no more than 40 seconds may pass until the vehicles leave the station.

→ Glossary

To guard against structural fires, all the buildings on the airport campus are equipped with automatic and manual fire alarms – some 52,000 in total. The command and control center of the airport fire service also has a hotline to the integrated Erding control center and to the police headquarters in the airport region so that the airport's fire service can request outside support in the event of a major incident or can also provide aid outside the airport if the need arises.

The airport fire service was called out a total of 3,997 times in 2013, of which 754 were false alarms. The deployments included 1,754 technical support operations, safety-monitoring operations, 104 fire fighting operations and 202 first-response operations in which first aid was performed. In 2013, some 9,100 interested visitors learnt about the varied work of the airport fire service. At the end of the reporting year, the fire service counted 217 employees.

Preventing bird strike using bird control

Collisions between aircraft and birds pose a threat to aviation safety. We engage in a variety of initiatives at Munich Airport to guard against this kind of event and to ensure the safety and continuity of airport operations. Bird control is carried out by specially trained Flughafen München GmbH employees who are always on site operating in shifts throughout the airport's operating hours and who remain constantly in contact with air traffic control.

Special biotope management

Unlike many other international airports, Munich does much more to prevent bird strikes than just startle the birds that are dangerous to air traffic. Rather, the focus is on creating biotopes that match the local conditions, yet are carefully managed so that those kinds of birds that pose a threat to aviation (for example, heavy-bodied species or those that tend to flock together) are not attracted to the airport and its immediate surroundings in the first place.

→ Chapter Environmental and climate protection
Biodiversity see page 98

Low bird strike rate at Munich Airport

Where bird strike prevention is concerned, there is a very high safety level at German commercial airports. Statistically, the likelihood of a bird strike at Munich Airport is comparatively low. The bird strike statistics presented by the German Bird Strike Committee (DAVVL) indicated a mean bird strike rate (bird strikes reported per 10,000 flight movements) in the period from 2000 to 2012 for German commercial airports that was 96 percent higher than at Munich Airport. The picture was similar in 2013, with the latest DAVVL statistics for the inner area of Munich Airport indicating just 0.92 strike reports per 10,000 flight movements, a pleasingly low bird strike rate. FMG works closely with the organizations involved in bird strike prevention, in particular with airlines, German air traffic control, regional and national government agencies, and the DAVVL.

Focus on secure information

Flughafen München GmbH has drawn up and issued an information security guideline governing the treatment of information and the use of information technology, both within its own organization and at its affiliates. The guideline specifies areas of responsibility and essential rules for information security. The Munich Airport Group has a chief information security officer whose role is to manage information security across the whole of the organization. He reports directly to FMG's executive management and is supported by information security officers in the parent company divisions and in its subsidiaries.

Key information security tasks include technical, organizational, and employee-related audits, the creation of guidelines (e.g. on using IT systems and on contracting external service businesses, for example), risk management, technical measures to increase computer security, and initiatives to raise employees' awareness of the importance of IT security. New FMG systems are produced in accordance with the IT-specific FMG project management method. This unified approach to project management means that steps are taken to ensure system quality, security, and reliability starting right from the development phase. The secure handling of information stored on IT systems (in particular, customer data) is covered by the in-house information classification and handling guideline.

The focal points of information security management in 2013 were the adaptation of FMG specific standards to comply with ISO 27001, the introduction of a central position to administer digital certificates and the auditing of technical solutions such as databases.


KLM
airBaltic

€ 96.2 million
Revenue in the region

Regional liaison office

Contact point for communities, political decision makers, institutions and local citizens

Press work

Best financial communications in Bavaria

Engagement

Employees help flood victims

Dialog and social responsibility

/Stakeholder dialog

Engaging with airport stakeholders

Flughafen München GmbH and its subsidiaries regularly engage in dialog with their key stakeholder groups. We have a fair exchange of opinion, based on mutual trust with airlines and partner businesses, as well as with passengers and employees. Typically the latter are included through ongoing surveys. We also work closely with the neighboring communities and partner organizations in our immediate local area because their support is crucial to the successful development of Munich Airport. Through our regional liaison office, we maintain intensive contact with local communities, policymakers, and citizens' groups.

→ Glossary

Stakeholder groups at a glance

Future-proof solutions and sustainable development can only be accomplished through a constant dialog with all segments of society. For this reason, we engage in a process of continuous communication with our stakeholders, not just inside our organization but at the local, regional, national, and international levels as well. The detailed analysis of our stakeholder base is made through structured interviews with in-house contacts representing each target group.

Representation at political level

Our office of political affairs represents the interests of Munich Airport in dealings with EU bodies, the German Federal Government and Parliament, the Bavarian State Government and Parliament, and the City Council of Bavaria's state capital, Munich. The employees of the staff office provide for the reliable exchange of information at the various governmental levels and draw attention to the interests of Munich Airport. To this end, the office of political affairs not only maintains constant contact with various bodies and organizations, it also holds regular events in Brussels, Berlin, and Munich. In addition, FMG publishes policy statements two to three times a year containing current political issues and background information in matters relating to the airport.

By collaborating closely with industry associations, including the German Airports Association (ADV), the Federal Association of the German Air Transport Industry, and the Airports Council International (ACI) Europe, Flughafen München GmbH has access to current information on key aviation topics and participates in ensuring that our industry's interests are well represented collectively. Moreover, the office of political affairs supports the chairman of the FMG board, Dr.Michael Kerkloh, in performing his role as president of the ADV. Through its systematic research and its consultancy work with the respective divisions within Flughafen München GmbH and its subsidiaries, the staff office also provides key support on the question of subsidies.

Flughafen München GmbH continues to be concerned about the effects of the aviation tax which is weakening the economic development of the whole industry and putting jobs at risk. With this in mind, the pilot union Vereinigung Cockpit (VC), the Independent Flight Attendants' Organization (UFO) and the services union ver.di have started a petition to abolish the tax, which has been levied since 2011. The petition was signed by 136,000 supporters, 86,000 signatures more than necessary to form a quorum and thus qualify for submission to the German parliament. At Munich Airport alone more than 3,400 Group employees signed the petition – more than at all other airports in Germany put together.

Central stakeholder groups

The coalition agreement signed by the two big political parties CDU and SPD no longer contains a proposal to abolish the aviation tax in the present legislative period. Previously, the task force focusing on traffic had agreed that the tax should be abolished. As far as FMG is concerned, we are pleased at least to see that the coalition agreement contains a general commitment to Germany as an air traffic center.

Flughafen München GmbH does not make any financial contributions to politicians, political parties or related institutions.

Open communication

The Corporate Communications division is responsible for maintaining dialog with the public at large, the media and Group employees. Providing comprehensive information across a variety of channels creates stakeholder trust in the actions and aims of Munich Airport.

Excellent PR work

FMG's stakeholder groups also include the media and the public at large, in our home region and beyond. We engage with these groups through press releases, image dispatches, media events and background talks. The most important media event is the annual press conference where the financial and traffic figures of the company are presented and important industry trends are discussed. The press, TV and radio reported extensively on the topping-out ceremony for the new terminal satellite in 2013.

For more than 20 years, the Dr. Doeblin Gesellschaft für Wirtschaftsforschung mbH has been awarding prizes for the best business communication to corporate press offices. In the category covering non-DAX companies, Munich Airport's press office, as in the prior year, achieved top spot in a comparison of Bavarian companies. Among other things, the journalists surveyed praised the skills of the press contacts, the speedy answers to questions and the non-bureaucratic help provided in unusual queries.

↗ Social media
facebook.com/flughafenmuenchen

twitter.com/MUC_Airport

xing.com/company/flughafen-muenchen

youtube.com/user/MucAirport

kununu.com/flughafen-muenchen

flickr.com/photos/muc_airport/

slideshare.net/MUC_airport/

Dialog-focused public relations

FMG's aspiration of interacting in a comprehensible, credible way with the public has many practical features: Around 80,000 participants in visitor tours of the airport campus showed how much this offer was welcomed by the general public in 2013. Alongside the traditional airport tour, since 2013 we have also been offering an »A380 Tour«. Around 9,000 visitors have already marveled from close quarters at the world's largest passenger aircraft, which operates scheduled services from Munich Airport.

An extensive array of events offers the public fascinating insights into day-to-day airport operations. Thus, on the occasion of the first national Aviation Days on June 8-9, Munich Airport presented aircraft, aircraft tugs, deicing vehicles and fire-fighting trucks as well as providing stimulating information and activities based on airport operations.

Interaction with stakeholders also occurs beyond the airport campus. At regional fairs and numerous events both regional and beyond, FMG provides first-hand information about current developments and events at Munich Airport.

Social media

Social networks such as Facebook, Twitter, Xing, and others are becoming more and more important in dialog with customers, employees, media, and interested members of the public. FMG takes account of these developments by implementing a consistent social media strategy, bringing together individual online and social media channels, entertaining users with stimulating articles, simultaneously highlighting strategic issues relevant to the company and channeling information from all departments to the appropriate target groups and media. We also offer courses to staff so that they can improve their social media skills.

Smartphone users are also getting in on the action: the airport app became available for Android OS users in November 2013, this in addition to iOS.

Brand film goes viral on YouTube

↗ Film
munich-airport.de/lipdub

An unconventional image trailer for Munich Airport showing the airport and its staff became a real YouTube hit in 2013. In the first five weeks, the »lipdub« clip was seen by more than 50,000 YouTube users across 80 countries. Including Facebook access, the number of clicks was around 100,000. The 200 »actors« in the 4-minute music video included numerous Munich Airport employees as well as employees from authorities, firms and airlines located on the campus.

Image trailer: LipDub

/Regional growth partnerships

The Communities Council: A forum for dialog

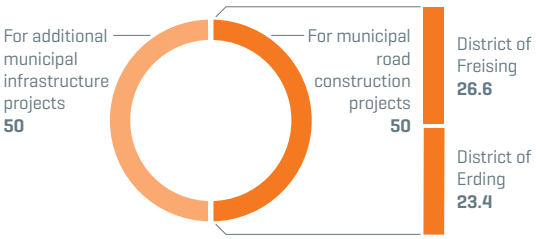
For Flughafen München GmbH, an open and constructive exchange with the airport's surrounding region is extremely important. Since September 2005, the Communities Council, has been monitoring the planning process for the Munich Airport expansion, and represents an important forum for information sharing and communication between the airport and its surroundings. It also acts as a mouthpiece for the region, voicing local concerns, offering recommendations and suggestions, and helping to achieve consensus on solutions to problems. In various meetings in 2013, the council was kept up to date on the current planning status. The council has around 40 members, comprising people representing local towns and communities, administrative districts, the business community, and labor unions. Deutsche Lufthansa AG, Deutsche Flugsicherung GmbH, and Flughafen München GmbH represent the aviation sector. The council is headed by the former president of the Bavarian Constitutional Court, Edda Huther.

Regional funds support transport infrastructure projects

The € 100 million regional fund set up by the shareholders of FMG to offset the impact of construction on the airport's third runway is intended to support the expansion of regional infrastructure. Payouts are fundamentally linked to the commencement of construction of the third runway. At present, money from the fund has been assigned to two community road construction projects, in the Erding district € 23.4 million and the Freising district € 26.6 million. The funding will go towards Erding's north bypass and to Freising's west pass capped at € 13.5 million. Funding has now also been approved for a road between Berglern and Eitting in the Erding district as well as the construction of the Moosburg west bypass up to a maximum of € 4 million.

Regional fund

in € million/Fund volume: € 100 million



Independent of that and without further preconditions, € 5 million each has been made available for planning services in connection with the Erding north bypass and the Freising west bypass, and for the purchase of land for the Freising west bypass. To date, Erding district council has drawn down around € 794,000 in funding to cover planning work for the town's north bypass. Freising, too, has drawn down € 3.3 million for continuation of the construction of the town's west bypass. All other funding, however, is on hold until work has begun on building the third runway.

Regional liaison office: A bridge between airport and region

Since 2002, the regional liaison officer and his team have been working on systematic networking with the region at all levels. A staff office reporting to the management, the regional liaison office views itself as a coordinating office and bridge between airport and region. The office forwards the messages of Flughafen München GmbH into the region and reports the needs and wishes of the neighbors back to the airport. Its aim is to permanently establish Munich Airport as an integral component of the region.

Member of the Lower Bavaria Forum

Munich Airport has been a member of the »Niederbayern-Forum e. V.« association, the sponsor of »Lower Bavaria's regional marketing«, since July 2012. The purpose of the association is to highlight the region of Lower Bavaria as an attractive place to live, an efficient business location, and to promote the area in its entirety. In addition, it aims to bring together the social and economic, the individual and institutional strengths of Lower Bavaria with the goal of jointly and effectively promoting the interests of the area.

Committed to Erding tourism

As part of the region, FMG joined the »Tourismusregion Erding e. V.« association in November 2012. The various members bring their specific skills to the table and thus jointly strengthen the entire tourism industry of the Erding district. Latest project: The district of Erding recently became one of the »movelo regions«. movelo is a European provider of electro-mobility in tourism and has 400 rental stations in 40 regions of Germany, Austria, Italy and Spain. Complementing the 14 other stations in the district, the start of the 2013 cycling season saw the addition of a rental and charging station for e-bikes in the airport's visitors' park.

↗ Web
erding-tourist.de/english-version

↗ Web
icu-net.de

FMG wins business prize

FMG was awarded the ICU business prize for »Innovative and Sustainable Business« in 2013. The Innovative Community Unterschleißheim (ICU) is a network of local businesses with a global outlook that pursue strategies such as innovation, sustainability, cooperation and value-added. Instigated in 2011, the aim of the prize is to motivate companies and their employees to develop more creativity, commitment and innovative ideas for the future.

Numerous business partners from the region

When calling for bids, we take steps to ensure compliance with national and EU laws and agreements. This requirement is reaffirmed in legally binding form when we conclude contracts with suppliers. Around 97 percent of our supplier businesses are based in Germany. Of these, 64 percent are located in Bavaria. Just one percent of our suppliers are businesses registered outside the European Union.

Sustainable procurement

In 2013, tendering took more account of sustainability in diverse procurement transactions such as for hardware, vehicle tires and office furniture. In September 2012, a workshop on the topic »Sustainable procurement – Opportunities and challenges« was held in cooperation with earthlink e. V. The outcome of the workshop was the identification of pilot projects in which sustainability aspects feature in the evaluation criteria of the call for bids even more strongly than in the past.

Evaluating suppliers

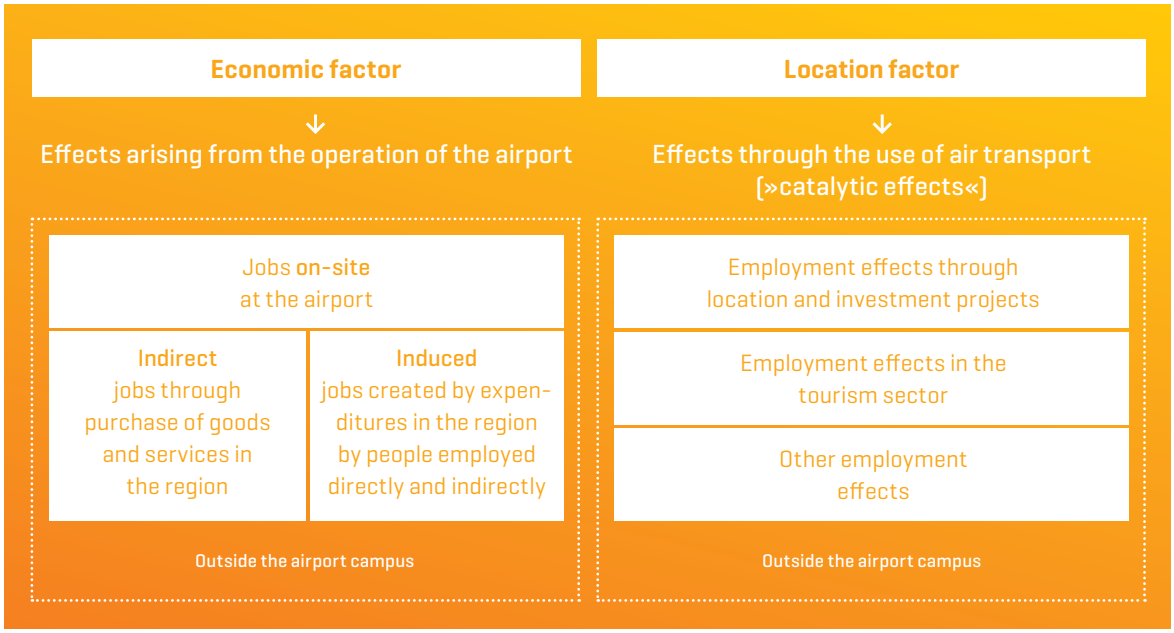
Since 2004, as a part of its supplier management process, Flughafen München GmbH has conducted annual evaluations of around 150 suppliers, each achieving a defined minimum sales level per year. In 2013, suppliers were scored on such criteria as the quality of their products or work, their reliability, their quality of service, and their pricing, and also the certification of the companies under quality and environmental standards. In the event of poor outcomes, the suppliers have the opportunity to eliminate existing deficiencies in supplier audits.

FMG business partners by region
excluding subsidiaries
Percentage distribution of revenues in total and in the region

D = District

/Economic value

Schematic representation of the effects on regional employment



Munich Airport has an economic impact at a number of different levels with a distinction made between the effects resulting from airport operation on the one hand and the effects of its use on the other.

Effects arising from airport operation

The direct effects include production, administrative and personnel expense, capital expenditure, revenue, and jobs. The indirect effects are those resulting from contracts awarded by businesses at the airport to regional companies outside the airport – the creation of jobs, for example. Induced effects are those caused by goods and services purchased by airport workers and people not employed at the airport directly, such as value added, employment, and revenue.

- **Expenditure by businesses at the airport**
  In 2005, the businesses operating at Munich Airport spent an estimated € 3.6 billion on products, services, and capital goods (inputs).[1] Around two-thirds of this spending was with businesses outside the airport, including € 1.4 billion annually in the airport's surrounding area.[2] This data is based on a survey from 2006. In the year under review, a new survey was conducted whose results will be presented in 2014.

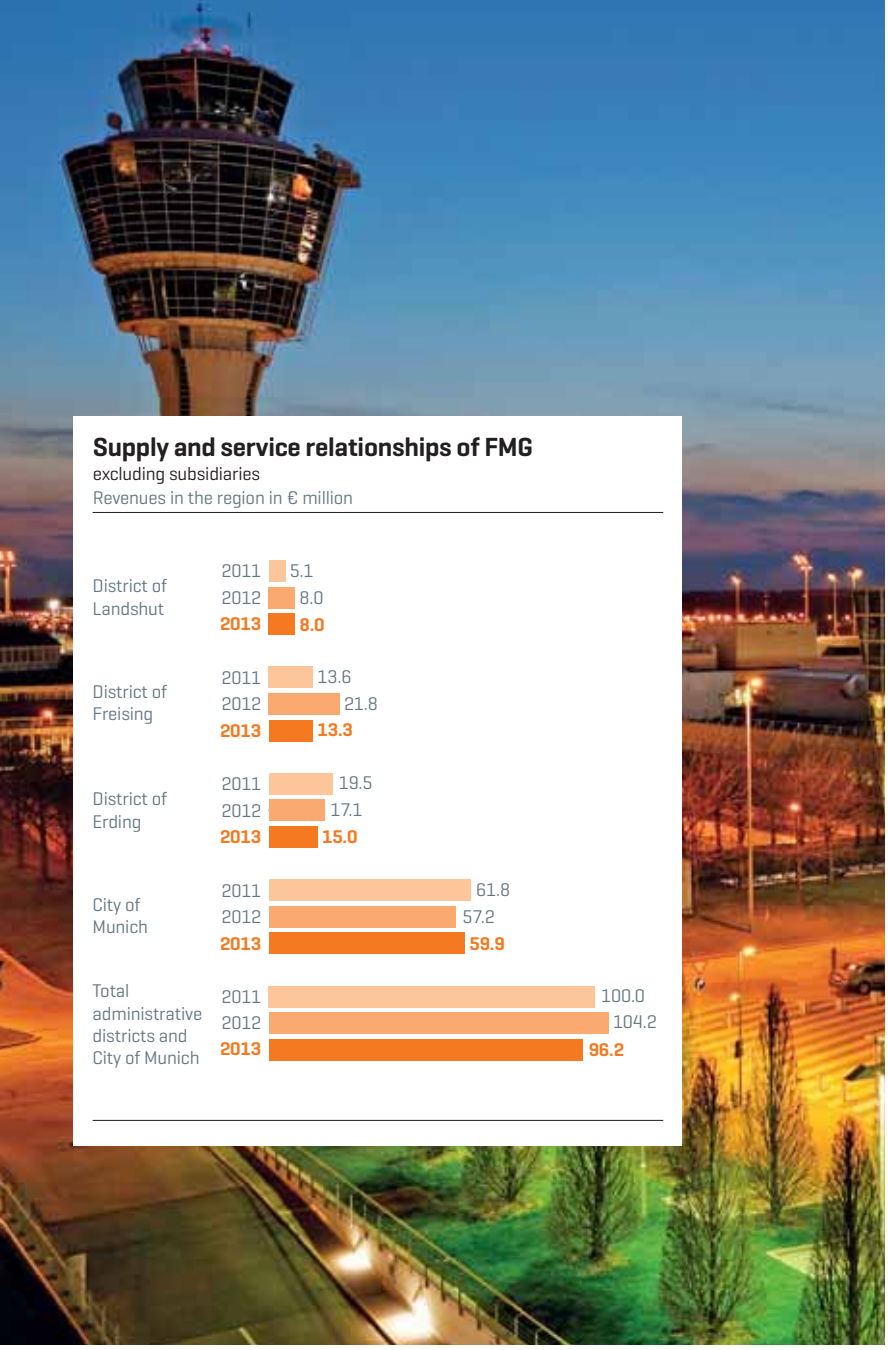
In 2013, Flughafen München GmbH, excluding its subsidiaries, purchased goods and services worth € 36.3 million in the Erding, Freising, and Landshut districts and a further € 59.9 million in the state capital, Munich.

- **Salaries paid by businesses at the airport rise again**
  A new workplace survey, carried out in a three-year cycle, was conducted at the end of 2012. This shows that the wages and salaries paid by all employers at Munich Airport totaled roughly € 1.4 billion. More than € 976 million was paid to employees living in the airport's surrounding area. Rates of pay across all 32,250 airport employees, including part-time and marginally-employed workers, have increased significantly since the last survey in 2009. Employees working on campus now earn an average annual salary of € 42,965. This figure grew by some 16 percent in the period from 2009 to 2012.

The airport's effects in terms of public budgets are significant, too. Flughafen München GmbH alone – one of around 550 organizations at the airport – contributed more than € 31.5 million in directly deducted payroll tax in 2013, a sum that clearly underscores the scale of the airport's economic importance.

↗ Web
munich-airport.com/economy

[1] Ernst Basler + Partner AG/BulwienGesa AG (2007), PFV-Gutachten, pp. 54–58
[2] 72 municipalities around the airport including the City of Munich



Supply and service relationships of FMG
excluding subsidiaries
Revenues in the region in € million

Effects resulting from use of air traffic

Important effects, referred to as catalytic effects or location effects, in turn arise from the utilization of major transport infrastructure facilities such as Munich Airport. Thus, proximity to the airport and its offering of global flight connections are an important criterion in attracting companies to settle in the vicinity, especially those operating internationally. In this way, the airport offers a significant location advantage for companies and also for the tourism sector. Its utilization leads to significant national and regional economic effects such as an increase in productivity, capital expenditure, employment in the region, and the level of innovation.[3]

Following are two examples of important catalytic effects and their impact on employment:

- **Attraction of businesses to the area**
  For international businesses, easy access to efficient air transport services is a highly important factor in their choice of where to locate. According to a recent study by the European Center for Aviation Development (ECAD), proximity to air transport ranks fourth among the most important factors for businesses that choose to set up in the Munich region. More than half of these businesses would have picked a different location in or outside Germany if access to air transport had been inadequate. Companies engaged in international business currently secure around 250,000 jobs in the Munich region.[3]

- **Employment multiplier for the local region**
  The airport has an employment multiplier value of 1.03 within its local region. This means that the 32,250 jobs at the airport generate more than 33,000 additional jobs in the airport's surrounding area. When the effects that extend out beyond the immediate area of the airport are considered, its national multiplier effect is actually 1.64.[1] Forecasts indicate that the economy in the airport's local area will grow rapidly through 2025, causing the number of jobs to rise sharply. Studies show that building the airport's third runway could create around 16,700 additional jobs.[2]

- **Value creation through tourism**
  Not only does Munich Airport affect the influx of business, it also has a positive influence on tourism. In 2007, for example, overnight visitors from foreign countries who traveled to the Munich region by air spent roughly € 1.8 billion there. This expenditure created € 978 million in value added in the Munich region, thus securing more than 44,000 jobs.[3]

[1] Ernst Basler + Partner AG (2010), PFV-Gutachten – Aktualisierung der Prognosen mit Zeithorizont 2025, (Zoning Report – Updated forecasts through to 2025), pp. 21 et seq)
[2] Ernst Basler + Partner AG (2010), PFV-Gutachten – Aktualisierung der Prognosen mit Zeithorizont 2025, (Zoning Report – Updated forecasts through to 2025), pp. 21 et seq)
[3] Katalytische volks- und regionalwirtschaftliche Effekte des Flughafens München, ECAD GmbH (European Center for Aviation Development), Darmstadt, 2008

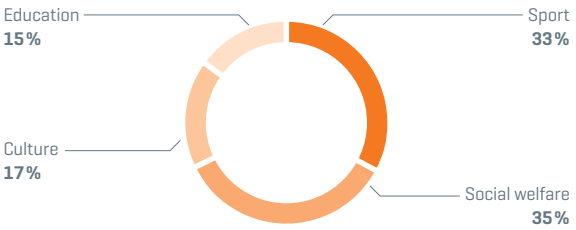
/Community engagement

Donations and sponsoring

As a responsible corporate citizen, Flughafen München GmbH helps its host region by providing both financial and in-kind support on a voluntary basis for around 500 projects in fields like sport, social welfare, education, and culture.

Expenditures for donations and sponsoring

Percentage distribution



Sport

In 2013, we had long-term agreements in place to support 80 sports clubs in the area influenced by Munich Airport, primarily in the Erding and Freising districts, to support young people. Alongside support to new clubs, many existing agreements were extended, demonstrating our commitment to promoting young athletes and providing the clubs with additional planning security for their youth work.

Social projects

We supported many new social projects in 2013, such as the AnS-Werk e. V. in Landshut. This charitable organization aims to help young people with physical disabilities and/or with learning difficulties to set up an independent activity through their own initiative. Work-based projects help disadvantaged young people to become integrated in the labor market and gain individual support.

Education

Given the huge demand, FMG agreed to support the »Kids' University« at the Volkshochschule (adult education center) in Erding for a further three years. On top of this it has agreed to support the »Junge vhs« at the Volkshochschule in Freising, that offers courses especially for younger children. FMG's commitment to education helps ease the pressure on families, helps provide a course book for each visitor to the Kids' University and helps keep course fees low in the long-term.

↗ Web
munich-airport.com/sponsoring

Culture

The initiators of »Kultur – gut! Freising e. V.« want to make it possible for people on small budgets to take part in cultural events – such as theater and concerts – by distributing theater and concert tickets provided by clubs and organizers to the less well-off. Special software combined with the appropriate hardware and sponsored by FMG links the right tickets with those interested in having them. Furthermore, FMG sponsored five of nine sculptures created as part of a wood-sculpture symposium in Wartenberg in 2013. The sculptures now stand alongside a special »Sculp-Tour« bike trail in nine participating municipalities.

Premiere for Volunteers Market

↗ Web
navisev.de

In future, charitable organizations and institutions in the region will not only be supported financially, but also with ideas and manpower. With this in mind, the Volunteers Market project was set up in January 2014. This gives employees a chance to find out about various forms of volunteering on a special day on the airport campus, to learn about associations in the region and make contact with FMG sponsoring partners. Around 30 institutions from the region attended the Volunteers Market that took place on January 30, 2014.

Voluntary work by airport employees

Many people who work at Munich Airport volunteer their time to help those in need or in difficult circumstances as a result of unexpected life events or a natural disaster. Some of these airport workers are members of aid organizations; others provide help as individuals. In addition, we also support institutions and associations. Munich Airport actively supports initiatives of this kind, in part by making its networks and connections available to employees.

Airport association helps in the local region and beyond

In the year under review, the airport association, Flughafenverein München e. V., again provided a great deal of help. Following the floods of June 2013 that affected the districts of Erding, Freising, Deggendorf and Passau in Lower Bavaria particularly badly, the association raised over € 200,000 for those affected, providing rapid financial support free from red tape. Flughafen München GmbH alone donated € 100,000. Around another € 57,000 was donated when FMG and AeroGround employees donated flexitime credit and a further € 50,000 was raised through donations made by external individuals and companies.

In November last year, parts of the Philippines were hit by typhoon Haiyan. The airport association supported its partner organization NAVIS e. V. with donations so that in total, five teams traveled to the stricken area, providing the local population with drinking water treatment plants and medical materials as well as helping to restore buildings.

In 2013, the large number of small donations in addition to major donations again provided indispensable support for the work of the airport association. Once again in 2014, the airport association will be delighted to welcome new members and to receive any donation, however large, so that it can continue its good work.


THW
112

48 Children

More space for playing and having fun in the in-house children's day care center

Employee survey

Employees enjoy working at Munich Airport because of the fascinating working environment.

1st place

Amongst airports in the rankings awarded in the »Germany's best employers« competition

Living Diversity

Group employees originate from more than 50 different countries.

Workforce and work environment

/Human resources strategy

Important regional employer

With its 7,624 employees[1] FMG is the second-largest employer on campus, behind Deutsche Lufthansa AG. For many years, the Freising district job center, which is also responsible for the Erding area, has reported some of the lowest levels of unemployment in Germany. The average Freising rate of 2.4 percent, a level that essentially corresponds to full employment, again underscores the importance of Munich Airport in the regional labor market.

FMG is one of Germany's best employers

Flughafen München GmbH is one of the best employers in Germany. This was confirmed by a study conducted on behalf of the weekly news magazine Focus and the career social network Xing. The study evaluated 820 companies employing more than 1,000 staff and highlighted 379 firms for their excellent services provided to employees. In a ranking of Germany's best employers, FMG secured a good position in the upper range, and was ranked 47 overall. In the sector »Traffic and Logistics« FMG secured fifth spot and was number one amongst all participating airports.

↗ Web
munich-airport.com/workforce

Munich Airport also scored well locally: in »Munich's best Employer-Brand« organized by the IMWF Institute for management and business research and the Süddeutsche Zeitung newspaper, FMG received a silver award in October 2013.

Attractive workplaces to recruit employees

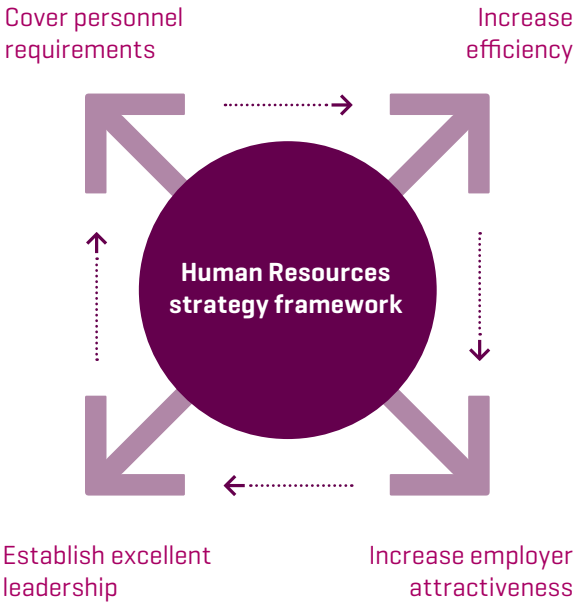
→ Sustainability program
Employees and the working environment
see page 180

Creating attractive conditions for existing and future employees at Munich Airport as well as ensuring sustainable employment are the central challenges of the Human Resources division. Thus, a variety of our strategic human resources activities contribute to increasing the attractiveness of FMG as an employer. To date, FMG has primarily seen itself as a regional employer. In future, however, in the light of demographic changes and the very low unemployment rate in Erding and Freising, it will need to be successful further afield in the competition for additional staff.

Setting goals in HR management

In order to continue shaping the development of the company in the future, successful strategic human resources work is vital. Our long-term human resources concept is geared to optimally supporting corporate strategy as well as the current business situation. In addition, we take account of social megatrends such as demographic change, diversity, individualization, mobility, health, and education. All of these aspects flowed into the HR strategy, passed in 2011, which established important goals for HR management, some of which will extend over several years. Individual measures drawn up to achieve our goals are reviewed annually and adjusted wherever applicable.

Goals



Covering personnel requirements

A qualitative/quantitative five-year personnel plan came to the following conclusion: from 2012 to 2017, at least 2,500 new employees will be needed at Munich Airport in various functions, especially in the areas of IT, engineering, building management, safety, retail, dining, and security. HR reacted by introducing an on-going review of vocational training, annually adapting the training portfolio up to 2015 to match developments. Introducing specialist training in IT systems integration and application development as well as offering a two-track work-study bachelor's degree in IT in 2013 were key steps towards covering recruitment needs in this field. Other new vocational and academic programs are planned for the coming years.

[1] Including trainees, but excluding workers in marginal employment, contract workers and interns

International Business has been able to draw on a pool of employees since the beginning of 2014. The pool, conceived in 2013, involves maintenance of a database of the skills of employees who will be available for future international assignments in our growing consultancy business. In addition, a new 18-month graduate training program starts in October 2014 preparing possible candidates for the employee pool.

Well thought out marketing and recruiting strategies have helped us establish an appealing employer brand and we have been using this image to present the Group on the regional and national labor markets since the end of 2013. We will also be deploying social media channels more frequently to address a larger target group.

Increasing efficiency
Besides our annual review of wage regulations and plant agreements to assess potential for optimization, an important factor in increasing efficiency is and remains reducing sick leave. Packages of measures and an enhanced corporate health management policy are aimed at establishing sustainable good health. Occupational medical services were enhanced, a large number of activities relating to inclusion at work, company sports programs, prevention and an analysis of employability are some of the measures that have been implemented to date.

Changing framework conditions concerning the aviation industry, resulting from new EU regulations for example, impact on the entire industry. To meet the demands expected of a top European airport operator, Flughafen München GmbH regularly reviews its organizational structure. The Organization department recently incorporated in the HR division, oversees such structural changes and standardizes them with the help of a change management process developed in 2013.

In line with the aim of the new brand »to bring all subsidiaries under one strong roof«, this heightened inclusion of subsidiaries in the parent's HR management processes is an important target in a move to increase efficiency in the coming two years.

Employee survey 2013

Group/Improvements compared to 2010/in percent

Group/Improvements compared to 2010/scale of 1– 5[1)]

[1)] 1 = top/5 = low

Increasing employer attractiveness

A key focus in 2013 was the continued increase in employer attractiveness. Initiatives such as expanding the »be family!« program and extending the children's day care center contributed to the perception of Munich Airport as an attractive employer. A financial incentive in 2013 included the bonus in respect of the profit achieved in 2012, which all FMG and AeroGround employees received in recognition of their outstanding commitment. In addition, FMG aims to employ more aircraft handlers directly and reached an agreement with the workers' council at the beginning of 2014 to cut the number of contract workers working in ground handling.

→ Chapter Workforce and work environment
Leadership Excellence
see page 77

Establishing excellent leadership

The Leadership Excellence program, which has a successful track record extending over several years, was once again expanded and now includes qualification and impulse modules. Obligatory performance reviews will also be introduced shortly. Following a test phase in selected divisions in fall 2013, management may in the future use these performance reviews as a key management tool.

Employee survey reveals high satisfaction

An employee survey carried out in 2013, following a similar survey in 2010, again highlighted the atmosphere for workers at FMG. Overall, the trend was extremely positive, with twice as many employees participating compared to the last survey. Issues looked at closely over the last two years achieved a marked improvement, namely company loyalty and satisfaction with senior management. The results show that most employees consider Munich Airport to be a very interesting place to work. However, there were differences between the Group companies surveyed.

When it comes to the higher priority issues such as »Remuneration and Additional Work«, »Development and Training« and »Collaboration with Other Units« employees felt there was scope for improvement. Management is now cooperating with the employees on the basis of the results of the survey. In January, a follow-up process entitled »Working out Solutions Together« started in which all managers will present the results of the survey to their employees, before working together to define a scope of action from which appropriate measures can be derived.

/Training and development

Traditional and innovative training paths

With its extensive retail and services portfolio, the Munich Airport Group was once again one of the region's largest training providers in 2013, offering a wide range of jobs in challenging and interesting fields for everyone including school students, school leavers, those just joining the jobs market to career advancers.

In 2013, around 150 school students and 111 university-level students received a first glimpse into our airport world in internships in various corporate divisions. We also offered opportunities for bachelor and master students to write their dissertation topics in connection with a number of company projects. As at December 31, 2013, 266 young people were taking part in FMG training programs. In September 2013, 99 school-leavers embarked on vocational and work-study programs with the Munich Airport Group.

Alongside training for conventional career tracks, a number of new and innovative vocational programs are offered, including system gastronomy and new IT careers. There is high demand for university level work-study programs which offer an interesting practical alternative to a classic academic program. This is particularly so for work-study programs such as the BA in aviation management which combines business administration studies with practical elements from everyday life at an airport. Work-study programs in business informatics and informatics (BSc) offer mathematically and technically gifted school leavers with a university entrance qualification a perfect start to their professional lives.

In May 2013, Munich Airport hosted a conference of commercial trainers and educators. Each year around 150 experts in vocational training from renowned companies gather to discuss current and future issues in all matters relating to professional training.

School and education projects in the region

As a committed corporate citizen, FMG engages in a range of initiatives to support school and education projects in the region. A case in point is the »*SCHULE*WIRTSCHAFT Freising-Erding-Flughafen« working group in which FMG has been promoting interaction between local schools and businesses since 1997.

For the eighth time, FMG sponsored and hosted the largest regional vocational training fair »Berufsfit« (Job fit) in September. Many school students used the opportunity to become acquainted with some 250 training and study programs offered by over 70 training enterprises, colleges and universities from the region around the airport. In addition, FMG was again a partner in the nationwide »Girls' Day« and for the first time also the »Boys' Day« event which aimed at motivating participants to choose a profession – girls for technical jobs and careers in natural sciences and boys for areas in which women predominate. Under the banner headline »Can't get rid of your idea?« FMG hosted regional rounds of the »Jugend forscht/Schüler experimentieren« youth research competition. In total, 80 school students presented the jury with 60 projects for evaluation. Since 2005, FMG has been operating a program aimed at helping young people unable to win a place on a vocational training scheme. A six-month practical training program gives them a chance to enter the world of work.

Apprenticeships in the Munich Airport Group

Number of apprentices at	Dec. 31, 2013
BA in Aviation Management	22
BSc in Business IT	7
BSc in IT	4
Campus fire fighting	8
Cooking	12
Event management	4
Hospitality management	4
IT	1
IT, specializing in application development	2
IT, specializing in systems integration	2
Mechatronics	30
Office administration	32
Office communication	17
Protection and security	2
Real estate management	6
Retailing	14
Servicing in aviation	80
System catering management	12
System catering management	4
Warehousing logistics	3
Total	**266**

↗ Web
munich-airport.com/en/company/mitarbeiter/diversity/index.jsp

Training and development at the Airport Academy

The consistent development of employee skills is one of the most important elements in the achievement of our ambitious goals. Whether demand-driven seminars or courses from our annually revised training and development program – Airport Academy courses are increasingly utilized by all Group companies. With a total of over

30,000 training days in 2013, the Leadership Excellence program for management development was, as in the prior year, one of the key focal activities in HR and management training.

Munich Airport's capabilities and expertise are also highly valued internationally – a fact that is reflected in the courses offered by the Airport Academy. Already on offer are international programs which will continue to be expanded as »off-campus« activities. As part of the ORAT project (Operational Readiness and Airport Transfer), the first three of a total of twelve operational courses with participants from Oman have already been conducted.

→ Chapter Service portfolio
Off-campus business
see page 51

Continued need for aviation training

As in past years, the Aviation Training department continued to focus on the training campaign for AeroGround. Besides the basic training required for all new employees, existing staff also learned about changes to the mix of aircraft and the particular requirements of airlines. Another focus of Aviation Training was on the operations examination, a necessary prerequisite for the independent preparation of aircraft and for obtaining the Chamber of Industry and Commerce credential »State Examined Aircraft Ground Handler«. AeroGround provided regular courses on hazardous goods in line with regulations issued by the ICAO (International Civil Aviation Organization) and Germany's Federal Aviation Authority. Many FMG employees repeated aviation security courses as prescribed by law. Given the construction of the satellite there was an increase in the number of people taking their maneuvering field driver's license. There was also a high demand for courses because of newly-acquired clients and changes in responsibilities in the winter service.

→ Glossary

Security training: More external clients

The main task of the Security Training department is to train aviation security staff in the screening of people and goods. The number of courses provided was slightly down on 2012. Collaboration with external clients was in demand with a number of external clients using the training capabilities of the Munich Airport Academy in the area of security training for initial and advanced training on baggage scanning equipment, for example. Added to the course portfolio was advanced cargo training: just like aviation security staff, cargo inspection employees also have to attend advanced courses.

Exchanging knowledge with other airports

Alongside the range of available seminars and courses, our vocational trainees, employees, and executives can also take part in national and international exchange programs to expand their knowledge and social skills and gather international experience. In the framework of the EU's Leonardo da Vinci education and cultural program, a total of 21 FMG vocational trainees visited partner airports in Athens, Lisbon, Malta and Vienna in 2013. In addition, seven trainers traveled to Rome on an exchange program.

Technical and management staff enhanced their knowledge during stays at one of our five sister airports – Denver International Airport, Central Japan International Airport, Airports of Thailand, Singapore Changi Airport, and Beijing Capital International Airport. During their stay, staff gathered new ideas for the continued development of Munich Airport.

Leadership excellence

The Leadership Excellence program, launched in 2012 to provide ongoing enhancement of leadership skills for all management staff at Munich Airport, has documented its first successes. The group-wide employee survey conducted in 2013 shows a significant improvement in satisfaction with management compared to 2010. This is due to the continuous improvement of the Leadership Excellence program. Alongside expansion of the range of training workshops, 2013 saw the integration of several investment companies in the program with four subsidiaries introducing excellence criteria adjusted to their respective needs, two more preparing to do so and more expected to follow in 2014.

Four fields of excellence criteria

Excellent Leadership

↓

Organizing and decision-making

Developing and changing

Employer

Communications

In addition to the previous five leadership excellence modules, a further six impulse modules are offered that target specific issues such as safety at work and the work of the workers' council. In contrast to the two-day training modules, impulse modules only last three hours and present current management issues in a nutshell. In order to promote the exchange of information and experience across all management staff employed in the Group, courses are offered across all hierarchical levels and for all subsidiaries.

→ Chapter Workforce and work environment
Employee survey
see page74

/Responsible employer

Cultural diversity

→ Sustainability indicators LA13, see page 188

As an internationally aligned organization, Munich Airport benefits from the heterogeneity of its people with their different mindsets and cultural backgrounds. Since mutual acceptance and appreciation are of great importance in this regard, all management staff and employees are familiar with, and adhere to, the German Equal Treatment Act, which protects employees against discrimination on the basis of race, ethnic origin, gender, religious persuasion, ideology, disability, sexual identity, or age.

↗ Web munich-airport.com/en/company/mitarbeiter/diversity/index.jsp

Of 7,624 employees[1] working at Munich Airport, 1,218 come from more than 50 countries. »Living Diversity« is thus an established part of our corporate culture and the international nature of our business. The protection of human rights is a self-evident principle for the Munich Airport Group within its sphere of influence. During the review period, there were no reported complaints concerning discrimination or the infringement of human rights.

Family and health in focus

→ Sustainability indicators LA7, see page 187

Flexible working hours are of key importance not only in creating an optimum work-life balance, but also in increasing our attractiveness as an employer. At Munich Airport, the majority of the workforce benefits from flexible work arrangements: from flextime and part-time working to partial telecommuting and scheduling based on work-time preferences for those engaged in shift work. Other attractive supplementary benefits promote both a balance between career and family life and the personal well-being and health of our employees.

These include:

- Children's day care center »Airport-Hopser« on the airport campus for employees' children aged up to four
- Vacation programs for employees' children
- Cooperation with »pme Familienservice«
- Employee residences close to the airport
- Various health promotion programs, including fitness courses, a company sports club, and ergonomics advice
- Reduced-rate monthly tickets for public transport
- An employee insurance service
- Free parking on the airport campus
- In-house travel agency with discounted offers

The new building for the company's own children's day care center has provided extra space to play and run around for children of employees since September 2013. Now 48 rather than the previous 30 children (from eight weeks to four years) are looked after by 15 carers. The children's day care center is open Monday through Friday from 6am to 9pm, allowing shift workers to use the offer, too.

Consistent health and safety

At Flughafen München GmbH, health and safety means guaranteeing the physical safety and safeguarding of the health of all employees. Preventative safety at work – measures guarding against accidents and job-related illness – is a high priority. Our industrial health and safety team works closely with state supervisory agencies and professional associations to ensure that we keep up with changing statutory regulations and swiftly implement any required changes. Regular on-site inspections allow safety experts to confirm that industrial safety measures are being implemented effectively and adapted correctly in line with changing operating procedures and practices. All measures, whether of a technical or organizational nature, were approved by the workers' council. The number of reportable work and commuting accidents at Flughafen München GmbH was on a par with prior year figures despite the increase in employee numbers.

New industrial safety management system

For the company to systematically ensure industrial safety, all affected areas – especially management – have to act in a manner that facilitates health and safety. To support such behavior, to guarantee compliance with legal requirements governing health and safety and to continuously improve internal processes, an industrial safety management system based on OHSAS 18001 standards was introduced across all organizational levels in 2013. Cross-Group implementation is scheduled until the end of 2014.

At the same time, management are becoming familiar with issues relating to industrial safety and health as part of the Leadership Excellence program. The aim of these impulse modules is to gain a uniform understanding particularly of management's obligations and responsibilities. Preventative measures are also on the program: for example, eye tests for employees constantly working on PC monitors or regular hearing tests for those employees

[1] Including trainees, but excluding workers in marginal employment, contract workers and interns

subject to higher levels of noise. We also place considerable importance on protecting those employees who work with hazardous substances or biological materials or who work at heights from work-related impairments.

Occupational health and social management with more responsibility

In 2013, the health management staff position was converted to the independent department of corporate health and social management (PEB). New responsibilities such as for the children's day care center, social counseling and for people with severe disabilities contribute to leveraging synergy effects. As a service provider and consultant, PEB regularly provides management with KPIs on employability such as average age, proportion of disabled staff and illness rates. On top of this, PEB supplies information on measures undertaken in in-company inclusion and health management. This helps draw up joint recommendations for action to improve employability.

PEB services are increasingly in demand. A health day for all apprentices organized for the first time in 2013 – promoting exercise, healthy nutrition and relaxation – received wide applause.

The successful conclusion of a group-wide framework agreement on occupational medicine ensures that resources, the quality and benefits related to occupational medicine are managed centrally through PEB and extended and strengthened in line with legal and corporate requirements.

The focus of company health and social management in 2014 will be on the issues of nutrition, the implementation of the group-wide framework on occupational medicine, the continued development of the counseling office for employees with socio-psychological problems and the implementation of the early prevention program with the Deutschen Rentenversicherung Süd insurance company.

Opportunities for employees with health limitations

Employees who are no longer able to continue their current area of work due to limiting health problems are deployed in accordance with their new life situation. Solutions are offered by our in-house system of inclusion management. Some staff remain employed in their own departmental units in work that matches their abilities; others are reassigned to roles in internal services – as couriers, messengers, maintenance staff, and quality assessors, for example. Employees with health limitations at AeroGround, who are no longer able to continue working in ground handling are transfered to boarding control in Terminal 1, for example.

Outstanding commitment for the disabled

A central plank of our HR policy is fulfilling our social responsibility commitments and creating suitable jobs and work for disabled employees. In 2013, 467 people with severe disabilities were employed at Flughafen München GmbH – 11.7 percent of our workforce. This means we offer far more jobs for the disabled than the statutory quota of five percent.

For its exemplary commitment to the training and employment of disabled people, Flughafen München GmbH received the »Inklusionspreis 2013 für Unternehmen« – the inclusion prize for companies – awarded by the UnternehmensForum in conjunction with the federal government. FMG stood out mainly for its cooperation with Lebenshilfe Freising. This cooperative venture helps young people with learning difficulties to find out which jobs they might be suited for by inviting them to take part in internships in various parts of the company. Two of these young people were given permanent contracts at FMG following such an internship. At the same time, the prize honored FMG's holistic health management program, especially the company's inclusion management program and the ill-health preventative measures for employees.

Young people check airport »in depth«

As part of a project initiated by the City of Munich's youth association, young people with and without disabilities tested the accessibility of both terminals and the München Airport Center. The checks primarily looked at the elevators, the floor guidance system for the visually impaired, toilet facilities for the disabled and access to information counters. Although the testers found much to praise, they also found scope for improvement.

Social funds show a sense of social responsibility

From 2014 on, employees and their families are granted financial support in unfortunate circumstances, such as in the event of death, sudden chronic illness or due to unforeseen difficulties for which they were not responsible. Support amounts to a maximum of € 10,000 per employee or family. FMG also pays any taxes due. If the fund has not been fully utilized by the end of the year, the remaining amount will be donated to local charities.

/Remuneration and codetermination

Personnel expenses and services above the general pay scale

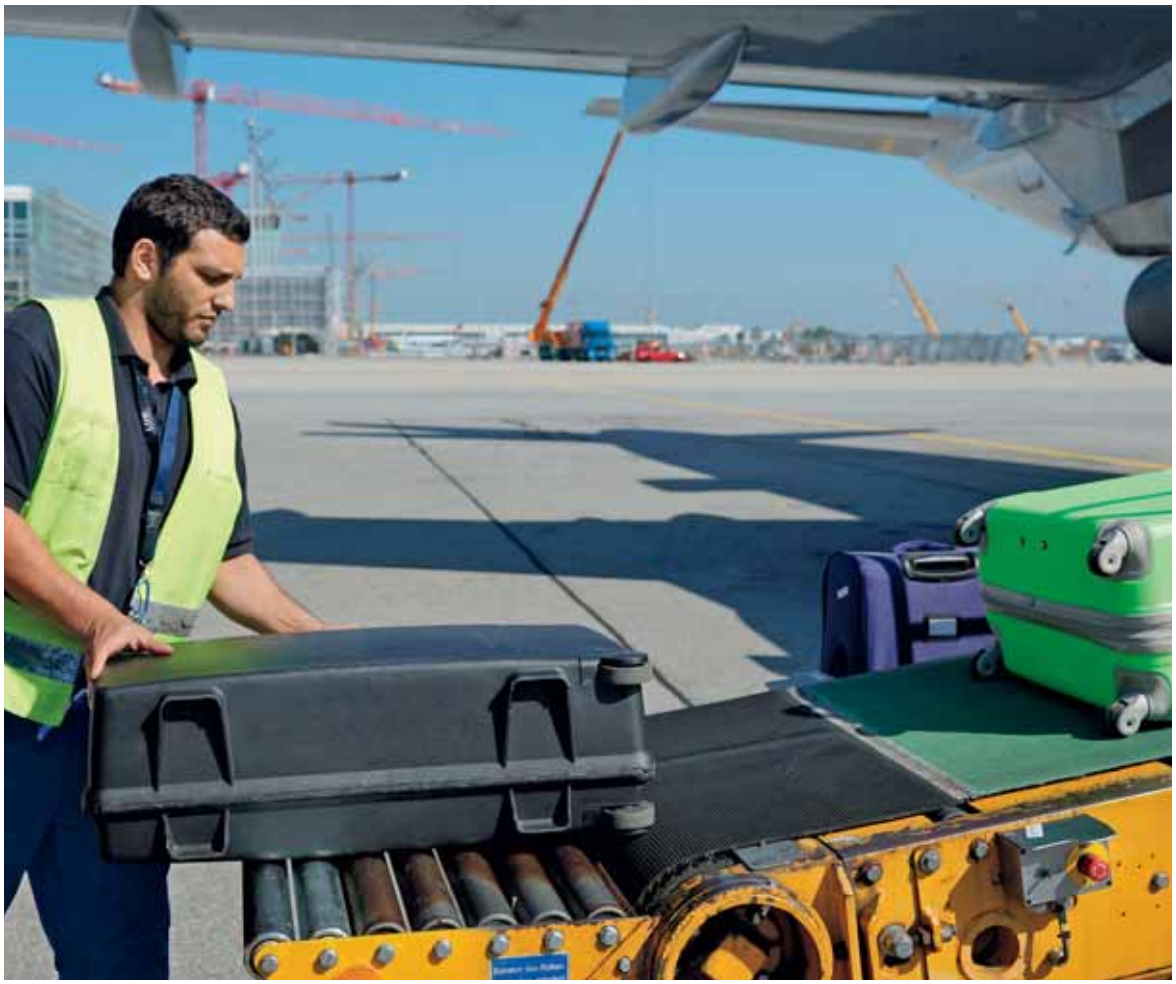
Flughafen München GmbH is a member of the regional public employers' association and, as such, is bound by the TVöD collective pay-scale agreement for public sector employees. The wage agreement entered into in March 2012 is valid for two years and involves a pay increase totaling 6.3 percent spread over three rises. Trainee pay is also rising in two steps by a total of € 90. Similar provisions also apply for the employees of our subsidiaries, though they are governed by their own pay-scale agreements.

The average salary for the employees of Flughafen München GmbH in 2013 – from all pay-scale and managerial employees to part-time and marginally employed staff – was € 44,380. This was significantly above the nationwide average in the transportation and logistics industry.

The Munich Airport Group's overall HR expense in 2013 totaled € 348.4 million, of which Flughafen München GmbH accounted for € 231.5 million. The latter figure comprises € 185.5 million in wages, salaries, and travel and meal subsidies, plus € 47.7 million in social security levies as well as retirement and support provisions.

The collective pay-scale agreement additionally includes retirement provisions which are covered by Bavaria's supplementary pension fund for public service employers. Our in-house retirement management office provides advice on this and all matters concerning statutory retirement.

Our employee benefits significantly exceed those required by law. Regular and alternating shift work, for instance, may be remunerated either financially or through time supplements. Vacation entitlements, too, are more generous than the statutory 24 working days with employees



entitled to 29 working days for a five-day week. After reaching the age of 55, employees are entitled to 30 working days. For trainees, in the future there will be 27 vacation days. In addition to the monthly remuneration, all employees receive pay-scale and non-pay-scale supplementary benefits, such as annual bonuses, a company pension, and subsidies for meals and travel.

A culture of codetermination

Under the provisions of the Works Constitution Act, a German law governing industrial relations in corporations, Flughafen München GmbH's workforce enjoys a variety of codetermination rights.

The workers' council, which is elected every four years – the next time to be in 2014 – and currently comprises 27 members, represents the interests of the employees and oversees the fulfillment of collective pay-scale agreements, statutory regulations and requirements, and internal company agreements. The latter include agreements covering vocational health management, addiction prevention, the integration of people with disabilities (or equivalent status), corporate integration management, and a variety of working time models. From the concept phase onward, comments and suggestions made by the workers' council on structural changes flow into plans in order to find optimal solutions for the company as well as for the employees.

Trainees actively involved

The company has a youth and trainee council (JAV) whose role is to represent the interests of young people and vocational trainees. The executive management involves the council in connection with any issues pertaining to young employees and trainees. The council is represented on the workers' council, where it has a veto right on youth issues to allow decisions to be deferred

pending further discussion. It is re-elected once every two years – the next time in 2014 – by all trainees and currently comprises seven members. Employees aged 25 years and under are eligible for election.

Participation and involvement

We encourage our people not just to take on a role in statutory and company bodies like the workers' council, the supervisory board, the youth and trainee council, and the council for employees with disabilities, but also to actively support other bodies and initiatives. There is plenty of scope for involvement – in everything from our careers and family project, the women's working group at FMG, and the company sports club to the company health management working group or the corporate idea management.

The employee suggestion program – a traditional instrument for workers contributions – directly enables FMG employees to shape and improve company processes and to influence the future of the firm. Creativity, ingenuity and specialist knowledge are all targeted. This results not only in higher motivation and feelings of appreciation, but it also increases employee engagement and boosts the economic efficiency of the Group. The ideas, which are quickly and reliably processed using the new online tool Eureka, are not just restricted to an employee's own working area; much more, the aim is also to make employees aware of broader improvement measures such as sustainability. Special emphasis is placed on ideas that are innovative and patentable.

Blue Angel

New buses have very low noise and pollution emissions so that they qualify for the Blue Angel eco-label.

50 breeding pairs

One of Bavaria's largest populations of Western curlew breeding pairs finds sanctuary at Munich Airport.

3.94 kg CO_2

3.94 kg CO_2 was emitted per passenger at Munich Airport.

Environmental and climate protection

/Climate protection strategy

Climate protection is part of corporate policy

Whenever the subject of climate protection arises, air travel is certain to enter the debate. Any discussion needs to differentiate between the contribution of global air traffic and the impact of individual airports. The energy consumption and harmful emissions of large airports easily match those of small towns. These only include emissions caused by operation of the infrastructure, transportation into and out of the airport, as well as taking-off, landing and taxiing of aircraft.

Flughafen München GmbH has therefore adopted a strategy of configuring airport operations and future developments so that harmful environmental effects are effectively minimized. Although the contribution an airport operator can make to global climate protection is limited, FMG is aware of its responsibility as the operator of a large infrastructure project and fulfils ordinances and environmental regulations over and above the requirements of the law.

Industry targets and achievements

Environment and climate protection have long been fixed quantities in the air travel industry. In 2008, FMG, Fraport AG, Deutsche Lufthansa AG and Deutsche Flugsicherung GmbH jointly wrote a white paper in which ambitious targets were set for environment and climate protection in the air travel industry up until 2020. As early as 2013 FMG had already achieved the targeted cuts in per-passenger CO_2 emissions at Munich Airport of 30 percent relative to the 2005 baseline year.

Globally, airlines, aircraft manufacturers and airports have agreed the following climate protection targets:

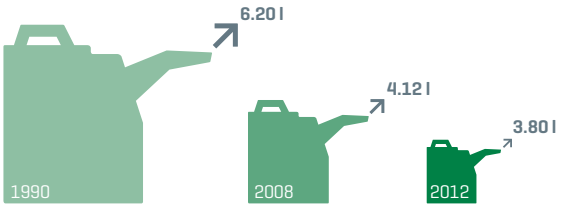
→ Glossary

- By 2020, air travel is to increase its energy efficiency by 1.5 percent per year.
- From 2020, air traffic is to grow in a carbon neutral manner through the use of market-based instruments, for example. On routes within Europe, airlines have been subject to EU emissions trading rules since 2012, with the targets in Germany having already been achieved.
- By 2050, the net CO_2 emissions due to air travel are to be reduced by 50 percent in comparison with 2005, despite the continuing rise in traffic volumes.

Where fuel consumption is concerned, successes can already be highlighted: while an aircraft required about six liters of fuel per passenger per 100 kilometers in 1990, the corresponding figure today is less than four liters.[1)] Aircraft belonging to members of the German Aviation Industry (BDL) consumed a average of 3.8 liters for 100 kilometers per passenger for all domestic and international flights in 2012. This makes German air travel a pioneer in energy efficiency. In 2013, this was 3.2 percent down on 2012 and significantly lower than the year-on-year efficiency improvement target of 1.5 percent which global air traffic set itself. Fuel costs currently amount to some 20 percent of total airline operating costs. This in itself is a significant driver in airlines' efforts to lower their fuel costs, without the need for any government limits.

Fuel consumption

Liters per passenger per 100 kilometers



Source: Federal Association of the German Aviation Industry (BDL)

Carbon neutral growth

One of FMG's corporate goals is to achieve carbon neutral growth by 2020. Essentially, this means keeping the CO_2 emissions that we as an organization can directly control to a level of around 160,000 tonnes a year (the volume in the baseline year 2005), in spite of expansion plans and projected traffic growth. Without systematic efforts, our additional emissions would in all probability come in at between 50,000 and 80,000 tonnes of extra carbon dioxide by 2020.

To achieve our goal, we launched a group-wide carbon reduction program with three main fields of action:

- Sustainable energy sourcing
- Increased efficiency in energy use
- Sustainable construction

Systematic CO_2 monitoring and CO_2 footprint

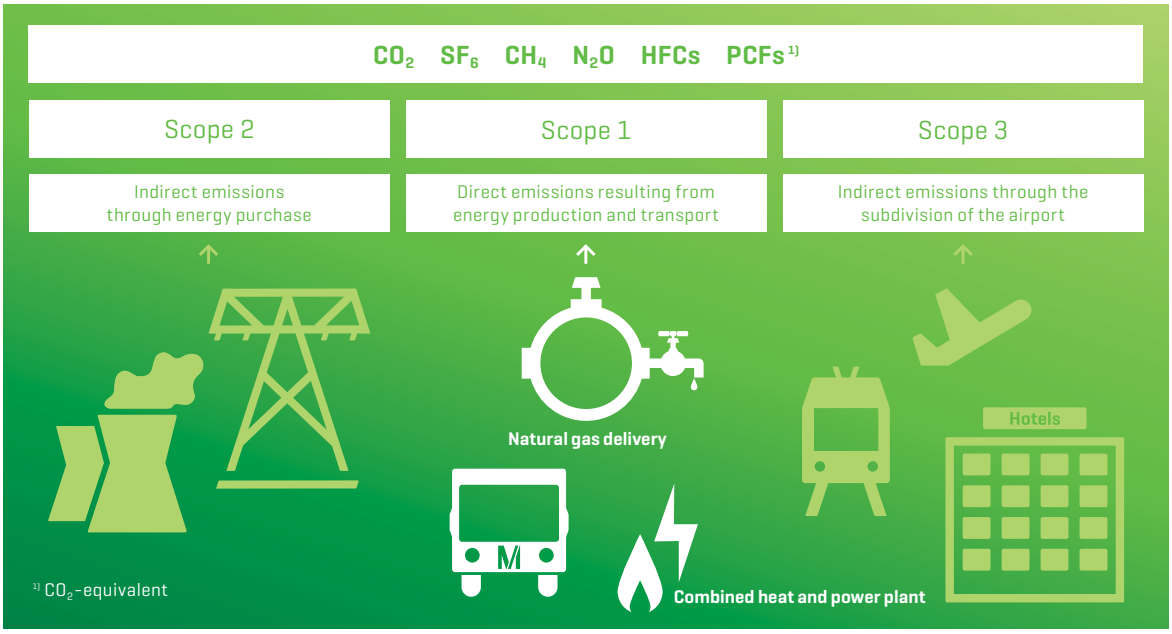
One of the most important components in carbon management is our carbon database, which we have developed in-house at FMG. This provides us with a reporting, control, and tracking tool for all our activities relating to carbon reduction and energy efficiency.

↗ Web
munich-airport.com/climate-protection

↗ Web
munich-airport.com/environmental-management

[1)] Source: Federal Association of the German Air Transport Industry (BDL)

Greenhouse gas emissions at Munich Airport



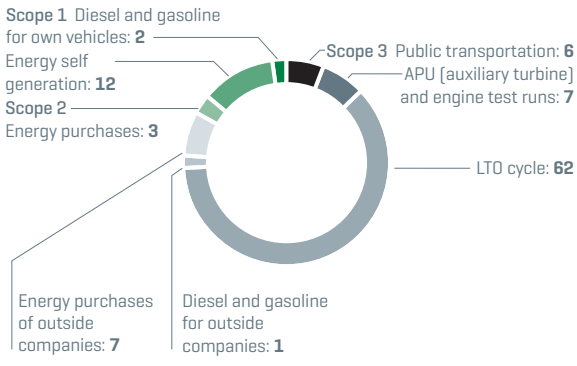
The CO_2 footprint is determined in line with the internationally acknowledged Greenhouse Gas Protocol (GHG Protocol), which groups sources of emissions into three scopes:

- Scope 1 comprises direct emissions caused by our in-house produced energy.
- Scope 2 covers indirect emissions caused by energy purchased to meet our own requirements.
- Scope 3 emissions are those caused by third parties like the airlines and public transport operators serving our airport. Our efforts to reduce our footprint include measures such as emissions-based landing charges that are designed to encourage organizations at the airport to follow our lead.

Our analysis of all airport-related harmful emissions includes aircraft handling operations on the ground, the utilization of our infrastructure, and even landside modes of transport used by passengers, visitors, and the workforce travelling to and from the airport. Emissions produced by aircraft are attributed to the airlines that operate them. The system boundary that determines which aviation emissions count toward the airport's own footprint is defined by the landing-and-take-off (LTO) cycle. In effect this means all emissions caused by planes at altitudes below 3,000 feet (914 meters) are attributed to the airport operator.

CO_2 footprint of Munich Airport

Percentage distribution



CO_2 reduction program

Where CO_2 emissions were concerned, there were two highly contradicting developments. Although the measures actively cutting carbon emissions totalled 3,648 tonnes, these savings were unfortunately negated by other increases so that the absolute CO_2 output of all plants, structures and vehicles for which FMG had a direct input (scopes 1 and 2 and scope 3 excluding the LTO cycle, APU (Auxiliary Power Unit) and public transport) rose roughly one percent year on year to 152,476 tonnes.

→ Glossary
→ Glossary
→ Glossary

Munich Airport generates approximately half of its energy requirement by means of efficient cogeneration of heat and power (CHP). Consequently, the total emissions figure is strongly dependent on the emissions factors of purchased energy. Munich Airport consistently applies the missions factor for the power mix applicable across Germany as a whole to its electrical power purchases. However, according to data from the German Federal Environment Agency this specific emissions factor has risen strongly. The reason for this is the increased use of coal and brown-coal power stations, which by itself more than compensates the increase in the use of renewable energies. Year-on-year, this circumstance alone added more than 3,300 tonnes of CO_2 to the carbon budget of the airport. Added to this were the climatic influences of 2013, which due to the low temperatures compared to the prior year, resulted in an approximate 6 percent increase in heating energy expenditure. Alongside these effects, all of which are beyond the airport's control, the opening up of the new German Air Safety (DFS) building with around 15,000 square meters of office space on the airport campus resulted in a marked increase in energy consumption. The resulting enhanced power use alone increased the carbon footprint by over 600 tonnes. Emissions generated on the building site for the new satellite building were of the same magnitude.

→ Glossary

→ Sustainability indicators
see page 190

Combating these effects were the ongoing successful measures of the CO_2 reduction program. Typical of these was the lighting optimization program in Terminal 2 which lowered power consumption by 1.4 gigawatt hours and consequently saved over 800 tonnes of CO_2. The focus was also on the lighting in other buildings, such as Terminal 1 and the workshops, with a resultant saving of around 2,000 tonnes. Furthermore, an old generator in the CHP plant was replaced by a new more efficient unit which will result in future annual savings of some 750 tonnes of CO_2. As the unit was only brought into service at the end of 2013, this saving will only be fully registered in 2014.

↗ Web
cdp.net

The overall effect of these measures was to compensate for the majority of the increases. Nevertheless, a small absolute increase of 1,923 tonnes remained. Adjusted for passenger numbers, the annualized amount of CO_2 per passenger was 3.94 kg. Scope 1 and 2 emissions, i. e. emissions resulting directly from the Munich Airport Group, including subsidiaries, decreased year-on-year by 1.8 percent to 100,175 tonnes of CO_2. However, emissions caused by outside companies and users of the airport and its buildings grew by more than 7 percent. As Munich Airport also feels responsible for these emissions, in the sense of the Greenhouse Gas Protocol, it is stepping up its existing efforts to help outside companies save energy. In doing so, one of the subsequent goals in CO_2 management has already been defined.

In total, Munich Airport remains committed to its path of achieving carbon neutral growth by 2020. A further milestone was reached with the commissioning of the pilot plant for pre-conditioned air for ground-based air conditioning of aircraft in the handling positions, which from 2016 will compensate for the extra emissions caused by the energy use of the satellite building.

Transparency in respect of climate change

In 2013, FMG joined the Carbon Disclosure Project (CDP), the world's largest association of investors and companies that have come together to combat climate change. The London-based organisation performs an annual analysis of more than 5,000 companies from across the world, the total capitalisation of which is more than 50 percent of the global market value, in respect of their climate strategies and carbon reporting. Immediately upon its debut entry into the CDP, FMG achieved the best result of all non-listed companies in the German-speaking countries Germany, Austria and Switzerland. The transparent presentation of the climate strategy and climate data were rated alongside the quality and effectiveness of measures to reduce climate gases. Munich came first amongst all the airports participating from across the globe. On top of this, the Bavarian hub airport was also positioned well above the average among all German companies investigated.

Yet more LED lighting

The replacement of conventional lighting with modern LED lamps continued at Munich Airport during 2013. The annual CO_2 saving resulting from the changeover in Hangar 3 is more than 400 tonnes per year, while in the workshops and warehouses it is nearly 100 tonnes. In addition, there is a whole series of other buildings where the new lighting technology uses considerably less electricity and reduces maintenance costs because of their longer service life.

Many of these changes go largely unnoticed by the airport visitor because they take place inside the operating buildings. Unmistakeable however is another innovation at Munich Airport; it is the world's first large commercial airport to changeover all of its apron lighting to LED lighting. After a start was made in 2012, in 2013 nearly all the lights

CO_2 emissons at the Munich Airport

(Scope 1, 2 and Scope 3 without LTO cycle, APU and public transportation)
In tonnes per year

Specific CO_2 emissons

■ Specific emissions in kg CO_2 per passenger
■ Specific emissions in kg CO_2 per passenger (adjusted [1] with respect to 2005)

[1] The climate adjustment using standard methods of degree days corrects the effects of warmer or colder years on heating energy requirements and facilitates a better comparison of the figures.

close to the buildings were changed over, while in 2014 nearly all the remaining apron lights will be changed. The difference at night between the old warm yellow lighting and the new white LED lamps is striking while at the same time, the new technology uses only half the power and is highly rated by the ground service crews because of the better workplace illumination it delivers.

Large energy savings potential in buildings

It is not just the new type of lighting that is providing energy savings, other measures also contribute to reducing energy consumption in existing buildings and facilities. In 2013, a project was concluded that makes better use of cold night air to cool Terminal 1, resulting in an annual saving of 200 tonnes of CO_2. Shorter intervals between cleaning the heat exchanger systems and fitting improved filter cartridges yield further savings. Where the baggage transportation systems are concerned, a slight reduction in the run-on times of individual conveyor belts reduces the electric motor running times and with it power consumption.

CHP is expanded

Flughafen München GmbH is determined to achieve sustainability and economic efficiency in all respects where energy generation is concerned. This of course applies to the airport's own combined heat and power (CHP) plant that runs on natural gas. In comparison with conventional power generation, the reduction in carbon emissions achieved using CHP is about 30,000 tonnes annually. This high degree of efficiency in the production of energy is achieved through cogenerating heat and power, with the heat resulting from the generation of electricity not lost but used both in the provision of heating and air conditioning.

→ Chapter Company profile and strategy
Green building
see page 36

Rising passenger numbers, expansion projects at Munich Airport and the climate protection goal of carbon neutral growth will require an expansion and a realignment of energy supply in the near future. The airport therefore intends to invest € 66 million in its energy plants by the end of 2015. Consequently, planning for the replacement and enlargement of the existing CHP in Power Plant West is running at full speed following the conclusion of the approval procedure. The first power should be generated by the new plant in 2014. The topping-out ceremony for Power Plant East took place on December 3. It will take over the complete supply of electricity and air conditioning requirements for Terminal 2 and its satellite. The first sections will enter service in 2014.

Munich Airport is using this energy concept to lay the foundations for sustainable growth over the next two decades.

Sustainable construction lowers carbon emissions

Flughafen München GmbH is committed to sustainable building, a commitment that is underlined by its membership of the German Sustainable Building Council (DGNB). Based on the DGNB criteria, FMG is currently developing a set of criteria that contains the targets and specifications for refurbishment and new-build projects in respect of ecology, economy, social aspects, technology and processes including the corresponding reporting.

The target for carbon emissions for new-builds is a reduction of 40 percent in comparison with buildings of the current stock. This applies for both FMG projects and third-party investors on campus. Through use of specifications for new-build and refurbishment projects, quality management in the Real Estate business unit ensures that buildings are constructed and operated sustainably. Facility Management coordinates the optimization measures in the building stock, for instance by organizing an energy saving discussion group comprising specialists from all those involved.

Typical new and refurbishment projects, that were planned or completed in 2013 and adhere to DGNB criteria:

- **Satellite building**
- **Optimization of T1, expansion of Fire Station North, Cargo Area West, Hotel**
  Carbon emission specifications, life cycle cost assessment, ecological building materials, water saving valves, ensuring comfort through thermal and visual simulations, optimized building site processes in respect of waste, noise, dust and environmental protection.
- **Completion of the day care center**
  Emphasis was not only placed on energy efficiency and the achievement of a high thermal insulation value, but also on an integrated approach. Low emission construction products ensure good interior air quality. The compactness and space efficiency of the building reduces not only the investment costs but also the ground sealing of the natural floor, energy consumption and energy costs.

In recognition of its measures for reducing and eliminating carbon dioxide emissions from flight operations, Munich Airport in February 2014 again earned the »Airport Carbon Accreditation« on the »Optimization« level.

Green IT: The name speaks for itself

Over 2,500 desktop computers plus their monitors, several hundred servers, notebooks and printers, a number of data centers, and a host of miscellaneous IT equipment including well in excess of 1,000 displays and information systems and 2,000 surveillance cameras, consume a large amount of electricity on the Munich Airport campus. It is against this background that the IT division aims to boost efficiency and deliver energy savings, for example through the replacement of physical servers with virtual servers.

Storage systems in data centers have now become very large, not least because data storage is very complex due to the strict security requirements. Multiple upgrades each time to the latest device generation, have considerably lowered the relative power consumption per gigabyte of storage in spite of an exponential growth in storage capacity. A reduction in the energy used by computers in the data centers has a positive effect on the air conditioning requirement, too. If the amount of waste heat falls, less energy is needed for cooling. The efficiency of this cooling is constantly optimized by structural improvements. The selection and procurement of printers that use less energy and produce less waste than comparable devices is another way in which FMG, with some 700 office and special printers spread across the campus, helps to protect the environment.

The IT division will continue to target sustainability going forward. Further technological changes in the storage system should produce a percentage energy saving of the same order as had already been achieved. The use of new technologies in the Terminal 1 display systems will lower both energy consumption and waste heat: at least 40 percent in respect of the displays, 50 percent for the computers themselves and 10 percent for the CCTV cameras.

Renewed certification

In an intermediate audit, independent environmental auditors reassessed Flughafen München GmbH's certification according to the internationally recognized standards EMAS and ISO 14001. Since the first successful audit in 2005, adherence to these standards has been recognized in 2008 and 2011; the next re-certification is due mid-2014. Each certification process is valid for three years, but must be confirmed every year in a so-called surveillance audit. At Munich Airport, the certification of the internal environmental management system of FMG and its subsidiaries corresponds to its commitment to sustainable operation of the airport.

→ Glossary

»Green offices« at the airport

In January 2014, the Munich Airport Group was again among the prize winners in the the German »Büro & Umwelt« (Office & Environment) competition. Compared with last year, the company was even able to climb one place, taking second place in the category »Companies with more than 500 employees«. A total of 60 companies took part.

Munich Airport's prize came not least for its environmental approach in both the IT and procurement departments. With more than 500 members across Europe, the German Working Group for Environmentally Aware Management, is the largest network for sustainable business. It recognizes the most environmental offices in the annual »Büro und Umwelt« competition.

→ Glossary

Environment and nature airport tour

In 2013, Munich Airport participated in the »BayernTour Natur« for the first time. The free tours around the airport emphasized the harmony achieved between nature and technology. Visitors were able to experience biotope management on the airport meadows, the hand-in-hand coexistence of bird protection and air traffic, and environmental protection at the airport. The presentation series, organized under the aegis of the Bavarian State Ministry of the Environment and Consumer Protection, is a joint action between state, clubs, associations, companies and local authorities, intended to promote interest in environment and nature issues.

Air pollutants below thresholds

The influence of airport operation and air traffic on the distribution of pollutants around Munich Airport is continually determined at two measuring points, one in the west and one in the east of the airport campus. In 2013, as in preceding years, nitrogen dioxide (NO_2) and particulate matter were largely in the low to moderate range. Based on the applicable emissions protection directive, the legally prescribed limit value for NO_2 since 2010 and the limit value for PM_{10} particulate matter since 2005 has been around 40 micrograms per cubic meter of air (µg/m³, annual mean). For $PM_{2.5}$ particulate matter a limit value of 25 µg/m³ will apply from 2015; until then this will remain a »target value«. All these values have been complied with since measurements started at Munich Airport.

↗ Web munich-airport.com/impacts

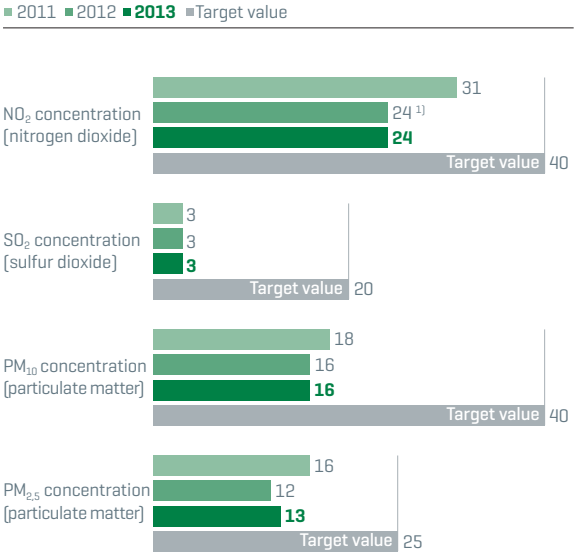
↗ Web munich-airport.com/air

↗ Web munich-airport.com/environmental-research

→ Glossary

Measured pollutant concentrations at the main measuring station

Annual average in µg/m³



[1] Moving of east measuring station

The annual mean value for NO_2, recorded at the main measuring point in the east, was 24 µg/m³ in 2013 and consequently in the lower range of values from the years 2009 to 2012 of 24 to 31 µg/m³. At the measuring point to the west of the airport, which is likewise in close proximity to the airport, a mean value of 23 µg/m³ was measured in 2013. Between 2008 and 2012, it was between 24 and 28 µg/m³. Nitrogen dioxide levels at the airport are similar to those measured in German towns such as Ingolstadt, Bamberg, or Würzburg. Levels in rural towns are typically lower, whereas levels in downtown Munich are significantly higher than at the airport.

The mean annual level of PM_{10} particulate matter measured during 2013 was 16 µg/m³ (continuous measurement at the main east measuring station). Mean levels between 2009 and 2012 were in the range from 16 to 21 µg/m³. $PM_{2.5}$ particulate matter is particularly important for human health. During 2013 its concentration was 13 µg/m³, while in the previous year it was 12 µg/m³.

In addition to particulate matter and nitrogen dioxide, the pollutants ozone, nitrogen monoxide, sulfur dioxide, carbon monoxide, benzene, toluene, xylene and dustfall are measured. The applicable statutory limits were complied with for all of these pollutants.

Emissions-based landing charges

Flughafen München GmbH levies pollutant-based landing charges in addition to noise-based charges, making a positive contribution to the improvement of air quality in the airport surroundings. This gives engine and aircraft manufacturers a long-term incentive to invest in the development of low-pollutant aircraft and lower the emissions of nitrogen oxides (NO_x) and unburned hydrocarbons from the engines.

→ Glossary

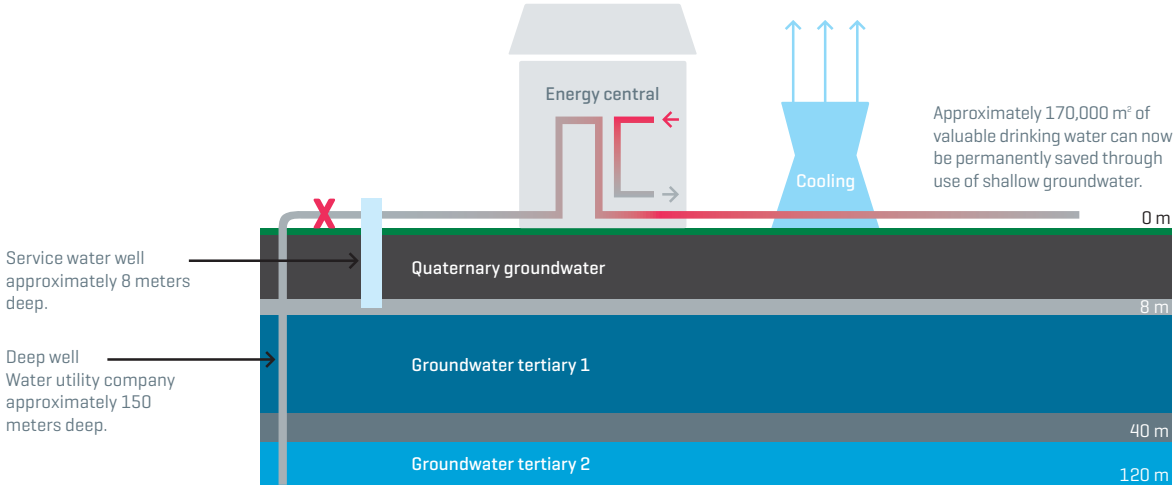
/Resource stewardship

Reduction of drinking water consumption

Groundwater near the surface instead of deep water (drinking water)

In the past
High-quality drinking water of the Moosrain water utility company was used in the energy central for cooling purposes.

Since 2010
Instead of valuable drinking water, shallow groundwater is now used for cooling.



Water consumption up slightly

In 2013, Munich Airport drew 1,000,558 cubic meters of drinking water (prior year 942,607 m³) from the Moosrain water utility company. The six percent increase in consumption results particularly from water used during construction and higher use in the passenger handling areas and hotels.

Groundwater not drinking water used for plant cooling

Since December 2010, Flughafen München GmbH has drawn quaternary groundwater from its own approximately eight-meter-deep, purpose-drilled well, which then is used in the cooling units and generator sets of the combined heat and power plant. Some 550,000 cubic meters of quaternary well water have been drawn over the last three years. In this way, 20 percent of the drinking water requirement is saved annually. Thus far, no changes have been detected in the groundwater table nor have any detrimental environmental effects been observed, based on water management monitoring. To supply the new East Power Station, a new ten meter-deep process water well is currently being drilled that will operate according to the same principle and is to come into operation at the same time as the building in 2015.

Flood water protection proves effective

Heavy precipitation in May 2013 led to significantly increased flows in the water courses, higher water tables and ultimately to flooding in large parts of Bavaria. Thankfully, Munich Airport remained free from damage due to precautionary measures for flood water protection and careful monitoring of systems. The discharge ditches around the airport perimeter fence fed the water from the incoming water courses in the South, around the airport, and into the existing water courses in the North, without any resulting damage. The airport's internal sewer system was also effective and helped to prevent peak flood water drainage flows. Run-off precipitation was first held in the sewer system, then routed onwards, treated in sedimentation tanks and finally released into the water courses.

Prevention of water pollution around the runways

Protection of the groundwater at Munich Airport requires special measures. Consequently, FMG is building ground filter systems around the runway heads. These prevent deicer used in aircraft deicing from being carried by the wind into green areas alongside the runways, taxiways and apron where it can percolate down to the groundwater and contaminate it. A ground filter

→ Sustainability program
Environment and climate protection see page 179

comprises an underground sealed storage space that is filled with gravel and sealed-off from the subsoil. Its dual purpose is to clean the deicing water and act as a soakaway. After quality measurement (total organic carbon – TOC) the run-off water is either fed directly to the water courses or fed via the deicing water sewer system to the Eitting clarification plant for further treatment.

Recycling ratio of 71 percent

The surfaces on which mobile deicing vehicles deice aircraft in winter are also equipped with a capture system. The resultant waste water flows via slit drainage gutters into underground tanks. It is mechanically and chemically cleaned in the airport's own recycling plant, distilled and then converted back to deicer through the addition of additives. In this way a total of 71 percent of the deicer used during the 2012/2013 winter was treated and reused.

↗ Web
munich-airport.com/climate-protection

Use of alternative fuels is part of the 2020 climate program

Flughafen München GmbH has been experimenting with alternative fuels from renewable energy sources (biofuels) in its vehicle fleet since 2007. Alongside fuels from renewable raw materials such as vegetable oil and bioethanol, 21 cars also now running on biogas. Additionally, a number of practical tests are currently taking place on the airport campus using electric vehicles, one of which is already in day-to-day use. This electric car uses on average 20 kWh per 100 km (generating 70 g CO_2), the equivalent of 2 liters of gasoline. The aim of this comparison between alternative and traditional fuel use is, through procurement and purchasing as well as airport infrastructure development, to reduce CO_2 through proactive climate protection. The Bavarian State government adopted this project as a flagship project in the »2020 Bavarian climate program«.

Airport decides on »Blue Angel« buses

Since 2013, 32 new environmentally friendly buses have been transporting passengers and crew between terminals and aircraft parking positions on the Munich Airport apron. The buses have very low noise and pollution emissions so that they qualify for the »Blue Angel« eco-label. They comply with the EEV (Environmentally Enhanced Vehicle) exhaust standard, emitting only a fraction of the pollutants such as soot particles, carbon monoxide and nitrogen oxides in comparison with today's standard vehicles. And they are quiet, emitting noise levels not exceeding 77 dB(A). Similarly stringent rules apply to the paintwork, which must, for example, be free of lead, chromium and cadmium compounds.

Reliable electromobility provision

FMG is not only concerned with electric cars as a fleet operator, it also provides the necessary infrastructure for public users. Up until 2013 there were only four charging points in the P20 car park; this number has now increased to 16 charging stations, distributed across various parking areas. A business model is currently under development, which will permit quick adaptation to the market when the numbers of electric cars increase.

/Noise control

Noise is strictly regulated

The noise caused by planes is strictly controlled. The ICAO requires a substantiated noise certificate for both the prototype and operational approval of new aircraft.

Approval is given on the basis of a standardized procedure in which the aircraft noise emissions are measured at three fixed measuring points during flyby as well as flyover prior to landing and after the take-off. The aircraft then receive a noise certificate based on the measuring results, the maximum take-off weight and the number of engines. All propeller and jet-engined aircraft with a maximum take-off weight of 8,619 tonnes or more, that were type-approved after January 1, 2006, must comply with the most stringent noise limits. If this benchmark is applied to 2013, 98 percent of all jet planes already fulfil these criteria.

The development of very quiet aircraft types will be further accelerated through the use of new geared turbofan (GTF) engines. The first flight of a 100-seater civil airplane with the innovative geared turbofan technology took place in September. This GTF is based on a completely new engine architecture. Through use of a step-down gear between the turbofan and the low pressure turbine, both components achieve their respective optimums and help the geared turbofan to achieve very high efficiency. This reduces fuel consumption and carbon emissions while halving the noise, equivalent to 10 dB(A).

This is in line with the targets of the EU Advisory Council for Aviation Research in Europe (ACARE), which is targeting a halving in the externally perceptible noise in its Vision 2020 policy. Similarly, »Flightpath 2050« of the EU has as its target a 65 percent reduction in noise emissions by 2050.

Landing fees: The quieter, the cheaper

»The Commission on Aircraft Noise and Air Pollution« at Munich Airport is working intensively on continued reduction in aircraft noise. The commission is made up of representatives of Munich Airport, the airlines, the surrounding municipalities and government offices, and meets at regular intervals. In addition, air traffic control operator Deutsche Flugsicherung GmbH (DFS) participates in the meetings. The members of the commission have various means of reducing aircraft noise – DFS through careful planning of arrival and departure procedures, the airlines through efforts to reduce fleets' noise emissions for economic and environmental reasons, and Flughafen München GmbH through, among other things, requiring the implementation of statutory regulations and requirements concerning noise prevention.

Munich Airport can particularly influence the aircraft used through noise-based landing charges. Airlines that use quiet aircraft benefit from a graduated, widely spread system of charges. The noise-based take-off and landing fees can be as much as eight times as expensive for a loud aircraft type as for a quiet one. These charges are determined on the basis of fixed noise classes, which are based on the measured, average take-off and landing noise levels.

↗ Web
ACARE: acare4europe.org/

↗ Noise brochure
munich-airport.com/noise-control

↗ Web
munich-airport.com/aircraft-noise

→ Sustainability indicators
A07 see page 195

Target: Improved noise situation for residents

To reduce the impact of aircraft noise on the airport's neighboring communities, FMG is committed to more than merely fulfilling statutory regulations. We are currently discussing and reviewing a number of active anti-noise measures that could reduce or avoid the noise at its source or could, for example, redistribute the noise impact. These measures include introducing steeper descents, more frequent use of continuous descent operations, which is quieter than conventional landings, and changing the approach angle so that planes are at higher altitudes when they fly over the airport's wider surrounding area. Other steps are the optimization of flight routes to relieve individual towns, best possible utilization of the take-off and landing runways with respect to noise and new developments in engine technology and retrofitting of aircraft fleets.

→ Glossary

All of these potential measures require careful consideration by Flughafen München GmbH, Deutsche Flugsicherung GmbH (air traffic control), and the aircraft noise commission. They only make sense if they can be implemented multilaterally and can genuinely deliver improvements for airport neighbors.

→ Glossary

New standard in aircraft noise monitoring

Aircraft noise is continually monitored at Munich Airport. To achieve this, Flughafen München GmbH operates 16 fixed measurement points, which are positioned at a radius of about 20 kilometers around the airport, and three mobile measurement stations for individual deployment. The values measured are published monthly in impact reports and on the airport website. The equipping of all stationary and mobile measuring points with new measuring instruments in 2012 created the foundations for the changeover to the February 2011 amended version of DIN 45643 »Measurement and assessment of aircraft noise«. Measurement, calculation and evaluation have been based on the new standard since the beginning of 2013.

→ Telephone number for questions regarding aircraft noise at Munich Airport
+49 89 975 404 10

Mobile aircraft noise monitoring as a service

Mobile aircraft noise measurements using a measuring vehicle or container are provided as a voluntary service by FMG. They can be requested by the representatives of municipalities, whose locations are not covered by the stationary measurement instrument network. In 2013, 12 mobile aircraft noise measuring systems recorded a total of 421 daily values, including in Ismaning-Almfeld, Großnöbach and Langenbach for the first time. It was also possible to document the development of aircraft noise in Fahrenzhausen-Unterbruck, Fahrenzhausen-Auwiesenweg, Bockhorn, Neufahrn, Eching, Moosinning, Dorfen, Schwaigermoos and Haimhausen because in these locations, mobile measurements had already been recorded on multiple occasions.

↗ Web
munich-airport.com/night-flight

Aircraft noise situation at prior-year levels

More than half of the continuous sound level Leq3 Day and Leq3 Night readings recorded by the stationary aviation noise monitoring system during our six busiest months were at around the level of the prior year. Year-on-year, the only differences arose due to increased use of the eastern operating direction.

Getting in contact

As part of our complaints management system, neighbors affected by aircraft noise can contact FMG directly. This service enables us to respond directly to complaints concerning individual noise events and to answer questions concerning aircraft noise in general.

Regulation limits night flights

Night flights are unavoidable for globally interdependent air traffic. Munich Airport has a nighttime curfew between 10:00 p.m. and 6:00 a.m. during which flights are limited in number and confined to especially quiet aircraft. In the largely movement-free core period between 12:00 midnight and 5:00 a.m., generally only night mail and survey flights by air traffic control are permitted. The night-flight curfew in force at Munich Airport includes a noise quota computed on the basis of aircraft types and sizes and the number of aircraft movements. In 2013, only 66 percent of the allotted quota was used compared to the prior year's figure of 69 percent. During 2013, the allowed mean nighttime continuous sound level of 50 dB(A) was not exceeded at any point on any flight path coinciding with the combined daytime and nighttime noise control zone.

Night flight regulations

- Absolute ban on nighttime flights
- Restrictions of nighttime flights
  (also: Amsterdam, London, Madrid)
- No restrictions
  (also: Antalya, Istanbul, Palma de Mallorca, Paris, Dubai, Hong Kong, Singapore, USA)

Viewed on an international scale, the noise protection measures at German airports are very strict with night flights either completely forbidden, as in Munich, or limited to a minimum. This means that strongly growing hub airports such as Istanbul and Dubai, which do not have any such limitations, have a competitive advantage.

→ Glossary

/Biodiversity

→ Chapter Service portfolio bird strike prevention see page 56

Low-nutrient meadow habitat

Almost two-thirds (943 hectares) of the present airport ground is made up of green spaces and ecologically important meadows. The airport meadows adjoining the take-off and landing runways play a central role in the ecological integration of the airport in its environment. They are suitable for flight operations while simultaneously offering bird and plant species an important habitat. Munich Airport has been implementing special biotope management on these meadows since 1992. As a result low-nutrient meadows have developed which are ecologically much more valuable than, for example, the intensively farmed and high-nutrient green spaces or arable land that exists beyond the perimeter fence. The long-term habitat management method is in harmony with both the bird protection approach pursued by the airport within the perimeter fence and the requirements of bird strike prevention on the airport campus.

↗ Web munich-airport.com/landscape

Bird reserve sited directly on airport land

The 4,525-hectare European bird reserve which was designated in 2008 as the »Nördliches Erdinger Moos« reserve includes the 630 hectares of airport meadows around the take-off and landing runways as well as essentially the northern and eastern parts of the Erdinger Moos (moor) where this adjoins the airport campus. The bird reserve is primarily important for bird species that favour an open or partially open low moorland habitat. Consequently many ground breeders have made the reserve their home, including the Western curlew, lapwing, quail, grey partridge, skylark, corn bunting and corncrake. The reserve is also home to significant numbers of breeding birds of species favouring standing water, reed beds and silted up marshland such as the bluethroat.

Almost all the suitable habitat for ground breeders within the bird reserve is inside the perimeter fence on the airport meadows. The fence offers excellent protection against predators such as foxes and offers a disturbance-free, optimum habitat for ground breeding birds. Thus for example, over 95 percent of the curlew population of the bird reserve breeds successfully every year on airport ground in close proximity to the take-off and landing runways. With some 50 pairs of Western curlews breeding every year, the airport is home to one of Bavaria's largest populations of this endangered bird.

The remarkable evidence provided by the range of species and breeding successes underlines the fact that the airport meadows are not just barren, sterile fields but rather offer optimum biotope and habitat quality for rare ground

European bird sanctuary »Nördliches Erdinger Moos«

Forty endangered species of birds or birds threatened by extinction find an especially protected habitat in Nördliches Erdinger Moos, including:

Western curlew,

lapwing, and

blue-headed wagtail.

breeding birds. As a central area within a European bird reserve, they are even of national importance for the preservation of bird types within their natural range. To preserve this habitat on the airport site, and also in the broader surroundings, Munich Airport cooperates closely with the nature conservation authorities.

In total the »Nördliches Erdinger Moos« reserve protects 40 particularly endangered bird species and is consequently an important stepping stone in the ecological network that is spread throughout Europe, »Natura 2000«.

Nature and air traffic in harmony

For years, the breeding birds on the airport's meadows have been carefully and regularly observed and counted. The breeding season of the birds is always taken into consideration whenever meadow maintenance or construction work is necessary. Work on the airport meadows that is not time-critical or can be carried out at any time is always carried out after the end of the breeding season in July. Bird strike prevention measures are always performed with consideration for the breeding season. Also, whenever the airport implements or plans compensatory migration sites, which often lie within the two bird reserves »Nördliches Erdinger Moos« and »Freisinger Moos«, preservation and support for species diversity and the biodiversity of flora and fauna are always prioritised. The overall effect is that nature and air traffic remain in harmony. The practical experience of previous years has demonstrated that the coexistence of safe air travel and bird protection is possible in spite of the apparently contrasting requirements of the two concepts and also that they can develop responsibly together.

Hunting as practical nature protection

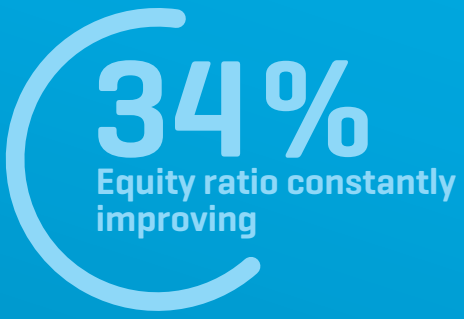
In the area of an airport, hunting fundamentally has a different priority than is the case in other hunting areas. Game is hunted for reasons of nature and species protection or to prevent bird strikes, or if the size of the population makes it necessary. In addition, the population of predators, such as foxes or martens, is regulated for the protection of threatened ground breeders such as the Western curlew. Likewise in hard winters, the airport hunters help many wild animals through the difficult period by species-appropriate feeding. → Glossary

Where the red deer is concerned, FMG is helping in species preservation. The red deer has largely vanished from many parts of Bavaria. Amongst the eleven recognized wild red deer areas in Bavaria, is the area of the Isar floodplains where FMG owns areas of land. In cooperation with the Bavarian Hunting Organization, the lower hunting authority, the FMG Real Estate business division and the responsible hunters, we have succeeded, over recent years, in safeguarding deer population areas and helped to achieve a compromise between nature protection and hunting interests.

€ 98.6 million
Consolidated profit after tax

40 %
EBITDA margin at European peer level

€ 120 million
Positive free cash flow despite the large satellite Terminal 2 project



Financial review

/Management commentary

Activities

Flughafen München GmbH (FMG), headquartered in Munich, is the parent company of the Munich Airport group (Munich Airport) and is the operator of Munich's commercial airport.

Together with its subsidiaries, FMG provides virtually all the services required at an airport – from air travel including passenger and cargo handling through to retailing, hotels and gastronomy – as a »one-stop« provider. Consequently, FMG has executive authority over the nature and features of the services offered at Munich Airport and can integrate all services across all companies to provide customer-focused solutions.

Munich Airport is committed to a corporate policy of sustainability, striving to achieve a balance between economic, ecological and social goals.

FMG is co-owned by the Free State of Bavaria, the Federal Republic of Germany and the City of Munich, with Bavaria holding 51 percent of shares, the Federal Republic 26 percent and the City of Munich 23 percent. Decisions that affect the fundamental business of the company need to be made unanimously. In all other cases resolutions are passed by simple majority.

Economic conditions

Air traffic

In its current stage of development, Munich Airport has two runways operating from 6:00 a.m. to 10:00 p.m. During this time the slot capacity is up to 90 aircraft movements per hour. At nighttime, flights are limited and confined to exceptionally quiet aircraft. In the core time, between midnight and 5:00 a.m., general and commercial air traffic is not permitted, with the exception of night airmail flights. Outside this core time (from 10:00 p.m. to midnight and from 5:00 to 6:00 a.m.) only designated quiet aircraft are allowed to take off and land. During these periods, the approved slot capacity for scheduled and charter traffic is restricted to 28 planned aircraft movements per night. In addition, only flights from airlines serviced and maintained in Munich, training and exercise flights, or flights with aircraft that do not generate sound levels greater than 75 dB (A) measured at each noise measuring station in the vicinity of Munich Airport during take-off and landing are permitted. Overall, the annual approved noise quota for night flights may not be exceeded. The slots available at the airport during peak times are nearly fully utilized.

Given the area available for development, Munich Airport is in a relatively good strategic position in respect of expanding its slot capacity because it can more easily expand its runway system compared with competitor airports in densely populated conurbations.

Munich Airport can handle up to 45 million passengers per year: Terminal 1 has an annual capacity of 18 to 20 million passengers while Terminal 2 can handle between 20 and 25 million passengers per year, depending on the traffic structure. Particularly within the Star Alliance Network in Terminal 2, the capacity threshold has almost been exceeded. Expanding the Terminal 2 with the satellite building under construction should remedy existing bottlenecks. The freight terminal has a capacity of around 270,000 tons per year. The freight-forwarding facility covers an area of 31,000 square meters and has 103 docking bays for trucks.

Given its exceptional geographic location in one of the most economically successful regions in Europe, Munich Airport benefits from high demand for passenger and cargo services in its catchment area. No other region in Germany is home to more DAX 30 companies. A number of successful enterprises have set up production and administration sites on the region's outskirts with the result that there is brisk demand for air traffic services at Munich Airport. However, this potential demand in passenger air traffic cannot be fully exploited due to existing connections to regional and inter-city rail transport and inter-city bus services. In addition, there is also an overlap with competitors' catchment areas, especially those of Frankfurt, Vienna and Zurich airports, in the airport's outer zones. Compared to these airports, the current level of landside infrastructure connections presents a disadvantage.

Collaborative work with Deutsche Lufthansa AG has helped Munich Airport become a major air traffic hub. Joint extension projects, such as Terminal 2 and the satellite building currently under construction, form the basis for sustainable partnership that not only allows capacities to be exploited, but also ensures long-term growth. Alongside Lufthansa, airberlin also uses Munich Airport as a hub. Given the absence of suitable landing slots, the larger Arabian and Asian airlines have little chance using Munich Airport as a hub.

With respect to take-off and landing charges, Munich Airport is currently negotiating long-term agreements with uniform terms and conditions for all airlines. The validity of such agreements is subject to approval by the Bavarian Ministry of the Interior, Building and Transport.

Consumer activities

The large number of business and private travelers, extended opening hours and the availability of tax-free shopping in the non-public area have boosted consumer business at Munich Airport. In total, Munich Airport can boast 18,400 square meters food and beverage space and around 22,000 square meters of retail space.

Alongside consumer activities based on passenger traffic, the number and purchasing power of consumers in the airport's catchment area offers significant market opportunities for retailers and catering services. However, existing public transport connections are hindering the airport's ability to exploit this potential. On top of this, the current local government approval is restricting opportunities to expand commercial space and the range of goods and services available on the airport campus.

With its high passenger numbers, Munich Airport can offer a wide range of advertising options with high advertising exposure and a differentiated target group profile.

Real estate

Appealing surroundings, access by road, excellent parking facilities and a wide range of everyday goods and services make Munich Airport an attractive office location. By contrast, poor public transport connections and limited variability of office space in existing buildings can be viewed as drawbacks. Current planning permissions are restricting new development.

At the current stage of development, Munich Airport has only limited marketable space. Nevertheless, the real estate strategy currently being drawn up explores the potential for real estate projects such as office space.

Conditions for sustainable growth

After Deutsche Lufthansa AG, Munich Airport is the second largest employer on the site. In 2013, an average of 7,863 staff was directly employed by Munich Airport. As the providers of a service that primarily involves direct contact with the customer, Munich Airport is highly dependent on the talents and motivation of its employees. Most of the services provided involve shift work and employees performing physically challenging work.

Munich Airport is in a labor market characterized by near full employment. As a public service enterprise, a large portion of employees are paid in accordance with pay scales of the public sector's collective agreement. Unlike other competitors in the labor market, Munich Airport only has limited flexibility in the management of salary structures.

In its role as an infrastructure operator, Munich Airport is keen to ensure that developments are accepted by the public at large, especially with respect to larger projects that expand capacity and secure growth potential. To ensure this acceptance, the airport strives to limit the negative impact of its business activities on local people and the environment which specifically includes: increased traffic volumes in the immediate vicinity of the airport, noise and exhaust emissions from the aircraft, soil sealing and the impact on biodiversity at the airport site.

The airport straddles two local administrative districts (Erding and Freising) and three municipalities (Freising, Hallbergmoos and Oberding) which means maintaining contact with a large number of local government representatives and various community interest groups in respect of future developments. Harmonizing these interests in various projects – mainly in respect of expansion projects, but also in terms of retailing on the airport site – often makes it necessary to involve and, where necessary, seek the approval of these districts and municipalities.

Areas of activity

The Aviation (AV), Commercial Activities[1] (CA) and Real Estate (RE) areas of operation have contributed significantly to our business success on the airport campus.

AV comprises FMG's AV business division and the AV business division of Terminal 2 GmbH & Co. oHG (T2 oHG). These business divisions operate Munich Airport's entire air traffic infrastructure. By providing and operating the infrastructure for taking-off, landing, taxiing and parking passenger and cargo aircraft, the business divisions acquire income in the form of fees charged to airlines for each take-off and landing based on the weight, noise and exhaust emissions of the aircraft. For the provision of handling capacities and services at Munich Airport's passenger and cargo terminals, fees are charged based on the number of passengers handled or the number of workload units on board (a workload unit corresponds to 100 kg of cargo or mail per landing and take-off). Airlines are charged separate fees for the deployment of central infrastructure facilities such as baggage and cargo transport equipment. Services offered by the AV business divisions range from traffic management and apron control, allotting ground handling positions at the terminals and on the aprons, passenger flow control and passenger information through to passenger care in the VIP area and in the other lounges at Munich Airport. The business divisions drive the development and expansion of air traffic and terminal capacities at Munich Airport according to requirements.

Commercial Activities comprises the CA business divisions of FMG and T2 oHG and the subsidiaries eurotrade Flughafen München Handels-GmbH (eurotrade) and Allresto Flughafen München Hotel and Gaststätten GmbH (Allresto). Center Management plans the use of all retailing and food and beverage floor space available at Munich Airport. eurotrade and Allresto are largely responsible for marketing their own activities. These companies provide a wide range of retail and service business, restaurants and other catering facilities in the public and non-public areas of the airport to independent shops and franchise partners. Moreover, Allresto manages the Kempinski Hotel Airport München on behalf of Kempinski AG. Moreover, the business division markets the car parking facilities, and the advertising media and spaces. Last but not least, the division manages all event areas in the airport, both renting out and using the space for its own events.

Real Estate involves the work of the RE business divisions of FMG and T2 oHG. Its business model encompasses the development, operation and marketing of all real estate and property within and outside the airport campus. This includes all traffic, operations, logistics and commercial property on the airport campus (including the terminals up to the airside edge of the buildings), public traffic buildings – for vehicle traffic, for example – and all surrounding property, ecological compensation area and agricultural areas. The business divisions are the business partners for all internal and external tenants within and outside the airport campus.

Munich Airport is becoming increasingly active in business outside the airport campus. Teams of experts provide consultation service worldwide in respect of commissioning and operating airports. Individual business divisions and subsidiaries participate in tenders issued by other airport operators in Germany and abroad. Off-campus business is expanding, but does not presently contribute significantly to the overall business success of Munich Airport.

Organization and investment structure

In agreement with the Annual General Meeting and the Supervisory Board, FMG's Executive Board decides on the strategic focus of the Group, plans and determines the budget, is responsible for the allocation of Group resources and manages and monitors business developments. The management of the Group is based on the business, service and central divisions of the parent company. In total, FMG comprises 14 subsidiaries, one associate and four investment companies.

[1] Until December 31, 2013 Consumer Activities

Fully-consolidated subsidiaries

- aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH (aerogate)
- AeroGround Flughafen München GmbH (AeroGround)
- Allresto Flughafen München Hotel und Gaststätten GmbH (Allresto)
- CAP Flughafen München Sicherheits-GmbH (CAP)
- Cargogate Flughafen München Gesellschaft für Luftverkehrsabfertigung mbH (Cargogate)
- eurotrade Flughafen München Handels-GmbH (eurotrade)
- Flughafen München Baugesellschaft mbH (FM Bau)
- InfoGate Information Systems GmbH (InfoGate)
- Munich Airport Center Betriebsgesellschaft MAC mbH (MAC GmbH)
- MAC Grundstücksgesellschaft mbH & Co. KG (MAC KG)
- Terminal 2 Gesellschaft mbH & Co oHG (Terminal 2 oHG)
- MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Alpha KG (Alpha)
- MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Beta KG (Beta)
- MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Gamma oHG (Gamma)

Associates

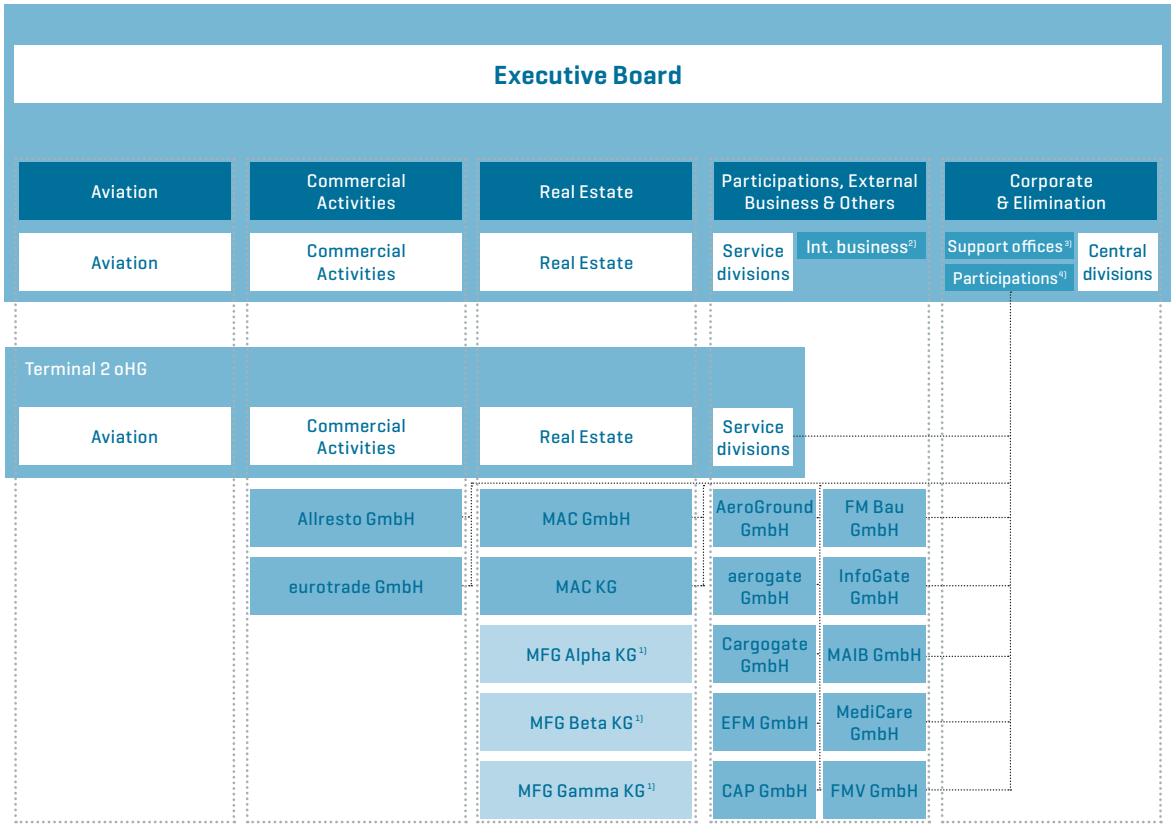
- EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH (EFM)

Companies not fully consolidated (investments)

- FMV Flughafen München Versicherungsvermittlungsgesellschaft mbH (FMV)
- Munich Airport International Beteiligungs-GmbH (MAIB)
- MediCare Flughafen München Medizinisches Zentrum GmbH (MediCare)
- Radiologisches Diagnostikzentrum München Airport GmbH

These are controlled by Corporate Investment Management in accordance with the respective strategy of the business division.

Munich Airport Group



1) Property management companies without participation
2) International business department
3) Other departments
4) Participation management department

In 2013, FMG acquired the Munich-based Munich Airport International Beteiligungs-GmbH. The purpose of the company is to invest in, operate, manage and provide consulting services to airports other than Munich Airport.

The associate MALTO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, in which there was no participating interest, was deconsolidated following the acquisition of the former air mail sorting center.

Risk management system

FMG has a comprehensive risk management system in place that serves to identify, assess and track risks. The primary goal of our risk management is to take a controlled approach to risk as well as risk control measures. Our risk management also covers all aspects of sustainability – environmental, economic and social – on which a monetary value can be placed.

Group-wide risk management guidelines regulate how the Group handles risk. These determine risk principles, clearly define their scope and clarify the limits and assessment of risks. Furthermore, the guidelines prescribe the organizational structure and the risk management process.

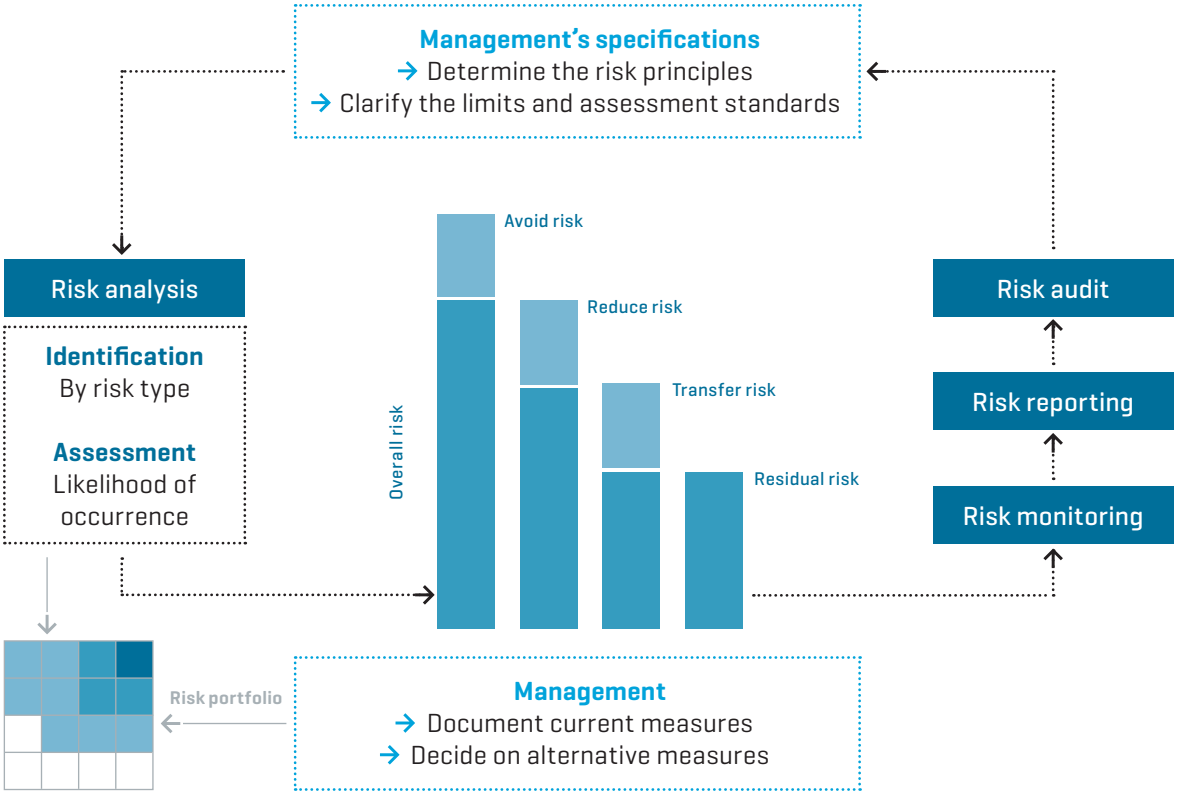
The risk management system covers the full extent of the Group companies' operational and strategic business processes (with the exception of special purpose entities without shareholding) and is designed to quickly identify, evaluate and mitigate all potential risks.

Risks in the individual areas are identified and assessed based on their likelihood of occurrence and on a quantification of the scale of their monetary impact in the event of occurrence. All risks exceeding the defined threshold are recorded. Risks lying below the threshold are not recorded. Thresholds depend among other things on the financial strength of the company involved.

Identified gross risks can be avoided, reduced or transferred using appropriate measures. Risks are defined as net risks after countermeasures are taken into account. Depending on the level of damage and the likelihood of occurrence, this system distinguishes between risks to be observed, risks to be monitored, material risks and existence-threatening risks. Risks to be monitored, material risks and existence-threatening risks are viewed as significant risks and are reported quarterly to the Executive Board, shareholders, the Supervisory Board and the division managers. This enables them to respond quickly and effectively to changing risk scenarios. The risk report gives special attention to the most significant gross and net risks with the latter explored in greater detail. If necessary, they can react directly to new or changed risk situations.

Any suddenly emerging risks that could jeopardize the existence of Munich Airport are reported to the risk officer directly and as quickly as possible. The risk management officer is responsible for receiving ad-hoc risk reports, evaluating them and, where necessary, passing them on to the Executive Board. The officer is responsible for carrying out and coordinating risk management activities and for the whole risk reporting system.

The risk management process



Internal audits regularly assess the functionality of the risk management system. This does not form part of the risk analysis and risk communication process. The functionality of the risk management system is demonstrated by a systematic documentation of the risks identified, the evaluation of these risks and the measures taken.

The Group takes advantage of opportunities after taking into consideration the associated risks. There must be an appropriate relationship between opportunities and risks. The following principles apply:

- The risk strategy aligns with our corporate strategy; the two must be consistent with one another.
- The risk management system is integral to our ongoing business processes.
- The risk management process is intended to ensure that key risks are identified, assessed, managed and regularly tracked.
- Decision-makers are clearly informed of risks that are identified.
- Risk is mainly managed by those responsible for business processes.
- The group makes active use of the means to avoid or mitigate risks and takes swift counteraction where necessary.

Corporate governance

Under the Articles of Incorporation of FMG, the Supervisory Board's role is to monitor executive management. The Supervisory Board consists of eight members representing the company's shareholders, plus a further eight representing the company's employees.

FMG's shareholders are represented on the Supervisory Board in proportion to their percentage of ownership in the company. On the employee side, the board has members representing company employees (five seats), labor unions (two seats) and management-level employees (one seat). The Supervisory Board's key powers include the authority to appoint and dismiss members of the company's Executive Board.

The Supervisory Board has appointed a working committee, an HR committee and a proposals committee. The working committee comprises four shareholder representatives and four employee representatives; the HR committee comprises three shareholder representatives and three employee representatives and the proposals committee comprises the chairman of the Supervisory Board, the vice-chairman, a shareholder representative and an employee representative.

Under the provisions of the company's Articles of Incorporation and by-laws, certain steps and transactions undertaken by the Executive Board that exceed set maximum monetary values may only be conducted with the express approval of the Supervisory Board.

In the event that Supervisory Board members are divided on a decision and the numbers in favor and against are equal, the vote of the chair (representing the shareholders) counts double.

The shareholders' representatives on the Supervisory Board are appointed by the relevant federal and state ministries and administrative districts. The Executive Board of the parent company consists of the Chairman and Chief Executive Officer (who is also Personnel Industrial Relations Director) and the Chief Financial Officer who is also responsible for infrastructure. Details of the remuneration received by individual members of the Executive and Supervisory Boards are provided in the Notes to the consolidated financial statements.

Compliance

Compliance management system (CMS)

Compliance means proper conduct in respect of the laws, regulations, national and international norms and standards relevant for the Group and with respect to in-house policies, rules and guidelines, to the extent that their purpose is compliant with these norms.

The Compliance department reports directly to the Executive and Supervisory Boards on an annual basis regarding the current state of the compliance management system (CMS).

Building on the existing compliance measures, a comprehensive CMS was developed for the Munich Airport Group. This concept was successfully examined under the IDW PS 980 standard and implemented in 2012. The main focus in 2013 was on the continued development of the topics communication and training. Fiscal year 2014 envisages the introduction of web-based courses on the topics of compliance and the prevention of corruption for all employees. In addition, the Leadership Excellence program will train and make management staff aware of their particular responsibility in this field.

Guidelines

For the most part, Group internal processes (excluding property management companies) are laid out in organizational handbooks. Compliance guidelines regulate public procurement law, procurement and contracting processes, data protection and information security. These ensure that processes and procedures are transparent and traceable, both internally and externally. In contracting and tendering procedures, the Munich Airport Group requires bidders to submit a declaration of commitment stating that they will undertake everything necessary to preclude corruption. Compliance failures are liable to sanctions, such as exclusion from the contracting process.

Preventing corruption

The previous code of conduct has been replaced by a new set of guidelines covering gifts and invitations. This contains rules prohibiting the acceptance of gifts and invitations or the granting of favors to third parties. In addition to corruption prevention, there is also information on compliance relevant issues such as procurement, data protection, air security and secondary employment.

The guidelines support managers and employees in ensuring legally compliant and ethical behavior at the workplace. They are published on the intranet and are available to all employees. They also reference other guidelines with which employees must comply. The purpose of these rules is to ensure that proper procedures are followed in connection with procurement and the awarding and handling of contracts.

Group compliance regularly provides training and publishes information to ensure that employees and managers are familiar with the guidelines and any updates or amendments to them. They also require company managers and employees to confirm by signature that they acknowledge the FMG guidelines. The Compliance department is always on hand to provide advice. The position of anti-corruption officer is exercised by the head of the Compliance department. There were no alleged cases of corruption.

Electronic whistle-blower system

Through an electronic whistle-blower system, the Business Keeper Monitoring System (BKMS® Systems), Group employees, business partners and customers can report behavior potentially damaging to our organization. Whistleblowers can submit reports anonymously. Reports received are assessed, and further action is taken as necessary. The electronic whistle-blower system can be accessed online. Tender documents inform potential bidders of the possibility of using the BKMS® Systems should compliance infringements be suspected.

Data protection

FMG's data protection officer is also assigned organizationally to the Compliance department but conducts his job independently and reports directly to the Executive Board. Initial training courses provided to new employees and vocational trainees, along with periodic onward training for employees in data privacy law, have helped raise awareness of statutory data protection requirements. Since 2012, a supplementary web-based training program has been available for educational purposes.

Specialized, individual advice is also available in instances where people are unsure how to comply properly with data protection regulations.

The data protection organization guideline conceived in 2012 was implemented in 2013; this establishes the responsibilities of management and employees, the implementation of data protection requirements and the prerequisites for fulfilling the mission of the data protection officer and the data protection assistant.

Report on economic position

Macroeconomic and sector-specific environment

Macroeconomic environment

The world economy gained significant momentum in the course of 2013. However, following the inertia of H2 2012, expansion in the global economy was still weak at the start of the prior year. Global GDP grew in 2013 by an average of 2.4 percent, down slightly from the 2.5 percent growth recorded in 2012.

The largest economy in the world, the United States, was able to continue its growth trajectory, up 1.9 percent in 2013 (2012: 2.1 percent), and thus provided impetus for Germany as an exporting nation. This was largely bolstered by the expansive monetary politics of the Federal Reserve.

In 2013, the eurozone was able to extricate itself from its debt crisis. As in 2012, GDP fell by 0.4 percent. In both years, export-focused Germany was the economic engine of the eurozone, achieving growth of 0.5 percent (2012: 0.7 percent).

The development in traffic at Munich Airport as an international hub is influenced by the European economy (around

60 percent of its passengers) and by the German economic situation (around 25 percent domestic flights). Long-haul flights account for some 15 percent of passenger traffic at Munich Airport. Passengers flying to the USA make up roughly 35 percent of all long-haul passengers.

Sector-specific environment for aviation

Overall, the European air-travel industry is in a difficult situation. In long-haul traffic, European network carriers are driven by the market power of airlines from the Gulf and increasingly from Turkey that are successfully carrying the passengers from the European market abroad via hub airports. The success of low-cost airlines is also forcing network carriers to compete for European traffic. On top of this, German airlines are being hit by the aviation tax introduced in 2011, especially for domestic flights.

Because of this, financially vulnerable airlines are fighting for their existence or have already shut down. All other airlines are cutting costs and adjust their fleets. One trend which has emerged as a result is that smaller aircraft on short and medium-haul routes are being replaced with larger aircraft to exploit economies of scale. In addition, larger numbers of network carriers are consolidating their connections. Lufthansa, for example, outsourced unprofitable European traffic to its subsidiary Germanwings as part of its 'Score' program for decentralized traffic and now only serves this traffic with its own aircraft at the hubs. Routes previously served in competition between Lufthansa and Germanwings are now only served by Lufthansa. Even airberlin is trying to move back into the black by concentrating on a smaller number of hub airports. Such consolidation measures are resulting in a downturn in domestic traffic.

In 2013, the number of passengers at Germany's 22 international commercial airports rose by 0.7 percent to just under 202 million passengers. However, the trend at German airports was considerably behind worldwide growth of 6 percent. In terms of passenger traffic, European connections grew by 2.5 percent, while long-haul traffic grew more modestly at 0.4 percent. German domestic flights declined once again, falling 3.6 percent, with mainly smaller and medium-sized airports affected.

Aircraft movements at German commercial airports fell by 3.8 percent to 2,006,338 take-offs and landings, largely due to the use of larger aircraft, greater capacity utilization of aircraft and the airlines' consolidation programs.

Sector-specific environment for commercial activities

Commercial activities at Munich Airport have profited from the upbeat economic situation in Germany and Bavaria. In the past fiscal year, the consumer index, determined by GfK, rose from 5.8 to 7.4 points, the highest value since August 2007. Distance sellers profited particularly from the positive consumer climate, while bricks and mortar retailers posted significant downturns. This resulted in the lowest sales growth since 2009 for the German retail sector. According to estimates from the Federal Statistical Office, sales growth stood at between 1.6 and 1.8 percent compared to 2 percent p. a. from 2010 to 2012.

Statutory changes have brought about a considerable change in consumer behavior, particularly with respect to high-consumption customer groups from Asia. Significant exchange rate fluctuations dampened international travelers' propensity to consume in 2013.

Over the last four years, Germans have become increasingly less likely to eat out. High price sensitivity, a wide range of home delivery business models and increased differentiation offered by food retailers have led to a significant slump in demand. In 2013, the German restaurant industry recorded 6.0 percent fewer guests. As in the prior year, the German **catering sector** posted slight growth of around 1.0 percent in 2013. The German Hotel and Restaurant Association (DEHOGA) even posted a downturn in sales of 1.3 percent among restaurants, eateries and diners. Breweries are in a similar position. Beer sales have fallen by 10.4 percent over the last ten years. In 2013 alone, sales were down 2.0 percent.

Following the huge success of **airport catering** in the last two decades, supply currently exceeds demand in many locations. The trend towards online check-in has led to less time being spent at airports with a corresponding drop in demand in the public areas. Airlines are differentiating themselves on the ground through the use of ever-bigger and better lounges for frequent fliers. The availability of free drinks and entertainment has also increased enormously in general passenger areas. Both have led to a loss of potential customers for traditional airport catering in the non-public area.

The trend in the German **hotel sector** in 2013 was at its weakest since 2009. Although average occupancy rose by 1.4 percent and the number of overnight stays was up 1.9 percent, the Federal Statistical Office reported a rise in revenue of just 0.8 percent year on year. Adjusted for inflation, this equated to a decline of 1.2 percent.

The hotels in the immediate vicinity of Munich Airport increased their occupancy rates by an average of 2.3 percent and sales by 2.1 percent. Average room prices did not rise.

Alongside the provision of parking facilities, the **Services and Parking** business division focused on full-service aspects such as valet parking, shopping, cleaning and fueling services. Challenging new trends included seamless travel, car sharing and the introduction of new inter-city bus connections that will influence future developments and will significantly impact intermodal transport networking.

In the **Advertising and Marketing** division, innovations play a key role either in terms of remaining competitive or to set apart from the competition.

Sector-specific environment for real estate

Given stable demand and rising yields, the Greater Munich area is currently an attractive location for office real estate. In the past fiscal year, average prices rose by 2.5 percent and now stand at roughly € 20.00 per square meter. In the same period, vacancies fell by 1.5 percent to their current level of 6.7 percent.

Course of business

Significant events in the past fiscal year

On March 20, 2013, oral proceedings commenced in the Bavarian Higher Administrative Court in respect of appeals against the planning approval notice for construction of the third runway. Proceedings examined the legality of the Upper Bavarian government's approval of plans to build the third runway granted in 2011. This was confirmed by the Bavarian Court of Administration in a ruling dated February 19, 2014.

The topping-out ceremony on September 12, 2013, for the new terminal satellite marked a milestone for the key construction project at Munich Airport. The new satellite building expands Terminal 2, which FMG operates jointly with Lufthansa. The new passenger building is a significant achievement in the continuing development of Terminal 2, which opened in 2003 and is now capable of handling up to eleven million passengers.

Another key event for FMG was the presentation of the new brand logo on November 25, 2013. It provides orientation through clear focus differentiates Munich Airport from its competitors and lays the foundations for current and future growth. The new umbrella brand presentation coherently unites the various competences, services and the value added by FMG and its subsidiaries as a common service from Munich Airport. ›Living ideas – Connecting lives‹ is the central message formulated at the heart of the brand, which points the way forward and conveys an identity for the airport.

Course of business for aviation

			Change	
	2013	2012	absolute	relative
Aircraft movements [in thousands]	382	398	-16	-4.0 %
Passengers [in millions]	38.7	38.4	0.3	0.8 %
Cargo handling [in t]	287,809	290,423	-2,614	-0.9 %

Munich Airport reached another passenger record in 2013, with nearly 38.7 million passengers departing, connecting or arriving.

However, such encouraging passenger figures cannot hide the fact that Munich Airport was also affected by the difficult overall situation in air travel of recent years.

For example, the number of airlines operating regular scheduled and charter flights fell from 101 to 94. These figures show the high pressure on air traffic. Smaller airlines are no longer able to withstand the competitive pressure and have to shut down operations or are being taken over by competitors. The insolvencies of OLT, Air One and Sky Airlines also led to connections being cancelled at Munich Airport.

As a result of the continuing trend towards replacing smaller aircraft with larger ones and given the consolidation measures undertaken by network carriers, the number of aircraft movements fell once again in 2013. In October, for instance, Lufthansa terminated its collaboration with the Munich-based regional airline Augsburg Airways. Until then, Augsburg Airways flew over 2,000 flights per month, 1,300 of those with the Dash 8, which Lufthansa no longer uses.

Most of the cancellations were at times when demand is weak, such as at weekends, at vacation times or on public holidays. The critical bottlenecks in traffic nodes in the

mornings and afternoons remained unchanged with Munich Airport reaching its capacity limits over many hours each day.

Despite the downturn in aircraft movements, the number of seats offered remained at last year's high level. Average MTOM (maximum take-off mass) was at a record 78.2 tons in 2013, up 2.2 tons from 2012. The average number of seats on offer per flight rose from 138 to 144 with capacity utilization again increasing to 75.2 percent. The average number of passengers transported per flight in scheduled and charter traffic rose by five to 108 passengers.

As in the past, the new passenger record is largely attributable to hub traffic with 39 percent of passengers meeting connecting flights. This helped safeguard the quality of the hub and the diversity of destinations offered for passengers from the Munich catchment area.

The effects of the ticket tax on the one hand and consolidation and cost-cutting measures by the network carriers on the other hand had a marked effect on domestic flights at Munich Airport. As a result, the number of flights and passengers were down 9 percent and 3 percent, respectively. Domestic traffic showed the weakest performance among traffic regions.

Passenger numbers in European traffic formed the basis for the positive overall trend in passenger volumes in 2013 with the total of 23.4 million passengers representing a 2.2 percent increase over 2012. Passenger volumes to/from most of the countries in this region were up from last year.

In long-haul traffic, the number of destinations in Africa and across the Atlantic grew, while traffic to and from Asia was slightly down compared to 2012. All in all, the numbers of long-haul passengers increased by 1.6 percent to 5.8 million. Most long-haul passengers traveled on routes to the United States, the United Arab Emirates and China. The most popular destination was, as in 2012, Dubai, with three flights per day.

The amount of cargo handled in 2013 was slightly down from the prior year. Despite a positive push in the last few months of the year, the airport still fell short of last year's levels. The 288,000 tons of cargo and airmail handled was down 0.9 percent. The most successful segment was cargo-only flights. At around 35,000 tons handled, the share of cargo-only movements rose to 12 percent in 2013. At 235,000 tons, belly-hold cargo on passenger aircraft was below the 2012 level. Airmail volumes dropped by 1.5 percent to just under 18,000 tons. This segment is strongly influenced by Deutsche Post's transport planning and is less significant in terms of actual volume.

Compared to traffic volumes at other airports in the German Airports Association (ADV), developments at Munich Airport in 2013 were in line with those elsewhere. While passenger numbers at Munich were slightly above the German average, figures for movements, airfreight and airmail were slightly below average.

Commercial traffic 2013	ADV	Munich
%		
Movements	-3.8	-4.0
Passengers	0.7	0.8
Cargo handling (airfreight + airmail)	0.2	-0.9

Munich Airport was ranked 7th by passenger volume against its European competitors.

Course of business for commercial activities

The trend in **retail** at Munich Airport in 2013 largely mirrored that of passenger volumes.

The growth in sales in Terminal 1 is largely attributable to the upward trend in passenger numbers following the increase in the number of destinations in Russia and the deployment of the Airbus A380 by Emirates.

Optimization of the use of space in Terminal 2, Level 04 has led to additional growth. The enlarged area of the Travel Value Shop, operated for a full year for the first time, contributed to this growth. Furthermore, north and south check-outs were scaled down to reduce their ranges of goods and create space for new store ideas – all in preparation for a new brand concept.

Additional space was achieved by refurbishing the Dallmayr-store and integrating part of the merchandise in the food outlet area. This space was subdivided into a self-service bistro area and a more conventional restaurant area.

The opening of the new Armani store in December 2013 marked the starting point for the redesign of the plaza area in Terminal 2, Level 05.

The range of goods on offer in the München Airport Center (MAC) was expanded with the opening of Germany's first Victoria's Secret store with public access.

Besides the growth in passenger numbers, both the origin and destination of passengers are decisive for the on-going growth of the airport's retail business. The highest-spending customer groups in 2013 were passengers destined for China and Russia.

The trend in the **gastronomy sector** was much more positive than might have been expected given the very modest growth in passenger numbers.

Changes to product ranges and increased marketing activities succeeded in keeping sales in Terminal 1 on a par with those of the previous year. With passengers spending shorter periods of time in public areas, however, sales in those areas continued to decline.

In Terminal 2, above-average increases in sales were posted by the Käfer, Wiener's and Bamee restaurants and in the Adelholzener Bar.

In addition, the fiscal year was affected by the renovation of the brewery and the refitting of the main kitchen in the MAC.

The success story of **hotel operations** continued in 2013. Bucking the industry trend, average room prices rose by a further 7.0 percent. Capacity rates rose to 85.2 percent. The airport's own hotel operations came first in a comparison with other hotels in Munich, other Munich Airport hotels and airport hotels in Germany; however it has now reached its capacity limits. In terms of occupancy revenue for each free room, the Kempinski Hotel Airport München is easily the top player among competitors.

Earnings posted by **Services and Parking** improved significantly, with all sub-sections – passenger parking, corporate parking rentals and the car rental center – contributing. With its strong customer focus as a full-service provider, the sector implemented new ideas and expanded its range of services such as expanding convenience and security parking, adding online services and introducing the use of barcodes in car park P7 to locate vehicles more quickly. On top of this, February 2013 saw the launch of BMW's and Sixt's car sharing service »DriveNow«.

One of the most popular events was the »Surf&Style« which took place in the MAC Forum.

Course of business for real estate

The decision was taken at the beginning of 2012 to define and develop real estate as an additional core business division and to combine the divisions Real Estate Management and Development and the service division Planning and Construction to create a new Real Estate business division. The organizational restructuring took effect on April 17, 2013. Reorganization involved drawing up a strategy for real estate and defining product categories. FMG presented the resulting product line »AirSite« at the Expo Real in Munich and the international real estate fair MIPIM.

In 2013, the Supervisory Board approved plans to optimize Terminal 1 and expand the Hotel Kempinski. To push ahead with these projects, apron space was extended and the purchase of the former airmail sorting center completed. Other construction projects completed in the year included the new children's daycare center in the visitors park, the reorganization and limiting of terminal approaches and the refurbishment of the washroom facilities in Terminal 1 and the MAC.

The most important projects in terms of the power supply included building the new East Power Plant and modernizing and extending the existing combined heat and power plant.

Sustainable development activities

As part of the new Group strategy, FMG is aiming to further advance its drive towards becoming a 5-Star airport. In an effort to achieve this goal, an audit was carried out in 2013 by independent consultants Skytrax and a 5-Star airport development program instigated. In addition, FMG introduced a structured innovation management system in 2013.

In terms of environmental and climate protection, a variety of activities aided the Group-wide goal of achieving CO_2-neutral growth by 2020. As part of this, a pilot plant for preconditioned air (PCA) was started. As part of the airport's energy-saving program, ventilation and lighting technology was enhanced with the aim of cutting carbon emissions by 2,400 tons per year. FMG is a member of the German Sustainable Building Council (DGNB). In line with DGNB criteria, the airport's own dedicated catalog of criteria is being compiled. In 2013, the washroom refurbishments in the MAC and in Hall F as well as the building housing the new children's daycare center were based on this catalog.

To improve employee retention, the Leadership Excellence program for managers was expanded and the occupational health management program strengthened. Munich Airport's newly-opened children's daycare center is also aimed at employee retention. In recognition of its commitment to the training and employment of disabled people, FMG received the »Inklusionspreis 2013«. In »Munich's Best Employer Brand« competition organized by the IMWF Institute for Management and Economic Research and the Süddeutsche Zeitung newspaper, FMG received a silver award in October 2013.

Net assets, financial position and results from operations

Financial and non-financial key performance indicators

Besides individual target agreements, manager performance is measured using the KPIs EAT (earnings after taxes), CO_2 reductions, ASQ (airport service quality) and employee retention.

The three non-financial performance indicators ASQ, CO_2 reductions and employee retention form the central sustainability issues from the perspective of internal and external stakeholders. FMG surveys these internal and external stakeholders to determine and affirm the stakeholder relevance of the performance indicators. A KPI is assessed for each of the typical aspects of sustainability (economic, environmental, social impacts).

The attractiveness of the product and service portfolio is measured with the ASQ. The ASQ index is based on a survey to establish and compare customer satisfaction at airports at the behest of the Airport Council International (ACI). Passengers at a total of over 200 airports in more than 50 countries are surveyed monthly throughout the year. At the end of the year an overall benchmark, the so-called ASQ Overall Value, is determined.

CO_2 reduction measures include cutting greenhouse gas emissions, conserving resources, the use of energy and energy efficiency. One of Munich Airport's corporate goals is to achieve CO_2-neutral growth with 2005 as the base year. In a bid to achieve this, the Group has set itself appropriate annual targets.

An employee retention index is used to measure employee satisfaction. Every third year, Munich Airport conducts an employee survey which includes several questions aimed at assessing employee loyalty to the Group. If the average value of the answers exceeds a defined level, the employee is rated as loyal to the Group. The employee retention index represents the percentage of employees rated loyal to the Group. The index is anchored as a key performance indicator in corporate targets. The employee retention index was last determined in 2013.

Year on year, these performance indicators have developed as follows:

	Dec 31, 2013	Dec 31, 2012	Change absolute	Change relative
EAT (in € thousand)	98,606	95,347	3,259	3.4 %
CO_2 reductions (in tonnes)	3,648	3,357	291	8.7 %
ASQ	4.06	4.02	0.04	1.0 %
Employee retention index (in %)[1]	73	61	12	19.7 %

[1] The employee retention index is determed every three years. 2012 values correspond to values from 2010.

The slight rise in EAT is largely attributable to declining depreciation, an improvement in interest income due to favorable market trends, debt repayment and rescheduling, as well as a disproportionate reduction in the tax burden.

The reorganization of the ground handling business had a major impact on earnings.

In 2013, FMG was able to improve its ASQ rating compared to 2012 largely by boosting customer satisfaction by cutting waiting times at passport control checks, providing better directions and information, cutting transit times and improving WiFi availability.

A number of cost-cutting measures were implemented in 2013 – such as reducing fuel consumption and converting apron lighting to LEDs – which reduced CO_2 emissions by 291 tons compared to 2012.

The increase in employee retention is the result of the systematic implementation of a package of measures adopted in response to the 2010 employee survey.

Financial position

	2013	2012	Change absolute	Change relative
	€ thousand	€ thousand	€ thousand	%
Non-current assets	4,941,424	4,885,986	55,438	1.1
Current assets	455,488	375,625	79,863	21.3
thereof cash and cash equivalents	323,853	264,086	59,767	22.6
Assets	**5,396,912**	**5,261,611**	**135,301**	**2.6**
Shareholders' equity	1,839,761	1,714,159	125,602	7.3
Non-current liabilities[1)]	2,270,147	2,462,889	-192,742	-7.8
Current liabilities[1)]	1,287,004	1,084,563	202,441	18.7
Liabilities and equity	**5,396,912**	**5,261,611**	**135,301**	**2.6**

[1)] Including financial liabilities resulting from interests in partnerships

The increase in assets is largely attributable to capital expenditure on property, plant and equipment and in financial investments as part of short-term financial planning.

The investment in fixed assets is the result of implementing the airport's general expansion plans. Thus, a large proportion of capitalization in 2013 was attributable to the first construction phase of the Terminal 2 satellite and the related measures to expand the apron area.

In 2014, a higher proportion of the financial debts incurred in financing the first expansion phase of Munich Airport and Terminal 2 will be repaid. Consequently, long-term debt was reduced by € 478,725 thousand. At the same time, among other things, long-term bank loans in the amount of € 270,000 thousand were taken out to finance the satellite.

Current financial liabilities fell by € 293,994 thousand as a result of repayments. However, this effect has been more than compensated for by reclassifications of non-current financial liabilities and the utilization of credit lines as part of short-term financial planning.

Financial position
Capital structure

Corporate capital consists of the following:

	2013	2012	Change absolute	Change relative
	€ thousand	€ thousand	€ thousand	%
Issued capital	306,776	306,776	0	0.0
Reserves	100,006	99,835	171	0.2
Other equity	1,435,297	1,308,959	126,338	9.7
Shares of non-controlling shareholders	-2,318	-1,411	-907	64.3
Shareholders' equity	**1,839,761**	**1,714,159**	**125,602**	**7.3**
Financial liabilities resulting from interests in partnerships	**227,054**	**234,581**	**-7,527**	**-3.2**
Shareholder loans	**491,913**	**491,913**	**0**	**0.0**
Floating-rate loans	1,012,337	912,838	99,499	10.9
Fixed-rate loans	910,159	1,008,087	-97,928	-9.7
Loans	**1,922,496**	**1,920,925**	**1,571**	**0.1**
Derivatives	**67,929**	**102,943**	**-35,014**	**-34.0**
Other provisions, employee benefits and actual income tax liabilities	216,023	182,208	33,815	18.6
Deferred income tax liabilities, residual liabilities and other liabilities	631,736	614,882	16,854	2.7
Other liabilities	**847,759**	**797,090**	**50,669**	**6.4**
Financial liabilities	**3,557,151**	**3,547,452**	**9,699**	**0.3**
Equity ratio	34 %	33 %		

The equity ratio improved largely due to the results of the fiscal year and lower realized losses from the measurement of derivatives.

The main terms of Munich Airport's financial liabilities can be found in the table below:

				Interest rate in %	
Method of funding	Currency	Interest rate	Outstanding liability in € thousand	from	to
Financial liabilities resulting from interests in partnerships	EUR	Earnings- based	227,054		
Shareholders' loans	EUR	Earnings- based	491,913	Base rate plus margin	
Loans	EUR	Floating-rate	1,031,100	3/6-month EURIBOR plus margin	
Loans	EUR	Fixed-rate	907,799	0.32	7.02
Loans	JPY	Fixed-rate	27,582		1.72

The loans bear the usual non-financial covenants, including negative pledges and pari passu clauses. In addition, there are other general conventional agreements concerning interest rate adjustment and repayment in the event of changes in shareholder structure. There are no financial covenants.

Munich Airport uses payer interest rate swaps, cross currency swaps and currency forwards to hedge against risks arising from interest rate and exchange rate fluctuations. The transactions are designated into hedging relationships. The main terms of these transactions are:

		FMG pays					FMG receives		
€ thousand		Currency	Exchange rate		Interest		Currency	Interest	
Type of transaction	Nominal		from	to	from	to		from	to
Interest payer swaps	1,076,444	EUR			1.48	5.4	EUR	3/6-month EURIBOR	
Forward currency purchases	1,823	EUR	1.30	1.31			USD		
Forward currency sales	4,805	USD	0.75	0.77			EUR		
Cross currency swaps	29,444	EUR		135,85	6-month EURIBOR		JPY		1.72

The transactions are mainly designated into hedging relationships of high effectiveness to hedge cash flows and fair value.

Liquidity

€ thousand	2013	2012
Net income	**98,606**	**95,347**
Result from associated companies	-1,897	-1,159
Financial result	107,057	114,221
Income taxes	54,994	69,977
EBIT	**258,760**	**278,386**
Depreciation and result from disposal of non-current assets	210,212	236,821
Other changes in operating assets	11,459	-39,338
Net income taxes paid/received	-23,393	-35,078
Net cash flow from operating activities	**457,038**	**440,791**
Net investments in self-used property, plant and equipment and investment property	-280,327	-228,615
Net investments in intangible assets	-3,102	-2,942
Distributions collected from associates	1,163	2,303
Interest income	4,817	4,849
Current financial investments	-59,000	-64,000
Cash flow from investing activities	**-336,449**	**-288,405**
Repayments	-333,859	-178,809
Borrowing	304,941	117,199
Interest paid	-90,904	-90,806
Cash flow from financing activities	**-119,822**	**-152,416**
Change in cash and cash equivalents	**767**	**-30**
Cash and cash equivalents at the beginning of the year	**7,086**	**7,116**
Change in cash and cash equivalents	767	-30
Cash and cash equivalents at the end of the year	**7,853**	**7,086**

Sufficient funds were available from the net cash flow from operating activities in 2013 to ensure the liquidity of the Group at all times. In addition, all investments could be covered and loans repaid from cash flows.

Capital expenditures

At the beginning of fiscal year 2013, Munich Airport budgeted investments totaling approximately € 425,000 thousand. The largest share of the investment volume (€ 370,300 thousand) was allotted to activities within the scope of the Group's general expansion plan. Of this, € 189,000 thousand was earmarked for the first construction phase of the Terminal 2 satellite. Roughly € 32,000 thousand was set aside for extending the baggage transport system and € 17,000 thousand for the acquisition of land relating to the consolidation of the project area to extend the runway systems.

Of the investment volume budgeted in 2013, around € 319,500 thousand was utilized. This also includes € 39,865 thousand for compensation paid to MALTO shareholders. Of the remaining investment volume, some € 266,600 thousand was allotted to activities related to general expansion plans and € 52,900 thousand to ongoing investments.

Investments made in 2013 were refinanced from operating cash flow and by utilizing existing lines of credit.

Results of operations

	2013	2012	Change Absolute	Change Relative
	in € thousand	in € thousand	in € thousand	%
Aviation	599,555	612,846	-13,291	-2.2
thereof ground traffic	128,453	138,832	-10,379	-7.5
Non-Aviation	584,842	573,956	10,886	1.9
Other income	44,793	63,225	-18,432	-29.2
Total revenues	**1,229,190**	**1,250,027**	**-20,837**	**-1.7**
Personnel expenses	-348,425	-333,621	-14,804	4.4
Costs of materials	-316,413	-323,866	7,453	-2.3
Other expenses	-96,673	-78,870	-17,803	22.6
EBITDA	**467,679**	**513,670**	**-45,991**	**-9.0**
Depreciation and amortization	-208,919	-235,284	26,365	-11.2
EBIT	**258,760**	**278,386**	**-19,626**	**-7.0**
Interest result	-112,094	-122,382	10,288	-8.4
Investment result	1,897	1,159	738	63.7
Other financial result	5,037	8,161	-3,124	-38.3
EBT	**153,600**	**165,324**	**-11,724**	**-7.1**
Income taxes	-54,994	-69,977	14,983	-21.4
EAT	**98,606**	**95,347**	**3,259**	**3.4**

In 2013, Munich Airport suffered a drop in total revenues of 1.7 percent to € 1,229,190 thousand.

The trend in aviation revenues reflected events crucial to business performance. Despite declining aircraft movements, the rise in the average MTOM (maximum take-off mass) led to an increase in take-off and landing charges. A significant downturn in passenger-related fees in domestic traffic was compensated by additional fees from European and long-haul traffic.

The 3.0 percent fall in sales revenues from ground handling is largely attributable to expiring contracts. In addition, adjustments in the fleets of key clients meant that Munich Airport lost more ground handling volume.

In non-aviation, sales growth is in line with the increase in passenger numbers.

In contrast to the prior year, the retailing sector did not manage to increase sales disproportionately relative to passenger growth. This is mainly due to slowdowns in the sector. Thus, for instance, the marked restraint in spending on the part of Asian customers led to a significant downturn in sales of luxury goods. The closure of unprofitable stores (such as AudioBook and Buyern Shops) and disruptions due to refurbishments to optimize floor space use (such as the Dallmayr-Bistro in the non-public area of Terminal 2) dampened growth somewhat.

Bucking the industry trend, catering operations at Munich Airport enjoyed a significant growth in sales. Public restaurants and other hospitality operations ranked well in a comparison of its business development with that of key competitors and market leaders in the traffic and system catering industry.

In terms of average occupancy rates and average revenues per overnight, hotel operations at Munich Airport scored significantly better than the averages attained by the relevant competitors in the vicinity of the airport. The hotel failed to increase its occupancy rates to the same extent as its competitors. However, this is due to the fact that the Kempinski Airport Hotel München is already operating at virtually full occupancy.

The significant increase in parking revenues is reflected in the rigorous optimization taking place in Services and Parking.

The drastic drop in other income is largely due to special effects from the prior year that led to a considerable reversal of provisions for onerous ground handling contracts and to substantial income relating to awards for damages.

Personnel expenses are largely driven by the number and pay scale classification of employees at Munich Airport. By creating additional jobs and giving contract workers full-time positions, the number of employees at Munich Airport rose by 250 in 2013. The average employee salary rose to over € 44,000.

The drop in the cost of materials is largely attributable to the negative business trend in ground handling. Consequently, ground handling services provided to third parties fell. The use of goods in airport catering rose slightly in relation to sales, due primarily to foodstuff price increases and the increase in customers' quality expectations. Retailing saw an increase in gross profit thanks mainly to favorable buying conditions and more direct purchases from manufacturers. Thus the use of goods remained virtually unchanged year on year despite the increase in sales.

The rise in other expenses results largely from additional provisions to bridge funding gaps from ground handling contracts.

The opening of the company's children's daycare center and the acquisition of various properties in the vicinity relating to expansion plans led to an increase in depreciation over the prior year. However, this was more than compensated for by effects arising from the expiry of useful lives for the facilities.

The improvement in the interest result is primarily attributable to falling interest rates, the scheduled settlement of a high-interest loan to finance an initial investment and the capitalization of the costs of borrowed capital. The latter was in connection with progress made in satellite construction.

The other financial result contains gains and losses from the measurement of derivatives at fair value. The other financial result declined due to special effects posted in the prior year. In 2012 comprehensive interest extensions led to considerable reductions of the carrying amounts of the corresponding loans.

As at December 31, 2013, accumulated tax losses at the FMG level were utilized nearly in full. For this reason, the actual income tax expense rose significantly despite the drop in EBT. The decline in the overall income tax expense is largely attributable to the stark drop in deferred income tax expenses.

Events after the balance sheet date

In correspondence dated March 13, 2014, FMG exercised its purchasing rights from the leasing contracts with three fully consolidated property management companies and will purchase real estate from the companies effective May 14, 2014, for € 376.1 million. The purchase price will be financed from short-term investments and existing credit lines.

No other events have become known after the balance sheet date that could have a significant impact on the net assets, financial position and results from operations of Munich Airport.

Report on expected developments and on opportunities and risks

Expected developments

	2013	2014
EAT (in € thousands)	98,606	slight rise
CO_2 reductions (in t)	3,648	slight rise
ASQ	4.06	slight rise
Employee retention index (in %)[1)]	73	no change

[1)] The employee retention index is calculated every three years. The next survey will not be conducted before fiscal 2016.

Net profit (EAT)

According to World Bank estimates, the prospects for the global economy are better than they have been for a long time. While the emerging economies continue to grow, the USA, the eurozone and Japan finally freed themselves from their long-standing crises. For 2014, the World Bank is anticipating growth of 3.2 percent in global gross domestic product (source: Frankfurter Allgemeine Zeitung, January 15, 2014).

The world's largest economy, the USA, is set to grow by 2.8 percent.

The eurozone is expected to grow 1.1 percent after emerging from the two-year recession. Germany will continue to be the economic motor of the eurozone with forecasts predicting above-average growth of 1.8 percent.

There is a slightly upward trend in 2014 passenger volumes (source: ADV monthly report for February 2014). A slight downturn in the number of aircraft movements is possible. Should this occur, it would have a positive effect on the contribution of the Aviation division to overall results in 2014.

Growth will be driven largely by long-haul traffic including the reinstatement of long-haul connections to certain tourist destinations. In addition, new long-haul connections to Mexico and Toronto are in the pipeline. Arabian airlines are planning to expand their capacities on the routes to Dubai and Abu Dhabi. Alongside the impetus mentioned from long-haul traffic, growth is also expected in European traffic. However, we anticipate stagnation in domestic traffic within Germany. We expect two trends observed in recent years, both towards the deployment of larger aircraft as well as improved plane utilization, to continue into 2014. Thus, despite an expected increase in passenger numbers, we are anticipating fewer aircraft movements. The increase in take-off and landing charges introduced on October 1, 2013, will have an effect throughout 2014. Overall, we are expecting a slight increase in revenues from aviation.

Business in ground handling is not likely to recover in 2014. A slight downturn in revenues is expected. The main cause for this is reflected in changes to the fleet and risks relating to renewing expiring handling contracts.

Non-aviation earnings are expected to rise slightly. This is primarily attributable to the earnings trend in the CA division. Given the anticipated growth in passenger numbers, driven by new business and the optimization of existing floor space, retail revenues are expected to rise significantly. Revenues from catering will be on a par with the previous year, not least due to price increases for passenger parking facilities, additional parking space leased for car rental and car sharing facilities, as well as higher revenues from key account business. The reduction in the fuel throughput fee will lead to a slight decline in earnings from Real Estate.

Salary negotiations and the creation of new jobs are expected to trigger considerable increases in personnel expenses.

Significant sales growth in retail is likely to be accompanied by a congruent increase in the use of goods. In combination with added expenses for planned maintenance activities on central infrastructure facilities this will lead to a slight increase in the cost of materials.

In contrast, a sharp decrease in other operating expenses – primarily due to the reversal of special effects from additions to provisions in 2013 – is expected.

Compared to 2013, the depreciable amount is expected to increase slightly.

As in 2013, real estate from consolidated property management companies will be reacquired in 2014. In the course of this acquisition, financing for the comparatively more expensive property holding company will be replaced. The airport expects to achieve a moderate reduction in interest expense.

The tax expense is not expected to change noticeably to 2013.

Overall a slight increase in net profit is expected.

Reductions in CO_2 emissions

A slight reduction in CO_2 emissions for 2014 is expected.

ASQ

In view of achieving the quality standards of a »5-Star airport«, a package of measures has been agreed that are likely to lead to a slight increase in the ASQ index in 2014.

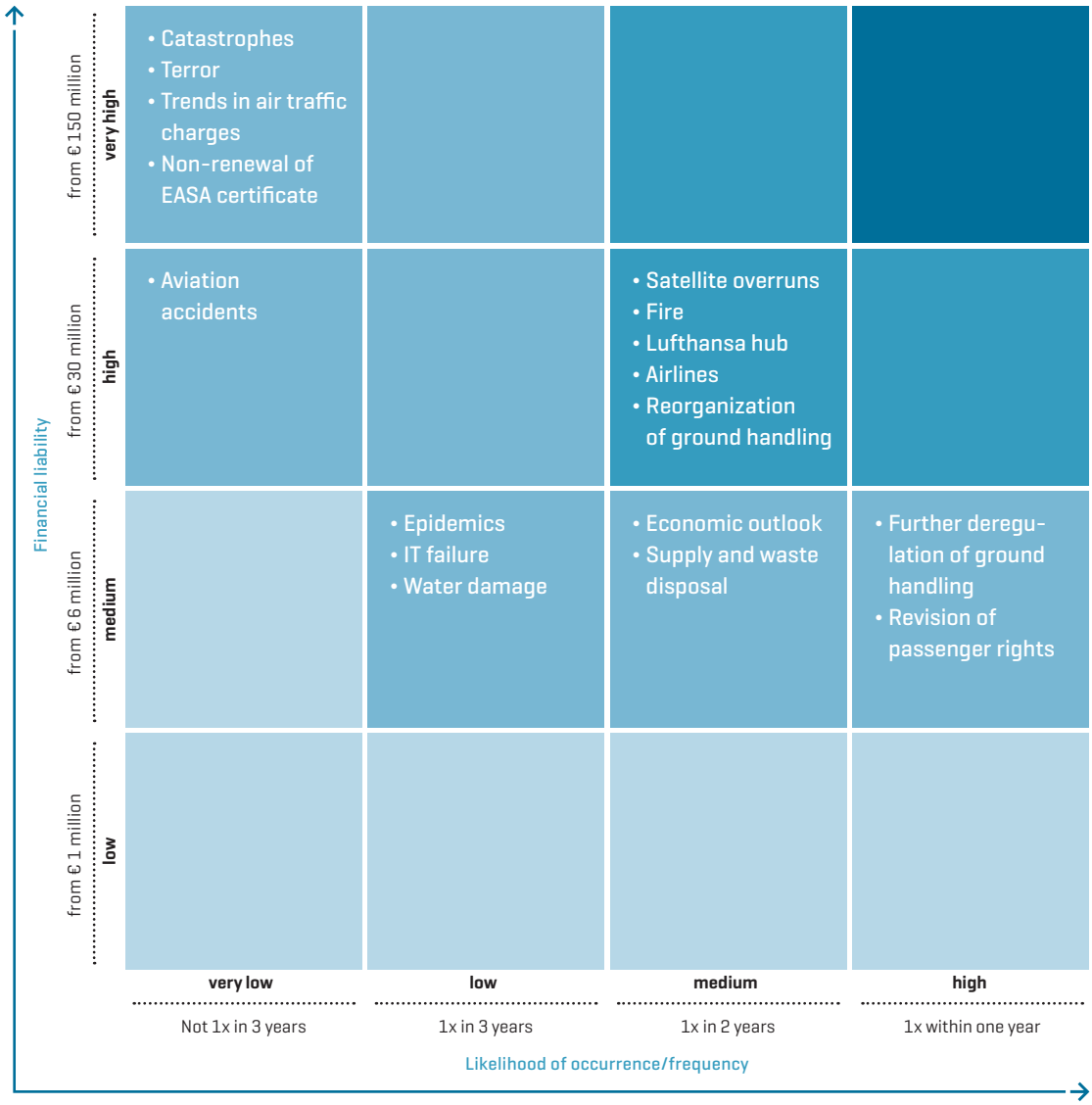
Employee retention index

The employee retention index is measured every three years. No survey will be conducted in 2014.

Risks

The occurrence of risks could cause the airport to develop differently than portrayed in the Expected developments section above. As part of the risk assessment process, Munich Airport has rated the following gross risks as significant in that they could adversely affect future development.

Overview of gross risks



Risks resulting from force majeure

Risk	Description and analysis	Countermeasure(s)
Catastrophes	The occurrence of natural catastrophes, such as flooding, hail and storms can result in considerable property damage and consequently to a reduction in traffic movements and passenger volumes at Munich Airport.	The insurance protection of Munich Airport covers the essential risks arising from catastrophes. In particular it includes property damage caused by catastrophes and damage resulting from interruptions of operations triggered by property damage.
Terror	Bodily injury and property damage can result from acts of terror. A further consequence of such events would be, at least temporarily, a decrease in the number of aircraft movements and passengers.	The airport strives to counteract any risk of personal negligence through consistent quality management and the use of reliable, qualified specialists. In addition, the airport's insurance covers any terrorism-related property damage sustained or interruptions of operations as well as any third-party liability claims.

Risk	Description and analysis	Countermeasure(s)
Aviation accidents	Aviation accidents or damage to aircraft can result in interruptions of operations and consequential damage.	To minimize the risk of interruptions of operations and subsequent damage due to aviation accidents, Munich Airport maintains an airport firefighting team, a medical service and a counseling team for any contingencies. Contingency management and a safety management system ensure the airport is ready for any emergencies.
Epidemics	Epidemic outbreaks, such as bird or swine flu, can result in market downturns with reduced aircraft movements and passenger numbers.	Risks due to epidemics are very difficult to control. Due to a relatively high fixed cost ratio, Munich Airport's ability to react to market downturns is limited.
Fire	In the event of damage to or destruction of terminals or infrastructure systems caused by a large fire, property damage and bodily injury as well as long-term interruptions of operations are to be expected.	To minimize the large fire risk, Munich Airport maintains adequate technical warning equipment and an airport firefighting team. Moreover, the airport's insurance protection covers any property damage sustained as the result of fire.

Market risks

Risk	Description and analysis	Countermeasure(s)
Lufthansa hub	The business relationships with key customers Deutsche Lufthansa AG and partners of the Star Alliance are major contributors to the development of the airport. Retrenchment in respect of the hub concept or a strategy change, such as for example the Score program, could have a negative effect on the development of aircraft movements and passenger volumes in Terminal 2.	The successful collaboration between Munich Airport and Deutsche Lufthansa AG is founded on jointly funded investments and long-term cooperation agreements.
Airlines	Seen overall, the European air traffic industry is in a difficult competitive situation. The airlines operating from Munich Airport are also affected by this. The trend toward reduced aircraft movements and limited passenger growth could continue.	Due to its relatively high fixed cost ratio, Munich Airport's ability to react to negative market trends is limited. New customer acquisitions should be able to compensate for any decreases in existing customers.
Trends in air traffic charges	Munich Airport is exposed to a price risk in respect of air traffic charges.	Essentially, Munich Airport is endeavoring to negotiate a long-term framework agreement with all airlines regarding the future development of air traffic charges.
Economic outlook	All current economic forecasts are predicting recovery in economic activity in Germany and the eurozone. Due to standard uncertainties, allowances must be made for deviations from these forecasts with corresponding effects on the airport's profitability.	No countermeasures can be implemented. However experience shows that at times of crisis, airlines prefer to minimize their operating area and concentrate their business on hubs such as Munich Airport.

Operating risks

Risk	Description and analysis	Countermeasure(s)
Non-renewal of the EASA Certificate	If the European Aviation Safety Agency Certificate is not renewed, then FMG will lose its operating license. Consequently, this is a risk that threatens the very survival of the company.	This risk is countered by making available the necessary evidence and documentation within the necessary time-scale.
IT failure	Damage to the IT system can result from fire, water ingress and/or sabotage. Failure of IT for traffic operations with the corresponding interruptions of operations would be the consequence.	Critical corporate IT systems are fully redundant with systems located in physically separate locations. Moreover, the airport's insurance protection covers such property damage including the resulting interruptions of operations.
Water damage	Water damage caused by a break in the main drinking water or fire extinguishing water pipelines could lead to the failure of infrastructure systems important for air traffic. Bodily injury and property damage as well as operating constraints with negative consequences for aviation and non-aviation revenue would be possible consequences.	Remotely controlled shut-offs and additional protective devices in the pipeline connections limit the possible damage from a pipe break. Moreover, Munich Airport is insured against such damage.
Supply and disposal	The inadequate availability of substances necessary for operating activities, such as electricity, heat, cooling energy, drinking and extinguishing water, waste water and waste, may result in interruptions of operations, property damage and bodily injury.	The service and maintenance programs, redundancies and storage should reduce the risk of gaps in supply. Moreover, the risk is covered by insurance.
Reorganization of ground handling	Uncertainties in respect of the extension of long-term handling contracts, reduction in traffic from main customers, aggressive pricing policies of competitors and uncertainties with respect to the options for transition to more flexible working hours for the core workforce threaten the success of the reorganization concept for the former ground handling business unit.	The profitability and competitiveness of Aero-Ground are being improved continuously.

Investment risks

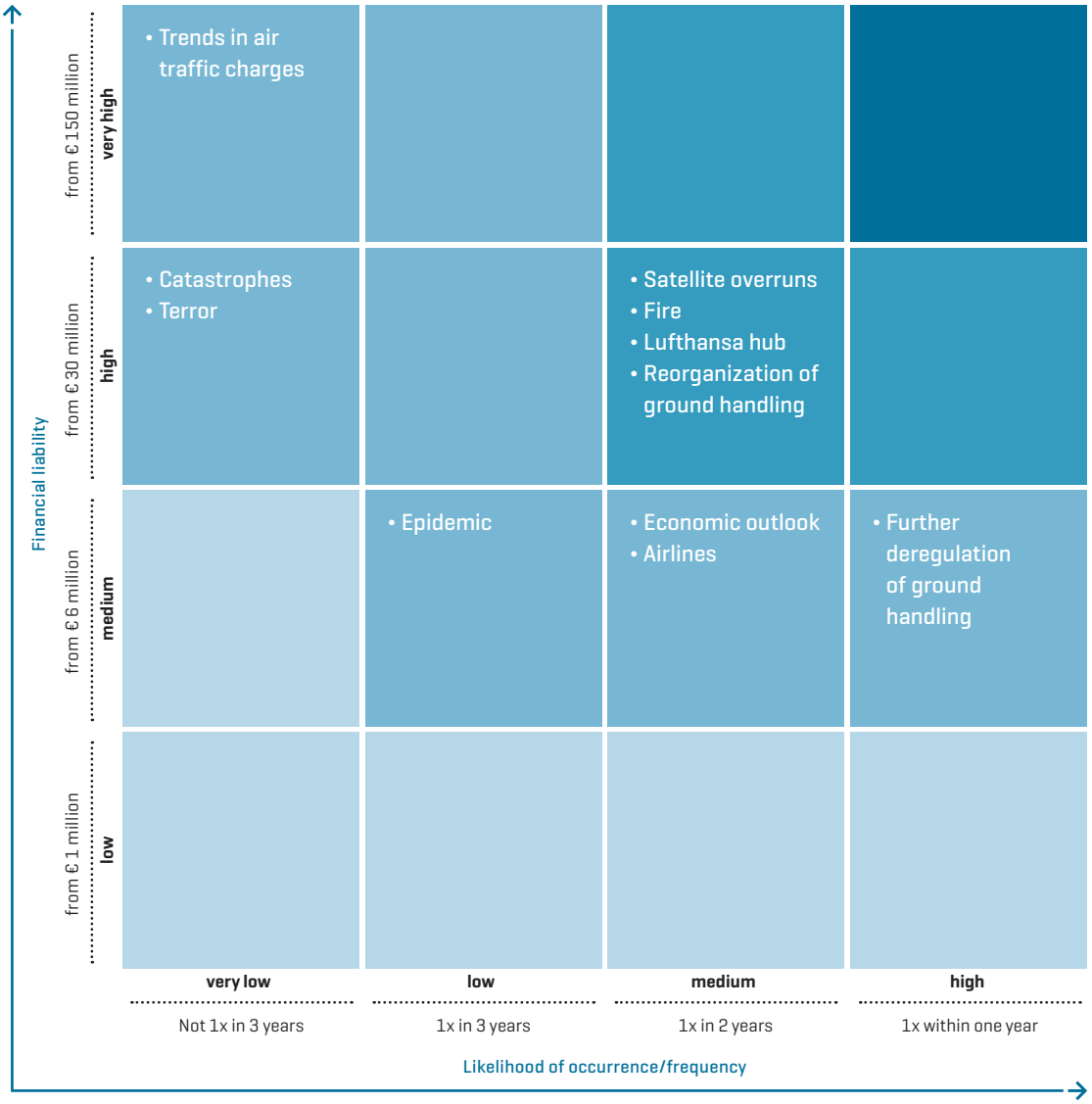
Risk	Description and analysis	Countermeasure(s)
Satellite cost overruns	Delays in the approval process for individual sections could result in delays in the construction schedule for the Terminal 2 satellite. This could cause unplanned cost overruns in excess of the unused remaining budget.	Adherence to the original schedule and the budgeted investment volume should be ensured by increasing the number of staff and ongoing monitoring of progress in the approval process.

Residual risks

Risk	Description and analysis	Countermeasure(s)
Further deregulation of ground handling	Through the approval of a further ground handling company at Munich Airport, the competitive situation for AeroGround could become more competitive.	The profitability and competitiveness of AeroGround are being continuously improved.
Revision of passenger rights	Individual conditions in the draft amendment of the Passenger Rights Act could result in considerable expense for airport operators.	No countermeasures are possible.

After considering countermeasures, the Executive Board believes that the following risks remain.

Overview of net risks



Risks that do not cause any payment outflows and risks that cannot be clearly allocated to the risk clusters are reported separately.

Risk	Description and analysis	Countermeasure(s)
Third runway	In the event of the third runway project being permanently suspended, for example due to negative legal rulings or as a result of political decision-making processes, all existing planning and land acquisition costs must be checked in respect of their recoverability and expensed if necessary.	The legal ruling in favor of Munich Airport dated February 19, 2014, was an important milestone in limiting the legal risks for project implementation. Alongside this, Munich Airport is making a case both within the political system and with the general public for the expansion project.
EEG levy	In accordance with the relevant conditions of the Renewable Energy Act (EEG), self-generated and self-consumed electricity is exempt from the EEG levy. Currently there is public debate on cancelling the full exemption. Removal of the exemption would not result in significant costs for Munich Airport.	No countermeasures are possible.

Financial risks

Risk reporting at Munich Airport also includes financial risks. As of December 31, 2013, the expected financial liability from these risks fell short of the reporting limit even before any countermeasures were considered. They can therefore be classified as insignificant on the whole.

Munich Airport is exposed to risks arising from interest and exchange rates as well as credit and reliability risks.

Risk	Description and analysis	Countermeasure(s)
Interest rate risks	Interest rate risks essentially arise from floating-rate financial liabilities.	The interest rate risks of Munich Airport are largely covered by payer interest rate swaps.
Currency risks	Currency risks arise insofar as planned sales in foreign currencies are not balanced by any corresponding expenses or outgoings in the same currency.	Munich Airport counters currency risks using currency forwards.
Credit and reliability risks	At present, credit and reliability risks primarily arise from financial investments as well as trade accounts payable.	In general, financial investments are only made with European banks with deposit protection. Consistent and effective management of debtors and receivables should counteract risks arising from losses in trade accounts receivable. This includes the constant monitoring of debtors' creditworthiness, overdue invoices and a stringent collections management. Dependent on the credit rating, certain services are only performed against prepayment or provision of securities in the form of bank guarantees.

The overall assessment of the risk situation has shown that the continuity of Munich Airport is not endangered in terms of assets or liquidity and that, for the foreseeable future, there are no identifiable risks that could threaten its status as a going concern.

Opportunities

Passenger volume trends for 2014 indicate slightly improved growth. Where aircraft movements are concerned, the outcome could be stagnation rather than a decrease. Such a development would have a positive effect on the contribution of the Aviation division to overall results in 2014.

Commercial Activities does not currently foresee any possibilities for business development beyond that planned for.

Assessments for the real estate market are generally positive; no reliable prediction can be made as to whether these will lead to earnings growth in the Real Estate business division in excess of the budgeted amount.

Strategic outlook

Munich Airport is currently drawing up a new strategy for the period from 2015 to 2025. Five strategic fields of action have been derived from a detailed analysis of opportunities and risks in the current market environment.

Airside traffic development: Increasing demand is to be expected with respect to global air traffic. Forecasts for the next 20 years predict annual global air traffic growth of around 5 percent and European growth of around 4 percent. To be able to meet the increasing demand, Munich Airport has set itself the strategic goal of further expanding its role as a hub airport. Slot capacity, for instance, could be increased by a further 30 aircraft movements to at least 120 movements per hour through the construction of a third runway. Planning approval for the expansion of the runway system was confirmed in court on February 19, 2014. The satellite building currently under construction will increase the capacity of the terminal infrastructure provided by Terminal 2 Gesellschaft mbH & Co. oHG (T2 oHG) by a further eleven million passengers to around 31 to 36 million passengers per year.

Landside traffic connections: Munich Airport wants to further increase traffic volumes both in terms of departing and terminating traffic and in so doing reinforce Munich Airport as a multimode traffic node. Particularly important in this respect is the improvement of the rail connection. In light of this, wherever possible Munich Airport supports various projects aimed at improving the connection. The liberalization of the long-distance bus market means that Munich Airport can replace a part of the currently poor rail connection with bus traffic. Likewise, exploitation of strong growth in car sharing can improve the landside connection even further. In response to this trend, 2013 saw the creation of additional car sharing stations at Munich Airport.

Seamless travel: Rapid technical advances mean that the vision of a new traffic system has become a reality. As a result, the EU is promoting the creation of intelligent traffic systems in Europe, for example, and with it the introduction of »seamless door-to-door mobility«, also referred to as seamless travel. In the medium term, it should be possible for a passenger to book their entire journey, from departure to arrival, with a single ticket and a single booking. Airports should be able to facilitate a seamless passenger experience, from check-in, baggage handling and security checks to passenger routing within the building. Given the ongoing advances being made in IT and communications technology, it can be assumed that the seamless travel concept will continue to evolve rapidly. On this assumption, Munich Airport has defined a field of action to specifically address this topic in its 2025 strategy.

Expansion of non-aviation: Munich Airport already derives almost half of its revenue from the Non-Aviation area. In light of the fact that the airport campus has transformed into an airport city offering an extensive range of goods and services that covers nearly all daily needs, the airport is looking to further increase its Non-Aviation revenue. Targeted real estate development, an attractive mix of products and services plus events should all contribute to ensuring that passengers, employees and visitors all enjoy a pleasant visit to Munich Airport.

Off-campus growth: Forecasts for global air traffic point to strong growth for the next 20 years. An expansion of its activities beyond the campus gives the airport an opportunity to participate in international growth beyond its own location and thus increase its independence from local market developments.

/Consolidated annual financial statements

Consolidated income statement

€ thousand	Reference	2013	2012
Revenue	VI.1	1,184,397	1,186,802
Increase/decrease in inventory		48	-68
Own work capitalized	VI.2	16,377	18,485
Other income	VI.3	28,368	44,808
Total revenue		**1,229,190**	**1,250,027**
Cost of materials	VI.4	-316,413	-323,866
Personnel expenses	VI.5	-348,425	-333,621
Other expenses	VI.6	-96,673	-78,870
Operating result before depreciation and amortization (EBITDA)		**467,679**	**513,670**
Depreciation and amortization	VI.7	-208,919	-235,284
Operating result (EBIT)		**258,760**	**278,386**
Interest result	VI.8	-112,094	-122,382
Other financial result	VI.8	5,037	8,161
Financial result		**-107,057**	**-114,221**
Result from enterprises valued using the equity method		**1,897**	**1,159**
Income before income taxes (EBT)		153,600	165,324
Income taxes	VI.9	-54,994	-69,977
Consolidated profit (EAT)		**98,606**	**95,347**
of which attributable to controlling shareholders		99,513	94,089
of which attributable to non-controlling shareholders		-907	1,258

Consolidated statement of comprehensive income

€ thousand	Reference	2013	2012
Consolidated profit		98,606	95,347
Cash flow hedging	VII.16	35,208	-49,104
Deferred tax assets/liabilities not recognized in income	VII.6	-8,382	11,489
Items that may be subsequently reclassified to profit or loss		**26,826**	**-37,615**
Actuarial gains and losses	VII.17	236	-6,071
Deferred tax assets/liabilities not recognized in income	VII.6	-66	1,679
Items that will not be reclassified to profit or loss		**170**	**-4,392**
Other comprehensive income after taxes		26,996	-42,007
Total comprehensive income		**125,602**	**53,340**
of which attributable to controlling shareholders		126,509	52,082
of which attributable to non-controlling shareholders		-907	1,258

Consolidated balance sheet

Assets	Reference	December 31, 2013	December 31, 2012
€ thousand			
Intangible assets	VII.1	8,672	8,166
Property, plant and equipment	VII.2	4,722,105	4,634,642
Investment property	VII.3	185,964	200,716
Investments in associates	VII.4	2,651	1,917
Receivables	VII.5	222	18,606
Other financial assets	VII.5	398	10,637
Deferred income tax assets	VII.6	16,677	5,445
Other assets	VII.9	4,735	5,857
Non-current assets		**4,941,424**	**4,885,986**
Inventories	VII.7	36,765	34,884
Receivables	VII.8	82,275	65,056
Other financial assets	VII.8	196	0
Actual income tax assets and liabilities		787	370
Other assets	VII.9	11,046	10,881
Financial investments	VII.10	316,000	257,000
Cash on hand and at banks	VII.10	7,853	7,086
Current assets		**454,922**	**375,277**
Assets classified as held for sale	VII.11	566	348
Assets		**5,396,912**	**5,261,611**

Liabilities and equity	Reference	December 31, 2013	December 31, 2012
€ thousand			
Issued capital	VII.12	306,776	306,776
Reserves	VII.12	100,006	99,835
Other equity	VII.12	1,435,297	1,308,959
Shares of non-controlling shareholders	VII.12	-2,318	-1,411
Shareholders' equity		**1,839,761**	**1,714,159**
Financial liabilities resulting from interests in partnerships	VII.14	227,054	234,581
Trade accounts payable and other payables	VII.15	14,170	11,290
Other financial liabilities	VII.15	1,581,419	1,756,238
Employee benefits	VII.17	35,474	37,635
Other provisions	VII.18	96,488	98,119
Deferred income tax liabilities	VII.6	484,606	465,760
Other liabilities	VII.20	19,289	20,583
Non-current liabilities		**2,231,446**	**2,389,625**
Trade accounts payable and other payables	VII.19	89,576	94,028
Other financial liabilities	VII.19	915,909	776,057
Employee benefits	VII.17	19,507	18,252
Other provisions	VII.18	18,450	14,948
Actual income tax liabilities		46,105	13,254
Other liabilities	VII.20	9,104	6,707
Current liabilities		**1,098,651**	**923,246**
Liabilities associated with assets classified as held for sale	VII.11	0	0
Liabilities and equity		**5,396,912**	**5,261,611**

Consolidated statement of changes in equity

	Reference	Issued Capital	Reserves		Other equity	Attributable to non-controlling shareholders	Shareholders' equity
€ thousand			Capital reserve	Revenue reserve			
As of Dec. 31, 2011		**306,776**	**102,258**	**3,951**	**1,250,503**	**-2,669**	**1,660,819**
Profit		0	0	0	94,089	1,258	95,347
Other comprehensive income		0	0	-4,374	-37,633	0	-42,007
Total comprehensive income		**0**	**0**	**-4,374**	**56,456**	**1,258**	**53,340**
Transfer to reserves		0	0	0	2,000	0	2,000
Withdrawal from reserves		0	0	-2,000	0	0	-2,000
Change of reserves		**0**	**0**	**-2,000**	**2,000**	**0**	**0**
As of Dec. 31, 2012	VI. 12	**306,776**	**102,258**	**-2,423**	**1,308,959**	**-1,411**	**1,714,159**
Profit					99,513	-907	98,606
Other comprehensive income				171	26,825		26,996
Total comprehensive income		**0**	**0**	**171**	**126,338**	**-907**	**125,602**
Transfer to reserves							0
Withdrawal from reserves							0
Change of reserves		**0**	**0**	**0**	**0**	**0**	**0**
As of Dec. 31, 2013	VII. 12.	**306,776**	**102,258**	**-2,252**	**1,435,297**	**-2,318**	**1,839,761**

Consolidated cash flow statement

	Reference	2013	2012
€ thousand			
Cash flows from operating activities	IX.	**457,038**	**440,791**
Proceeds from the disposition of self-used property, plant and equipment		567	4,060
Proceeds from the disposition of intangible assets		0	105
Proceeds from the disposition of investment property		621	111
Proceeds from distributions collected from associates		1,163	2,303
Payments for investments in self-used property, plant and equipment		-280,896	-224,636
Payments for investments in intangible assets		-3,102	-3,047
Payments for investments in investment property		-619	-8,150
Interest income		4,817	4,849
Changes in financial investments		-59,000	-64,000
Cash flow from investing activities		**-336,449**	**-288,405**
Proceeds from borrowings		303,684	120,000
Repayments of borrowings		-293,994	-90,365
Cash flows from Group-wide cash management with associates and investments		1,257	-2,801
Repayments of financial liabilities arising from interests in partnerships		-39,865	-88,444
Interest expense		-90,904	-90,806
Cash flow from financing activities		**-119,822**	**-152,416**
Change in cash and cash equivalents resulting from cash transactions		767	-30
Cash and cash equivalents at the beginning of the year		**7,086**	**7,116**
Exchange gains or losses on cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year		**7,853**	**7,086**

Notes to the consolidated financial statements

I. Company

This report comprises the consolidated financial statements of Flughafen München GmbH (FMG). The companies included in the consolidated financial statements of FMG are referred to below as Munich Airport or the Group.

FMG and its subsidiaries operate the airport and the associated ancillary lines of business.

The registered office of the company is located at Nordallee 25, 85326 Munich, Federal Republic of Germany. It is recorded in the trade register of the District Court of Munich under number 5448. The shares of FMG are held by the Free State of Bavaria, the Federal Republic of Germany and the City of Munich.

FMG is the ultimate parent of all companies included in the consolidated financial statements.

As of December 31, 2013, the company has not issued any securities in accordance with Article 2 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG), which are traded on organized markets in accordance with Article 2 (5) WpHG.

On April 17, 2014, the accompanying consolidated financial statements were authorized for issue to the Supervisory Board. The Supervisory Board is responsible for examination and approval of the consolidated financial statements.

II. Accounting policies

The principal accounting policies applied in these consolidated financial statements are set out below. The policies have been consistently applied to all periods presented unless otherwise stated.

The presentation currency is the euro. Unless otherwise stated, all amounts are in thousands of euros (€ thousand). Rounding errors may occur for computational reasons.

The presentation currency corresponds to the functional currency. All companies included share the same functional currency.

1. Basis of preparation of the financial statements

Pursuant to Article 315a (3) of the German Commercial Code (Handelsgesetzbuch – HGB), FMG voluntarily prepares the consolidated financial statements in accordance with international accounting standards. The company applies the financial reporting standards (IAS/IFRS) and interpretations (SIC/IFRIC) published by the International Accounting Standards Board (IASB) and by the International Financial Reporting Standards Interpretation Committee (IFRS IC) as adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets available for sale and by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss.

The consolidated income statement is prepared using the nature of expense method.

The fiscal year is the calendar year.

The preparation of IFRSs financial statements involves the use of judgments and estimates by management. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment, or areas where assumptions and estimates are significant are disclosed separately in Section V.

2. New or revised accounting regulations

a) New regulations applied for the first time

Munich Airport applied the following accounting standards for the first time in fiscal year 2013:

Regulation	Brief description	Effects	Initial application in the EU	Early application in the EU
IAS 1 Amendment	This amendment relates to the presentation of other comprehensive income. Items shall be distinguished on the basis of whether they are potentially reclassified to profit or loss.	Munich Airport separates amounts contained in other comprehensive income by origin.	July 1, 2012	Not relevant
IAS 16 Amendment	The amendment clarifies the accounting of spare parts and maintenance equipment.	Munich Airport had already accounted for spare parts and maintenance equipment as items of property plant and equipment in prior fiscal periods. The amendment does not have any effect on the consolidated financial statements.	Jan. 1, 2013	Not relevant
IAS 32 Amendment	The amendment clarifies the accounting of income taxes on equity transactions. Income taxes on earnings or expenses from dividends have to be recognized in the income statement. Fiscal consequences arising from transaction costs on equity transactions have to be recognized directly in equity.	Munich Airport's accounting methods applied in past consolidated financial statements already comply with this regulation. The amendment does not have any effect on the consolidated financial statements.	Jan. 1, 2013	Not relevant
IFRS 7 Amendment	The requirements for netting financial assets and liabilities have been changed.	Munich Airport does not offset financial assets and liabilities. The amendment does not have any effect on the consolidated financial statements.	Jan. 1, 2013	Not relevant
IFRS 10	Pursuant to IFRS 10, control is derived from decision-making powers. An entity that draws variable returns from an investment has control if it has decision-making powers that enable it to affect the returns from its investment in the investee.	The application of IFRS 10 does not have any effect on the scope of consolidation of FMG.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously

Regulation	Brief description	Effects	Initial application in the EU	Early application in the EU
IFRS 11	IFRS 1 requires entities to distinguish between joint operations and joint ventures. The decision-making powers of entities participating in a joint venture refer to their net assets, of joint operations to the assets and obligations contributed by each partner. Partners in a joint operation account for assets and obligations contributed according to the respective IFRS. Partners in a joint venture account for their investment according to the equity method in line with IAS 28.	Joint ventures are already accounted for at equity. Joint operations do not exist in the scope of consolidation. The standard does not have any effect on the consolidated financial statements.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IFRS 12	IFRS 12 includes the disclosure requirements for subsidiaries, joint ventures and associates.	Disclosures for subsidiaries, joint ventures and associates have been supplemented in the consolidated financial statements.	Jan. 1, 2014	Permissible also in part and independent of IFRSs 10, 11, IAS 27r and 28r
IAS 27r	The scope of the standard was reduced to accounting for separate statements.	Munich Airport prepares consolidated financial statements. There is no scope of application.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IAS 28r	The standard contains follow-up changes due to the introduction of IFRSs 10, 11 and 12.	There were no effects on the consolidated financial statements.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IFRS 13	IFRS 13 contains general provisions on calculating fair value. When calculating the fair value, an entity has to identify the object and the market on which the object is traded. In addition, for non-financial assets measured at fair value an entity shall determine whether these are to be measured individually or in connection with other objects and debts. The Standard provides measurement procedures for objects whose values cannot be observed directly and divides them into a three-level measurement hierarchy.	The procedures used to calculate the fair value of financial assets for measurement and disclosure in the Notes are adjusted. The new Standard has been applied prospectively. Therefore, book values and disclosures of fair value are only partially comparable with the prior year.	Jan. 1, 2013	Not relevant

b) New regulations not yet applied

A number of new IFRSs and IFRICs and changes and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, and have not been applied in these consolidated financial statements. None of these is expected to have a significant impact on the consolidated financial statements of subsequent periods, except the following:

Regulation	Brief description	Effects	Initial application in the EU	Early application in the EU
IFRS 9, IFRS 7 and IAS 39	IFRS 9 introduces a new model for accounting for hedging relationships. The most significant changes made are: • scope expansion for hedging instruments and hedged items • removal of the 80 – 125 percent interval.	Given the new regulations, Munich Airport can account for a greater number of hedging relationships. Previous restrictions, such as in respect of combined items, no longer apply.	Not yet determined	Not yet determined

III. Consolidation

1. Subsidiaries

Subsidiaries are all companies that are controlled by FMG.

Control is derived from decision-making powers. An entity that draws variable returns from an investment has control if it has decision-making powers that enable it to affect the returns from its investment in the investee.

The financial statements of FMG and its subsidiaries are prepared for the same reporting date.

The accounting and valuation principles presented in Section IV. are used by all companies included in the consolidated financial statements.

In the preparation of the consolidated financial statements, the financial statements of the parent company and of the subsidiaries are combined through addition of like items.

Within the scope of capital consolidation, carrying values of the interests of the parent company are offset against the pro-rata shareholders' equity attributable to the parent company.

Non-controlling interests in the net assets of consolidated subsidiaries as well as the share of such shareholders in comprehensive income are measured separately and disclosed.

Intra-Group transactions, balances, expenses and revenues as well as profits and losses resulting from transactions between the consolidated companies are eliminated.

Transactions with non-controlling interests are reported as transactions among shareholders to the extent they do not result in a change of control.

2. Associates

Associates are companies where FMG has the power to participate in the financial and operating decision processes but does not control or jointly control these decisions.

The basis of inclusion is the most recent financial statements of the associate. When reporting dates differ, the associate must prepare interim financial statements, except where the time lag does not exceed three months. In such cases, the associate's financial statements are adjusted for transactions and events with material effects that occurred between the reporting dates.

On initial recognition, investments in associates are valued at cost. After initial recognition, the carrying amount of the investment is increased or decreased to recognize the investor's share in profit or loss and other comprehensive income of the associate. Distributions received reduce the carrying amount.

At each reporting date following the time of acquisition, the carrying amount is examined for impairment.

Gains and losses resulting from transactions with associates are eliminated in accordance with the percentage of ownership provided the assets transferred have not already been impaired in the financial statements of the associate.

The accounting and valuation principles presented in Section IV. are applied by associates included in the consolidated financial statements.

3. Consolidated group

a) Subsidiaries

The group of companies consolidated in FMG comprises the following subsidiaries:

Name	Seat	Line of business	Basis of consolidation	Share of capital in %	
				Dec. 31, 2013	Dec. 31, 2012
aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH	Munich	Passenger handling	Voting majority	100	100
AeroGround Flughafen München GmbH[1]	Munich	Ground handling	Voting majority	100	100
Allresto Flughafen München Hotel und Gaststätten GmbH[1]	Munich	Catering and hotel	Voting majority	100	100
CAP Flughafen München Sicherheits-GmbH	Freising	Security	Voting majority	100	100
Cargogate Flughafen München Gesellschaft für Luftverkehrsabfertigungen mbH[1]	Munich	Cargo handling	Voting majority	100	100
eurotrade Flughafen München Handels-GmbH[1]	Munich	Retailing	Voting majority	100	100
InfoGate Information Systems GmbH[1]	Freising	Information	Voting majority	100	100
Flughafen München Baugesellschaft mbH	Oberding	Client representation	Contract	60	60
Terminal 2 Gesellschaft mbH & Co oHG[1]	Oberding	Terminal operations	Contract	60	60
MAC Grundstücksgesellschaft mbH & Co. KG[1]	Grünwald	Real estate financing	Voting majority	95	95
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Alpha KG[1]	Grünwald	Real estate financing	Contract	0	0
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Beta KG[1]	Grünwald	Real estate financing	Contract	0	0
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Gamma oHG[1]	Grünwald	Real estate financing	Contract	0	0
München Airport Center Betriebsgesellschaft MAC mbH	Grünwald	Real estate management	Contract	0	0

[1] With respect to the publication of the financial statements, the exemption option under Section 264, Paragraph 3 or Section 264b of the German Commercial Code (HGB) is used.

After the acquisition of all material property and buildings of Malto Grundstücks-Verwaltungsgesellschaft mbH & Co. KG (Malto) the lease contract between FMG and the company was terminated effective March 31, 2013. As a consequence of the termination of the lease, the company was deconsolidated.

In 2012, InfoGate Information Systems GmbH, Freising was initially included in the group of consolidated companies. The addition was a result of the company being founded.

b) Associates

The following associate is recognized using the equity method:

Name	Seat	Line of business	Share of capital in %	
			Dec. 31, 2013	Dec. 31, 2012
EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH	Freising	Deicing and aircraft pushback	49	49

The following subsidiaries and joint ventures are not included in the consolidated financial statements since they are of minor significance for the provision of a true and fair view of the group's assets, liabilities, financial position and profit or loss:

Name	Seat	Line of business	Nature	Share of capital in %	
				Dec. 31, 2013	Dec. 31, 2012
FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH	Freising	Insurance agents	TU[1]	100	100
Munich Airport International Beteiligungs-GmbH	München	Investment	TU[1]	100	–
MediCare Flughafen München Medizinisches Zentrum GmbH	Oberding	Medical services	JV[2]	51	51

[1] TU = subsidiary
[2] JV = joint venture

As a result, consolidated revenue is reported 0.43 percent lower (2012: 0.41 percent).

IV. Recognition, measurement and presentation

1. Property, plant and equipment

Expenditures for the acquisition or production of non-current tangible assets are capitalized as property, plant and equipment to the extent that it is probable that future economic benefits will flow to the Group and the cost of the assets can be measured reliably.

Initial recognition of property, plant and equipment is at cost which includes all costs directly attributable to the acquisition. The costs of self-constructed assets include direct cost and an allocation of fixed and variable overheads. Subsequent valuation is at cost less accumulated depreciation and amortization. The revaluation model is not applied by the Group.

Repair and maintenance activities are expensed as incurred. Subsequent costs are capitalized to the extent that they comply with the requirements for recognition as an asset.

Land is not depreciated. All other assets are depreciated using the straight-line method over their expected useful lives.

The Group uses the component approach to calculate depreciation for buildings. Under this approach, the amount initially recognized is allocated to significant components. Each component is depreciated separately. The components determined for the Group's buildings are shell and façade, roofs, interior fittings and mechanicals.

The following useful lives are applicable in the consolidated financial statements:

Buildings	
Shell and façade	50 years
Roofs	20 years
Interior fittings and mechanicals	25 years
Traffic areas	35 years
Operating areas	15–25 years
Machinery and equipment	
Flight operation areas	40 years
Aviation equipment	10–20 years
Utilities and disposal systems	15–35 years
Other machinery and equipment	15–20 years
Operating fixtures and equipment	
Mobile equipment, operations and ground handling	9–10 years
Furnishings and fixtures	10–14 years
Vehicle pool	10 years
Other operating fixtures and equipment	3–10 years

At the end of each reporting period, the Group analyses whether the useful lives and expected residual values of property, plant and equipment are still adequate.

If the recoverable amount of an asset is less than its carrying amount, the asset is written down to the recoverable amount through profit or loss.

Gains and losses from the disposal of non-current assets are determined through comparing sale proceeds to the carrying amounts. They are presented in the consolidated income statement under other income or expenses.

2. Intangible assets

a) Acquired intangible assets

Expenditures for the acquisition of non-current intangible assets are capitalized to the extent that it is probable that future economic benefits will flow to the Group and the cost of the assets can be measured reliably.

Acquisition costs comprise all expenditures necessary in order bring the asset to the condition for it to be capable of being operated in the manner intended by management.

With the exception of emission rights, the useful lives of acquired intangible assets are definite and are between three and ten years. These intangible assets are amortized using the straight-line method over their useful lives.

b) Internally generated intangible assets

Costs for internally generated intangible assets are capitalized as soon as they have reached the development phase and the following criteria are fulfilled:

- Technical feasibility
- Intention to bring to completion
- Suitability for utilization
- Documentation concerning the probability of future economic benefits in the form of revenues or cost savings
- Availability of resources
- Reliable measurement of project expenditures

The initial recognition of internally generated intangible assets related to special software for airport operation is at cost, which includes all directly attributable costs.

Expenditures that do not meet all requirements for recognition are expensed as incurred. Development costs that have been expensed are not capitalized in subsequent periods.

The useful life of internally generated intangible assets is determinable and amounts to five years. Amortization uses the straight-line method.

c) Emission rights

Emission rights are initially recognized at cost and subsequently measured at amortized cost.

The useful life of emission rights is indefinite. Therefore, the carrying amount of these rights is annually examined for impairment and amortized if appropriate. Emission rights are traded on active markets. The recoverable amount corresponds to the fair value less cost to sell.

3. Borrowing costs

Provided a substantial period of time passes prior to an asset's readiness for its intended use or sale (qualified assets), the borrowing costs directly attributable to the acquisition or production of the asset are capitalized.

Borrowing costs that can be capitalized comprise interest costs of direct and indirect financing. They are derived from interest expense determined according to the effective interest method.

Capitalization of borrowing costs begins with the commencement of acquisition or production and ends with operational readiness.

4. Impairment test

At each reporting date, the Group examines whether there are indications that an asset may be impaired. If so, the Group estimates the recoverable amount for the assets and compares it with the carrying amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use. Value in use is the present value of the cash flows that can be expected to be recovered from the continued use of the assets in question. If the recoverable amount is less than the carrying amount of the asset, the difference is amortized through profit or loss.

Assets that do not generate cash flows that are largely independent from those of other assets or Groups of assets are combined into cash-generating units. The combination process ends as soon as units are reached that generate cash flows which are largely independent from those of other assets or units.

5. Non-current assets held for sale

Non-current assets are classified as held for sale if the associated carrying amount is to be realized through a sale transaction rather than through continued utilization. The requirements for classification as available for sale are as follows:

- Possibility to sell in the present condition and at terms that are usual and customary for sales of such assets
- Highly probable sale within a year's time

Non-current assets held for sale are not depreciated. Subsequent recognition is at cost less accumulated impairment losses. The recoverable amount is fair value less cost to sell.

6. Investment property

In contrast to owner-occupied real estate, investment property is not held for use in the supply of products or services or for administrative purposes, but rather is used exclusively to earn rental income or for capital appreciation purposes.

Investment property includes all land and buildings whose future use has not yet been determined. In addition, the Group classifies all land and buildings which generate cash flows that are independent of other airport operations as investment property. For this reason, leased hangars, for example, are classified as owner-occupied real estate, while leased administrative buildings are classified as investment property.

Initial recognition of investment property is at cost which includes all costs directly attributable to the acquisition. Subsequent valuation is at cost less accumulated depreciation and impairment losses. The revaluation method is not applied.

As soon as investment property comes into operational utilization, it is reclassified as owner-occupied property, plant and equipment. Investment property is assigned to non-current assets held for sale as soon as the requirements are fulfilled (see Section IV.5).

7. Leasing

All agreements that convey a right to use an asset for an agreed period of time in exchange for a series of payments are lease relationships.

If the lessor retains all substantial risks and rewards associated with ownership of the leased object, the underlying agreement is an operating lease. In this case, the leasing remuneration is recognized as expense or revenue on a straight-line basis over the term of the lease.

If all substantial risks and rewards of ownership of the leased object are transferred to the lessee, the underlying agreement is a finance lease. In this case, the lessee recognizes the leased object and the associated lease liability. The leased object is depreciated over the shorter of useful life or the term of the lease. The lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The charge is allocated to each period so as to produce a constant rate of interest during the lease term.

8. Financial instruments

a) Classification

Upon initial recognition, Munich Airport assigns financial instruments to one of the valuation categories described below according to their terms and conditions and the intentions of management.

Derivative financial instruments that are not part of a hedge relationship and non-derivative financial instruments acquired with an intention for trading are measured at fair value through profit or loss. They are presented as current assets or liabilities unless settlement is expected in more than twelve months after the reporting date. Derivatives that are not designated into hedge relationship are presented as current assets or liabilities.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognized under current assets unless they mature in more than twelve months after the reporting date.

All financial liabilities that are not measured at fair value are to be measured at amortized cost using the effective interest method. They are presented as current liabilities unless repayment is expected in more than twelve months after the reporting date.

b) Recognition and measurement

Regular purchases and sales of financial instruments are recognized on the trade date.

Financial assets are derecognized if the rights to receive payments from the financial instrument have expired or have been transferred to a third party with transfer of all material risks and rewards of ownership. Financial liabilities are derecognized only upon fulfillment, termination or expiry.

The initial measurement of financial instruments carried at fair value through profit and loss is at fair value. Transaction costs are expensed as incurred. All other financial instruments are initially measured at fair value plus transaction costs.

Subsequent measurement of available for sale financial assets and financial instruments at fair value through profit and loss is at fair value. Loans and receivables as well as non-derivative financial liabilities are carried at amortized cost using the effective interest method.

Gains and losses from subsequent measurement at fair value are recognized in other financial income (net) or losses (net). Effects from the accrual of interest are not reflected in other income or loss.

The effective interest rate is the interest rate that exactly discounts all expected cash payments and proceeds (including fees) through the expected life of a financial instrument to its current net carrying amount. In cases of a change in the expected cash flows, the effective interest is retained. When the terms of a financial instrument carried at amortized cost are modified, the modification may lead to the derecognition of the initial and the recognition of a new financial instrument. In such cases, a new effective interest rate is calculated. The effective interest rate of floating rate financial instruments is altered periodically for changes in expected cash flows.

The treatment of fees depends on their nature. Fees that are charged for ongoing services or for the execution of significant acts are immediately recognized in profit or loss. All other fees are treated as transaction costs, whereas commitment fees are deferred as prepaid expenses until the loan is paid out. If the loan is no longer expected to be paid out, the accumulated amount is immediately reversed through profit or loss.

c) Offsetting

Financial assets and liabilities are offset in the consolidated financial statements if the requirements pursuant to Section 387 et seq of the German Civil Code (Bürgerliches Gesetzbuch – BGB) are met and the management intends to settle on a net basis or to release a financial asset and settle a financial liability simultaneously.

d) Impairment and reversal

At each reporting date, all financial assets are examined individually to determine whether there is objective evidence of impairment. Objective evidence for the impairment of a financial asset exists if a loss event has occurred that has negative effects on the future cash flows from the asset.

Examples of loss events are significant refinancing difficulties, payment defaults, reductions in creditworthiness and bankruptcy.

The difference between the carrying amount and the present value of the cash flows taking into consideration the loss is recognized as an impairment loss in profit or loss.

If events occur in subsequent periods which indicate that future cash flows from the financial asset will approximate the original level (for example, through an increase in creditworthiness), a reversal of the impairment loss is recognized.

e) Derivatives in hedging relationships

The following accounting and valuation principles can only be applied to derivatives that have been designated into highly effective and adequately documented hedging relationships. All other derivatives are measured at fair value through profit or loss. Derivatives in hedging relationships are recognized on the trade date. The initial and subsequent measurement of these financial instruments is at fair value, whereas the recognition of changes in fair value depends on the nature of the hedged item and the hedging relationship. Munich Airport distinguishes between the following types of hedging relationships:

Fair value hedge: Changes in the fair value of the hedging instrument and changes in the fair value of the hedged item with respect to the hedged risk are recognized in profit or loss. The effective portion of the change is presented among financial expenses or income and the ineffective portion among other gains (net) or other losses (net).

If the hedge no longer meets the requirements of hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortized to profit or loss over the period to maturity.

Cash flow hedge: The effective portion of the changes in fair value of the hedging instrument is recognized in other comprehensive income, while the ineffective portion is recognized in income in other gains (net) or other losses (net). The amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any accumulated gain or loss recognized remains in equity until the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur, the amounts recognized in equity are immediately reclassified. The subsequent measurement of the hedging instrument is at fair value through profit or loss.

Each hedge relationship is documented at designation. The documentation contains a description of the hedge relation, risk management objectives and strategies. At inception of the hedge and on an ongoing basis, Group treasury assesses the effectiveness of the hedge relationship.

Disclosures concerning the fair value of the derivatives in hedging relationships can be found in Section VII.16, while disclosures concerning changes in the hedging reserve are disclosed in Section VII.12. The full carrying amount of a derivative is classified as current or non-current in accordance with the term of the associated hedged item.

9. Inventories

Inventories are carried at the lower of costs or net realizable value, where cost is determined by making use of the FIFO method.

The net realizable value is the sales proceeds less expected costs up to disposal.

10. Trade receivables

Trade receivables are recognized as soon as Munich Airport has acquired a right to compensation for goods supplied or services rendered. They are presented among non-current assets provided they are due in more than twelve months after the reporting date. Otherwise they are presented among current assets.

Upon initial recognition, receivables are measured at fair value. Subsequent measurement is at amortized cost using the effective interest method less accumulated impairment losses.

11. Cash and cash equivalents

Cash and cash equivalents comprise financial investments and cash in hand and at banks with a term of up to three months. Financial investments with terms in excess of three months are assigned to cash and cash equivalents only if they are not subject to significant fluctuation in value and can be liquidated at any time without risk discount. Otherwise they are presented among other financial assets.

12. Other assets and prepaid expenses

Other assets are recognized, provided they are likely to result in an inflow of economic benefit and can be reliably measured.

Prepaid expenses are recognized when payments are made that will result in expenses only in future periods.

13. Equity

a) Classification of equity and financial liabilities

Financial instruments issued by Munich Airport are classified as equity or financial liabilities in accordance with the substance of the agreements, whereby all financial instruments that are not assets or financial liabilities are presented among shareholders' equity.

b) Partnerships

Interests in German commercial partnerships are puttable financial instruments with inalienable repayment and redemption clauses. Non-controlling interests in commercial partnerships are therefore classified as financial liabilities and presented as »financial liabilities resulting from interests in partnerships«.

The principles applied in distinguishing financial liabilities from equity deviate from those common under German law. Under the German Commercial Code, non-controlling interests in commercial partnerships would have to be classified as equity.

On initial recognition, »financial liabilities resulting from interests in partnerships« are measured at fair value, that is, at the present value of the expected redemption amount.

Subsequent measurement is at amortized cost using the effective interest method. Capital contributions and withdrawals with effect on the redemption amount are credited or charged, as the case may be, to or against the settlement obligation.

14. Current and deferred income tax assets and liabilities

The tax expense for the period includes current and deferred income taxes. Income taxes are recognized in the income statement unless they relate to transactions recognized in other comprehensive income or directly in equity. In this case, taxes are recognized in other comprehensive income or directly in equity, respectively.

Current tax assets and liabilities are measured on the basis of tax laws applicable for Munich Airport as of the reporting date.

Deferred tax assets and liabilities are recognized for inside basis deductible and taxable temporary differences. Deferred tax assets are also recognized for unused tax losses. Recognition of deferred taxes is limited to the extent that future tax profit will be available against which the temporary differences can be utilized. The Group does not recognize outside basis temporary differences to the extent that the timing of reversal can be influenced and is not expected in the foreseeable future.

Inside basis deductible or taxable temporary differences are determined on the basis of a two-step comparison between the carrying amount of assets and liabilities in the consolidated financial statements, the corresponding amounts in the statutory financial statements according to the German Commercial Code and the tax base.

Deferred taxes are not recognized when they result from the initial recognition of goodwill or from transactions that neither affected accounting nor taxable profit or loss are not recognized.

Deferred tax assets and liabilities are measured at the tax rates that apply at the time when temporary differences reverse or tax loss carryforwards are used. Tax rate changes or changes in tax law are taken into account as soon as they are substantively enacted.

Deferred tax assets and liabilities are offset when there is a legal claim to offset current income tax assets and liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority. The offsetting principles applied consider the timing of the reversal of temporary differences and the usage of tax losses as well as the existence of fiscal units between Group companies.

15. Employee benefits

a) Post-employment benefits

The consolidated financial statements contain defined benefit and defined contribution plans. A defined contribution plan is a post-employment benefit plan under which a Group entity pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund fails to pay benefits. All other plans are defined benefit plans. Typically, a defined benefit plan provides for post-employment benefits depending on age, length of employment and remuneration at the time of retirement.

Payments for defined contribution plans are expensed as services are rendered by employees eligible for the post-employment benefits. Munich Airport pays contributions to Deutsche Rentenversicherung (a state plan) and to the supplementary welfare fund of the Bayerische Versorgungskammer. There are no obligations beyond the payment of contributions.

The Group recognizes long-term employee benefit liabilities for all defined benefit plans. Initial and subsequent measurement is calculated by making use of the projected unit credit method. This method reflects the actuarial present value of all benefits vested. The estimation of benefits considers expected salary and pension increases (for pension benefits) and assumptions on future health care costs (for medical benefits) as well as the life expectancy of the persons entitled to the plan. Discount rates are derived from the reporting date yield curves for high-quality corporate bonds. Pension payments and health care costs are made from operating cash flows. There are no plan assets.

Actuarial gains and losses are recognized in other comprehensive income.

b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Termination benefits are recognized when there is a detailed formal plan which entitles employees to these benefits.

Benefits paid in the course of a phased retirement agreements are accounted for in accordance with the principles for other long-term employee benefits (see Section IV.15.c)).

c) Other long-term employee benefits

Other long-term employee benefits comprise provisions for jubilee benefits and all kinds of benefits paid in the course of phased retirement agreements.

The principals for initial and subsequent measurement are the same as presented in Section IV.15.a). Benefits paid in the course of phased retirement agreements are covered by plan assets. The corresponding liabilities and plan assets are offset.

16. Provisions

Provisions are recognized when the following requirements are met: Inevitable present obligation (legal or constructive in nature) arising from a past event, Probability of an outflow of economic benefits to third parties to settle the obligation Reliable measurment of the obligation.

Initial and subsequent measurement is at management's best estimate. Where a single obligation is being measured, the individual most likely outcome may be the best estimate. If provisions are made for a large population of items, the best estimate may be the expected value.

If the present value of an obligation deviates significantly from the nominal amount, provisions are recognized at the present value of the expected obligation. The risks inherent in the obligation are taken into account in determining the expected outflow of resources, and are discounted at a risk-free pre-tax rate.

Current obligations arising from onerous contracts are recognized as provisions. An onerous contract is a contract in which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received under it.

17. Revenue

Revenue is measured at the fair value of the consideration received or receivable after revenue reductions.

a) Revenue from the rendering of services

Munich Airport recognizes revenue from the rendering of services as such services are rendered.

Services rendered in the course of consulting projects regularly extend over a relatively long period of time. In these cases, revenue is recognized on a straight line basis or by reference to the stage of completion, provided the successful completion of the entire project, or of a separable milestone, can be expected to be highly probable.

b) Revenue from concession agreements

Revenue is recognized provided an inflow of economic benefits is probable and the amount of revenue can be measured reliably. Concession fees are recognized on an accrual basis over the concession period in accordance with the substance of the relevant agreement.

c) Revenue from the sale of goods

Revenue from the sale of goods is recognized when the relevant risks and rewards of ownership have been transferred to the acquirer. This typically takes place when the products are transferred and payment is made.

18. Earnings from investments and interest income

Earnings from investments are recognized when there is a legal entitlement to payment.

Interest income is recognized using the effective interest method as soon as the inflow of economic benefits is probable and the amount of revenues can be measured reliably.

19. Calculation of fair value

a) Measurement at fair value

Munich Airport measures derivative financial instruments and loans in fair value hedges at fair value through profit or loss.

All non-financial assets are measured at cost less accumulated depreciation and amortization.

The following methods and parameters were applied in the calculation of fair value:

	Fair value		Meaurement	Parameter		Disclosure
€ thousand	Dec. 31, 2013	Dec. 31, 2012		Nature	Hierarchy[4]	
Interest rate swaps	194	0	Discounted cash flows, add-on procedure	Expected cash flows[1], discount rate[1], volatility rate[2], CDS spreads[3], default loss[1]	II	VI.16.a)
Currency futures	196	0	Discounted cash flows, add-on procedure	Expected cash flows[1], discount rate[1], volatility rate[2], CDS spreads[3], default loss[1]	II	VI.16.a)
Cross currency swaps	0	10,458	Discounted cash flows, add-on procedure	Expected cash flows[1], discount rate[1], volatility rate[2], CDS spreads[3], default loss[1]	II	VI.16.b)
Assets	**390**	**10,458**				
Interest rate swaps	66,095	102,933	Discounted cash flows, add-on procedure	Expected cash flows[1], discount rate[1], volatility rate[2], CDS spreads[3], default loss[1]	II	VI.16.a)
Currency futures	95	10	Discounted cash flows, add-on procedure	Expected cash flows[1], discount rate[1], volatility rate[2], CDS spreads[3], default loss[1]	II	VI.15.b)
Cross currency swaps	1,738	0	Discounted cash flows, add-on procedure	Expected cash flows[1], discount rate[1], volatility rate[2], CDS spreads[3], default loss[1]	II	VI.16.c)
Loans in foreign currencies	27,998	54,231	Discounted cash flows	Discount rate[1], CDS spreads[3], foreign exchange rate	II	VI.15.b)
Liabilities	**95,926**	**157,174**				

[1] Derived from market data
[2] Taken from the solvency regulation
[3] Counterparts: derived from market data, Munich Airport: derived from current credit conditions
[4] Within the meaning of IFRS 13.72 et seqq; in the fiscal year there was no reclassification between the levels of hierarchy.

b) Disclosure of fair value

The consolidated financial statements contain disclosures on the fair value of investment property.

The following methods and parameters were applied in the calculation of fair value:

	Measurement	Parameter		Disclosure
€ thousand		Nature	Hierarchy[2]	
Property within the airport campus	Income approach	Net income[1], economic useful life[1], net property return	III II	VII.3.
Property outside the airport campus	Asset value method Income approach	Ground value, adjusted normal production costs, net income[1], economic useful life, net property return	II III	VII.3. VII.3.

[1] Based on in-house data (e. g. leasing agreements, medium and long-term corporate planning)
[2] Within the meaning of IFRS 13.72 et seqq; in the fiscal year there was no reclassification between levels of hierarchy.

V. Critical accounting estimates and judgments

1. Critical judgments in applying the group's accounting policies

a) Control without a majority of the voting rights

FMG holds 60 percent of the voting rights of T2 Gesellschaft mbH & Co oHG (T2 oHG). However, a significant number of decisions about business activities with substantial effect on the returns of T2 oHG are made in the shareholder's general meeting with a 2/3 quorum. Control is therefore not constituted through voting rights but largely through long-term agreements among shareholders about the way the company shall carry out its business.

b) Control of structured entities

The consolidated Group includes a number of special purpose entities that were established to fund infrastructural investments at Munich Airport. Control is established through lease agreements that enable Munich Airport to control all significant investment and financing of these entities.

2. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions with significant effect on the carrying amounts of the Group's assets and liabilities are disclosed below. Shifting the current assumptions made on the commencement and completion of the construction of the third runway to 2017 and 2020 respectively would cause a significant reduction of the amount of provisions recognized (€ 84,277 thousand) and would be regarded as a triggering event for an impairment testing of the planning expenses capitalized (€ 79,031 thousand) and land acquired (€ 80,000 thousand). Munich Airport does not expect that the assumptions underlying the measurement of these assets and liabilities will have to be altered within the next fiscal period.

VI. Notes to the consolidated income statement

1. Revenue

Revenues result from the following activities and transactions:

€ thousand	2013	2012
Leases, royalties and licenses	661,346	659,048
Services	219,854	227,335
Sale of goods	188,763	187,476
Other activities and transactions	114,434	112,943
Total	**1,184,397**	**1,186,802**

They refer to following areas of business:

€ thousand	2013	2012
Aviation	599,555	612,846
Non-Aviation	584,842	573,956
Total	**1,184,397**	**1,186,802**

Lease revenues primarily result from the lease of hangars and terminal areas to aviation and ground handling companies and authorities as well as the lease of commercial areas, office and conference rooms and parking areas.

Usually, the term of leases of hangars and terminal areas is indefinite. The lessees, however, may cancel the lease upon up to twelve months prior written notice. Only few agreements include a definite lease term. The remaining life of those leases amounts to up to 27 years. Munich Airport has not granted any options to extend the term or to purchase the assets covered by those leases.

The terms of the majority of leases of commercial areas, office and conference rooms are indefinite. Lessees may cancel upon up to two years prior written notice, however. Only few agreements include a definite lease term. The remaining life of those leases amounts to up to 15 years. Options to extend the lease term, as far as granted, are possible for periods of up to 16 years. Munich Airport has

not granted any purchase options. In addition to a fixed rent, lessees of commercial areas have to pay contingent rents depending on sales revenues.

Revenues from the lease of parking areas include the parking fees earned from airport visitors and passengers. Furthermore the Group leases parking areas to the lessees of commercial areas and to the tenants of office and conference rooms. Usually, the lease term of such is indefinite whereby the lessees may terminate the agreements upon up to 18 months prior written notice. Only in a few agreements include a definite lease term.

The remaining life of those leases amounts to up to two years. Munich Airport has not granted any options to extend the term or to purchase the assets covered by those leases.

Lease revenue contains contingent rent at an amount of € 4,451 thousand (2012: € 3,020 thousand).

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
In 1 year	63,750	66,680
In 2 to 5 years	172,127	169,241
After 5 years	184,049	216,065
Total	**419,926**	**451,986**

Disclosures on the changes in the carrying amounts of assets leased are given in Sections VII.2 and VII.3.

2. Own work capitalized

The carrying amount of own work capitalized relates primarily to planning activities in connection with the construction of a third runway and the construction of the satellite terminal. Please find further details in Section V.2.

3. Other income

The components of other income are as follows:

€ thousand	2013	2012
Income from marketing of advertising space	8,212	7,707
Income from the derecognition of liabilities	7,381	7,242
Income from the reversal of other provisions	2,875	10,435
Income in connection with damage and compensation	1,734	9,070
Contractual charges from ground rent	1,627	1,647
Income from the disposal of assets	522	166
Miscellaneous other income	6,017	8,541
Total	**28,368**	**44,808**

Exchange rate gains are not significant.

4. Cost of materials

The cost of materials includes the following amounts:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Expenditures for raw materials and supplies	-170,042	-166,669
Expenditures for purchased services	-146,371	-157,197
Total	**-316,413**	**-323,866**

5. Personnel expenses

Personnel expenses include the following amounts:

€ thousand	2013	2012
Wages and salaries	-283,635	-269,705
Social security and support benefits	-49,648	-47,946
Expenses for defined benefit plans	-503	-346
Expenses for defined contribution plans	-14,639	-15,624
Expenses for post-employment benefits	-15,142	-15,970
Total	**-348,425**	**-333,621**

The average number of employees in the fiscal year is shown below:

	2013	2012
Employees (permanent/temporary, trainees)	7,625	7,384
Apprentices	238	232
Total	**7,863**	**7,616**

6. Other expenses

Other expenses include the following amounts:

€ thousand	2013	2012
Other personnel expenses	-13,806	-14,208
Expenses for consulting and project services	-13,804	-9,040
Additions to provisions	-10,105	-2,343
Expenses for advertising and PR	-10,028	-8,438
Contributions and fees for public utilities and other fees	-7,482	-9,110
Insurance	-7,349	-6,187
Lease expenses	-6,298	-6,584
Additional leasing costs and office communication	-4,572	-4,028
Other expenses for repair and maintenance	-3,908	-2,678
Other expenses in connection with damages	-2,869	-3,461
Other taxes	-2,011	-2,097
Losses from the disposal of non-current assets	-1,155	-444
Miscellaneous other expenses	-13,286	-10,252
Total	**-96,673**	**-78,870**

Exchange rate losses are not significant.

Other expenses also contain expenses from impairment of financial assets. These items are attributable to the valuation categories described in Section IV.8.a) as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Loans and receivables	-181	-211
Total	**-181**	**-211**

Charges paid to the auditor are presented among other expenses, as well. They include audit fees at an amount of € 160 thousand (2012: € 131 thousand) and fees for other services amounting to € 116 thousand (2012: € 66 thousand).

Lease expenses primarily result from the short-term lease of vehicles and buildings.

Vehicles are leased for terms up to three years. The agreements do not include any term extension or purchase options.

The terms of leases of buildings usually are definite with a possibility to cancel upon two to six months prior written notice. Terms are from three months to five years. Only in rare cases are lease terms indefinite with a possibility to cancel upon three months prior written notice. Lease extensions, provided they have been included in lease agreements, are possible for up to five years. The Group has not been granted any purchase options.

The future minimum lease payments payable under non-cancellable operating leases are as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
In 1 year	3,727	3,885
In 2 to 5 years	3,780	7,084
After 5 years	0	241
Total	**7,507**	**11,210**

7. Depreciation

Depreciation includes the following amounts:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Depreciation	-208,464	-222,940
Impairment losses	-455	-12,344
Total	**-208,919**	**-235,284**

The majority of impairment losses had to be recognized for intangible assets.

In 2012, the Group recognized an impairment loss on owner-occupied property at an amount of € 12,275 thousand. The impairment was triggered by expected lease vacancies. The recoverable amount is the value in use, calculated with a discount rate of 6.5 percent.

In the course of the annual impairment testing of intangible assets with indefinite useful life, the Group recognized an impairment loss of € 454 thousand (2012: € 64 thousand) on emission allowances. The recoverable amount is the fair value less cost to sell. Emission rights are traded on active markets. Market prices are available at any time.

8. Financial result

The interest result is as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Interest income from short-term financial investments and other receivables	5,597	7,632
Interest expense from financial liabilities	-120,370	-126,848
Transaction costs from financial liabilities	-2,129	-266
Interest result from financial instruments	-116,902	-119,482
Other interest income	6,113	1,189
Other interest expense	-1,305	-4,089
Other interest result	4,808	-2,900
Total	**-112,094**	**-122,382**

Other interest income and expenses essentially result from the measurement of non-current provisions and obligations from employee benefits at present value.

The components of other financial result are as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Income from the transfer of profit from non-consolidated entities	492	494
Net gains from financial instruments	4,703	13,660
Other financial income	5,195	14,154
Expense from profit/loss transfer	0	0
Net losses from financial instruments	-158	-5,993
Other financial expense	-158	-5,993
Total	**5,037**	**8,161**

Net gains from financial instruments are attributable to the categories described in Section IV.8.a) as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Financial assets	0	0
Financial liabilities at fair value, designated	18	208
Financial liabilities at fair value through profit or loss	1,465	773
Financial liabilities at amortized cost	10,909	12,679
Financial liabilities	12,392	13,660
Total	**12,392**	**13,660**

Net losses from financial instruments are attributable to the valuation categories described in Section IV.8.a) as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Financial assets	0	0
Financial liabilities at fair value, designated	-202	-175
Financial liabilities fair value through profit or loss	0	0
Financial liabilities at amortized cost	-13,530	-5,818
Financial liabilities	-13,732	-5,993
Total	**-13,732**	**-5,993**

9. Income taxes

Income tax expense comprises commercial tax at an amount of € 28,312 thousand (2012: € 24,672 thousand) and for corporate income tax at an amount of € 27,516 thousand (2012: € 8.128 thousand). The deferred tax expense is € 834 thousand (2012: € 37,177 thousand).

The measurement of deferred tax assets and liabilities is based on tax rates expected at the time of realization (see Section IV.14.). Deferred taxes are based on tax rates between 24.23 percent (Dec. 31, 2012: 24.23 percent) and 27.80 percent (Dec. 31, 2012: 27.80 percent). The tax rate includes corporate income tax and reunification tax of 15.83 percent (Dec. 31, 2012: 15.83 percent). The commercial tax rate is between 8.40 percent (Dec. 31, 2012: 8.40 percent) and 11.97 percent (Dec. 31, 2012: 11.97 percent).

If the earnings before taxes presented in these financial statements were the tax base, an income tax expense of € 42,693 thousand would be expected (2012: € 45.960 thousand). Differences between the expected and the actual income tax expense are to some extent offset by the deferred tax expense or income resulting from the change in deferred tax assets and liabilities. The remainder is attributable to the following items:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Earnings before taxes	153,600	165,324
Tax rate	27.80 %	27.80 %
Expected income tax expense/income	-42,693	-45,960
Non-deductible losses and expenses (commercial tax)	-2,631	-4,839
Non-taxable income and revenues (commercial tax)	3,452	5,416
Tax rate differentials	-2,374	-13,328
Effects from the utilization of tax losses without recognition of deferred tax assets in prior periods	-869	-173
Changes in tax rates	0	-2,264
Non-deductible losses and expenses (corporate income tax)	-278	-68
Non-taxable income and revenues (corporate income tax)	323	153
Current taxes relating to other periods	1,998	2,200
Deferred taxes relating to other periods	2,686	1,345
Tax effects of German partnerships	-12,298	-4,059
Miscellaneous other effects	-2,310	-8,400
Income tax expense	-54,994	-69,977

VII. Notes to the Balance Sheet

1. Intangible assets

The carrying amounts of intangible assets developed as follows:

	Intangible assets				
€ thousand	Purchased		Self-produced		Total
	Other	Advance payments	of which completed	of which incomplete	
Cost					
As of Jan. 1, 2013	**34,692**	**265**	**405**	**0**	**35,362**
Additions	1,517	1,330	255	0	3,102
Disposals	-24	0	0	0	-24
Reclassifications	393	-188	104	0	309
As of Dec. 31, 2013	**36,578**	**1,407**	**764**	**0**	**38,749**
Accumulated depreciation and amortization					
As of Jan. 1, 2013	**27,061**	**0**	**135**	**0**	**27,196**
Scheduled	2,339	0	112	0	2,451
Impairments	454	0	0	0	454
Disposals	-24	0	0	0	-24
As of Dec. 31, 2013	**29,830**	**0**	**247**	**0**	**30,077**
Carrying amount as of Jan. 1, 2013	**7,631**	**265**	**270**	**0**	**8,166**
Carrying amount as of Dec. 31, 2013	**6,748**	**1,407**	**517**	**0**	**8,672**

€ thousand	Intangible assets				
	Purchased		Self-produced		Total
	Other	Advance payments	of which completed	of which imcomplete	
Cost					
As of Jan. 1, 2012	**31,471**	**0**	**554**	**0**	**32,025**
Additions	2,782	265	0	0	3,047
Disposals	-281	0	-149	0	-430
Reclassifications	720	0	0	0	720
As of Dec. 31, 2012	**34,692**	**265**	**405**	**0**	**35,362**
Accumulated depreciation and amortization					
As of Jan. 1, 2012	**25,210**	**0**	**98**	**0**	**25,308**
Scheduled	2,074	0	81	0	2,155
Impairments	64	0	0	0	64
Disposals	-281	0	-44	0	-325
Reclassifications	-6	0	0	0	-6
As of Dec. 31, 2012	**27,061**	**0**	**135**	**0**	**27,196**
Carrying amount as of Jan. 1, 2012	**6,261**	**0**	**456**	**0**	**6,717**
Carrying Amount as of Dec. 31, 2012	**7,631**	**265**	**270**	**0**	**8,166**

Impairment losses are presented among depreciation and amortization. Income from the reversal of impairments is presented among other income.

Emission rights with a carrying amount of € 1,375 thousand (Dec. 31, 2012: € 1,828 thousand) are presented among acquired intangible assets. Emission rights are intangible assets with indefinite useful lives.

There are obligations for the acquisition of intangible assets amounting to € 98 thousand (Dec. 31, 2012: € 1,001 thousand).

If the requirements for the capitalization of internally generated intangible assets as explained in Section IV.2.b) were not fulfilled, development expenditures were not capitalized. In the reporting year, there was no development expenditure not capitalized. Research expenditures were not incurred.

2. Property, plant and equipment

The carrying amounts of property, plant and equipment developed as follows:

€ thousand	Land	Buildings	Machinery and equipment	Fixtures and fittings	Advance payments and property under construction	Total
Cost						
As of Jan. 1, 2013	**1,897,041**	**3,444,410**	**1,466,666**	**287,451**	**264,851**	**7,360,419**
Additions	2,218	11,019	63,292	11,835	192,532	280,896
Disposals	-213	-3,676	-1,017	-5,313	-408	-10,627
Reclassifications	-10,520	20,360	13,077	598	-23,339	176
As of Dec. 31, 2013	**1,888,526**	**3,472,113**	**1,542,018**	**294,571**	**433,636**	**7,630,864**
Accumulated depreciation and amortization						
As of Jan. 1, 2013	**16,917**	**1,551,347**	**923,353**	**234,160**	**0**	**2,725,777**
Additions	0	135,707	42,776	12,404	0	190,887
Disposals	-118	-3,602	-607	-4,858	0	-9,185
Reclassifications	0	1,280	0	0	0	1,280
As of Dec. 31, 2013	**16,799**	**1,684,732**	**965,522**	**241,706**	**0**	**2,908,759**
Carrying amount as of Jan. 1, 2013	**1,880,124**	**1,893,063**	**543,313**	**53,291**	**264,851**	**4,634,642**
Carrying amount as of Dec. 31, 2013	**1,871,727**	**1,787,381**	**576,496**	**52,865**	**433,636**	**4,722,105**

€ thousand	Land	Buildings	Machinery and equipment	Fixtures and fittings	Advance payments and property under construction	Total
Cost						
As of Jan. 1, 2012	**1,881,974**	**3,424,675**	**1,390,964**	**271,952**	**187,490**	**7,157,055**
Additions	10,968	16,373	54,100	23,249	119,946	224,636
Disposals	-626	-986	-6,479	-9,104	-1,691	-18,886
Reclassifications	4,725	4,348	28,081	1,354	-40,894	-2,386
As of Dec. 31, 2012	**1,897,041**	**3,444,410**	**1,466,666**	**287,451**	**264,851**	**7,360,419**
Accumulated depreciation and amortization						
As of Jan. 1, 2012	**16,917**	**1,400,092**	**881,792**	**225,177**	**0**	**2,523,978**
Scheduled	0	138,379	47,792	17,870	0	204,041
Impairments	0	12,276	0	0	0	12,276
Disposals	0	600	-6,231	-8,893	0	-14,524
Reclassifications	0	0	0	6	0	6
As of Dec. 31, 2012	**16,917**	**1,551,347**	**923,353**	**234,160**	**0**	**2,725,777**
Carrying amount as of Jan. 1, 2012	**1,865,057**	**2,024,583**	**509,172**	**46,775**	**187,490**	**4,633,077**
Carrying amount as of Dec. 31, 2012	**1,880,124**	**1,893,063**	**543,313**	**53,291**	**264,851**	**4,634,642**

Impairment losses are presented among depreciation and amortization. Income from the reversal of impairments is presented among other income.

Land is partially burdened with leasehold rights, usufructs and similar rights. The carrying amount is € 5,669 thousand (Dec. 31, 2012: € 4,096 thousand).

Bank borrowings are secured on buildings at an amount of € 1,040,193 thousand (Dec. 31, 2012: € 1,166,803 thousand) and on machinery and equipment at an amount of € 221,332 thousand (Dec. 31, 2012: € 214,387 thousand). FMG itself has not pledged any assets as collateral for borrowings.

There are obligations for the acquisition of property, plant and equipment amounting to € 329,597 thousand (Dec. 31, 2012: € 303,753 thousand).

Munich Airport has not received nor collected any compensation for the damage to, or loss of, property, plant and equipment.

The effects of changes of estimates on the measurement of property, plant and equipment are not significant.

Additions to advance payments and property under construction comprise general borrowing costs at an amount of € 2,802 thousand (Dec. 31, 2012: € 562 thousand) and borrowing costs resulting from direct borrowings at an amount of € 2,647 thousand (Dec. 31, 2012: € 436 thousand). Capitalization of general borrowing costs is based on a capitalization rate of 3.71 percent (2012: 4.70 percent).

Fixtures and fittings contain assets from finance leases. The carrying amounts developed as follows:

€ thousand	Fixtures and fittings		Fixtures and fittings
Cost		**Cost**	
As of Jan. 1, 2013	**5,796**	**As of Jan. 1, 2012**	**5,685**
Additions	998	Additions	111
Disposals	-802	Disposals	0
As of Dec. 31, 2013	**5,992**	**As of Dec. 31, 2012**	**5,796**
Accumulated depreciation and amortization		**Accumulated depreciation and amortization**	
As of Jan. 1, 2013	**5,030**	**As of Jan. 1, 2012**	**4,358**
Scheduled	671	Scheduled	672
Disposals	-738	Disposals	0
As of Dec. 31, 2013	**4,963**	**As of Dec. 31, 2012**	**5,030**
Carrying amount as of Jan. 1, 2013	**766**	**Carrying amount as of Jan. 1, 2012**	**1,327**
Carrying amount as of Dec. 31, 2013	**1,029**	**Carrying amount as of Dec. 31, 2012**	**766**

Further disclosures on finance leases can be found in Section VII.15.d).

The carrying amount of land and buildings includes assets that are subject to operating leases. The carrying amount developed as follows:

€ thousand	Land	Buildings		Land	Buildings
Cost			**Cost**		
As of Jan. 1, 2013	**111,360**	**499,781**	**As of Jan. 1, 2012**	**111,360**	**499,539**
Additions	0	453	Additions	0	220
Disposals	0	-76	Disposals	0	0
Reclassifications	0	66	Reclassifications	0	22
As of Dec. 31, 2013	**111,360**	**500,224**	**As of Dec. 31, 2012**	**111,360**	**499,781**
Accumulated depreciation and amortization			**Accumulated depreciation and amortization**		
As of Jan. 1, 2013	**0**	**157,753**	**As of Jan. 1, 2012**	**0**	**110,814**
Scheduled	0	32,618	Scheduled	0	34,654
Impairments	0	0	Impairments	0	12,275
Disposals	0	-76	Disposals	0	0
Reclassifications	0	0	Reclassifications	0	10
As of Dec. 31, 2013	**0**	**190,295**	**As of Dec. 31, 2012**	**0**	**157,753**
Carrying amount as of Jan. 1, 2013	**111,360**	**342,028**	**Carrying amount as of Jan. 1, 2012**	**111,360**	**388,725**
Carrying amount as of Dec. 31, 2013	**111,360**	**309,929**	**Carrying amount as of Dec. 31, 2012**	**111,360**	**342,028**

3. Investment properties

The carrying amounts of investment property developed as follows:

€ thousand	Land	Buildings	Total		Land	Buildings	Total
Cost				**Cost**			
As of Jan. 1, 2013	**49,117**	**195,230**	**244,347**	**As of Jan. 1, 2012**	**40,751**	**195,130**	**235,881**
Additions	615	4	619	Additions	8,050	100	8,150
Disposals	-622	0	-622	Disposals	-114	0	-114
Reclassifications	10,765	-11,668	-903	Reclassifications	430	0	430
As of Dec. 31, 2013	**59,875**	**183,566**	**243,441**	**As of Dec. 31, 2012**	**49,117**	**195,230**	**244,347**
Accumulated depreciation and amortization				**Accumulated depreciation and amortization**			
As of Jan. 1, 2013	**2,310**	**41,321**	**43,631**	**As of Jan. 1, 2012**	**2,310**	**24,577**	**26,887**
Scheduled	0	15,126	15,126	Scheduled	0	16,744	16,744
Impairments	1	0	1	Impairments	4	0	4
Disposals	-1	0	-1	Disposals	-4	0	-4
Reclassifications	0	-1,280	-1,280	Reclassifications	0	0	0
As of Dec. 31, 2013	**2,310**	**55,167**	**57,477**	**As of Dec. 31, 2012**	**2,310**	**41,321**	**43,631**
Carrying amount as of Jan. 1, 2013	**46,807**	**153,909**	**200,716**	**Carrying amount as of Jan. 1, 2012**	**38,441**	**170,553**	**208,994**
Carrying amount as of Dec. 31, 2013	**57,565**	**128,399**	**185,964**	**Carrying amount as of Dec. 31, 2012**	**46,807**	**153,909**	**200,716**

Impairment losses are presented among depreciation and amortization. Income from the reversal of impairments is presented among other income.

Munich Airport realized revenues from the lease of investment property at an amount of € 13,656 thousand (2012: € 14,877 thousand). Operating expenses (including repairs and maintenance) were € 2,119 thousand (2012: € 906 thousand).

There are obligations for the purchase and construction of investment property amounting to € 66,613 thousand (Dec. 31, 2012: € 64,800 thousand).

Investment property is partially burdened with leasehold rights, usufructs and similar rights. The carrying amount is € 9,668 thousand (Dec. 31, 2012: € 12,487 thousand).

Bank borrowings are secured on buildings of subsidiaries at an amount of € 122,880 thousand (Dec. 31, 2012: € 147,727 thousand). FMG itself has not pledged any assets as collateral for borrowings.

The methods of depreciation and useful lives of investment property are disclosed in Section IV.1.

The fair value of all investment property is € 256,645 thousand (Dec. 31, 2012: € 288,693 thousand). All investment properties are put to their highest and best use.

All investment property is subject to operating leases. The portion of investment property not leased is not significant.

4. Investments in associates

The carrying amount of investments in associates is as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Investments in associates	2,651	1,917
Share in voting rights	49 %	49 %

	Total	Pro-rata	Total	Pro-rata
Current assets	3,699	1,813	7,523	3,686
Non-current assets	9,936	4,869	2,790	1,367
Current liabilities	5,622	2,755	5,969	2,925
Non-current liabilities	2,603	1,275	432	211
Revenue	33,239	16,287	24,277	11,896
Earnings before taxes	5,344	2,619	3,312	1,623
Net profit (EAT)	3,874	1,898	2,365	1,159
Other comprehensive income	0	0	0	0
Overall result	3,874	1,898	2,365	1,159

The reporting date of the associates is September 30. Interim financial statements are not prepared. The financial statements are adjusted for transactions and events with material effects that occurred between October 1 and December 31.

There is no unrecognized share of losses and no share in contingent liabilities to be disclosed.

5. Non-current financial assets

Carrying amounts and fair values of non-current financial assets are attributable to the valuation categories described in Section IV.8.a) as follows:

	At fair value through profit or loss		Available for sale		Loans and receivables		Total	
€ thousand	Dec. 31, 2013		Dec. 31, 2013		Dec. 31, 2013		Dec. 31, 2013	
	CA[1]	MV[2]	CA[1]	MV[2]	CA[1]	MV[2]	CA[1]	MV[2]
Other receivables					222	222	222	222
Trade and other receivables	0	0	0	0	222	222	222	222
Primary financial assets	0	0	204	204	0	0	204	204
Derivatives	194	194	0	0	0	0	194	194
Other financial assets	**194**	**194**	**204**	**204**	**0**	**0**	**398**	**398**
Financial assets	**194**	**194**	**204**	**204**	**222**	**222**	**620**	**620**

[1] CA = carrying amount
[2] MV = market value

€ thousand	At fair value through profit or loss		Available for sale		Loans and receivables		Total	
	Dec. 31, 2012		Dec. 31, 2012		Dec. 31, 2012		Dec. 31, 2012	
	CA[1]	MV[2]	CA[1]	MV[2]	CA[1]	MV[2]	CA[1]	MV[2]
Other receivables	0	0	0	0	18,606	19,303	18,606	19,303
Receivables	0	0	0	0	18,606	19,303	18,606	19,303
Primary financial assets	0	0	179	179	0	0	179	179
Derivatives	10,458	10,458	0	0	0	0	10,458	10,458
Other financial assets	**10,458**	**10,458**	**179**	**179**	**0**	**0**	**10,637**	**10,637**
Financial assets	**10,458**	**10,458**	**179**	**179**	**18,606**	**19,303**	**29,243**	**29,940**

[1]CA = carrying amount
[2]MV = market value

The fair values reflect the market conditions given at the reporting date. The fair value is the present value of the expected cash flows receivable from the financial asset. Present value calculations are based on discount rates which are derived from currency specific risk free yield curves adjusted by the credit spreads specific to the counterparty.

All counterparties for non-current financial assets enjoy high levels of creditworthiness. The Group did not notice any significant credit risks. Hence, non-current financial assets do not carry any impairment losses. All of the assets are not due as of the reporting date.

a) Other receivables

Other receivables mainly relate to receivables from non-controlling shareholders resulting from the assumption of losses at an amount of € 18,370 thousand. In the current year, these receivables are presented among current other receivables (see Section VII.8.b)).

b) Other financial assets

Other financial assets mainly relate to derivative financial instruments. Information on derivatives and hedge relationships can be found in Section VII.16.

6. Deferred income taxes

Deferred tax assets and liabilities result from the following temporary differences and tax losses:

€ thousand	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Intangible assets	1	0	-392	-678
Property, plant and equipment	5,785	4,885	-485,723	-486,363
Investment property	4,402	2,615	-3,192	0
Financial assets	0	0	-93	-96
thereof derivatives in cash flow hedges	0	0	-106	0
Inventories	0	505	-353	-337
Miscellaneous other assets	156	214	-339	-395
Assets	**10,344**	**8,219**	**-490,092**	**-487,869**
Financial liabilities	28,687	34,913	-23,284	-19,567
thereof derivatives in cash flow hedges	18,263	21,663	0	0
Provisions	8,204	6,677	-2,784	-7,825
Employee benefits	4,291	4,519	0	0
thereof post-employment benefits and other long-term employee benefits	4,237	4,519	0	0
Miscellaneous other liabilities	0	7	-151	-113
Liabilities	**41,182**	**46,116**	**-26,219**	**-27,505**
Consolidation	1,255	2,289	-4,939	-9,253
Unused tax losses	2,613	8,892	0	0
Accumulated impairment losses on tax losses	-2,073	-1,204	0	0
Tax losses	**540**	**7,688**	**0**	**0**
Total	**53,321**	**64,312**	**-521,250**	**-524,627**
Offsetting	**-36,644**	**-58,867**	**36,644**	**58,867**
Amount recognized	**16,677**	**5,445**	**-484,606**	**-465,760**

The effects of the change of deferred tax assets and liabilities on profit or loss and other comprehensive income are as follows:

€ thousand	2013	2012
As of Jan. 1	**-460,315**	**-436,306**
Derivatives in cash flow hedges	4,877	2,394
Post-employment benefits and other long-term employee benefits	-216	69
Miscellaneous other temporary differences	3,321	-8,856
Unused tax losses	-7,148	-30,784
Deferred taxes recognized in profit or loss	**834**	**-37,177**
Derivatives in cash flow hedges	-8,382	11,489
Post-employment benefits and other long-term employee benefits	-66	1,679
Deferred taxes recognized in other comprehensive income	-8,448	13,168
As of Dec. 31	**-467,929**	**-460,315**

Unused commercial tax losses amounting to € 6,687 thousand (Dec. 31, 2012: € 4,363 thousand) and unused corporate income tax losses amounting to € 8,370 thousand (Dec. 31, 2012: € 4,532 thousand) were not recognized. Tax losses do not expire.

The carrying amount of deferred tax assets includes unused tax losses of companies with tax losses in the financial or the prior year at an amount of € 540 thousand (Dec. 31, 2012: € 54 thousand). Deferred tax assets for the carryforward of unused tax losses are recognized only to the extent that there are sufficient taxable temporary differences or future taxable profit against which the unused tax losses can be utilized.

The companies included in the consolidated financial statements are corporations and partnerships. According to Article 8b (1) in connection with Article 8b (5) of the Corporate Tax Act (Körperschaftsteuergesetz – KStG) and/or Article 8b (2) in connection with (5) of the KStG, 95 percent of the outside basis differences arising between the carrying amount of an investment in a corporation and its tax base are exempt from taxation. The tax base of an investment in a German partnership is equal to the tax base of the partnership's net assets.

The Group did not recognize any deferred tax assets or liabilities for outside basis differences, because they were not significant.

7. Inventories

The carrying amount of inventories is as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Raw materials	7,192	6,773
Finished goods and work in progress	814	725
Merchandise	28,759	27,316
Advance payments	0	70
Inventories	**36,765**	**34,884**

The carrying amount of inventories that are recognized at fair value less cost to sell is € 841 thousand (Dec. 31, 2012: € 343 thousand).

The costs of material include expenses resulting from impairment losses on inventories at an amount of € 92 thousand (2012: € 71 thousand). The amount of goods and materials used is € 123,506 thousand (2012: € 126,021 thousand).

Inventories are not pledged as securities for liabilities.

8. Current financial assets

The carrying amounts of current financial assets are attributable to the valuation categories described in Section IV.8.a) as follows. The carrying amount is a reasonable approximation of fair value:

€ thousand	At fair value through profit or loss		Loans and receivables		Total	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Trade receivables	0	0	48,320	50,807	48,320	50,807
Other receivables	0	0	33,955	14,249	33,955	14,249
Receivables	0	0	82,275	65,056	82,275	65,056
Derivatives	196	0	0	0	196	0
Other financial assets	**196**	**0**	**0**	**0**	**196**	**0**
Financial assets	**196**	**0**	**82,275**	**65,056**	**82,471**	**65,056**

a) Trade receivables

Trade receivables are impaired when there is objective evidence that a loss event has taken place (see Section IV.8.d)). Impairments on trade receivables are recorded in a separate allowance account. The amounts recorded in that account developed as follows:

€ thousand	Jan. 1, 2013	Addition	Consumption	Reversal	Dec. 31, 2013
	1,536	181	-120	-167	1,430

€ thousand	Jan. 1, 2012	Addition	Consumption	Reversal	Dec. 31, 2012
	2,955	211	-884	-746	1,536

The credit risk arising from trade receivables is demonstrated in the following:

Dec. 31, 2013	Carrying amount	Not due	Due and impaired	Not impaired and overdue by age in days			
€ thousand				under 30	30 to 180	180 to 360	over 360
Trade receivables	48,320	39,750	238	5,800	2,098	199	235

Dec. 31, 2012	Carrying amount	Not due	Due and impaired	Not impaired and overdue by age in days			
€ thousand				under 30	30 to 180	180 to 360	over 360
Trade receivables	50,807	39,008	1,542	7,953	2,007	8	289

Receivables not due for payment relate to debtors of varying creditworthiness. The Group did not notice any specific credit risks. The analysis of impairment risks is primarily focused on solvency, legal disputes and payment defaults.

Receivables arising from lease agreements are secured through deposits and guarantees. Ground handling services are rendered only against deposit of cash collateral or bank guarantees. A total of € 1,119 thousand (Dec. 31, 2012: € 1,317 thousand) of receivables arising from lease agreements are covered by deposits of € 941 thousand (Dec. 31, 2012: € 952 thousand) and by guarantees of € 8,658 thousand (Dec. 31, 2012: € 8,505 thousand). A total of € 4,524 thousand (Dec. 31, 2012: € 4,581 thousand) of receivables arising from ground handling services are covered by cash collateral and bank guarantees at an amount of € 8,517 thousand (Dec. 31, 2012: € 8,076 thousand).

€ 2,352 thousand (Dec. 31, 2012: € 3,073 thousand) of the trade accounts receivable of subsidiaries were pledged as collateral for loans. The pledge was by means of undisclosed assignment pursuant to Article 398 of the German Civil Code (BGB). FMG itself does not pledge any assets as collateral for borrowings.

b) Other receivables

The following analysis shows the main components of other receivables:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Receivables from non-controlling shareholders from the absorption of losses	19,636	0
Receivables from shareholders	5,853	0
Supplier rebates	3,298	3,387
Receivables from banks	1,092	1,858
Receivables from associates and investments	678	2,027
Debit balances in accounts payable	208	1,529
Receivables from damages	107	1,850
Receivables in connection with the termination of silent partnerships	0	998
Miscellaneous other receivables	3,083	2,600
Total	**33,955**	**14,249**

Other receivables are impaired when there is objective evidence that a loss event has occurred (see Section IV.8.d)). Impairments of other receivables are directly charged to the carrying amount. The Group did not recognize any impairment losses in the periods presented.

Other receivables (current) are not due. The receivables relate to debtors of varying creditworthiness. The Group did not notice any specific credit risks.

c) Other financial assets

Other financial assets mainly relate to derivative financial instruments.

Information on derivatives and hedge relationships can be found in Section VII.16.

9. Other assets

The following analysis shows the main components of current other assets:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Receivables from taxes and other levies	9,572	8,467
Other non-financial receivables	8	23
Non-financial receivables	**9,580**	**8,490**
Prepaid transaction costs	4,587	5,859
Prepayments for maintenance services	1,238	503
Prepaid insurance premiums	183	1,606
Miscellaneous other prepaid expenses	193	280
Prepaid expenses	6,201	8,248
Other assets	**15,781**	**16,738**
thereof current	11,046	10,881
thereof non-current	4,735	5,857

10. Cash and cash equivalents

The following analysis shows the main components of cash and cash equivalents:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Financial investments	316,000	257,000
Deposits at banks	6,056	5,860
Cash on hand	1,797	1,226
Cash on hand and at banks	7,853	7,086
Total	**323,853**	**264,086**

The composition and carrying amount of cash and cash equivalents is identical with the composition and carrying amount in the statement of cash flows.

€ 2,260 thousand (Dec. 31, 2012: € 2,136 thousand) of the carrying amount of cash on hand and at banks are held by special-purpose entities without equity investment of the Group. The Group does not have access to these cash and cash equivalent amounts.

Cash and cash equivalents are measured as loans and receivables. Carrying amount and fair value do not differ.

11. Assets held for sale

The carrying amount of assets held for sale consists of land that is held as an object of exchange in connection with the acquisition of areas for the airport's expansion. The barter transactions are primarily expected within the fourth quarter (2012: Q4) of the fiscal year following the reporting date.

12. Equity

The issued capital of FMG is divided into three shares. All shares are fully paid.

The notional value per share is:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Free State of Bavaria	156,456	156,456
Federal Republic of Germany	79,762	79,762
City of Munich	70,558	70,558
	306,776	**306,776**

Each shareholder is entitled to one voting right per each € 10 portion of a share. The sale of shares or portions of shares requires the approval of all shareholders.

The main components of the carrying amount of reserves are:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Capital reserve	102,258	102,258
Actuarial gains and losses	-5,868	-6,104
Deferred taxes	1,632	1,697
Miscellaneous other revenue reserves	1,984	1,984
Revenue reserves	**-2,252**	**-2,423**
Reserves	**100,006**	**99,835**

The capital reserve results from a capital increase in connection with the construction of the airport facilities at the current location in Erdinger Moos. Capital reserves can only be recalled upon unanimous consent of all shareholders.

Other revenue reserves are formed to fund investments of subsidiaries with profit transfer agreements. The Executive Board decides upon the formation and withdrawal of these reserves.

The main components of the carrying amount of other equity are:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Hedge reserve	-63,464	-98,672
Deferred taxes	14,780	23,162
Measurement through other comprehensive income	**-48,684**	**-75,510**
Initial adoption of IFRSs	1,194,886	1,194,886
Miscellaneous other retained earnings	289,095	189,583
Retained earnings	**1,483,981**	**1,384,469**
Other equity	**1,435,297**	**1,308,959**

13. Capital management

The objectives of the Group's capital management strategy are to ensure that all entities of the Group continue as a going concern, to maximize the return to shareholders and to maintain an appropriate capital structure.

a) Capital structure

Capital structure is controlled with a view to maintain a credit rating in the investment grade.

The prime key performance indicator (KPI) for the determination of the credit rating is net debt to adjusted EBITDA. The use of adjusted EBITDA is meant to create a sustainable KPI. Adjustments made relate to non-recurring extraordinary effects.

The Group's objective is to sustainably match the net debt of the KPI with the adjusted EBITDA derived from the target credit rating. On regular terms, the net debt to adjusted EBITDA is compared with benchmark KPIs of publicly traded companies of the European peer group.

Due to the shareholder structure of FMG, the Group concentrates its efforts to manage the capital structure on the scope of financing through borrowings.

Net debt/adjusted EBITDA developed as follows:

€ thousand	2013	2012
Financial liabilities resulting from interests in partnerships	227,054	234,581
Other financial liabilities	2,497,328	2,532,295
Cash in hand and at banks	-323,853	-264,086
Net debt	**2,400,529**	**2,502,790**
EBITDA for the fiscal year	467,679	513,670
Extraordinary or non-recurring effects	0	0
Adjusted EBITDA	**467,679**	**513,670**
Net debt/adjusted EBITDA	**5.1**	**4.9**

The objectives, methods and processes for managing the capital structure have not changed in comparison with the prior year.

b) Profitability

The Group uses EBIT to manage profitability. EBIT is one input factor for the determination of return on capital employed (ROCE) before taxes. The Group's strategy is to generate a ROCE that approximates the weighted average cost of capital (WACC). On regular terms, ROCE is compared with benchmark KPIs of publicly traded companies of the European peer group.

The target EBIT is disaggregated into sub-targets for the divisions and subsidiaries of the Group. Disaggregated EBIT is part of the balanced scorecard model used as an incentive in the course of management compensation.

Adjusted EBIT and ROCE developed as follows:

€ thousand	2013	2012
Shareholders' equity	1,839,761	1,714,159
Net debt	2,400,529	2,502,790
Long-term employee benefits	35,474	37,635
Capital employed	**4,275,764**	**4,254,584**
EBIT	258,760	278,386
Extraordinary and non-recurring effects	0	0
Adjusted EBIT	**258,760**	**278,386**
ROCE:		
Adjusted EBIT/capital employed	**6.1 %**	**6.5 %**

The objectives, methods and processes for managing profitability have not changed in comparison with the prior year.

14. Financial liabilities resulting from interests in partnerships

In the consolidated financial statements according to HGB, financial liabilities from interests in partnerships are presented as minority interest among shareholder's equity. The economic content and the measurement of financial liabilities resulting from interests in partnerships are described in Section IV.13.b). Initial measurement is at fair value, subsequent measurement at amortized costs using the effective interest method. The carrying amount is a reasonable approximation of fair value.

Under the accounting principles of these financial statements, the current/non-current distinction of liabilities resulting from interests in partnerships has to take into consideration the general shareholder termination convention according to Articles 132 et. seq. HGB. The current/non-current distinction, therefore, does not exactly correspond with management's best estimate:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Financial liabilities resulting from investments in partnerships	227,054	234,581
thereof non-current	38,701	36,632
thereof current	188,353	197,949

15. Non-current financial liabilities

Carrying amounts and fair values of non-current financial liabilities are attributable to the valuation categories described in Section IV.8.a) as follows:

	At fair value through profit or loss		At amortized costs		Total	
€ thousand	Dec. 31, 2013		Dec. 31, 2013		Dec. 31, 2013	
	CA[1]	MV[2]	CA[1]	MV[2]	CA[1]	MV[2]
Trade accounts payable	0	0	9,034	8,265	9,034	8,265
Other payables	0	0	5,136	4,918	5,136	4,918
Trade accounts payable and other payables	**0**	**0**	**14,170**	**13,183**	**14,170**	**13,183**
Borrowings	0	0	1,517,001	1,661,880	1,517,001	1,661,880
Financial liabilities from finance leases[3]	0	0	865	891	865	891
Derivatives	63,553	63,553	0	0	63,553	63,553
Other financial liabilities	**63,553**	**63,553**	**1,517,866**	**1,662,771**	**1,581,419**	**1,726,324**

[1] CA = carrying amount

[2] FV = fair value

[3] The general accounting principles for financial liabilities from finance leases are described in Section IV.7. Only the derecognition principles described in Section IV.8 a) must be applied on financial liabilities from finance leases.

	At fair value through profit or loss		At amortized costs		Total	
€ thousand	Dec. 31, 2012		Dec. 31, 2012		Dec. 31, 2012	
	CA[1]	MV[2]	CA[1]	MV[2]	CA[1]	MV[2]
Trade accounts payable	0	0	6,879	7,413	6,879	7,413
Other payables	0	0	4,411	4,411	4,411	4,411
Trade accounts payable and other payables	**0**	**0**	**11,290**	**11,824**	**11,290**	**11,824**
Borrowings	0	0	1,652,643	1,690,973	1,652,643	1,690,973
Financial liabilities from finance leases[3]	0	0	652	711	652	711
Derivatives	102,943	102,943	0	0	102,943	102,943
Other financial liabilities	**102,943**	**102,943**	**1,653,295**	**1,691,684**	**1,756,238**	**1,794,627**

[1] CA = carrying amount

[2] FV = vair value

[3] The general accounting principles for financial liabilities from finance leases are described in Section IV.7. Only the derecognition principles described in Section IV.8 a) must be applied on financial liabilities from finance leases.

The fair values reflect the market conditions given at the reporting date. The fair value is the present value of the expected cash flows receivable from the financial asset. Present value calculations are based on discount rates which are derived from currency specific risk free yield curves adjusted by the credit spreads specific to the counterparty.

All financial liabilities at fair value are measured by making use of valuation factors that can be directly (for example, prices) or indirectly (for example, derived from prices) observed on active markets.

a) Trade accounts payable

Trade payables mainly relate to warranty retentions.

b) Other payables

Other payables mainly relate to deposits.

Deposits bear interest at market rates. There are no significant differences between carrying amount and fair value.

c) Borrowings

Borrowings mainly relate to syndicated loans. The loans bear usual non-financial covenants, including negative pledge, pari passu and change of control clauses. There are no financial covenants.

The critical terms of the fixed-rate loans are as follows:

Dec. 31, 2013	Carrying amount	Residual debt	Interest rates	
	€ thousand	€ thousand	from in %	to in %
Currency				
EUR	882,161	907,799	0.32	7.02
JPY	27,998	27,582		1.72

Dec. 31, 2012	Carrying amount	Residual debt	Interest rates	
	€ thousand	€ thousand	from in %	to in %
Currency				
EUR	953,856	977,000	1.41	7.02
JPY	54,231	43,586	1.72	1.83

The critical terms of the floating-rate loans are as follows:

Dec. 31, 2013	Carrying amount	Remaining liability in	Base interest
	€ thousand	€ thousand	
Currency			
EUR	1,012,337	1,031,100	3M and 6M EURIBOR

Dec. 31, 2012	Carrying amount	Remaining liability in	Base interest
	€ thousand	€ thousand	
Currency			
EUR	912,838	913,215	3M and 6M EURIBOR

The current portion of the borrowings' carrying amount is recognized under current financial liabilities.

d) Financial liabilities from finance leases

The Group leased some of its office equipment and data processing systems under finance leases. The term of these leases covers the useful life of the underlying objects completely. All of the lease agreements are embedded in service and maintenance contracts. The carrying amount of financial liabilities from finance leases is the present value of the outstanding minimum lease payments. The expected minimum lease payments and their present values are reflected in the following overview:

	Dec. 31, 2013			Dec. 31, 2012		
€ thousand	Expected minimum lease payments	Discounting	Carrying amount	Expected minimum lease payments	Discounting	Carrying amount
≤ 1 year	651	-14	637	542	-14	528
Current	651	-14	637	542	-14	528
1 to 5 years	910	-45	865	738	-86	652
≥ 5 years	0	0	0	0	0	0
Non-current	910	-45	865	738	-86	652
Total	**1,561**	**-59**	**1,502**	**1,280**	**-100**	**1,180**

The current portion of the financial liabilities' carrying amount is presented among current financial liabilities.

e) Derivatives

Information on derivatives and hedging activities can be found in Section VII.16.

16. Derivatives and hedging activities

Munich Airport uses derivatives to hedge financial risks arising from floating rate borrowings and from transactions in foreign currency. All hedge relations are highly effective. The Group does not hold any derivatives for trading or speculation purposes.

The carrying amounts of the derivatives are as follows:

	Assets		Liabilities	
€ thousand	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Recognized hedges				
Interest rate swaps	194	0	65,360	100,743
Currency forwards	196	0	95	10
Hedges against fluctuating cash flows	**390**	**0**	**65,455**	**100,753**
Interest and currency rate swaps	0	10,458	1,738	0
Hedges against fluctuating market values	**0**	**10,458**	**1,738**	**0**
Off-balance sheet hedges				
Interest rate swaps	0	0	735	2,190
Hedges against fluctuating cash flows	**0**	**0**	**735**	**2,190**
Total	**390**	**10,458**	**67,928**	**102,943**

The carrying amount of the derivatives corresponds with their fair value.

The carrying amount of derivatives with a term to maturity of less than one year is recognized under current financial assets/liabilities.

a) Cash flow hedging

The Group uses interest rate swaps to limit its exposure to fluctuations in interest rates payable under floating-rate borrowings. The floating-rate payments are exchanged for fixed-rate payments (pay-fixed/receive-floating). As a result, the risk of future changes in interest rates is fully eliminated. The portfolio includes current and forward starting swaps.

The critical terms of the derivatives are as follows:

Dec. 31, 2013	Notional amount	FMG pays	FMG pays	FMG receives
Type		from in %	to in %	
Swaps	843,444	1.48	5.40	3M and 6M EURIBOR
Forward starting swaps	233,000	1.86	2.92	3M and 6M EURIBOR

Dec. 31, 2012	Notional amount	FMG pays	FMG pays	FMG receives
Type		from in %	to in %	
Swaps	749,444	2.14	5.73	3M and 6M EURIBOR
Forward starting swaps	420,000	1.48	2.92	3M and 6M EURIBOR

The Group uses currency forwards to limit its exposure to the fluctuation of cash flows resulting from long-term consulting contracts in foreign currency. Currency forwards ensure that the remuneration receivable under the consulting contracts will be exchanged at a certain exchange rate. The critical terms of the derivatives are as follows:

Dec. 31, 2013	Notional amount	FMG pays	FMG receives	Exchange rate from	Exchange rate to
Type	€ thousand			%	%
Foreign currency forward	4,805	USD	EUR	0.75	0.75
Foreign currency forward	1,823	EUR	USD	1.31	1.31

Dec. 31, 2012	Notional amount	FMG pays	FMG receives	Exchange rate from	Exchange rate to
Type	€ thousand			%	%
Foreign currency forward	6,585	EUR	USD	1.31	1.33

The carrying amount of derivatives that are designated into cash flow hedges developed as follows:

€ thousand	Interest hedge	Currency hedge	Total
Effective portion			
As of Jan. 1, 2013	**98,665**	**7**	**98,672**
Reclassification	-25,615	0	-25,615
Revaluation	-9,488	-105	-9,593
As of Dec. 31, 2013	**63,562**	**-98**	**63,464**
Ineffective portion			
As of Jan. 1, 2013	**64**	**0**	**64**
Revaluation	-17	-1	-18
As of Dec. 31, 2013	**47**	**-1**	**46**
Non-designated portion			
As of Jan. 1, 2013	**2,014**	**3**	**2,017**
Net change	-459	-4	-463
As of Dec. 31, 2013	**1,555**	**-1**	**1,554**
Carrying amount			
As of Jan. 1, 2013	**100,743**	**10**	
As of Dec. 31, 2013	**65,164**	**-99**	

€ thousand	Interest hedge	Currency hedge	Total
Effective portion			
As of Jan. 1, 2012	**49,424**	**144**	**49,568**
Reclassification	-19,026	-10	-19,036
Revaluation	68,267	-127	68,140
As of Dec. 31, 2012	**98,665**	**7**	**98,672**
Ineffective portion			
As of Jan. 1, 2012	**272**	**0**	**272**
Revaluation	-208	0	-208
As of Dec. 31, 2012	**64**	**0**	**64**
Non-designated portion			
As of Jan. 1, 2012	**2,437**	**-86**	**2,351**
Net change	-423	89	-334
As of Dec. 31, 2012	**2,014**	**3**	**2,017**
Carrying amount			
As of Jan. 1, 2012	**52,133**	**58**	
As of Dec. 31, 2012	**100,743**	**10**	

The effective portion of the interest rate hedges is reclassified to profit or loss upon occurrence of the hedged interest payment. Reclassification is expected to take place in the following fiscal periods:

Dec. 31, 2013 € thousand	Up to 2014	2015 to 2018	After 2018
Expected reclassification to interest expenses	1,715	27,352	34,496

Dec. 31, 2012 € thousand	Up to 2013	2014 to 2017	After 2017
Expected reclassification to interest expenses	3,388	42,808	52,470

The effective portion of the foreign currency hedges is reclassified to profit or loss upon payment of the hedged remuneration. Reclassification is expected to take place in the following fiscal periods:

Dec. 31, 2013 € thousand	Up to 2014	2015 to 2018	After 2018
Expected reclassification to revenue	99	0	0

Dec. 31, 2012 € thousand	Up to 2013	2014 to 2017	After 2017
Expected reclassification to revenue	1	5	0

b) Fair value hedges

The Group uses cross currency swaps to limit its exposure to fluctuations of the fair value of fixed-rate borrowings in foreign currency. Cross currency swaps convert the fixed-rate borrowings in foreign currency into floating-rate borrowings in functional currency. The critical terms of these derivatives are as follows:

Dec. 31, 2013	FMG pays			FMG receives		
€ thousand	Notional amount	Currency	Interest	Currency	Interest from (in %)	Interest to (in %)
	29,444	EUR	EURIBOR	JPY	0.00	1.72

Dec. 31, 2012	FMG pays			FMG receives		
€ thousand	Notional amount	Currency	Interest	Currency	Interest from (in %)	Interest to (in %)
	43,568	EUR	EURIBOR	JPY	1.72	1.83

The cross currency swaps are measured at fair value in accordance with the accounting policies described in Section IV.8.e). The same applies to interest and currency components of the borrowings' carrying amount.

The revaluation of the borrowings resulted in a net gain or net loss, respectively, amounting to € 10,810 thousand (2012: € 7,702 thousand). This is offset by a net gain or loss, respectively, from the revaluation of the cross currency swaps of € -10,666 thousand (2012: € 7,789 thousand).

c) Off-balance sheet hedges

The Group uses interest rate swaps to limit its exposure to fluctuations in cash flows payable under cross currency swaps. The carrying amount of these derivatives is € 735 thousand (Dec. 31, 2012: € 2,190 thousand). The hedge is highly effective. Hedges of combined positions, however, in accordance with the accounting policies explained in Section IV.8.e), may not be recognized regardless of their effectiveness.

17. Employee benefits

Liabilities from employee benefits are as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Post-employment pension benefits	24,372	24,790
Post-employment medical benefits	2,332	2,263
Post-employment benefits	26,704	27,053
Jubilee benefits	1,404	1,439
Phased retirement arrangements	4,829	6,492
Other long-term employee benefits	6,233	7,931
Termination benefits	2,537	2,651
Bonus payments	2,923	2,392
Overtime accounts	10,358	9,523
Unpaid wages and salaries	2,304	3,224
Miscellaneous other benefits	3,922	3,113
Short-term employee benefits	19,507	18,252
Employee benefits	**54,981**	**55,887**
thereof non-current	35,474	37,635
thereof current	19,507	18,252

a) Post employment pension benefits

Certain managers with procuration, directors and their surviving dependents are entitled to receive post-employment pension benefits. Currently, 30 persons (Dec. 31, 2012: 31), of which four (Dec. 31, 2012: 5) are active and 26 (Dec. 31, 2012: 26) are retired or surviving dependents, are entitled to the plan. The amount of the benefits depends on the length of service, the salary at the time of retirement and the general pension level. The pension payments are made from current operating cash flows.

The Group did not set up any plan assets for the financing of pension benefit payments. The carrying amount of the defined benefit liability is identical with the carrying amount of the defined benefit obligation.

The carrying amount of the defined pension benefit liability developed as follows:

€ thousand	2013	2012
Obligation as of Jan. 1	24,790	19,135
Current service costs	415	305
Interest expense	722	906
Pension payments	-1,297	-1,169
Actuarial gains and losses	-258	5,613
Obligation as of Dec. 31	**24,372**	**24,790**
Expected pension expense	1,196	1,127
Expected pension payments	-1,356	-1,275
Expected obligation as of Dec. 31 of the following year	**24,212**	**24,642**

The change in actuarial gains and losses is attributable to the following:

€ thousand	2013	2012
As of Jan. 1	5,692	79
Change in financial assumptions	-925	4,992
Change in experience	667	621
As of Dec. 31	**5,434**	**5,692**

The measurement of the defined pension benefit obligations is based on the following assumptions:

in %	Dec. 31, 2013	Dec. 31, 2012
Discount rate	3.3	3.0
Salary trend	2.8	1.5
Pension trend	2.0	2.0
Fluctuation	0.0	0.0

Life expectancy is derived from the 2005 G guideline tables by Prof. Klaus Heubeck. All payments are made in advance.

The average duration of the entitlements is eleven years (Dec. 31, 2012: eleven years).

The liquidity risk resulting from post-employment pension benefits is moderate. The risk can be approximated from the expected pension payments of the following year and the average duration of the entitlements.

Additional risks arise from fluctuations of interest rates, the salary and the pension trend. A reduction of interest rates will result in an increase in the amount of the defined benefit liability. Likewise, the carrying amount will increase with an increase in the expected salary at the time of retirement. The same applies for an increase in the pension level following retirement. There is only a moderate risk, on the other hand, from a change in life expectancy.

The following sensitivity analysis provides a quantitative estimate of the scope of the abovementioned risks:

Dec. 31, 2013	Change in assumption	Change in liability	
in %		+	-
Discount rate	1.0	-11.1	13.6
Salary trend	1.0	1.6	-1.5
Pension trend	1.0	11.3	-9.6

Dec. 31, 2012	Change in assumption	Change in liability	
in %		+	-
Discount rate	1,0	-11,5	14,3
Salary trend	1,0	1,6	-1,5
Pension trend	1,0	12,0	-10,2

The sensitivity analysis is based on the change of one assumption while holding all assumptions constant. The method applied in the calculation of sensitivities is the projected unit credit method.

The calculation methods and assumptions used in the preparation of the sensitivity analysis did not change compared to the previous period.

b) Post employment medical benefits

Civil servants and pensioners are entitled to receive post-employment medical benefits. Currently 44 persons (Dec. 31, 2012: 44), of which 19 (Dec. 31, 2012: 20) are active employees and 25 (Dec. 31, 2012: 24) are retired persons and surviving dependents, are entitled to the plan. The amount of the medical benefits depends on the length of service. Benefit payments will be paid lifelong from the date of retirement. The medical benefits are paid from current operating cash flows.

The Group has not set up any plan assets for the financing of medical benefit payments. The carrying amount of the defined benefit liability is identical with the carrying amount of the defined benefit obligation.

The carrying amount of the defined medical benefit liability developed as follows:

€ thousand	2013	2012
Obligation as of Jan. 1	2,263	1,848
Current service costs	88	41
Interest expense	66	88
Aid payments	-107	-172
Actuarial gains and losses	22	458
Obligation as of Dec. 31	**2,332**	**2,263**
Expected addition	157	154
Expected benefit payments	-113	-107
Expected obligation as of Dec. 31 of the following year	**2,376**	**2,310**

The change of actuarial gains and losses is attributable to the following:

€ thousand	2013	2012
As of Jan. 1	412	-46
Change in financial assumptions	-93	732
Change in experience	115	-274
As of Dec. 31	**434**	**412**

The measurement of the defined medical benefit obligations is based on the following assumptions:

in %	Dec. 31, 2013	Dec. 31, 2012
Discount rate	3.3	3.0
Fluctuation	0.0	0.0
Costs[1)]	6.1	6.5
Cost trend	3.0	3.0

[1)] Average insurance rate in € thousand

Life expectancy is derived from the 2005 G guideline tables by Prof. Klaus Heubeck. All payments are made in advance.

The average duration is twelve years (Dec. 31, 2012: 14).

The benefit commitments result in a moderate liquidity risk for the Group. This risk can be approximated from the expected benefit payment for the following year and the average duration of benefit commitments.

Additional risks arise from fluctuations in the level of market interest rates and future medical costs. A reduction in the market interest rate level will lead to an increase in the amount of provisions for benefit commitments. The provision amount will likewise increase with an increase in the expected medical costs. There is only a moderate risk, on the other hand, from a change in life expectancy.

The following sensitivity analysis provides a quantitative estimate of the scope of the above-mentioned risks:

Dec. 31, 2013	Change in assumption	Change in obligation	
in %		+	-
Discount rate	1.0	-11.6	14.4
Cost trend	1.0	14.4	-11.9

Dec. 31, 2012	Change in assumption	Change in obligation	
in %		+	-
Discount rate	1.0	-11.7	14.5
Cost trend	1.0	14.5	-11.9

The sensitivity analysis is based on the change of one assumption while holding all assumptions constant. The method applied in the calculation of sensitivities is the projected unit credit method.

The calculation methods and assumptions used in the preparation of the sensitivity analysis did not change compared to the previous period.

18. Other provisions

The carrying amount of other provisions developed as follows:

€ thousand	Onerous contracts	Neighborly help	Restoration	Miscellaneous other provisions	Total
As of Jan. 1, 2013	0	92,459	8,192	12,416	113,067
Additions	8,090	0	2,644	8,273	19,007
Utilization	0	-2,269	-62	-5,836	-8,167
Reversals	0	0	-2,274	-601	-2,875
Reclassifications	0	0	0	0	0
Unwinding of discount	0	0	0	19	19
Discounting	0	-2,663	-137	-26	-2,826
Changes in interest rates	0	-3,250	-20	-17	-3,287
As of Dec. 31, 2013	**8,090**	**84,277**	**8,343**	**14,228**	**114,938**
thereof short-term	3,640	1,167	1,128	12,515	18,450
thereof long-term	4,450	83,110	7,215	1,713	96,488

Provisions for onerous contracts result from ground handling contracts with negative margins.

Provisions for neighborly help have been recognized for obligations arising from agreements with neighboring municipalities on the funding of infrastructure projects. The Airport agreed to support certain road construction projects in Freising and Erding with a total amount of € 10,000 thousand up to 2010. € 3,303 thousand of the fund have already been drawn up to fiscal year 2013. The remainder is expected to be paid by 2017. In 2011 the Group agreed to increase the assistance fund by € 90,000 thousand (€ 40,000 thousand for traffic infrastructure and € 50,000 thousand for other infrastructure). The funds may be drawn in annual installments of € 10,000 thousand upon the commencement of construction of the third runway. It is not certain when and to what extent funds will be drawn. Provisions for restoration are recognized as far as the Group has an inevitable obligation towards third parties. It is not certain when and to what extent restoration expenses will be incurred.

Payments for other provisions are expected in the following intervals:

Dec. 31, 2013	In 1 year	In 2 to 5 years	After 5 years
€ thousand			
Onerous contracts	3,640	4,477	0
Neighborly help	1,173	16,693	78,830
Restoration	1,130	7,379	0
Miscellaneous other provisions	13,173	822	1,015
Total	**19,116**	**29,371**	**79,845**

Dec. 31, 2012	In 1 year	In 2 to 5 years	After 5 years
€ thousand			
Neighborly help	1,966	27,000	70,000
Restoration	2,381	5,821	0
Miscellaneous other provisions	10,609	775	1,107
Total	**14,956**	**33,597**	**71,107**

19. Current financial liabilities

The carrying amounts of current financial liabilities are attributable to the valuation categories described in Section IV.8.a) as follows. The carrying amount is a reasonable approximation of fair value.

	At amortized cost		Total	
€ thousand	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
Trade accounts payable	57,827	66,398	57,827	66,398
Other payables	31,749	27,630	31,749	27,630
Trade accounts payable and other payables	**89,576**	**94,028**	**89,576**	**94,028**
Borrowings from shareholders	505,402	507,246	505,402	507,246
Other borrowings	405,494	268,283	405,494	268,283
Financial liabilities from finance leases[1)]	637	528	637	528
Derivatives	4,376	0	4,376	0
Other financial liabilities	**915,909**	**776,057**	**915,909**	**776,057**
Current financial liabilities	**1,005,485**	**870,085**	**1,005,485**	**870,085**

[1)]The general accounting principles for financial liabilities from finance leases are described in Section IV.7.
Only the derecognition principles described in Section IV.8 a) must be applied on financial liabilities from finance leases.

a) Other Payables

The carrying amount of other payables is comprised as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Outstanding invoices	21,192	11,794
Payables from marketing activities	3,818	8,900
Payables to associates and investments	2,123	1,958
Miscellaneous other payables	4,616	4,978
Total	**31,749**	**27,630**

b) Borrowings from shareholders

€ 127,711 thousand (Dec. 31, 2012: € 131,810 thousand) of the borrowings from shareholders are owed to the Federal Republic of Germany, € 260,893 thousand (Dec. 31, 2012: € 258,550 thousand) to the Free State of Bavaria, and € 116,798 thousand (Dec. 31, 2012: € 116,885 thousand) to the City of Munich. The carrying amount includes interest payables at an amount of € 13,489 thousand (2012: 15,333 thousand). The loans bear earnings-based interest and are for indefinite terms. Repayment may only be required upon one year prior written notice. They are classified as current since Munich Airport does not have the unrestricted right to deny repayment within the following fiscal year.

c) Financial liabilities from finance leases

Notes on financial liabilities resulting from finance leases can be found in Section VII.15.d).

20. Other liabilities

The carrying amount of other liabilities is comprised as follows:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Liabilities from taxes and other levies	5,503	4,362
Other miscellaneous non-financial liabilities	1,050	0
Other non-financial liabilities	**6,553**	**4,362**
Advance payments on leases	13,706	14,906
Advance payments on heritable building rights	4,876	4,327
Other deferred income	3,258	3,695
Deferred income	**21,840**	**22,928**
Total	**28,393**	**27,290**
thereof current	9,104	6,707
thereof non-current	19,289	20,583

21. Contingent liabilities

As of December 31, 2013 there were no contingent liabilities (Dec. 31, 2012: € 12,500 thousand).

€ 11,000 thousand of the contingent liabilities disclosed in the prior year related to possible contractual obligations whose existence will only be confirmed by the occurrence of uncertain future events. The remainder resulted from litigation risks. Die rechtlichen Risiken aus Ermittlungsverfahren gegen Konzerngesellschaften zum 31.12.2012 betrugen T€ 1.500.

22. Operating permit

On May 9, 1974, the Bavarian Ministry of the Interior, Building and Transport, approved operations at Munich airport in accordance with aviation law under section 6 of the German Air Traffic Act (Luftverkehrsgesetz – LuftVG). The operation permit contains all essential regulations for airport operation. It does not expire at a specific point of time. The amendment according to Section 6(4) LuftVG for the operation of the third runway has not yet been obtained.

In addition to the provisions of the aviation permit, the airport operator must observe the regulations resulting directly from the law (in particular the Air Traffic Act and ordinances issued from it). FMG is required, among other things, to keep the airport in good operating condition at all times, to provide and maintain the equipment and signs needed to monitor and control air traffic at the airport, and to ensure the availability of fire protection systems and emergency services that take account of the special operating conditions.

The pricing of take-off and landing charges is subject to approval by the Bavarian Ministry of the Interior, Building and Transport. Airlines can take part in the approval process by means of consulting procedures. Munich Airport is currently negotiating a framework agreement with all airlines on the development of take-off and landing charges in future periods.

VIII. Financial risk management

Munich Airport is subject to many different financial risks, including credit, liquidity and market risks arising from interest rate and exchange rate fluctuations.

Munich Airport was also exposed to these risks in the prior year in comparable composition.

Financial risk management is embedded into the Group's risk management und reporting system. It is carried out by the central treasury department (Group Treasury). All material financial risks are reported to the Executive Board on a quarterly basis. Liquidity, borrowings and the composition of the portfolio of derivatives are reported monthly.

Derivatives are used exclusively for hedging of interest and currency risks. Only Group Treasury may acquire or sell derivatives. Treasury software is used for the documentation, processing and the management of financial risks from derivatives.

The methods of financial risk management have not changed in comparison with the prior year.

1. Market risk

Munich Airport is exposed to market risks arising from fluctuations of interest and exchange rates. These risks affect the cash flows from floating-rate loans and the carrying amount of fixed-rate loans measured at fair value. To a lesser degree, exchange rate risks influence the cash flows from loans in foreign currency and the cash flows realized in the course of the international consulting business.

Munich Airport addresses market risks through the use of derivative financial instruments, which are used for the hedging of fair values and cash flows. Hedge transactions are only entered into when they can be designated into hedging relationships of high effectiveness.

The Group uses interest rate swaps to hedge cash flows against fluctuations in interest rates. Fluctuations in exchange rates are partially eliminated through currency futures. Cross currency swaps are used to hedge the fair value of loans in foreign currency. Disclosures on derivatives and hedging activities can be found in Section VII.16.

The remaining exposure to risks of fluctuations in interest and exchange rates is disclosed in the following sensitivity analyses.

The analysis of sensitivity to fluctuations in interest rates presents the effects of an increase or a decrease in total comprehensive income, profit or loss and other comprehensive income in the event of a parallel shift of the yield curve by +/– 100 base points (BP). It is based on the following assumptions and restrictions:

- The interest expense from fixed-rate borrowings measured at amortized costs does not change. This applies independent of the time of the next interest rate fixing.
- Changes in the yield curve may affect the expected cash flows applicable for the determination of the carrying amount of fixed-rate borrowings measured at amortized cost according to IAS 39pAG8. These effects are not taken into consideration.

- The interest expense from floating-rate borrowings measured at amortized costs changes. This applies independent of whether such borrowings have been designated into cash flow hedges. The carrying amount of these borrowings does not change.
- The interest expense from derivatives changes. This applies independent of whether such instruments have been designated into cash flow hedges.
- The carrying amounts of derivatives change. Effects from the yield curve shift on forward exchange rates are not taken into account.
- Provided derivatives have been designated into cash flow hedges, the ineffective portion of the changes in fair value affect profit or loss. The effective portion of the changes in fair value affects other comprehensive income.
- Provided derivatives have been designated into fair value hedges, all changes in fair value affect profit or loss.
- Provided non-derivative financial instruments have been designated into fair value hedges, all changes in fair value affect profit or loss.

Under the aforementioned assumptions and restrictions, a parallel shift of the yield curve by +/– 100 BP will decrease or increase total comprehensive income, profit or loss and other comprehensive income as follows:

	Dec. 31, 2013		Dec. 31, 2012	
€ thousand	+100 BP	-100 BP	+100 BP	-100 BP
Total comprehensive income	42,043	-46,384	48,002	-53,293
thereof other comprehensive income	44,220	-47,945	51,453	-56,008
thereof profit or loss	-2,177	1,561	-3,451	2,715

Substantial exchange rate risks arise from fluctuations of the euro against the Omani rial (OMR), the US dollar (USD) and the Japanese yen (JPY). The exchange rate of OMR and USD is fixed. For this reason, no separate measurement of the exchange rate risk with respect to the OMR has been made.

The analysis of sensitivity to fluctuations in exchange rates presents the effects of an increase or a decrease of the EUR against USD and JPY by +/– 10 percent on total comprehensive income, profit or loss and other comprehensive income.

It is based on the following assumptions and restrictions:

- The carrying amount of loans in foreign currency measured at amortized cost changes.
- The carrying amount of cross currency swaps changes.
- The carrying amount of currency futures changes.

Under the aforementioned assumptions, a change in the USD to EUR exchange rate of +/– 10 percent will reduce or increase total comprehensive income, profit or loss and other comprehensive income as follows:

	Exchange rate sensitivity USD to EUR			
	Dec. 31, 2013		Dec. 31, 2012	
€ thousand	Rate +10 %	Rate -10 %	Rate +10 %	Rate -10 %
Total comprehensive income	-630	193	656	-656
thereof other comprehensive income	-500	179	611	-605
thereof profit or loss	-130	14	45	-51

Under the aforementioned assumptions, a change in the JPY to EUR exchange rate of +/– 10 percent will reduce or increase total comprehensive income, profit or loss and other comprehensive income as follows:

	Exchange rate sensitivity JPY to EUR			
	Dec. 31, 2013		Dec. 31, 2012	
€ thousand	Rate +10 %	Rate -10 %	Rate +10 %	Rate -10 %
Total comprehensive income	-54	29	2,877	-1,755
thereof other comprehensive income	0	0	0	0
thereof profit or loss	-54	29	2,877	-1,755

The assumptions and methods of the sensitivity analyses are applied consistently in all periods presented.

2. Credit risk

Credit risk primarily results from financial investments. In order to limit these risks the Group does not accept counterparties without deposit protection and / or seat outside the European Union.

Default risks are addressed through a severe and effective management of debtors and receivables. This includes a comprehensive check of debtor's creditworthiness, the constant monitoring of overdue invoices and a stringent collections management. Lease payments are secured through deposits and guarantees. Ground handling services are rendered only against deposit of cash collateral and bank guarantees.

Sales of retail stores and restaurants are predominantly made against cash or by credit card.

Defaults of individual financial assets are addressed in the periodic impairment test.

Without taking account of any collateral held, the maximum exposure to credit risk corresponds with the total carrying amount of all financial assets amounting to € 406,945 thousand (Dec. 31, 2012: € 360,302 thousand).

A concentration of credit risks arising from business relations with individual debtors or groups of debtors is not apparent.

For further disclosures concerning bad debt risk, in particular concerning impairments and the aging structure of receivables and other financial assets, see Sections VII.5 and VII.8.

3. Liquidity risk

The management of liquidity risks is carried out by Group Treasury. The liquidity risk is monitored in the course of long-, medium- and short-term financial planning.

The liquid funds of all subsidiaries are concentrated through the Group's cash pooling. Alongside the securitization of a positive cash flow from operating activities, Munich Airport maintains adequate liquidity in the form of current financial investments and credit lines. In the reporting year, cash flow from operating activities amounted to € 467,461 thousand (2012: € 440,791 thousand). Munich Airport had access to credit lines of € 227,032 thousand (Dec. 31, 2012: € 270,740 thousand).

The following tables show an analysis of the remaining contractual maturities for all financial liabilities:

		2014		2015 to 2018		After 2018	
Dec. 31, 2013	Total	Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
€ thousand							
Financial liabilities from interests in partnerships	322,889	32,039	156,314	0	29	0	134,507
Borrowings from shareholders	505,402	13,489	491,913	0	0	0	0
Loans	2,257,206	36,988	378,503	252,010	1,572,345	3,280	14,080
Finance leases	1,562	0	652	0	910	0	0
Trade payables	67,117	0	57,827	0	9,290	0	0
Other financial liabilities	36,886	0	31,750	0	5,136	0	0
Non-derivative financial liabilities	**3,191,062**	**82,516**	**1,116,959**	**252,010**	**1,587,710**	**3,280**	**148,587**
Derivatives	103,047	24,667	29,444	48,936	0	0	0
Derivative financial liabilities	**103,047**	**24,667**	**29,444**	**48,936**	**0**	**0**	**0**
Total	**3,294,109**	**107,183**	**1,146,403**	**300,946**	**1,587,710**	**3,280**	**148,587**

		2013		2014 to 2017		After 2017	
Dec. 31, 2012	Total	Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
€ thousand							
Financial liabilities from interests in partnerships	332,457	0	197,950	0	0	0	134,507
Borrowings from shareholders	507,246	15,333	491,913	0	0	0	0
Loans	2,645,865	50,364	211,699	133,996	1,131,100	155,554	963,152
Lease agreements	1,280	0	542	0	738	0	0
Trade payables	73,550	0	66,698	0	6,852	0	0
Other financial liabilities	27,362	0	22,973	0	4,389	0	0
Non-derivative financial liabilities	**3,587,760**	**65,697**	**991,775**	**133,996**	**1,143,079**	**155,554**	**1,097,659**
Derivatives	156,774	22,873	15,896	73,849	34,257	9,899	0
Derivative financial liabilities	**156,774**	**22,873**	**15,896**	**73,849**	**34,257**	**9,899**	**0**
Total	**3,744,534**	**88,570**	**1,007,671**	**207,845**	**1,177,336**	**165,453**	**1,097,659**

Borrowings from shareholders are only repaid upon at least one year prior written notice. As long as not otherwise agreed, repayments of borrowings from shareholders are disclosed as current. Repayments of financial liabilities from interests in partnerships are disclosed at the expected redemption amount. The maturity of these liabilities reflects the earliest possible time of termination, which is not in line with the expectations of management.

IX. Notes to the cash flow statement

The total comprehensive income and the cash flows from operating activities can be reconciled as follows:

€ thousand	2013	2012
Total comprehensive income	**125,602**	**53,340**
Deferred taxes not recognized in profit or loss	8,448	-13,168
Actuarial gains and losses	-236	6,071
Cash flow hedging	-35,208	49,104
Profit or loss	**98,606**	**95,347**
Result from associated companies	-1,897	-1,159
Income taxes	54,994	69,977
Financial result	107,057	114,221
Operating result (EBIT)	**258,760**	**278,386**
Depreciation and amortization	208,919	235,284
Net profit/loss from disposal of non-current assets	1,293	1,537
Increase/decrease in inventories	-1,881	-1,527
Increase/decrease in current receivables	-17,219	-4,451
Increase/decrease in liabilities	-1,572	-2,820
Increase/decrease in obligations resulting from employee benefits	-1,957	-539
Increase/decrease in other provisions	7,965	-13,725
Increase/decrease in other working capital	26,123	-16,276
Gross cash flow from operating activities	**480,431**	**475,869**
Net income taxes paid/received	-23,393	-35,078
Net cash flow from operating activities	**457,038**	**440,791**

In fiscal year 2013, Malto was excluded from the consolidated group (see Section III.3.a)). Due to the deconsolidation, net assets decreased by € 40 thousand. An amount of € 152 thousand was attributable to cash and cash equivalents, and € 112 thousand to current other liabilities.

X. Notes to transactions with related parties

FMG is the ultimate parent of the Group. The shares of FMG are held by the Free State of Bavaria (51 percent), the Federal Republic of Germany (26 percent) and the City of Munich (23 percent) (see Section VII.12). Decisions that affect the business as a whole and decisions about certain transactions are made by the shareholders unanimously. All other decisions are made with a simple majority.

1. Transactions with public agencies

The shares of FMG are held by the state. Hence, all agencies of the state are related parties.

Transactions with agencies result primarily result from the lease of offices and other operational areas to police and customs with indefinite lease terms. The prices charged to public agencies may not exceed refundable expenses. They are subject to audits on a regular basis. Lease revenues realized with public agencies are not substantial. Debit accounts are not significant.

2. Transactions with public companies

Entities whose decisions about the relevant business activities are controlled, jointly controlled or materially influenced by the Federal Republic of Germany, the Free State of Bavaria or the City of Munich are related parties, as well.

Among these are credit institutions with direct shareholding of governmental bodies (for example, Bayerische Landesbank Anstalt des öffentlichen Rechts, Kreditanstalt für Wiederaufbau and LfA Förderbank Bayern) and credit institutes with indirect shareholding through public assets such as the financial market stabilization funds SoFFin (including Commerzbank AG, West LB AG until July 2012). Transactions with these credit institutions result from financial liabilities (loans) and derivatives (interest swaps).

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Non-derivative financial liabilities		
Interest payments	-27,316	-42,633
Repayments	-95,223	-82,014
Proceeds	93,087	71,092
Derivative financial liabilities		
Interest payments	-10,708	-9,821

Related parties also include public companies and institutions, which have been engaged by the federal government and the Free State of Bavaria to perform sovereign functions at Munich Airport, for example the monitoring of aviation (including DFS Deutsche Flugsicherung GmbH, SGM Sicherheitsgesellschaft am Flughafen München GmbH, Deutscher Wetterdienst Anstalt des öffentlichen Rechts). Transactions with these entities primarily result from the lease of office and operational areas with indefinite lease terms. The revenues and expenses resulting from these leases are not substantial. The debit and credit accounts are not significant.

Munich Airport is doing business with entities whose financial and business policies are at least materially influenced by the state. These include all companies included into the consolidated group of Deutsche Post AG, Telekom Deutschland GmbH and Deutsche Bahn AG. There are mutual supply and service agreements between Munich Airport and these groups. Revenues and expenses from these transactions, however, are not substantial. The debit and credit accounts are not significant.

3. Transactions with associates and companies that have not been included in the consolidated group for materiality reasons

The Group includes one associate (EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH). One joint venture (MediCare Flughafen München Medizinisches Zentrum GmbH) and one subsidiary (FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH) have not been included in the consolidated group for materiality reasons.

There are mutual supply and service agreements between Munich Airport and these companies with the following effects on Group revenues, assets and liabilities:

€ thousand	Dec. 31, 2013	Dec. 31, 2012
Receivables	678	2,026
Liabilities	2,123	1,958
Lease revenues	5,325	4,855
Miscellaneous other revenues	5,513	4,714
Revenues	**10,838**	**9,569**
Cost of materials	8,098	2,839
Miscellaneous other expenses	417	541
Expenses	**8,515**	**3,380**

Lease revenues primarily relate to the lease of office and other areas. Other revenues include revenues from IT and maintenance. The costs of materials primarily result from aircraft handling and from medical services.

4. Transactions with related persons

The members of Executive Board and of the Supervisory Board of FMG are related persons.

The remuneration of the members of the Executive Board contains fixed and variable, performance-based components:

€ thousand	2013	2012
Salary	532	503
Incentives	302	302
Total	**834**	**805**

In addition, the executive officers received one-time payments, as well as emoluments in cash and not in cash, at a total amount of € 5 thousand (2012: € 12 thousand).

Executive officers are entitled to post-employment pension benefits. The provisions for post-employment pension benefits to executive officers amount to € 2,783 thousand (Dec. 31, 2012: € 2,407 thousand).

Provisions for post-employment pension benefits of former Members of the Executive Board and surviving dependents are recognized at € 10,050 thousand (Dec. 31, 2012: € 10,196 thousand). Pension payments amounted to € 724 thousand (2012: € 703 thousand).

The total remuneration paid to the members of the Supervisory Board was € 16 thousand (2012: € 17 thousand).

Munich, April 17, 2014

Dr. Michael Kerkloh **Thomas Weyer**

/Supervisory Board's report

The supervisory board was informed regularly and in detail by executive management in written reports and at meetings about the Company's situation, its development and important business events. On the basis of the reports and the information received, the supervisory board oversaw the management of the Company's business and made such decisions as it was called upon to make in accordance with its statutory responsibilities.

The financial statements as of December 31, 2013, and the management report on Flughafen München GmbH and of the Group presented by executive management have been audited and approved by Deloitte & Touche GmbH, the appointed auditors.

Having conducted its own review, the supervisory board acknowledges the auditor's findings and raises no objections.

In accordance with Section 52, Paragraph 1 of Germany's Limited Liability Companies Act (GmbHG) and Section 171, Paragraph 2 of Germany's Stock Corporations Act (AktG), the board approves the financial statements of Flughafen München GmbH and the FMG Group. The supervisory board proposes that the shareholders endorse the financial statements of Flughafen München GmbH and the FMG Group.

The supervisory board wishes to express its gratitude and respect for the work carried out and the successes achieved by the Company's executive management and employees in fiscal year 2013.

Munich, June 2014

Dr. Markus Söder
Chairman of the supervisory board
Flughafen München GmbH

/Independent auditor's report

We have audited the consolidated financial statements prepared by Flughafen München GmbH, Munich, consisting of the income statement and statement of comprehensive income, the balance sheet, statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, as well as the group management report for the business year from January 1 to December 31, 2013. The preparation of the consolidated financial statements and the group management report in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the supplementary requirements of German commercial law pursuant to Article 315a (1) of the German Commercial Code (Handelsgesetzbuch – HGB) is the responsibility of the company's executive board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Article 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer – IDW). Those standards require that we plan and perform the audit in such manner that material misstatements affecting the presentation of the net assets, financial position and operating results in the consolidated financial statements in accordance with the applicable financial reporting rules and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group as well as evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the system of internal controls relating to the accounting system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in the consolidated financial statements, the determination of the scope of consolidation, the accounting and consolidation principles used and significant estimates made by the executive board, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, which is based on our audit findings, the consolidated financial statements of Flughafen München GmbH, Munich, comply with the IFRS as adopted by the EU as well as the supplementary requirements of German commercial law pursuant to Article 315a (1) HGB and give a true and fair view of the net assets, financial position and operating results of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and, as a whole, provides a suitable view of the position of the group and suitably presents the opportunities and risks of future development.

Munich, April 24, 2014

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dorn
German Public Auditor

ppa. Hehl
German Public Auditor

€ 609.1 million
Value added

Sustainability program
Initiatives and measures with time horizons, divided into four perspectives

IIRC Index
Application of the IIRC Framework on »Perspectives 2013«

GRT
Munich Airport is committed to the German IIRC Round Table

Sustainable development

/Sustainability program

Presented based on topics that spotlight future opportunities and risks faced by Flughafen München GmbH, the strategic sustainability program provides a roadmap for the onward development at FMG and for the achievement of its Picture of the future 2025. The sustainability program was fully revamped in 2013 and now includes further key strategic issues. This has naturally generated differences to the previous year.

The sustainability program is broken down into four perspectives with their respective targets and their short, medium and long-term measures. It also sets deadlines by which these initiatives are to be completed and tracks how far each has progressed. For the »environment and climate protection« focus area, we publish a detailed environmental program in our annual environmental declaration as part of our the environmental management system based on EMASVO and DIN EN ISO 14001.

Field[1]	Initiatives	Measures	Status 2013	Deadline
Company and management				
Increasing enterprise value	Achievement of an operating profit margin (EBITDA margin) at the level of the european peer group	Achievement of an EBITDA margin of at least 40 %	Ongoing	Ongoing
Expanding capacity in air traffic	Provision of air traffic infrastructure to real needs	Construction of terminal 2 satellite	50 %	2015
		Expansion of the east apron	50 %	2015
		Optimization of Terminal 1	Planned	2018
		Supporting the process relating to the 3rd runway heard before the Bavarian and Federal Administrative Courts to secure approval of the planning application	Ongoing	Ongoing
		Renewal of the arrival baggage carousel in Terminal 1	10 %	2015
		Expansion of the baggage transport system capacity in Terminal 2	55 %	2015
Improving landside traffic connections	Improving rail connections in three stages (short/medium/long-term)	Support for upgrading the rail connection between the airport and Munich's central train station	Ongoing	Ongoing
		Support for the Neufahrner Kurve Project	Ongoing	Ongoing
		Support for the Erdinger Ringschluss Project (airport-Erding)	Ongoing	Ongoing
		Support for the Walpertskirchener Spange Project	Ongoing	Ongoing
		Support for the ABS 38 Project, Munich-Mühldorf-Freilassing	Ongoing	Ongoing
		Support for a 2nd trunk route to Munich	Ongoing	Ongoing
	Optimization of end customer offerings in the business unit »Consumer Activities – services and parking« with reference to the landside mobility provision	Integration of the strategic, landside transport concepts and products (rail, long-distance bus, car sharing) in the long-term parking requirement concept	Planned	2015
		Optimization of the overall sales and marketing strategy for mobility services	Planned	2015

[1] Corresponds to the topics in the Materiality Matrix, see p 32.

Field [1]	Initiatives	Measures	Status 2013	Deadline
Attractive product- and service portfolio & Process optimization	Demand-driven provision of air traffic services	Optimization of the existing common user lounges	100 %	2013 (completed)
		Design of future passenger security controls in Terminal 1	Ongoing	Ongoing
		Automatic boarding card control in Terminal 1	15 %	From 2014 ongoing
		Conducting delay code analyses (analyses for determining reasons for air traffic delays)	15 %	2015
		Total airport management at Munich Airport	10 %	2017
	Continuing of the quality and service offensive	Improvement in service quality through targeted measures and projects	Ongoing	Ongoing
		Further development of the process-orientated quality management system (implementation of a system of rules for the CIP and an integrated reporting system for control of process and service quality)	15 %	2015
		Development of an awareness concept for increasing customer orientation and improving the service culture	Planned	2014
		Introduction of a portfolio management system for the projects within the service quality program	50 %	2014
	Strengthening of the experience component and innovation offensive in the Consumer Activities division	Long-term ongoing development focusing on Consumer Activities requirements corresponding to the USP positioning	10 %	2014
		Further expansion of the experience component through attractive presentation in the public area	Planned	2014
Ideas and innovations management & Internal and external knowledge transfer	Targeted development and support of innovations through further development of strategic innovation management	Development and introduction of a reporting system for planned and ongoing innovations	Planned	2014
		Promotion of an innovation culture, development and establishment of a new motivation and recognition system	10 %	2016
		New development of innovations through market research and trend monitoring plus assessment, selection, initiation and implementation of ideas	Ongoing	2015
		Close integration of innovation management with internal and external stakeholders (group strategy, subsidiaries, associations etc.)	25 %	2015
		Deducing, documenting and communicating lessons learned from innovation projects	Ongoing	2015
Site development (property, etc.)	Demand-orientated and economic development of airport real estate	Expansion of the 5* airport hotel in the central zone	Planned	2015

Field[1]	Initiatives	Measures	Status 2013	Deadline
Networking different transport modes: Seamless Travel (ST)	Further development of the available technical infrastructure	Consolidation of indoor navigation topics (»InfoGate goes mobile«, IndoorNavi for Android/IOS etc.)	Planned	2014
		Development of mobile apps with regard to new sales channel requirements	Planned	2014
	Development of a suitable information/product and service portfolio	Determining the information requirement of passengers along the travel chain	Planned	2014
		Determining the product and service portfolio for the new sales channel along the travel chain	Planned	2014
		Successive expansion of the internal product and service portfolio through external cooperation	Planned	From 2016 ongoing
		Follow up of the current individual innovative pilot project with ST context (with automotive manufacturers, couponing etc.)	Planned	Ongoing
	Development of a communication and cooperation concept	Development of a ST cooperation strategy for successive expansion of the B-to-B partner network	Planned	2014
		Development of a ST coordination alliance with other airports to form a cross-airport approach (e. g. ADV/ sister airports etc.)	Planned	From 2014 ongoing
		Establishment of a cross-industry open-innovation community for joint development of the information/ product and service portfolio	Ongoing	Ongoing
Corporate governance	Development strategy and sustainability management	Development of the group strategy (scenario based development of the strategy for the period 2015 – 2025)	85 %	2014
		Detailing of content and improved communication of individual aspects of the group strategy 2025 (focus 2014: passenger journey, potential short to medium-term innovations, macroeconomics)	Ongoing	Ongoing
Equal opportunities and cultural diversity		Sustainability in the value creation chain – translation of the IIRC value creation model to the group-internal value creation process map model for deducing tax-relevant implications for group strategy	Ongoing	Ongoing
		Sustainability in the value creation chain – integration of sustainability criteria in supplier management (supplementing the strategic procurement concept with sustainability aspects)	Ongoing	Ongoing
Sustainability in purchasing and the supply chain		Formulation of a fundamental position in respect of gender and diversity management	20 %	2014
Off-campus growth (consulting and investments)	Development of a cross-group off-campus strategy	Comprehensive market and competitor analysis	Planned	2014
		Definition of the off-campus product portfolio	10 %	2014
		Development of an off-campus business plan	Planned	2014
Compliance	Compliance implementation and optimization	Compliance management system (CMS) optimization	Ongoing	Ongoing
		Internal evaluation of the compliance management systems of the subsidiary companies where a controlling interest is held	Planned	2014
		Detailed planning of compliance training	50 %	2014
		Creation of instructor competence/performance of training	Ongoing	Ongoing
Environmental and climate protection				
Environmental management	Establishment and development of environmental management	Certification of further subsidiaries based on DIN EN ISO 14001 and EMAS (2013: certification of AeroGround)	Ongoing	Ongoing
		Re-certification of the environmental management system based on DIN EN ISO 14001 and EMAS	Annually	Annually
		Development of environmental strategies for selected areas (e. g. nature conservation, species protection, air pollution control (honey monitoring), climate protection, prevention of water pollution, soil protection)	Ongoing	Ongoing
		»Airport Carbon Accreditation« by the Airport Council International (ACI) – retention of »Level 3 – Optimization«, a quality seal for successful CO_2 reduction	Annually	Annually
		Implementation of measures from the »Environmental protection public concept«	Ongoing	Ongoing

Field [1]	Initiatives	Measures	Status 2013	Deadline
Noise abatement measures and the reduction of noise emissions & Reducing greenhouse gas emissions	Accept responsibility for pollution resulting from air traffic	Adjustment of take-off/landing fees (noise dependent)	80 %	2015
		Pre-conditioned Air	25 %	2015
		Development of the noise control strategy (active and passive sound protection, flying methods, Continuos Descent Operations (CDO), noise control program, information and transparency)	Ongoing	Ongoing
		Implementation of the noise control strategy and development of innovative noise control components, e. g. noise control measurements and complaints helpline	Ongoing	Ongoing
Reduction in emissions and other impacts & Reduction in greenhouse gas emissions (CO_2)	More environmentally friendly car traffic at Munich Airport with a focus on e-mobility	Planning of an initial installation of charging stations for the vehicle pool	10 %	2014
		FMG internal use of electric vehicles and with it testing of infrastructure, measuring and billing	10 %	2014
		Concept for battery charging billing, agreement with national standards	Planned	2014
		Reduction of fuel consumption of the vehicle fleet and use of alternative drive technologies (general fuel consumption reduction (petrol, diesel); car policy; preparation for electromobility: procurement of new electric vehicles)	Ongoing	Ongoing
Reduction in greenhouse gas emissions (CO_2)	Reduction in greenhouse gas emissions	Development of the CO_2 reduction concept (CO_2 implementation strategy) (identification of CO_2 reduction measures for achievement of the specified partial target by the end of 2014 for the CO_2 neutral growth until 2020)	60 %	2014
		Implementation and monitoring of the CO_2 reduction measures (entry of all CO_2 reduction measures in the database, lighting optimization, ventilation optimization, implementation of measures from the cross-campus power saving program)	60 %	2015
Sustainable construction & Resource conservation	Implementing energy efficient and sustainable construction	Integration of sustainability criteria in extension and conversion planning taking into consideration CO_2 targets	100 %	2013 (completed)
		Integration of sustainability criteria in extension and conversion planning based on the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen [DGNB]) criteria (development of target and specification values for projects relating to ecology, economics, social aspects, technology and processes including corresponding reporting)	25 %	2015
		Certification of selected buildings according to the standards of the DGNB	Ongoing	Ongoing
Energy use and efficiency & Resource conservation	Green IT	Continual integration of new measures in the Green IT implementation program	Ongoing	Ongoing
		Massive cut in energy consumption per gigabyte of the storage system through use of latest technologies	Ongoing	Ongoing
		Continuous procurement of new IT equipment with continually tightened requirements, inclusion of the latest Energy-Star or TCO requirements catalog, higher weighting of energy saving devices during product selection to achieve continuously falling power consumption	Ongoing	Ongoing
Resource conservation & Water management	Conservation of resources through recycling and process optimization	Improvement of the recycling process for aircraft deicing agents	Ongoing	Ongoing
		Installing of central meter management (smart-meter concept, central recording of energy flows)	Ongoing	Ongoing
		Reduction in deicing agent losses caused by transportation (by 2014: construction of ground filter systems in the area of the North-West runway head)	50 %	2014
		Waste water use for cooling of the refrigerators (implemented for Power Station West in 2013; implementation for Power Station East in 2016)	50 %	2016

Field[1]	Initiatives	Measures	Status 2013	Deadline
Energy use and efficiency & Reduction in greenhouse gas emissions (CO_2)	Energy concept 2030	Completion of the 1st stage of construction EKON 2030 (replacement and increase in capacity of the CHP power plant, Power Station East)	25 %	2016
		Implementation of power saving program	60 %	2015
		Development of efficiency increases for plants	100 %	2013 (completed)
		Further measures to increase efficiency in existing stock	Planned	From 2015
	Use of renewable energy	Procurement of hydroelectric power from Uppenborn (contractual control)	Planned	2014
		Clarification of the use of photovoltaics	100 %	2013 (completed)
		Realization of a second feed-in for possible acceptance of hydroelectric power	50 %	2014
Workforce and work environment				
Employee training and recruitment	Cover the employee requirement quantitatively and qualitatively	Control of qualitative and quantitative HR planning	100 %	2013 (completed)
		Adaptation of the training portfolio	60 %	2015
		Professionalization of the decentralized network of training staff	75 %	2014
		Development and implementation of an employee pool	25 %	2014
		Implementation of the trainee program developed in 2013	50 %	2014
Health management (protection and health & safety at work) & Process optimization	Increasing efficiency and employability	Expansion of the HR role in group integration (increase in the support provided to subsidiaries)	50 %	2015
		Increase in HR-IT	25 %	2015
		Introduction of a uniform applicant system	50 %	2014
		Optimization and implementation of the personnel selection process	75 %	2014
		Analysis of employability and the compilation of a portfolio of measures	100 %	2013 (completed)
		Implementation of overall concept for operational health management for health impaired employees	25 %	2015
		Strengthening occupational medicine (conclusion of a framework agreement governing occupational medicine provision and mandatory fitness examinations in particularly strenuous employment areas)	100 %	2013 (completed)
		Implementation of the company framework contract concerning occupational medicine	75 %	2014
		Setting up an information center for employees with psychosocially relevant problems with attendant quality assurance	50 %	2014
		Implementation of a procurement process for office stationery	50 %	2014
		Setting up group-wide organization management system	25 %	2015
		Formulation and implementation of a guideline management system	25 %	2015
		Implementation, communication and further development of a standard approach for reorganization processes	75 %	2014

Field [1]	Initiatives	Measures	Status 2013	Deadline
Employee satisfaction	Increase employer attractiveness both internally and externally	Increase in employee satisfaction (expansion of the project »be family!« and planning and expansion of child care – expansion of children's day care center)	100 %	2013 (completed)
		Conducting an employee survey	100 %	2013 (completed)
		Adjustment of the remuneration and contractual package for non-pay-scale management (for management belonging to the 2nd management level in respect of: corporate pension provision, sick pay, company car)	100 %	2013 (completed)
		Implementation of employer branding	50 %	2015
		Implementation of an onboarding concept	50 %	2014
		Performance of the INQA audit	25 %	2014
		Formulation of modern remuneration systems	25 %	2015
		Care and control of the follow-up process for the employee survey	25 %	2014
Further education and skills management	Ensure excellent management	Development and performance of Leadership-Excellence short modules dealing with occupational heath management	50 %	2014
		Development of an overall concept for management development	25 %	2015
		Managing and facilitating group-wide employee appraisal interviews	50 %	2014
		Developing and organizing a talent management system	Planned	2014
		Design and provision of a management feedback instrument	Planned	2014
Optimization of business processes off-campus growth (consulting and investments)	Off-campus personnel development	Establishing an efficient organization structure for international business and investment management	Planned	2015
		Establishing development programs for advisers, managers and project managers	40 %	2014
		Identifying medium to long-term personnel requirements	Planned	2014
Dialog and social responsibility				
Collaboration with regional partners and suppliers	Creation of transparency in respect of supplier and service relationships	Information/communications for suppliers/service providers (creation of information flyers for potential regional suppliers and service providers	Ongoing	Ongoing
		Transparency regarding existing supplier and service relationships (ascertaining and publishing of FMG sales (including Allresto) in the region)	Annually	Annually
Regional engagement (sponsoring etc.)	Acceptance of corporate responsibility in the non-profit area (support in the surrounding region for the areas of sport, social welfare, culture and education)	Continuation of already existing sponsoring agreements and checking of new project request on the basis of FMG sponsoring principles, intensive dialog with the sponsoring partners (e. g. »Jugend musiziert« (youth music) state competition in Erding, Freisinger Waldskulpturtage, support of hospice associations and palliative medicine teams in Dachau, Erding and Landshut etc.)	Ongoing	Ongoing
Communication with public stakeholder groups (especially regional groups)	Continuation of the communication key point sustainability (performance and support of presentations and campaigns relating to sustainability)	Coordination of 4-liter campaign BDL	50 %	2014
		Press relations work to clarify the sustainability strategy	Ongoing	Ongoing
	Optimization/reinforcement of external communication	Continuation of the reinforced public relations in Munich	Ongoing	Ongoing
		Partial redesign of the visitors' park	10 %	2014
	Maintaining and intensification of the dialog with regional stakeholders	Information presentations for associations and representatives of interest groups	Ongoing	Ongoing
		Personal consultations with community and political representatives from the regions surrounding the airport	Ongoing	Ongoing
		Cooperation with neighbors and partners in the immediate surroundings	Ongoing	Ongoing

/Sustainability indicators

EC1 / Value added

Group	2013 IFRS	2012 IFRS	2011 IFRS[1]
	€ million	€ million	€ million
Revenue	1,184.4	1,186.8	1,134.7
Other income	46.7	64.4	139.6
Total revenue	1,231.1	1,251.2	1,274.3
./. Non personnel expenses	–413.1	–402.7	–463.1
./. Amortization	–208.9	–235.3	–243.9
= Value creation	**609.1**	**613.2**	**567.3**

EC1 / Value distributed

Group	2013 IFRS	2012 IFRS	2011 IFRS[1]
	€ million	€ million	€ million
Employees	348.4	333.6	311.0
Lenders (netted)	107.1	114.2	131.3
Public sector	55.0	70.0	50.7
Munich Airport Group	98.6	95.3	74.3
= Value creation	**609.1**	**613.2**	**567.3**

[1] Due to the conversion to IFRS accounting, the amounts in the 2011 column are not identical with those in the 2011 integrated report.

The value added statement represents the difference between the company's output and the value of required up-front expenditure. The distribution figures indicate the respective shares of those participating in the value added process (employees, the public sector and lenders).

FMG's payments to the state include taxes. Interest on shareholder loans is included under lenders.

AO1, AO2, AO3 / Air traffic figures

	2013	2012	2011
Total passenger volume	**38,689,954**	**38,378,619**	**37,782,256**
Non-commercial traffic[1]	17,310	18,015	18,555
Total commercial traffic[1]	38,672,644	38,360,604	37,763,701
Scheduled and charter traffic	38,650,732	38,335,908	37,733,585
Other commercial traffic[1]	21,912	24,696	30,116
Total aircraft movements	**381,951**	**398,039**	**409,956**
General air traffic (non-commercial)[1]	9,941	10,056	10,375
Total commercial traffic[1]	372,010	387,983	399,581
Scheduled and charter traffic	361,779	376,889	388,044
General air traffic (commercial)[1]	10,231	11,094	11,537
Seating capacity utilization in %	**75.2**	**74.5**	**73.7**
Cargo handled			
Cargo and mail carried in t	**287,809**	**290,301**	**303,655**
Total workload units (WLU)	**41,449,342**	**41,138,118**	**40,689,133**

[1] For term definitions, see the Annual Statistics Report 2013, p. 41/42

↗ Web munich-airport.com/statistics

→ Glossary

A01 / Passenger figures (commercial only)

	2013			2012		
	Total	Domestic	International	Total	Domestic	International
Total commercial traffic	**38,672,644**	**9,379,605**	**29,293,039**	**38,360,604**	**9,648,932**	**28,711,672**
Arrivals	19,296,481	4,659,092	14,637,389	19,137,490	4,796,206	14,341,284
Departures	19,257,666	4,706,653	14,551,013	19,079,691	4,834,829	14,244,862
Transit passengers[1] – commercial	118,497	13,860	104,637	143,423	17,897	125,526
Number of O&D passengers[2] in millions	23.5	–	–	23.3	–	–
Number of transfer passengers in millions	15.0	–	–	14.9	–	–
Transfer passenger percentage in %[3]	39	–	–	39	–	–

[1] Transit passengers are passengers who fly into the airport and continue their trip on the same aircraft.
Transit passengers are only counted for landing.
[2] O&D passengers are passengers for whom the airport is both origin and destination.
[3] The transfer passenger percentage is based on departure passenger surveys.

A02 / Aircraft movements[1]

	2013			2012		
	Total	Arrivals	Departures	Total	Arrivals	Departures
Passenger flights scheduled/charter	**358,019**	**178,859**	**179,160**	**373,168**	**186,466**	**186,702**
Domestic	88,634	44,227	44,407	97,657	48,806	48,851
International	269,385	134,632	134,753	275,511	137,660	137,851
Cargo flights scheduled/charter	**3,298**	**1,639**	**1,659**	**3,236**	**1,597**	**1,639**
Domestic	1,309	754	555	1,388	725	663
International	1,989	885	1,104	1,848	872	976
Airmail flights scheduled/charter	**462**	**231**	**231**	**485**	**242**	**243**
Domestic	462	231	231	485	242	243
International	–	–	–	–	–	–
General air traffic	**20,172**	**10,244**	**9,928**	**21,150**	**10,705**	**10,445**
Domestic	9,085	4,694	4,391	9,297	4,724	4,573
International	11,087	5,550	5,537	11,853	5,981	5,872
Total	**381,951**	**190,973**	**190,978**	**398,039**	**199,010**	**199,029**

[1] Military flights are not surveyed.

A03 / Cargo tonnage (commercial handling)

	2013			2012		
in t	Cargo handled	Incoming cargo	Outgoing cargo	Cargo handled	Incoming cargo	Outgoing cargo
Cargo-only flights	34,459	14,408	20,051	31,383	12,100	19,283
Bellyhold cargo on passenger flights	235,521	99,526	135,995	240,819	99,807	141,012
Total on all flights	**269,980**	**113,934**	**156,046**	**272,202**	**111,907**	**160,295**

↗ Web
munich-airport.com/sponsoring

SO1 / Donations and sponsorship

The annual sponsoring budget is linked to the external sales of the FMG parent company.

Group	2013	2012	2011
Percentage of total budget			
Sport	**33**	32	36
Social welfare	**35**	29	30
Education	**15**	13	13
Culture	**17**	26	21

LA1, LA13 / Total workforce[1]

Group	2013						2012		2011	
	Women	Proportion %[3]	Men	Proportion %[3]	Total	Proportion %[3]	Total	Proportion %[3]	Total	Proportion %[3]
Total employees[1]	**2,493**	**33.88**	**4,865**	**66.12**	**7,358**	**100**	**7,197**	**100**	**6,864**	**100**
Full and part-time employees[1]										
Full time	1,611	21.89	4,319	58.70	5,930	80.59	5,810	80.73	5,524	80.48
Part time	882	11.99	546	7.42	1,428	19.41	1,387	19.27	1,340	19.52
Employment contracts[1]										
Temporary	492	6.69	509	6.92	1,001	13.60	949	13.19	858	12.50
Permanent	2,001	27.19	4,356	59.20	6,357	86.40	6,248	86.81	6,006	87.50
Other employees	**322**		**660**		**982**		**1,087**		**1,168**	
Trainees	156	–	110	–	266	–	246	–	237	–
Interns	26	–	10	–	36	–	27	–	35	–
Temporary workers	18	–	347	–	365	–	444	–	561	–
Workers in marginal employment	122	–	193	–	315	–	370	–	335	–
Total	**2,815**		**5,525**		**8,340**		**8,284**		**8,032**	
Employees on campus[2]					**32,250**		**32,250**		**29,560**	

FMG	2013						2012		2011	
	Women	Proportion %[3]	Men	Proportion %[3]	Total	Proportion %[3]	Total	Proportion %[3]	Total	Proportion %[3]
Total employees[1]	**792**	**19.79**	**3,211**	**80.21**	**4,003**	**100**	**4,011**	**100**	**3,967**	**100**
Full and part-time employees[1]										
Full time	514	12.84	2,896	72.35	3,410	85.19	3,425	85.39	3,364	84.80
Part time	278	6.94	315	7.87	593	14.81	586	14.61	603	15.20
Employment contracts[1]										
Temporary	26	0.65	67	1.67	93	2.32	109	2.72	75	1.89
Permanent	766	19.14	3,144	78.54	3,910	97.68	3,902	97.28	3,892	98.11
Other employees	**114**		**107**		**221**		**203**		**211**	
Trainees	86	–	64	–	150	–	138	–	135	–
Interns	22	–	9	–	31	–	22	–	33	–
Temporary workers	0	–	0	–	0	–	0	–	0	–
Workers in marginal employment	6	–	34	–	40	–	43	–	43	–
Total	**906**		**3,318**		**4,224**		**4,214**		**4,178**	

[1] At December 31: excluding trainees, workers in marginal employment, temporary workers and interns, including partial retirement-working and special leave phases
[2] Includes all companies based at Munich Airport. Data based on 2009 and 2012 workplace surveys.
[3] All percentages are relative to the total number of employees[1].

LA1,LA4 / Employees covered by collective bargaining agreements

	2013		2012		2011	
	Group	FMG	Group	FMG	Group	FMG
Total number of employees covered by collective bargaining agreements	**7,430**	**4,090**	**7,171**	**4,046**	**6,739**	**3,828**
Proportion %[1]	89.09	96.83	86.56	96.01	83.90	91.62

[1] All percentages are relative to the total number of employees including other employees.

LA13 / Age structure, gender

Group	2013						2012		2011	
	Women	Proportion %[2]	Men	Proportion %[2]	Total	Proportion %[2]	Total	Proportion %[2]	Total	Proportion %[2]
Age structure of employees[1]										
Under 30 years	562	7.64	605	8.22	1,167	15.86	1,165	16.19	1,069	15.58
30 to 50 years	1,467	19.94	2,733	37.14	4,200	57.08	4,062	56.44	4,011	58.43
Over 50 years	464	6.31	1,527	20.75	1,991	27.06	1,970	27.37	1,784	25.99
Total	**2,493**	**33.88**	**4,865**	**66.12**	**7,358**	**100**	**7,197**		**6,864**	

FMG	2013						2012		2011	
	Women	Proportion %[2]	Men	Proportion %[2]	Total	Proportion %[2]	Total	Proportion %[2]	Total	Proportion %[2]
Age structure of employees[1]										
Under 30 years	176	4.40	154	3.85	330	8.24	341	8.50	313	7.89
30 to 50 years	471	11.77	1,873	46.79	2,344	58.56	2,270	56.59	2,375	59.87
Over 50 years	145	3.62	1,184	29.58	1,329	33.20	1,400	34.90	1,279	32.24
Total	**792**	**19.79**	**3,211**	**80.21**	**4,003**	**100**	**4,011**		**3,967**	

[1] At December 31: excluding trainees, workers in marginal employment, temporary workers and interns
[2] All percentages are relative to the total number of employees[1].

LA13 / Managers[1]

Group	2013		2012		2011	
		Proportion %		Proportion %		Proportion %
Managers total[2]	**621**	**8.44[1]**	**564**	**7.84[1]**	**488**	**7.11[1]**
Women	149	2.03[1]	114	1.58[1]	74	1.08[1]
Men	472	6.41[1]	450	6.25[1]	414	6.03[1]
Age structure of managers						
Under 30 years	26	4.19[3]	22	3.90[3]	12	2.46[3]
30 to 50 years	349	56.20[3]	313	55.50[3]	287	58.81[3]
Over 50 years	246	39.61[3]	229	40.60[3]	189	38.73[3]

FMG	2013		2012		2011	
		Proportion %		Proportion %		Proportion %
Managers total	**377**	**9.42[1]**	**373**	**9.30[1]**	**364**	**9.28[1]**
Women	44	1.10[1]	45	1.12[1]	44	1.11[1]
Men	333	8.32[1]	328	8.18[1]	320	8.07[1]
Age structure of managers						
Under 30 years	7	1.86[3]	7	1.88[3]	3	0.82[3]
30 to 50 years	196	51.99[3]	182	48.79[3]	196	53.85[3]
Over 50 years	174	46.15[3]	184	49.33[3]	165	45.33[3]

[1] At December 31: Proportion of managers (up to 4th management level) in the total number of employees
[2] Including partial retirement-working and special leave phases
[3] Proportion of managers relative to the total number of employees

LA15 / Parental leave taken[1),2)]

Group	2013			2012	2011
	Women	Men	Total	Total	Total
Parental leave taken	99	48	**147**	**193**	**169**
Part-time parental leave taken	21	7	**28**	**19**	**29**

FMG	2013			2012	2011
	Women	Men	Total	Total	Total
Parental leave taken	17	37	**54**	**87**	**76**
Part-time parental leave taken	17	4	**21**	**11**	**15**

[1)]Entitlement to parental leave is governed by Germany's Parental Benefit and Parental Leave Act. Excluding trainees, workers in marginal employment, excluding temporary workers and interns
[2)]Number of employees, who have taken parental leave in the year concerned.

LA15 / Carer leave taken[1),2)]

Group	2013			2012
	Women	Men	Total	Total
Short-term leave up to 10 days	0	0	**0**	**0**
Long-term leave up to 6 months	0	3	**3**	**3**

FMG	2013			2012
	Women	Men	Total	Total
Short-term leave up to 10 days	0	0	**0**	**0**
Long-term leave up to 6 months	0	2	**2**	**3**

[1)]Entitlement to care leave is governed by Germany's Care Leave Act. Excluding trainees, workers in marginal employment, excluding temporary workers and interns
Figures for employees who began parental leave in the relevant reporting year.
[2)]Start of care leave in the relevant reporting year.

LA2 / Employee turnover[1)]

Group	2013				2012		2011	
	Starters	Proportion %[2)]	Leavers	Proportion %[2)]	Starters	Leavers	Starters	Leavers
Starters and leavers by age group								
Under 30 years	468	54.48	300	44.91	509	339	515	422
30 to 50 years	322	37.49	240	35.93	395	263	389	349
Over 50 years	69	8.03	128	19.16	74	133	57	207
Total	**859**	**100**	**668**	**100**	**978**	**735**	**961**	**978**
Starters and leavers by gender								
Male	459	53,43	373	55,84	536	386	457	610
Female	400	46,57	295	44,16	442	349	504	368

FMG	2013				2012		2011	
	Starters	Proportion %[2)]	Leavers	Proportion %[2)]	Starters	Leavers	Starters	Leavers
Starters and leavers by age group								
Under 30 years	89	53,29	53	29,12	114	60	81	114
30 to 50 years	69	41,32	55	30,22	74	58	54	165
Over 50 years	9	5,39	74	40,66	6	72	13	166
Total	**167**	**100**	**182**	**100**	**194**	**190**	**148**	**445**
Starters and leavers by gender								
Male	109	65,27	139	76,37	121	143	93	367
Female	58	34,73	43	23,63	73	47	55	78

[1)]Including trainees, workers in marginal employment, excluding temporary workers and interns
[2)]All percentages relate to the total number of starting or leaving employees[1)].

LA2 / Average turnover rate[1]

	2013		2012		2011	
in %	Group	FMG	Group	FMG	Group	FMG
Average turnover rate	9.15	4.41	8.66	4.60	13.77	10.85

[1] The mean turnover rate reflects the ratio of leavers to the mean number of employees for the year in question (including trainees, excluding workers in marginal employment, temporary workers and interns).

LA10 / Average training hours[1),2)]

	2013		2012		2011	
	Group	FMG	Group	FMG	Group	FMG
Average training hours per employee	**12.45**	**7.93**	**12.94[3)]**	**12.94**	**16.83[3)]**	**8.95**
Per male employee	12.85	8.56	–[4)]	14.33	–[4)]	9.23
Per female employee	9.59	5.41	–[4)]	9.16	–[4)]	7.73
Per manager	15.15	11.70	–[4)]	18.30	–[4)]	13.06
Per employee (without supervisory role)	15.58	7.54	–[4)]	11.94	–[4)]	8.53

[1] At December 31: excluding trainees, workers in marginal employment, temporary workers and interns
[2] Average hours of training and seminars per worker; only employees per footnote 1; excluding aviation security training
[3] Figures for all majority-owned subsidiaries, excluding T2 BG (consolidation not completed within reporting period)
[4] Data not yet fully compiled.

LA7 / Health and safety[1]

Group	2013	2012	2011
Total			
Accident statistics[2]			
Reportable occupational and commuting accidents	289	293	246
Total resulting days of absence (calendar days from first day)	5,581	4,608	4,852
Fatal occupational accidents	0	0	0
Rate per 1,000 workers[3]	34.20	35.00	–

FMG	2013	2012	2011
Total			
Accident statistics[2]			
Reportable occupational and commuting accidents	125	133	139
Total resulting days of absence (calendar days from first day)	2,744	2,392	3,564
Fatal occupational accidents	0	0	0
Rate per 1,000 workers[3]	29.94	32.00	35.00

[1] Including trainees, workers in marginal employment, excluding temporary workers and interns
[2] Injuries requiring first aid are recorded when employees attend Munich Airport's medical center.
[3] Reportable accidents x 1.000 ÷ mean number of employees[1] in the respective year.

LA7 / Sick leave

Group	2013			2012	2011
	Women	Men	Total	Total	Total
Reported occupational illnesses[1]	3	6	9	4	3
Sick leave rate in %[2]	–[3]	–[3]	5.51	7.06	6.63

FMG	2013			2012	2011
	Women	Men	Total	Total	Total
Reported occupational illnesses[1]	2	5	7	4	3
Sick leave rate in %[2]	5.22	7.94	7.42	7.41	7.54

[1] Including trainees, workers in marginal employment, excluding temporary workers and interns
[2] Hours off sick in relation to planned working hours, including rehabilitation, therapy programs, treatment etc. Relates to total workforce[1].
[3] Data not yet fully compiled.

LA13 / Employees with disabilities[1]

Group	2013	2012	2011
Total			
Number of employees with limiting disabilities	585	570	567
Employees with severe disabilities in %	7.96	7.93	8.26

FMG	2013	2012	2011
Total			
Number of employees with limiting disabilities	467	459	456
Employees with severe disabilities in %	11.67	11.12	11.50

[1] As per Book IX of the Social Security Code

LA13 / Nationalities[1]

Group	2013				2012		2011	
	Women	Men	Total	Proportion % [2]	Total	Proportion % [2]	Total	Proportion % [2]
Employee nationalities (overall picture)			7,624					
German nationals	2,226	4,180	6,406	84.02	6,310	84.77	6,027	84.88
Foreign nationals	421	797	1,218	15.98	1,134	15.23	1,074	15.12
Employee nationalities								
Turkey	34	381	415	5.44	428	5.75	400	5.63
Austria	21	36	57	0.75	61	0.82	57	0.80
Italy	25	59	84	0.75	75	1.01	67	0.94
Greece	16	32	48	0.63	36	0.48	26	0.37
Kosovo	8	32	40	0.52	36	0.48	26	0.37
Romania[3]	22	11	33	0.43	–	–	–	–
Bulgaria[3]	7	7	14	0.18	–	–	–	–
Bosnia and Herzegovina	5	10	15	0.20	19	0.26	13	0.18
USA	4	6	10	0.13	17	0.23	11	0.15
United Kingdom	8	13	21	0.28	17	0.23	15	0.21
Africa	11	37	48	0.63	51	0.69	40	0.56
Other nationalities	260	173	433	5.68	394	5.29	419	5.90

FMG	2013				2012		2011	
	Women	Men	Total	Proportion % [2]	Total	Proportion % [2]	Total	Proportion % [2]
Employee nationalities (overall picture)			4,153					
German nationals	828	2,861	3,689	88.83	3,678	88.65	3,621	88.27
Foreign nationals	50	414	464	11.17	471	11.35	481	11.73
Employee nationalities								
Turkey	1	286	287	6.91	296	7.13	303	7.39
Austria	7	22	29	0.70	30	0.72	35	0.85
Italy	7	23	30	0.72	30	0.72	31	0.76
Greece	3	12	15	0.36	15	0.36	13	0.32
Kosovo	0	10	10	0.24	11	0.27	10	0.24
Romania[3]	0	0	0	0.00	–	–	–	–
Bulgaria[3]	2	1	3	0.07	–	–	–	–
Bosnia and Herzegovina	0	6	6	0.14	6	0.14	7	0.17
USA	2	4	6	0.14	6	0.14	6	0.15
United Kingdom	1	4	5	0.12	5	0.12	5	0.12
Africa	0	9	9	0.22	9	0.22	9	0.22
Other nationalities	27	37	64	1.54	63	1.52	62	1.51

[1] At December 31: Including trainees, workers in marginal employment, excluding temporary workers and interns
[2] All percentages are relative to the total number of employees[1].
[3] Countries newly incorporated in the survey

LA1, LA2, EC7 / Employees' areas of residence[1),2)]

	2013				2012		2011	
	Group	Proportion %[3)]	FMG	Proportion %[3)]	Group	FMG	Group	FMG
Freising	1,857	24.36	798	19.22	1,622	791	1,606	744
Erding	1,696	22.25	1,044	25.14	1,619	1,040	1,669	1,026
Munich	1,486	19.49	687	16.54	1,282	697	1,304	678
Landshut	1,056	13.85	635	15.29	985	631	1,001	592
Pfaffenhofen	126	1.65	83	2.00	124	80	110	79
Other districts	1,403	18.40	906	21.82	1,811	910	1,411	983
Total	**7,624**		**4,153**		**7,443**	**4,149**	**7,101**	**4,102**

[1)]Resident in administrative district at December 31; including trainees, workers in marginal employment, excluding temporary workers and interns
[2)]Number of employees residing in the particular district
[3)]All percentages are relative to the total number of employees[1)].

EN1, EN2, AO6 / Materials used: deicing agent[1)]

	2012/2013	2011/2012	2010/2011	2009/2010
Apron deicer in t[2)]	5,251	2,600	4,443	4,296
Aircraft deicer (Safewing Type I) in m^3	7,762	4,020	5,629	6,237
Aircraft deicer (Safewing Type IV) in m^3	2,215	1,080	1,512	1,613
Recycling rate of deicer type I in %	71	67	65	69
Number of days winter operations	72	50	63	71

[1)]Seasonal database
[2)]Liquid potassium formate and sodium formate granules

The company responsible for deicing operations at Munich Airport, EFM - Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH, uses glycol-based deicer, sprayed by deicing vehicles, to clear ice from aircraft.

Low viscosity Type I deicer is mixed with water in a ratio of 55 : 45. It is heated to 85°C before application to the aircraft. Type IV deicer contains thickening agents making it viscous. It is sprayed on cold and undiluted.

Deicer applied to aircraft at deicing points drains, together with melted ice and snow, through slit gutters into underground collecting tanks. Trucks are used to transport this mixture to the recycling plant where it is cleaned in a number of mechanical and chemical stages and then distilled. This process produces the glycol-containing substance on which the deicer is based and to which additives are added to once again create Type 1 deicer. Following lab tests and manufacturer approval, the deicer can be used again. The recycling rates, achieved using this process were 71 percent in the past season 2012/2013.

EN1, EN3, EN4, EN16, EN17, EN29 / Energy consumption and emissions[1]

	2013			2012			2011		
	GJ	MWh	CO_2 (t)	GJ	MWh	CO_2 (t)	GJ	MWh	CO_2 (t)
Scope 1 Direct energy consumption/emissions									
Natural gas gas/diesel generating sets CHPP[2]	55,345	199,242	39,665	50,385	181,387	36,084	48,185	173,465	34,727
Natural gas gas/gasoline generating sets CHPP[2]	33,970	122,292	24,346	33,846	121,844	24,239	34,171	123,015	24,627
Natural gas boiler plant	655	2,359	470	524	1,888	376	644	2,318	464
Fuel oil gas/diesel gensets	6,051	21,782	5,811	6,242	22,470	5,986	5,667	20,401	5,435
Fuel oil boiler plant	8	29	8	10	35	9	9	34	9
LPG	312	1,122	261	308	1,110	259	309	1,112	259
Fuel oil emergency gensets	105	377	101	189	680	181	106	381	101
Natural gas consumption EFM[3]	1,114	4,010	798	931	3,351	667	772	2,780	556
Diesel and gasoline	12,399	44,636	11,894	12,812	46,124	12,257	12,758	45,929	12,181
Total scope 1	**109,958**	**395,849**	**83,353**	**105,247**	**378,889**	**80,058**	**102,621**	**369,434**	**78,361**
Scope 2 Indirect energy consumption/emissions									
Purchased power[4]	24,676	88,832	53,388	26,965	97,073	54,943	27,739	99,859	56,221
Purchased heat[5]	10,023	36,083	3,843	11,052	39,787	4,237	9,011	32,438	3,455
Purchased natural gas[6]	655	2,357	469	451	1,624	323	402	1 448	290
Power supplied to outside companies[7]	–16,537	–59,532	–35,779	–16,231	–58,433	–33,073	–17,540	–63,143	–35,550
Heat supplied to outside companies	–12,330	–44,388	–8,232	–11,583	–41,700	–7,507	–10,433	–37,559	–6,942
Cooling supplied to outside companies	–839	–3,019	–362	–846	–3,047	–344	–827	–2,978	–336
Natural gas supplied to outside companies	–655	–2,357	–469	–451	–1,624	–323	–402	–1,448	–290
Purchased power transmitted[8]	1,832	6,596	3,964	1,793	6,456	3,654	1,497	5,391	3,035
Total scope 2	[9]	[9]	**16,822**	[9]	[9]	**21,910**	[9]	[9]	**19,883**
Scope 3 other indirect energy consumption/ emissions (by third parties)	[12]	[12]		[12]	[12]				
Electrical energy purchases of outside companies	–	–	35,779	–	–	33,073			
Heat purchases of outside companies	–	–	8,232	–	–	7,507			
Cooling purchases of outside companies	–	–	362	–	–	344			
Natural gas purchases of outside companies	–	–	469	–	–	323			
Fuels for outside companies	–	–	7,458	–	–	7,338			
Subtotal	**–**	**–**	**52,301**	**–**	**–**	**48,585**			
Total annual CO_2 emissions open to influence[13]	**–**	**–**	**152,476**	**–**	**–**	**150,553**			
Air traffic (LTO cycle [10])									
Take-off	–	–	48,838	–	–	48,552			
Climb out	–	–	85,020	–	–	84,825			
Idle	–	–	150,354	–	–	151,860			
Approach	–	–	101,901	–	–	102,071			
APU[11]	–	–	40,129	–	–	38,828			
Engine test runs	–	–	1,400	–	–	1,056			
Public vehicles (commuters, passengers, through traffic)	–	–	39,732	–	–	38,082			
Total scope 3			**519,675**			**513,859**			

[1] Data accounting in accordance with GHG Protocol. Heat values and emissions factors subject to emissions trading are recorded in accordance with German Emissions Trading Authority (DEHSt) guidelines. Other figures, in particular those for purchased power and heat, are taken from Federal Environment Agency (UBA) publications.
[2] CHPP: Combined heat and power plant
[3] EFM: Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH (company responsible for deicing at Munich Airport)
[4] 24.3 percent power from renewable energies (as at 2012 Section 42 of German Energy Industry Act)
[5] 50 % remote heat from biomass
[6] No renewable energies, solely natural gas purchases (baseline year 2012)
[7] Power supply to outside companies including the quantity transmitted to outside companies
[8] Total power transmitted to outside companies and subsidiaries. The same specific emissions factors are used, that are applied to purchased power.
[9] For physical reasons it does not make sense to add heat, cooling energy and electrical power.
[10] Landing-and-Take-off-Cycle: All emissions caused by aircraft below 3,000 feet (914 meter) are included in the calculation.
[11] Auxiliary power unit
[12] No data because values cannot be specified for all items.
[13] Sum from scope 1, scope 2 and subtotal scope 3
This value is the comparison value for the reference point value taken from the 2005 baseline year of 160,000 tonnes.
In spite of the expansion plans and the growth to be expected, the CO_2 reference point value must not be exceeded.

→ Glossary

EN7, EN18, EN26 / CO_2 monitoring and CO_2 footprint

The CO_2 footprint was determined in line with the internationally acknowledged Greenhouse Gas Protocol (GHG Protocol), which groups sources of emissions into three scopes:

- **Scope 1** comprises direct emissions caused by in-house produced energy.
- **Scope 2** covers indirect emissions caused by energy purchased to meet internal requirements.
- **Scope 3** relates to emissions caused by third parties. Where in this respect a differentiation must be made between emissions that are still open to influence and those that cannot be be influenced or only with great difficulty.

Essentially, this means keeping the CO_2 emissions that FMG as an organization can directly control to a level of around 160,000 tonnes a year (the reference point volume in 2005, the baseline year), in spite of expansion plans and the traffic growth expected by 2020. Without systematic efforts, our additional emissions would in all probability come in at between 50,000 and 80,000 tonnes of extra carbon dioxide by 2020, i.e. the CO_2 emissions open to influence would increase to a value of about 210,000 to 240,000 tonnes.

FMG likewise tries to reduce difficult to influence emissions or those not open to influence, such as those caused by airlines or public transport, in that it is working towards expansion of rail connections to the airport or in that it influences emissions through the application of emissions-linked landing fees.

The carbon database is the main CO_2 management tool for reporting, control, and tracking.

EN6, EN16, EN18 / District heat

Munich Airport currently produces around 75 percent of its annual heat requirement itself in the CHP plant. Except for a minimum quantity supplied by peak boilers, the airport meets the remainder of its heating needs by purchasing district heat, from a utility company in Freising. Since early 2011, 50 percent of the district heat – roughly 15 gigawatt hours (GWh) – has been generated by a biomass thermal power plant in the town of Zolling. This procurement is secured by a long-term supply option for the coming years. This biomass-generated district heat is renewable and climate neutral. Based on this energy strategy carbon dioxide emissions are sustainably reduced by 3,500 tonnes a year.

EN17, EN29 / Other greenhouse gases

	CO_2 equivalent in t		
	2013	**2012**	**2011**
CH_4 – air traffic (LTO-cycle[1])	675	678	509
N_2O – air traffic (LTO-cycle[1])	3143	3.232	3.278
CH_4 – feeder traffic[2]	5	5	6
N_2O – feeder traffic[2]	370	326	341
CH_4 – APU[3]	70[4]	68[4]	86[4]
N_2O – APU[3]	327[4]	324[4]	330[4]
CH_4 – engine test runs	2[4]	2[4]	2[4]
N_2O – engine test runs	11[4]	9[4]	10[4]

[1] LTO cycle (landing-and-take-off-cycle): All air traffic landing and taking off at Munich Airport at altitudes less than 3,000 feet (914 meters)
[2] Feeder traffic includes all traffic arising from passengers, visitors and employees.
[3] APU (Auxiliary Power Unit)
[4] Estimated figures

→ Glossary

EN17, EN19 / Other greenhouse gases and ozone depleting substances

	2013				2012				2011			
Refrigerant in cooling units	Refrigerant	Leakage quantity kg[1]	GWP (kg/kg)[2]	CO_2 (t)	Refrigerant	Leakage quantity kg[1]	GWP (kg/kg)[2]	CO_2 (t)	Refrigerant	Leakage quantity kg[1]	GWP (kg/kg)[2]	CO_2 (t)
Small refrigerators in buildings	Ozone depleting R 22	24.0	1,700	41	Ozone depleting R 22	12.4	1,700	21	Ozone depleting R 22	51.5	1,700	88
Small refrigerators in buildings	R 134a	0.0	1,300	0	R 134a	58.6	1,300	76	R134 A	0.0	1,300	0
Small refrigerators in buildings	R 422D	0.0	2,623	0	R 422D	0	2,623	0	R 422D	6.5	2,623	17
Small refrigerators in buildings	R 410A	1.1	1,975	2	R 410A	0.0	1,975	0	R410A	0.0	1,975	0
Small refrigerators in buildings	R 407C	21.1	1,652	35	R 407C	33.95	1,652	56	R 407C	2.9	1,652	5
Mobile systems (vehicle aircon units)	R 134a	47.8	1,300	62	R 134a	63.05	1,300	82	R 134a	46.9	1,300	61
Central turbo chillers	R 134a	0.0	1,300	0	R 134a	0	1,300	0	R 134a	0.0	1,300	0
Total				**140**				**235**				**171**

[1] Weight loss due to evaporation or seepage from a leak
[2] Global Warming Potential

EN20, A05 / Measured pollutant concentrations[1]

in µg/m³	Current legal value	2013	2012	2011
NO_2 concentration (nitrogen dioxide)	40	24	24	31
SO_2 concentration (sulfur dioxide)[2]	20	3	3	3
PM_{10} concentration (particulate matter)	40	16	16	18
$PM_{2.5}$ concentration[3]	25	13	12	16

[1] Annual average values (target value)
[2] There is no annual limit for SO_2 for human health, but there is for the protection of vegetation. Strictly, this limit applies only outside major urban centers or transport facilities. As long as this limit value is so clearly undercut, as is currently the case, the limit represents a worst-case estimate.
[3] Limit only comes into force in 2015

→ Chapter Environmental and climate protection see page 92

EN20, EN29, A05 / Air pollutant emissions

↗ Web munich-airport.com/air

in t	2013	2012	2011
NO_x – air traffic (LTO cycle[1])	1,326.2	1,491.0	1,374.6
NO_x – feeder traffic[2]	107.9	100.0	112.9
SO_x – air traffic (LTO cycle)	97.9	98.2	99.7
SO_x – feeder traffic	0.2	0.2	0.2
PM_{10} – air traffic (LTO cycle)	12.0	12.4	13.0
PM_{10} – feeder traffic	2.3	2.4	2.8

[1] LTO cycle (landing-and-take-off-cycle): All air traffic landing and taking off at Munich Airport at altitudes less than 3,000 feet (914 meters)
[2] Feeder traffic includes all traffic arising from passengers, visitors and employees.

Pollution sources at the airport

The main sources of pollution at the airport are vehicles and aircraft.

Where vehicle pollutants are concerned, approximately half originates from public traffic (both landside and airside) (employees, passengers, visitors, freight), the remainder originates from operational vehicles (land and airside) (e. g. apron buses, baggage vehicles, aircraft tractors).

Aircraft cause pollutants in the various operating phases of the landing-and-take-off-cycle (LTO), during operating of APUs or ground power units (GPU) and during engine test runs.

Likewise, heating plant, power supply facilities and fuel storage tanks emit pollutants.

Pollution constituents

The combustion of kerosine in aircraft engines gives rise to water vapour (H_2O), carbon dioxide (CO_2), sulfur dioxide (SO_2), nitrogen oxide (NO_x), carbon monoxide (CO), unburned hydrocarbons, soot and particulates (PM_{10}).

Approximately three quarters of the carbon dioxide and nitrogen oxide quantities produced at the airport can be traced back to air traffic.

Alongside air traffic, the following sources contribute to pollution:

- Operation of APUs and GPUs
- Engine test runs
- Operation of service equipment on the apron (e. g. aircraft tractors)
- Landside vehicle traffic including car parks (employees, passengers, visitors, freight)
- Airside vehicle traffic (e. g. follow-me vehicles)
- Power plants (supply of electricity, heat and cooling energy)

EN8 / Total freshwater consumption[1)]

	2013	2012	2011
Water purchased from utility in m³	1,000,558	942,607	901,618
Water consumption per workload unit in l	24.1	22.9	22.2

[1)]Includes all companies on the campus.

EN8, EN9 / Water sources

Munich Airport sources its potable water from the Moosrain water utility company, which extracts it from the tertiary strata via six water wells at depths of between 94 and 160 meters. The water wells are located in water protection areas at »Obere Point« (surface area 33 ha) and »Oberdingermoos« (surface area 36 ha) in the Oberding municipality.

EN21 / Total wastewater discharge [1),2)]

	2013	2012	2011
Total wastewater discharged from Munich Airport to sewage treatment plant in m³	2,464,802	2,474,845	2,265,382
Water consumption per workload unit (WLU) in l	59.5	60.2	55.7

[1)]Includes all companies on the campus.
[2)]Wastewater discharged into the treatment facility comprises domestic wastewater, deicing water and rainwater.

A04 / Quality of storm water

Storm water on paved areas of Munich Airport, is collected, treated, and managed in different ways, depending on the areas the water is found (for example, flight operation areas such as taxi runways or apron, parking areas or buildings) and the differing pollutants associated with them. Drainage in some cases is still mixed, but is predominately carried out in a modified separation system. Storm water from the mixed system is brought together with the wastewater to the treatment plant for further treatment. The storm water occurring in the separating system is collected separately, fed into treatment, and then trickles away or is fed into surface bodies of water of the airport. Storm water mixed in winter with deicing agents for aircraft and surfaces enters into a deicing wastewater pond system and from there is dosed into the central treatment plant. Only in the area of the taxiways does storm water containing deicing agents trickle after a pretreatment in a filter system (underground degrading system) directly in the green area next to the runways. In addition, small quantities of deicing agents can be carried by the wind to the green areas bordering flight operation areas in winter operation and from there enter the groundwater along with storm water. To prevent this, ground filters have been under construction in the green areas around the runway heads since June 2012. They consist of underground storage areas filled with gravel and sealed at the bottom. After measuring its quality (TOC or total organic carbon content), the water flowing out of the storage spaces is channeled either into the deicing wastewater system or into a surface body of water, depending on its content.

EN10 / Wastewater discharge

Purification of the domestic wastewater, deicing and, to some extent, rainwater (mixed system) takes place in the Eitting sewage treatment plant which is operated by »the Erdinger Moos sewage treatment association« of which FMG is a member. Rainwater from paved surfaces is caught separately and allowed to soak away through filtration systems or, after treatment in storm water sedimentation tanks, fed into above ground water courses.

Aircraft must be cleaned regularly for safety reasons. The wastewater resulting from cleaning may be contaminated with detergents, oil, kerosene and heavy metals. This wastewater is collected, pretreated in an aircraft wash water pretreatment system at the airport, and is then fed into the public sewerage system of the Erdinger Moos sewage treatment association. Regular quality controls ensure that monitoring values established by governmental authorities are complied with.

EN 25 / Water samples

Under the provisions of the zoning approval and in order to secure quantitative evidence of groundwater, Munich Airport is required to determine the weekly levels at 320 groundwater and 16 surface water measurement stations. The qualitative examination of the groundwater takes place at 18 groundwater and 14 surface water measurement stations. In addition, Munich Airport operates other measurement stations for bodies of water, for example in order to document the underground degrading system or to obtain construction water.

EN22, EN24, EN27 / Reclaimed material/waste and disposal method

in t	2013	2012	2011	Change in % 2011/2012	Disposal and reuse/recycling
Waste from aircraft cabin cleaning[1]	–	–	–		
Waste for disposal/prohibited liquids (terminal areas)	179	181	212	-1.10	Munich North thermal power plant (energy recovery)
Waste for disposal from buildings[2]	533	567	504	-6.00	
Recycling					
Plastic, paper, cardboard from aircraft[3]	0	0	273	-	Sorting plant and paper factory in Munich/Schrobenhausen (wastepaper recycling)
Plastic, paper, cardboard from buildings	1,589	1,571	1,606	1.15	
Mixed reclaimed materials/waste for recycling from buildings	2,981	2,929	2,878	1.78	Sorting facilities/specialist recycling operators in Eitting, Schwaig and Munich (recycling of secondary raw materials)
Mixed glass	169	181	130	-6.63	
Wood	267	263	304	1.52	
Bulk waste	400	266	319	50.38	
Scrap metal[4]	286	204	72	40.20	
Remaining materials (e.g. plastic film, expanded polystyrene etc.)	111	194	61	-42.78	
Food waste[5]	836	893	827	-6.38	Biogas plant (energy recovery)
Building waste/rubble[6]	1,026	1,125	448	-8.80	Recycling/disposal operators and hazardous waste specialists in Munich and Ebenhausen (energy recovery from secondary fuels, recycling)
Other waste (FMG fraction only, of which subject to ADR[7] rules): 254 t	310	314	319	-1.27	
Other hazardous waste (FMG fraction only)	260	202	523	28.71	
Total amount	**8,947**	**8,890**	**8,475**	**0.64**	

[1] Disposal is no longer FMG's responsibility. It was outsourced on January 1, 2011, to a specialist contractor working on behalf of an animal carcass disposal company in Erding.
[2] Classed in part as mixed reclaimable materials/waste for recycling due to high quality of content
[3] Disposal no longer performed by FMG. From April 2011, disposal outsourced to specialist operator
[4] From reporting year 2013 displayed separately (previously under Remaining materials)
[5] Excluding Allresto (exception in Terminal 2)
[6] Only includes amounts disposed of by FMG. Increase 2011/2012 due to increase refurbishment and conversion work (e.g. of shops, washrooms).
[7] ADR = European agreement on the transport by road of hazardous goods, including in particular regulations in respect of packaging, cargo shift protection and labeling

EN24 / Hazardous goods

Operations at Munich Airport involve a number of substances that are harmful to the environment and water; these must be labeled as hazardous goods and transported off site. In the 2013 reporting year, a total of 254 tonnes of designated hazardous goods (prior year: around 167 tonnes) were transported away for disposal. Checks on the vehicles used for transporting the hazardous goods substantiated their proper condition as well as operating and traffic safety. Employee training on the handling of hazardous goods is held at regular intervals in accordance with legal regulations.

EN22, EN26 / Waste management

In June 2012, the new German Waste Management and Product Recycling Act (KrWG) replaced the 1994 law. This implemented the EU Waste Framework Directive (Directive 2008/98/EC) in German law, with the German waste law undergoing comprehensive modernization.

The primary goal of waste management at Munich Airport is to avoid generating waste so that under internal procurement guidelines, products purchased must satisfy both ecological and economic criteria, be as environmentally friendly as possible and have a long service life. Two other important pillars are waste reduction and recycling. Only waste that cannot be recycled or processed for energy recovery is sent for permanent, environmentally compatible disposal.

A basic requirement in recycling is strict separation of recoverable fractions from waste. On the airport campus, this is carried out by specially trained staff in a total of six recycling stations. Certified transport or disposal operations then transport the materials separately for further processing. The greater part of all recyclable material and waste is generated by the companies located at the airport. Specific advice and appropriate disposal concepts are in place to guide these companies towards collecting recyclables and waste so that it is pre-separated. Ongoing optimization of logistics, for example through maximizing container loads and short transport paths, helps to reduce harmful emissions such as CO_2.

Munich Airport operates as a service provider, collecting waste and recoverable materials from tenants, leaseholders, airlines and other organizations on campus for recycling and energy recovery.

Waste resulting from the cleaning of aircraft cabins is disposed off by a waste management company, in accordance with EC regulation[1] 1069/2009, in the Munich North combined waste incineration and thermal power plant.

A07, EN29, S09 / Measured noise levels[1]

	2013		2012		2011	
in dB(A)	Night	Day	Night	Day	Night	Day
Brandstadel	49	58	47	58	47	58
Pallhausen	43	55	43	55	42	55
Reisen	49	55	50	56	50	56
Viehlaßmoos	44	55	44	55	43	56

[1] Leq3 continuous sound level in dB(A) for the six busiest months at four aircraft noise measuring stations situated on each of the main flight paths

Since the enactment of new aviation noise legislation in Germany on June 7, 2007, the key measurement applied in assessing aviation noise exposure has been the energy-equivalent continuous sound level Leq3 during the day and at night. Exposure assessments also take the nighttime noise level frequency into account. Due to flight path variations, changes to departure routes, changes in route usage and differences in operating times on account of closures (due to extreme weather or technical problems, for example), the figures for different years are not directly comparable.

→ Glossary

A07 / Population growth in neighboring communities[1]

Number of residents	2012	2011	Change in % 2011/2012	2010
Freising (District of Freising)	45,227	45,368	–0.31	45,223
Marzling (District of Freising)	3,031	3,168	–4.32	3,099
Oberding (District of Erding)	5,695	5,566	2.32	5,384
Hallbergmoos (District of Freising)	9,765	9,554	2.21	9,266

[1] At December 31. Source: Bayerisches Landesamt für Statistik und Datenverwaltung (Bavarian State Office for Statistics and Data Management). Figures for 2013 were not available at the time of going to press.

2.8, EN11, EN13 / Airport area and green areas beyond the perimeter fence

in ha	2013	2012	2011
Additional green areas in total	**728**	**720**	**700**
Compensatory mitigation areas, zone III	353	353	350
Airport periphery, zone II	250	250	250
Ecological land reserve for future expansion measures	125	117	100

EN11, EN12, EN13, EN14, EN15 / Compensatory mitigation areas

Compensatory mitigation areas, zone III: In what is referred to as zone III in the airport's peripheral area, Flughafen München GmbH currently maintains 353 hectares of sites with ecological compensatory mitigation. Of these, there are seven hectares in the »Oberdingermoos« conservation area, a further 49 hectares in the nature preserves of Freising and Erding, and 75 hectares in the »Freisinger Moos« and »Nördliches Erdinger Moos« bird reserves.

Airport periphery, zone II: The peripheral zone, zone II, comprising over 250 hectares serves as a green belt to integrate the airport into the landscape; it contains copses and hedgerows, meadows and pasture land, and a number of man-made watercourses, including the airport's south and east containment ditches, north diversion ditch, and north receiving ditch. Much of the airport's peripheral zone forms part of the »Nördliches Erdinger Moos« bird reserve.

Ecological land reserve for future expansion measures: As part of an environmental land project, or ecopool, 125 hectares of already created sites are being reserved, which will serve as compensatory mitigation measures for future construction projects. These too are distributed within the already mentioned conservation areas. The suitability of these areas for nature conservation has been confirmed by the conservation authorities.

[1] Regulation (EC) 1069/2009 Disposal of animal by-products of 21 October 2009 (Official Journal of the EU L300)

/Report profile

Contents and structure of the report

»Perspectives 2013« is Flughafen München GmbH's fourth integrated report.

Quick to recognize the value of integrated corporate reporting as a means of presenting a more all-encompassing picture of an organization's performance, Flughafen München GmbH took part in a worldwide pilot project initiated by the International Integrated Reporting Council (IIRC). The IIRC recommends a principle-based approach to reporting, which Munich Airport is systematically following. For the first time, »Perspectives 2013« contains an IIRC index that shows how Munich Airport covers the principles and content elements of the IR framework concept that was published in December 2013.

→ See IIRC index on page 206

→ Glossary

The contents of the integrated report are derived from a survey-based sustainability matrix, the sustainability program and measures implemented, as well as data on the financial and economic development of the company. Besides detailing our integrated corporate strategy, our diverse businesses and service portfolio, the report focuses on our plans to expand the airport's infrastructure and on the efforts undertaken by Munich Airport to engage with its local communities and wider surrounding region, to advance and retain employees, to protect the environment and to combat climate change. Other elements of the integrated report include our consolidated financial statements and management report and key performance indicators for all three of our sustainability focus areas.

→ See materiality matrix in chapter 1/page 32

→ See sustainability indicators on page 182

The report follows Global Reporting Initiative (GRI) Version G3.1 guidelines and the sector supplements for airports. It covers all core indicators, plus additional indicators where relevant and applicable. The GRI index contains page references for all the individual GRI indicators covered in the report. »Perspectives 2013« complies with Application Level A+ of the GRI guidelines. The GRI has reviewed the report to verify that it conforms to their guidelines and has confirmed that the report is a complete and correct implementation at level A+.

→ Glossary

→ See GRI index on page 198

The information provided on the FMG Group's financial position, financial performance and cash flows are based on the requirements of the International Accounting Standards Board and the International Financial Reporting Standards Interpretations Committee and by the International Financial Reporting Standards and Interpretations adopted into European law, as well as the additional regulations to be applied pursuant to Section 315a, paragraph 1 of the German Commercial Code (HGB). The 2013 management report was prepared in accordance with the requirements of the German Accounting Standards DRS 20 for the first time.

The information in the financial review was audited by the firm Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft in accordance with Section 317 of the German Commercial Code (HGB) and with principles for the auditing of financial statements defined by the Institute of Public Auditors in Germany (IDW). The audit was completed on April 24, 2014, and the financial statements were approved without reservations.

Limits of scope

The period reviewed is the 2013 financial year (January 1 to December 31, 2013). The data presented relates to this reporting period or to the status at the end of said period. Where information relates to other periods, this is indicated accordingly. The integrated report is an annual publication.

Unless noted otherwise, the indicators and information in this report relate to the entire Group, including the majority-owned investments. In instances where only information for Flughafen München GmbH was available, it was used as a basis and this is indicated accordingly.

All of the statements in this report that are not based on historical information are forward-looking. They take into account risks and uncertainties but not any future changes in global economic conditions, legal requirements, market conditions, competitors' activities or other factors beyond the influence and control of FMG.

Due to the broad scope of the commitment and activity of FMG, it is not possible for all activities to be fully depicted in this printed report. Other topics are therefore treated in our environmental statements, or their abridged versions (according to EMAS-VO), and in numerous other publications. Moreover, the Munich Airport website contains further information, studies and findings.

Data collection and calculation methods

All of the information and figures presented in this report were prepared and collected by the relevant organizational units for the reporting period using representative methods.

Human resources data included in the coverage of our social and environmental performance is collected and evaluated primarily in an electronic HR management system. Environmental data is recorded systematically in our environmental management system according to EMAS-VO and DIN EN ISO 14001 standards and is subject to external validation by a certified environmental auditor. Carbon emissions are calculated as per the specifications of the Greenhouse Gas Protocol (GHG). Heat values and emissions factors subject to emissions trading are recorded in accordance with German Emissions Trading Authority (DEHSt) guidelines. Other figures, in particular those for purchased power and heat, are taken from Federal Environment Agency (UBA) publications.

Certification

I, Dr. Reiner Beer, an accredited environmental auditor (DE-V-0007), confirm that the contents of Flughafen München GmbH's 2013 integrated report present an accurate picture of the organization and its activities in accordance with Global Reporting Initiative (GRI) G3.1 reporting standards and the sector supplement for airports. I also confirm that the information and figures contained in the 2013 annual report have been reviewed and are reliable. The review was conducted on the basis of Flughafen München GmbH's 2013 sustainability and annual report. The scope of the review, as carried out by Intechnica Cert GmbH, encompasses all of the topics covered in the 2013 sustainability and annual report. The scope of the review did not include the examination of the data contained in the consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB), which were reviewed by its appointed financial auditors, Deloitte & Touche GmbH, and approved on April 24, 2014.

Munich, May 28, 2014

Dr. Reiner Beer
Environmental audit organization
Intechnica Cert GmbH, DE-V-0279

Certificate No. SVW 097-2014

↗ Web
munich-airport.com/portrait

/GRI-Index

Status: Not covered | Partially covered | Covered in full — T Core T Additional indicator — DNK Component of the German Sustainability Code

GRI Indicators		Remarks	Page reference	Status
1.	**Strategy and analysis**			
1.1	Foreword from the executive management		8–9	
1.2	Key impacts, risks and opportunities		33–37, 119–125	DNK
2.	**Organization profile**			
2.1	Name of the organization	Flughafen München GmbH, Munich Airport Group		
2.2	Most important brands, products and services		26–28, 42–51	
2.3	Operational structure		26, 104–105	
2.4	Location of the organization's headquarters	Munich, Germany	26	
2.5	Countries in which the organization operates	Germany	26	
2.6	Nature of ownership and legal form		26, 102	
2.7	Markets	Information on aircraft movements can also be found in our annual statistical report at	40–51 munich-airport.com/statistics	
2.8	Scale of the organization	Details of destination airports and the carriers serving Munich Airport in the review year are published in our annual statistical report at General airport details such as size, location or the number of runways can be found at	27–29, 40–44, 195 munich-airport.com/statistics munich-airport.de/de/company/facts/allg/index.jsp	
2.9	Significant changes in the organization's size, structure and ownership		104–105	
2.10	Awards received in the review period		52–54, 61, 64, 72, 80, 91 munich-airport.com/awards	
3.	**Report parameters**			
3.1	Reporting period		196	
3.2	Date of most recent previous report		196	
3.3	Reporting cycle		196	
3.4	Contact points regarding the report		Imprint	
3.5	Process of defining report content		31–32, 60, 196–197	
3.6	Boundary of the report		135–137, 196–197	
3.7	Limitations on the scope or boundary of the report		136–137, 196–197	
3.8	Joint ventures, subsidiaries, outsourced operations		136–137	
3.9	Data measurement techniques and the bases of calculations		137–145, 197	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports		31, 133–135, 176	
3.11	Changes in reporting scope, boundary or measurement methods		96, 133–137	
3.12	GRI content index		198–204	
3.13	External assurance for the report		197	

GRI Indicators		Remarks	Page reference	Status
4.	**Governance, commitments and engagement**			
4.1	Governance structure of the organization		26, 31, 107 munich-airport.com/governance	
4.2	Independence of Supervisory Board chairman		107, 212	
4.3	Independent members of highest governance body		107, 212	
4.4	Mechanisms for recommendations of stakeholders and employees to the highest governance body		74, 82–83, 107	
4.5	Linkage between compensation of the governance bodies, executives and senior managers and the organization's performance		31, 113, 171	DNK
4.6	Processes in place to ensure conflicts of interest are avoided		106–108	
4.7	Qualifications and expertise of the members of the highest governance body with respect to sustainability issues		31, 185	
4.8	Mission, codes of conduct and principles	In 2012, Flughafen München GmbH became the first German airport operator to adopt the German Sustainability Code.	17, 108 munich-airport.com/mission verbindung-leben.de	DNK
4.9	Procedures of the highest governance body for overseeing the organization's sustainability performance		30–32, 106–107	DNK
4.10	Processes for evaluating the highest governance body's own performance with respect to sustainability performance		31, 113	DNK
4.11	Explanation of how the precautionary principle is addressed		53–56, 106–107	
4.12	Externally developed charters, principles or initiatives to which the organization subscribes or endorses		63–64, 88, 208–210	
4.13	Memberships		88, 90, 198 munich-airport.com/stakeholders	
4.14	List of stakeholder groups		60 munich-airport.com/stakeholders	
4.15	Identification of stakeholder groups		60	
4.16	Engagement of stakeholder groups		31–32, 60–62 munich-airport.com/stakeholders	DNK
4.17	Response to topics and concerns raised by stakeholder groups		31–37, 52, 74 munich-airport.com/stakeholders	DNK
Economic performance indicators				
	Management approach		27–32, 40–46, 63–66, 176–178, 181	
EC1	Direct economic value generated and distributed		63–64, 126, 182, 184	DNK
EC2	Financial implications of climate change	Monitoring system in preparation, implementation in 2014	124	
EC3	Coverage of the organization's defined benefit plan obligations		81–82, 146, 162–164	
EC4	Financial assistance received from government	In the review period, FMG received no state financial grants.		
EC5	Ratio of standard entry-level wage compared to local minimum wage	The company is domiciled in Munich. 89% of its workforce is under collective bargaining contracts.	81–82, 184	

GRI Indicators		Remarks	Page reference	Status
EC6	Selection of locally based suppliers	Fliers on purchasing and supply relationships available at	64–65 munich-airport.com/publications	
A01	Passengers	Munich Airport has a nighttime curfew between 10:00 p.m. and 6:00 a.m. during which flights are limited in number and confined to especially quiet aircraft. Additional information available at	182–183 munich-airport.com/night-flight munich-airport.com/statistics	
A02	Aircraft movements			
A03	Air cargo tonnage			
EC7	Hiring of local human resources		72, 189	
EC8	Infrastructure investments and services provided primarily for local benefit		63 erding-tourist.de/english-version	
EC9	Significant indirect economic impacts		33–37, 65–66, 72	
Ecological performance indicators				
	Management approach		30, 35, 86–99, 107–108, 178–180, 194	
EN1	Materials used by weight or volume		189–190	DNK
EN2	Percentage of materials used that are recycled input materials		189	
EN3	Direct energy consumption by primary energy source		87–90, 190	DNK
EN4	Indirect energy consumption by primary energy source		190	
EN5	Energy saved due to conservation and efficiency improvements		87–91, 190	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services		87–91, 94, 191	DNK
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		87–90, 191	
EN8	Total water withdrawal by source	Water is sourced from the Moosrain water utility company.	93–94, 193 moosrain.de	DNK
A04	Quality of storm water		93–94, 193	
EN9	Water sources affected by withdrawal of water	Water is sourced from the Moosrain water utility company.	93–94, 193 moosrain.de/der-verband/daten-a-fakten	
EN10	Percentage volume of water recycled and reused	All wastewater is treated by the Erdinger Moos sewage company.	93–94, 193 cms.azv-em.de	
EN11	Land in or adjacent to protected areas		98–99, 195	
EN12	Impacts on biodiversity in protected areas		56, 98–99, 195	
EN13	Habitats protected or restored		56, 98–99, 195	
EN14	Strategies for managing impacts on biodiversity		56, 98–99, 195	
EN15	Impacts on threatened species	In 2008, the airport and the surrounding area form part of the European bird reserve »Nördliches Erdinger Moos«. Maps of the bird reserve: Bavarian State Ministry for the Environment and Consumer Protection.	98–99, 195 vogev.bayern.de/Erding/index.html stmuv.bayern.de/umwelt/naturschutz/vogelschutz/doc/erdingermoos.pdf	
EN16	Direct and indirect greenhouse gas emissions by weight		86–89, 190–191	DNK
EN17	Other relevant greenhouse gas emissions by weight		86–89, 190–191	
EN18	Initiatives to reduce greenhouse gas emissions		87–91, 191	DNK
EN19	Emissions of ozone-depleting substances by weight		191	
EN20	NO_x, SO_x and other air emissions by type and weight	Information on measuring stations, methodology, measuring data and pollutant sources	192 munich-airport.com/air	
EN21	Total water discharge	All wastewater is treated at a processing facility in Eitting operated by the local Erdinger Moos sewage company.	193 cms.azv-em.de	

GRI Indicators		Remarks	Page reference	Status
EN22	Quantity of waste by type and disposal method		194	DNK
EN23	Total number and volume of significant spills	In the review period, no spills of hazardous materials were reported within the Munich Airport Group. There were no accidents in dealing with hazardous materials such as oils, fuels or chemicals in the reporting period.		
AO5	Air quality		92, 192 munich-airport.com/air	
AO6	Deicing/anti-icing agents used by type and volume		189 efm.aero	
EN24	Transport of waste deemed hazardous		194	
EN25	Impact of wastewater on biodiversity	All wastewater is treated at a processing facility in Eitting operated by the local Erdinger Moos sewage company.	93–94, 193 cms.azv-em.de	
EN26	Initiatives to mitigate environmental impacts		86–94, 122, 191, 194	DNK
EN27	Reuse of packaging materials	Munich Airport provides a take-back service for retail packaging, which it sends for recycling.	194	
EN28	Fines for non-compliance with environmental laws and regulations	No fines are known to have been imposed for non-compliance with statutory environmental regulations in the 2013 reporting year.[1]		
EN29	Significant environmental impacts of transporting products, goods and materials, and transporting members of the workforce		94, 190–192	
EN30	Total environmental protection expenditures and investments	Not financially quantifiable at this time.	90	
AO7	Number and percentage change of people residing in the direct vicinity of the airport		20, 195 munich-airport.com/noise-protection	
Labor practices and decent work				
	Management approach		72–82, 178, 180, 181	
LA1	Workforce by employment contract and region		184, 189	
LA2	Employee turnover by age group, gender and region	The turnover rate is so low that it is not relevant for security	186–187, 189	
LA3	Benefits provided to full-time employees	See also LA8	78–83	
LA4	Employees covered by collective bargaining agreements		82, 184	
LA5	Minimum notice period(s) regarding significant operational changes	Generally, FMG ensures that all stakeholders are informed as early as possible of any operational changes that are relevant for them and includes them as much as possible in operational decision-making processes. Pursuant to the Works Council Constitution Act (Betriebsverfassungsgesetz) the competent works council is comprehensively informed in good time of planned operational changes that might have significant disadvantages for employees or for a large proportion of employees, and the works council is consulted with regard to planned operational changes.	82	
LA6	Workforce representation in health and safety committees	An essential component of our industrial health and safety organization is the industrial health and safety committee, which convenes on a quarterly basis and considers the concerns of the entire employee population. Besides the works council, senior executives, middle managers and safety officers, its members include occupational physicians. Representatives of the IHS unit, the works council, and the airport's medical service meet monthly in a health circle to discuss current topics.	78–80	
LA7	Injuries, occupational diseases and work-related accidents		78–80, 187	DNK
LA8	Measures regarding serious diseases	At Flughafen München GmbH, industrial health and safety includes the goal of guaranteeing the physical safety and protection of the health of all employees. FMG therefore pursues a rigorous course of preventive industrial health and safety and takes all necessary steps to avoid accidents and job-related illnesses. Our industrial health and safety team works closely with state oversight agencies and professional associations to ensure that we keep up with changing statutory regulations and implement required changes swiftly. MediCare in addition assesses workplaces with respect to possible health hazards as well as ergonomic aspects, and participates in matters of health protection.	51, 78–80	DNK
LA9	Health and safety topics covered in formal agreements with trade unions	Members of the works council serve as permanent members on the health and safety committee (see also LA6). Some works council members fulfill dual roles – as employee representatives and as representatives of the ver.di and GÖD labor unions.	78–80	
LA10	Hours of training per employee	For data protection reasons, more detailed information will not be published.	75–77, 187	DNK

GRI Indicators		Remarks	Page reference	Status
LA11	Programs for skills management and lifelong learning	If an employee on his or her own initiative is working toward further education related to his or her occupation, we provide financial support. Moreover, employees have the opportunity to make use of opportunities of outside providers. In addition, early retirement rules for airport fire service employees have been regulated in the collective agreement since 2011. A time credit account is set up for younger employees to provide paid leave prior to reaching the earliest possible retirement age. This takes account of the demanding physical strain on fire-fighting personnel. The collective agreement provides an opportunity to leave the fire service due to age-related impediments to performance or professional incapacity.	75–77, 80	
LA12	Percentage of employees receiving regular performance and career development reviews	As of 2011, FMG has temporarily suspended its system of performance-related remuneration. Nonetheless, performance and career development reviews continue to be conducted, predominately in non-operating units. The reintroduction of performance-based remuneration for employees will be discussed again in collective pay negotiations from 2014.	31, 77	
LA13	Composition of governance bodies and breakdown of employees per category		80, 184–185, 188 munich-airport.com/governance	DNK
LA14	Wage differences by gender	89 percent of the Munich Airport Group workforce have collective bargaining contracts that set the terms of their employment. This ensures that men and women are paid the same by comparable work.	81–82	
LA15	Parental leave taken, by gender		186	
Human rights				
	Management approach		54–56, 63–65, 76, 78, 81–83, 107–108, 120–121 see also HR6, HR7, HR10, HR11	
HR1	Investment agreements and contracts that include human rights clauses or that have undergone human rights screening	The Munich Airport Group's business operations are confined to Germany and Europe. Here, human rights are enshrined in law. In calls for tender, we make sure that national and international laws and agreements are applied. This is reaffirmed in legally binding form when contracts are signed.		
HR2	Percentage of suppliers and contractors that have undergone screening on human rights	The Munich Airport Group sources almost all the goods and services it purchases with local companies and suppliers in the surrounding area, all of whom are bound by strict laws on human rights. In calls for tender, FMG makes sure that national and international laws and agreements are applied. This is reaffirmed in legally binding form when contracts are signed.	64	DNK
HR3	Employee training on human rights	Required under Germany's General Act on Equal Treatment: information is available on the intranet and through executive employees	78, 107–108	
HR4	Incidents of discrimination and actions taken	There were no reported cases of discrimination during the review period.	78	DNK
HR5	Violation of the right to exercise freedom of association or collective bargaining	There were no instances of restriction of the right to freedom of association or collective bargaining in the review period. Munich Airport actively encourages employees to engage in codetermination. Their rights are protected by Germany's Works Constitution Act and other statutes.	82	
HR6	Principles and measures to eliminate child labor	The Munich Airport Group's compliance with statutory regulations means that there is no risk of incidents of child labor in connection with the Group's business activities. When hiring employees, for example, the Group complies with the minimum age requirements set by national statutes. When sourcing product groups where the likelihood of child labor is high, we take steps to ensure that none is involved. Manufacturers of high-risk products in areas known to use child labor are required to present independent certification that they do not.		
HR7	Principles and measures to eliminate forced labor	The Munich Airport Group rejects all forms of forced labor. Due to the nature of the Group's business operations and the fact that working conditions in Germany are subject to strict laws, this indicator is of minor relevance. During the review period, no activities were identified as having the risk of forced or involuntary labor. When signing contracts, suppliers and contractors must agree to abide by national and international laws and agreements.		

GRI Indicators		Remarks	Page reference	Status
HR8	Security personnel training	Before entering the departure area, passengers and their board luggage are checked by Sicherheitsgesellschaft am Flughafen München mbH (SGM) employees. This takes place on behalf of the highest civil aviation authority in Bavaria, in this case the Bavarian State Ministry for Economics and Media, Energy and Technology and under the supervision of Luftamt Südbayern. To ensure the continued security and quality of these checks, each of the more than 1,200 air security officers attend 40 hours of development and training courses annually. The training of all security personnel is delivered in accordance with in-house as well as official requirements, and covers statutory regulations on dealing with persons and personal property.	54–55, 76	
HR9	Violations involving rights of indigenous people	Not relevant since the Group's business activities are in Germany and only consulting services are carried out outside of Germany.		
HR10	Operations that have been subject to human rights reviews and/or impact assessments	The Munich Airport Group's business operations are confined to Munich. It provides consulting services for several international airports. Compliance with Germany's constitution and the protection of human rights are of paramount importance for the Group. There were no review procedures or impact assessments in connection with human rights compliance in the review period.	78	
HR11	Number of grievances related to human rights filed	There were no reported cases of human rights grievances in the Munich Airport Group during the review period.	78	
Company				
	Management approach		33–37, 60–61, 63–69, 107–108, 181	
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs		63–68, 184 munich-airport.com/publications, nachbarschaftsbeirat.de, munich-airport.de/struktur-gutachten	
AO8	Number of persons to receive compensation due to the airport expansion		63 munich-airport.com/noise-protection	
SO2	Business units analyzed for risks related to corruption		107–108	DNK
SO3	Percentage of employees trained in anti-corruption policies and procedures		107–108	
SO4	Actions taken in response to incidents of corruption	There were no confirmed cases of corruption in the Munich Airport Group during the review period.	108	
SO5	Public policy positions and lobbying	Policy statements available at	60–61 munich-airport.com/publications	
SO6	Contributions to political parties and politicians		61	DNK
SO7	Legal actions for anti-competitive behavior	At the time of going to print, there were no known cases of anticompetitive, antitrust or monopoly action being brought against the Group for the review year.[1]	107–108	DNK
SO8	Penalties for non-compliance with laws and regulations	At the time of going to print, there were no known cases of non-compliance with laws and regulations for the review year.[1]		DNK
SO9	Operations with significant potential or actual negative impacts on local communities		34–35, 95–96, 195 munich-airport.com/aircraft-noise	
SO10	Prevention and mitigation measures implemented		95–96 munich-airport.de/schallschutz	

GRI Indicators		Remarks	Page reference	Status
Product responsibility				
	Management approach	Rules for airport use available at	52–56, 60, 107–108, 120–122 see also PR6, munich-airport.com/barrier-free	
PR1	Health and safety impacts during product life cycle stages		53–56, 64	
PR2	Incidents of non-compliance with regulations concerning health and safety impacts	At the time of going to print, there were no known incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle.[1]		
A09	Total annual number of bird strikes per 10,000 aircraft movements		56	
PR3	Type of product and service information required by procedures	In accordance with the requirements of the International Civil Aviation Organization ICAO, Annex 14, and of Germany's Aviation Certification and Licensing Regulations, Section 45b, Flughafen München GmbH operates a safety management system, the scope of responsibility of which extends to the entire airport and is detailed in the rules for airport use. This means that we are also responsible for supervising all of the businesses and other organizations involved in safety-related tasks at Munich Airport. The safety team, which comprises the safety manager and his co-workers, forms the interface with the safety management systems of the airlines, German air traffic control, and the aviation authorities and/or other organizational units that are active on the apron. Included in its primary functions are assistance in aviation licensing procedures and airport inspections by the authorities as well as the performance of airport-wide safety audits. Further core elements are investigating accidents, loss events and safety-relevant occurrences, and liaising with aviation agencies and airlines in issues of aviation operations safety. Rules for airport use available at	54–56, 107–108, munich-airport.com/aviation	
PR4	Incidents of non-compliance with regulations and voluntary codes concerning product and service information	At the time of going to print, there were no known incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.		
PR5	Customer satisfaction including results of surveys measuring customer satisfaction		52–53, 62	
PR6	Programs for adherence to laws, standards and voluntary codes related to advertising	Flughafen München GmbH's advertising conforms to the rules issued by the German Advertising Council. The advertising we publish avoids all forms of discrimination and unfairness and does not mislead. In particular, our advertising follows the council's code regarding advertising that involves or is accessible to children, and it remains within the realm of what may be considered decent, proper and moral. At no time in the period reviewed in this report did we incur sanctions, fines or warnings for infringements of advertising regulations.[1]		
PR7	Non-compliance with regulations and voluntary codes concerning marketing	At the time of going to print, there were no known incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.[1]		
PR8	Complaints regarding breaches of customer privacy and losses of customer data	At the time of going to print, there were no known instances of complaints regarding breaches of customer privacy and losses of customer data.	108	
PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	At the time of going to print, there were no known instances of fines for non-compliance with laws and regulations concerning the provision and use of products and services.[1]		

[1] Flughafen München GmbH complies with statutory regulations and provisions based on the applicable legislation and legal framework. This is no guarantee, however, for legally compliant conduct of each individual. When a violation does occur, the incident is also investigated for the possible existence of systematic failings and any needed improvements are implemented.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Flughafen München GmbH** has presented its report "Perspectives - Annual Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 6 June 2014

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

A+ GRI REPORT GRI CHECKED

The "+" has been added to this Application Level because Flughafen München GmbH has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 3 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*

→ Glossary

/IIRC-Index

↗ Web
theiirc.org

The framework of the International Integrated Reporting Council (IIRC) was published in December 2013 and is regarded as the standard for integrated reporting. As one of more than 100 pilot companies drawn from across the world, Munich Airport participated in the creation of the <IR> Framework.

According to the <IR> Framework, companies should present in an integrated report the essential activities through which they will create value in the short-, medium- and long-term. In so doing they should follow central Guiding Principles and cover certain Content Elements.

The following overview indicates how FMG applies the Guiding Principles and Content Elements of the IIRC framework in »Perspectives 2013«.

Guiding Principles

Principle	Short Description	Implementation
Strategic focus and future orientation	An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short-, medium- and long-term, and to its use of and effects on the capitals.	In the chapter »Company profile and strategy« (pp. 25–37) FMG describes the strategic alignment of the business model that is presented in detail in the chapter »Service portfolio« (pp. 39–56). The strategic positioning in respect of the topics HR (pp. 71–83), corporate development (p. 59–68) and environmental protection (pp. 85–99) are presented in the respective chapters. The management report gives a strategic view (p. 125) and the sustainability program (pp. 176–181) summarizes short-, medium- and long-term planning in the sense of sustainable development.
Connectivity of information	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	The main value drivers are given in the chapter »Service portfolio«. This includes balanced growth in the areas Aviation (pp. 40–46) and Non-Aviation (pp. 47–51). At the same time quality and safety (pp. 52–56) remain essential prerequisites for the operation and further growth of the Munich Airport Group. The business activity and organizational structure are explained in the management report (pp. 102–105).
Stakeholder relationships	An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.	The chapter »Dialog and social responsibility« gives an overview of the main stakeholder groups (p. 60). Additionally, reports on the frequency and type of communication are reported online (munich-airport.de/stakeholder). Individual chapters cover certain stakeholder interests in more detail (e. g. employees in the chapter »Workforce and work environment«). An annual survey of internal and external stakeholders is used to prioritise central topics in the materiality matrix (p. 32).
Materiality	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short-, medium- and long-term.	The management report gives a more detailed description of the economic environment affecting each business division (pp 108–113). Moreover, opportunities and risks are covered (pp 118–125). Moreover essential opportunities and risks are covered (pp. 118–125).
Conciseness	An integrated report should be concise.	The selection of topics for »Perspectives 2013« is based on the importance of the topics for FMG's value creation. The main facts are presented precisely and graphically on summary pages (e. g. pp. 22–23, p. 84) and in the Profile Brochure.
Reliability and completeness	An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.	The quality and reliability of the report contents and the fulfilment of the reporting standards are confirmed by external audits (p. 173, p. 197, p. 205). Alongside developments that are positive for Munich Airport, critical developments are also covered in »Perspectives 2013« (e.g. pp. 33-37).
Consistency and comparability	The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.	The updating of key financial (p. 26) and sustainability performance indicators (pp. 182–195) ensures comparability over time. Comparisons with other airport operators are given at a number of points in the report (e. g. p. 35, p. 40, p. 52).

Content Elements

Element	Short Description	Implementation
Organizational overview and external environment	What does the organization do and what are the circumstances under which it operates?	FMG's business activities are presented in the chapter »Service portfolio« (pp. 39–56) and in the management report (pp. 102–104). Framework conditions are also explained here.
Governance	How does the organization's governance structure support its ability to create value in the short-, medium- and long-term?	The organigram and the presentation of the holding structure (pp. 104, 105) indicate how the organizational structure of FMG supports value creation. The performance-related remuneration of the management as a key control element (p. 31) is described in the chapter »Company profile and strategy«. Other governance aspects are contained in the management report (p. 107).
Business model	What is the organization's business model?	Munich Airport sees itself as an infrastructure operator with two main customer groups, airlines as well as passengers and visitors. Strategically, Munich Airport has successfully positioned itself as a hub airport. (pp. 40–41). Alongside the Aviation business, Non-Aviation services are described as a second significant pillar of the business model (pp. 47–51).
Risks and opportunities	What are the specific risks and opportunities that affect the organization's ability to create value over the short-, medium- and long-term, and how is the organization dealing with them?	The Picture of the future 2025 summarizes the main strategic fields of action in the sense of corporate opportunities (pp. 30–31). The management report describes the opportunities (p. 125) and in particular Munich Airport's risk management system (pp. 106–107). Moreover, the main gross and net risks are described in detail and presented in risk matrices (pp. 119–125).
Strategy and resource allocation	Where does the organization want to go and how does it intend to get there?	»Perspectives 2013« contains two essential elements in respect of target description: The Picture of the future 2025 (pp. 30–31) formulates the targets in five fields of action. The sustainability program (pp. 176–181) describes the actual timetable for implementation of corporate targets.
Performance	To what extent has the organization achieved its strategic objectives for the period and what are the outcomes in terms of effects on the capitals?	While the chapter »Financial review« describes the financial development of the company (pp. 101–173), sustainability indicators are presented in the chapter »Sustainable development« (pp. 182–195) and non-financial performance indicators in the management report (p. 113, p. 119). The extent to which targets have been achieved can be inferred from the sustainability program (pp. 176–181).
Outlook	What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	The section »Expansion planning« (pp. 33–37) is devoted to the planned capacity expansion measures that are key to strategic development. Moreover, in the financial report (p. 125) a strategic view is given in respect of the fields of action of the »Strategy 2025«. Further main risks are included in the risk analysis (pp. 119–125).
Basis of presentation	How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	The report contents and their presentation are essentially derived from the applied body of rules and regulations. In particular, these are GRI for all contents related to sustainability (GRI Index pp. 198–204), DRS20 for the management report (pp. 102–125) and IFRS for the financial statements (pp. 126–171). Moreover, a survey was conducted to determine which content was essential to the reader (Materiality matrix, pp. 31–32).

/Glossary

aireg e. V.
In 2011, airlines, aircraft and engine manufacturers, aeronautical research organizations, fuel manufacturers and Flughafen München GmbH joined together in the association »Aviation Initiative for Renewable Energy in Germany – aireg e. V.«. The aim of the initiative is to support the development and introduction of renewable fuels for air traffic in Germany as well as providing information about demand, origin, supply and use.

Airport campus
All airport grounds as well as all the buildings and facilities located on it.

Airport Carbon Accreditation (ACA)
The initiative »Airport Carbon Accreditation« was launched by the European airports council, ACI Europe. It awards a certificate to those airports that reduce their CO_2 greenhouse gas emissions. The ACA certificate comprises the four evaluation levels »Mapping« (level 1), »Reduction« (level 2), »Optimization« (level 3) and »Neutrality« (level 3+). 75 European airports are currently accredited.

Airports Council International (ACI)
An international organization, headquartered in Geneva, which represents airport operators. More than 1,600 airports in almost all of the countries in the world are ACI members, including 400 airports in 46 European countries.

Airport Service Quality (ASQ)
Benchmark figure for rating the attractiveness of the product and service portfolio of airports. ASQ is determined based on a survey initiated by the ACI (Airports Council International) to measure and compare customer satisfaction at airports. Passengers at more than 200 airports in more than 50 countries participate in monthly surveys throughout the year. The result at the year-end is an overall benchmark, the so-called ASQ Overall Value. For Munich Airport, the ASQ value is a key non-financial figure that is used for internal control.

Air source technology
Air source technology uses a system of natural ventilation. With natural ventilation, fresh air enters a building through vents and openings. Interior heat sources determine the pattern of airflow within rooms.

Auxiliary Power Unit (APU)
Today's commercial aircraft have an auxiliary power unit in addition to their two or four main engines. The APU is used to start the main engines and to generate electrical power when the plane is on the ground.

Biodiversity
Biodiversity refers to the variety of life forms (including animal species, plants, fungi and bacteria), the habitats in which these life forms live (ecosystems such as woodland or bodies of water) and the genetic diversity within species (e. g. subspecies, strains and breeds).

Carbon Disclosure Project (CDP)
An independent, non-profit organization, that maintains a database of corporate emissions data. More than 5,000 companies, representing more than 50 percent of global market capitalization, participate in the CDP which is the largest sustainability rating scheme in the world.

Carbon monoxide (CO)
Carbon monoxide is a colorless, odorless and tasteless toxic gas. It is created through the partial combustion of substances containing carbon in the absence of sufficient oxygen or through combustion at high temperatures.

Cargo
A load carried on a means of transport, generally for a fee. The term cargo is applied to air freight and mail.

Cash flow from operating activities
Cash flow is a business parameter describing the new net cash assets during an accounting period.

Continuous Descent Operations (CDO)
Aircraft approach procedure with reduced engine power in which the aircraft follows a continuous (smooth) descent to the airport. The result is reduced fuel consumption and reduced aircraft noise.

De-icing
An operation carried out on planes before they depart in order to clear them of ice and snow. In winter weather conditions, crucial parts of aircraft must be protected to prevent ice re-forming. This is accomplished by spraying them with a mixture of water and de-icing agent (glycols).

DIN EN ISO 14001
A standard created by the International Organization for Standardization (ISO). The standard establishes a worldwide foundation for certifiable environmental management systems.

EBIT
Earnings before interest and taxes (and extraordinary events, where applicable), commonly also referred to as pre-tax profit.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

Eco-Management and Audit Scheme (EMAS)
A system for voluntary environmental management and auditing, developed by the European Union as an instrument to enable businesses to continuously improve their environmental performance.

Emission
The ejection, discharge or emanation of substances, energy or radiation into the surrounding environment by a given source. Typically emissions can take the form of gaseous pollutants, noise and dust.

Environmental impacts
The effects on humans, animals, plants and inanimate objects caused, for example, by noise, air pollution, vibration, radiation, heat and light. Environmental legislation aims to control such impacts as effectively as possible.

Equivalent continuous sound level Leq3
Underlying evaluation measurement for the new Air Traffic Noise Act. It is a measure of the sound energy at the point of observation and is also referred to as the energy equivalent continuous sound level. Leq3 is measured over 16 hours during the day, from 6 a.m. to 10 p.m. (daytime Leq3), or 8 hours during the night, from 10 p.m. to 6 a.m. (nighttime Leq3). The six busiest months of the year are taken as the reference baseline.

German Accounting Standards (GAS/DRS)
The GAS are drawn up by the German Standards Committee (DSR) of the Accounting Standards Committee of Germany (ASCG). GAS 20, which has been published since December 2012 in the German Federal Gazette, represents the latest rules for corporate financial reporting in Germany. The standard is only applicable to financial years beginning after December 31, 2012. Essential requirement changes can be specified both for past and future financial reporting.

German Airports Association (ADV)
The ADV is the umbrella organization of commercial airports in Germany, Switzerland and Austria. The organization works to promote Germany as a strong and competitive center of aviation.

German IIRC Round Table (GRT)
Besides Munich Airport, this Germany-wide network also comprises companies such as SAP, EnBW, Deutsche Bank, Deutsche Börse and BASF. The GRT is looking to push ahead with integrated reporting in Germany and to achieve continuous improvements in this area.

German Sustainability Code
The code's aim is to make the sustainability performance of German companies transparent and comparable through use of a public database. The German Council for Sustainable Development, which was appointed by and also advises the Federal Government, launched the German Sustainability Code.

↗ Web
globalreporting.org

Global Reporting Initiative (GRI)
An independent organization that publishes guidelines on sustainability reporting. Its aim is to establish a common baseline for communications and to ensure the comparability of sustainability reports.

Greenhouse Gas Protocol (GHG Protocol)
Globally recognized instrument used to quantify and manage greenhouse gas emissions. The GHG Protocol defines requirements governing the calculation of greenhouse gas emissions on an organization-wide scale and the implementation of projects to reduce GHG emissions.

Hub airport
An airport used by an airline company or alliance as a point of transit between short-, medium- and long-haul services to enable the airline or airlines to connect to a large number of destinations.

IFRS
The International Financial Reporting Standards for companies are accounting regulations that enable the comparison of financial statements independent of national regulations. They comprise standards and official interpretations on their application.

IIRC
International Integrated Reporting Council. The aim of the IIRC is the creation of a generally accepted framework concept for sustainability reporting, bringing together financial, environmental, social and governance information in an »integrated« format. At the end of 2013, the IIRC framework concept for integrated reporting was published.

International Civil Aviation Organization (ICAO)
Headquartered in Montreal, the ICAO is an agency of the United Nations. The organization has a total of 190 contracting states. The goal of the ICAO and its members is to ensure the safe and sustainable development of civil aviation.

Landing-and-take-off (LTO) cycle
The LTO cycle consists of four phases:
- airport approach (including landing)
- taxi-in from the runway to the parking stand
- taxi-out from the stand to the runway, take-off
- and climbout

The cycle encompasses altitudes up to approximately 3,000 feet and distances from the airport of about 8 kilometers in the case of departing aircraft, depending on the climbout, and 17 kilometers in the case of arriving aircraft.

Natura 2000
Official designation for a coherent network of protected areas, which is being set up within the European Union pursuant to Directive 92/43/EEC (Fauna, Flora, Habitat Directive or FFH Directive). Its purpose is the international protection of endangered native wild plant and animal species and of their natural habitats. Areas designated pursuant to Directive 79/409/EEC (Birds Directive) are also integrated into the protective area network.

Nitrogen oxides (NO_x)
Gases formed when nitrogen burns in combination with oxygen and which occur in aircraft exhaust gases.

Particulate matter
The measured variable PM_{10} is used with a category of particulate matter (i. e., fine dust particles) having a diameter of less than 10 µm. As a subset of PM_{10}, $PM_{2.5}$ contains even smaller particles.

Pre-conditioned air (PCA)
Air supplied by systems installed in airport ramp areas to heat or cool aircraft on the ground. By using these systems, planes do not need to run their own auxiliary power units (APU).

ROCE
Return on capital employed is a business management figure used to indicate how effectively and profitably a company is utilizing its capital.

Safety Management System (SMS)
Program in civil aviation to improve technical safety. Implementation of an SMS is a mandatory ICAO requirement at airports. The purpose of an SMS is to guard against accidents and incidents by identifying dangers, assessing and reducing risks, implementing countermeasures, and monitoring all relevant processes.

Satellite
In this context a satellite or a satellite terminal is a building created to augment an existing airport terminal building. Unlike a fully fledged terminal, it lacks its own pick-up and drop-off areas and other typical landside facilities found in terminals, such as ticket desks, check-in counters, and baggage claims. Instead, a satellite simply has lounge areas where passengers can wait for flights, and air bridges to enable passengers to board easily.

Schengen/Non-Schengen
Schengen refers to the abolition of passport controls at the borders of nations that have signed up to the Schengen Agreement. Jointly regulating controls on external borders helps, among other things, to facilitate a common visa policy and cross-border law enforcement measures. People become most aware of Schengen when they travel between Schengen states without having to show their ID or passport. Passports still need to be controlled when entering or leaving the Schengen zone, in other words from nations that are not part of the Schengen Agreement (non-Schengen) to Schengen countries and vice versa.

Seamless Travel
The »seamless travel« principle stands for seamless, trouble-free journeying and incorporates the concepts of time efficiency and convenience. Important in this respect is a direct rail connection alongside faster and more convenient passenger transfers.

Stakeholders
Groups or individuals who can influence how a company achieves its targets or who are affected by a company's activities. They include employees, capital providers, customers, suppliers, local communities, non-governmental organizations, public authorities and policymakers.

Sustainable development
Sustainable development was recognized at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, in 1992 as a normative international guiding principle of the community of states, global industry, global civil society and policy makers, and was enshrined as a fundamental principle in the Rio Declaration and Agenda 21.

Type certification
The official approval (certification) documenting an aircraft's airworthiness. It is carried out by the aviation authorities in the state in which an aircraft is registered and serves to verify compliance with regulating bodies' requirements.

Virtual server
In computing, virtualization helps consolidate server environments and maximize hardware utilization by running multiple virtual servers on a single hardware device. This helps to significantly reduce the power required to run hardware and cool data centers.

Workload unit (WLU)
A measurement unit used to track total passenger and cargo traffic. A workload unit equates to one passenger with carry-on luggage (100 kg in total) or 100 kg of air cargo or mail.

/Executive Bodies of the Company

Executive Board

Dr. Michael Kerkloh
President and Chief Executive Officer

Thomas Weyer
Chief Financial Officer with special responsibility for infrastructure

Supervisory Board

Dr. Markus Söder
Minister of State
Bavarian State Ministry of Finance, Regional Development and Regional Identity
Chairman

Free State of Bavaria

Josef Poxleitner
Director-General
Board of Building and Public Works, Bavarian State Ministry of the Interior, Building and Transport

Dr. Hans Schleicher
Director-General
Bavarian State Ministry of Economic Affairs and Media, Energy and Technology

Wolfgang Lazik
Director-General
Bavarian State Ministry of Finance, Regional Development and Regional Identity

Federal Republic of Germany

Christiane Wietgrefe-Peckmann
Senior Principal
Federal Ministry of Finance

Gerold Reichle
Director-General
Federal Ministry of Transport and Digital Infrastructure

City of Munich

Christian Ude
Chief Mayor, City of Munich

Dieter Reiter
Councilor, City of Munich

Employee Representatives

Thomas Bihler
Clerical employee,
employee representative

Heinrich Birner
Director of the ver.di labor union Munich region
Vice Chairman

Michael Börries
Certified aircraft handler

Hans-Joachim Bues
Senior Vice President Corporate Communications
executive employees' representative

Willy Graßl
Clerical employee

Orhan Kurtulan
Certified aircraft handler,
full-time workers' councilor

Anna Müller
Clerical employee,
full-time workers' councilor

Sabine Peters
Clerical employee

As of: December 31, 2013

/Imprint

Publisher
Flughafen München GmbH
P. O. Box 23 17 55
85326 Munich
Germany

Responsible for content
Hans-Joachim Bues
Senior Vice President Corporate Communications
Jörg Ebbighausen
Senior Vice President Corporate Development

Professional management
Petra Röthlein
Vice President Internal Communications,
Print and Online Media
Dr. Monica Streck
Head of Strategic
Sustainability Management

Editorial team
Helene Hergt, Eva Maria Schindler
Internal Communications, Print and Online Media
Vera Stelkens, Claudia Büchlmann
Strategic Sustainability Management

Photos
Flughafen München GmbH
Robert Brembeck
Marco Einfeldt
Matthias Tunger

Graphics
Flughafen München GmbH

Consulting and design
Kirchhoff Consult AG, Hamburg

Printing
G. Peschke Druckerei GmbH, Munich

Paper
Satimat Green
FSC certified

The German version of this report is legally binding. The Company cannot be held liable for any misunderstandings or misinterpretations arising from this translation.

Further information

Internet: munich-airport.com
E-Mail: bericht@munich-airport.de

Telephone: +49 89 975 00
Fax: +49 89 975 412 06

Facebook: de-de.facebook.com/flughafenmuenchen
Twitter: twitter.com/MUC_Airport_EN
App for iPhone and Android: MUC Airport

FSC www.fsc.org MIX Papier aus verantwortungsvollen Quellen FSC® C002390

ClimatePartner° klimaneutral
Druck | ID: 53152-1406-1002

www.munich-airport.com