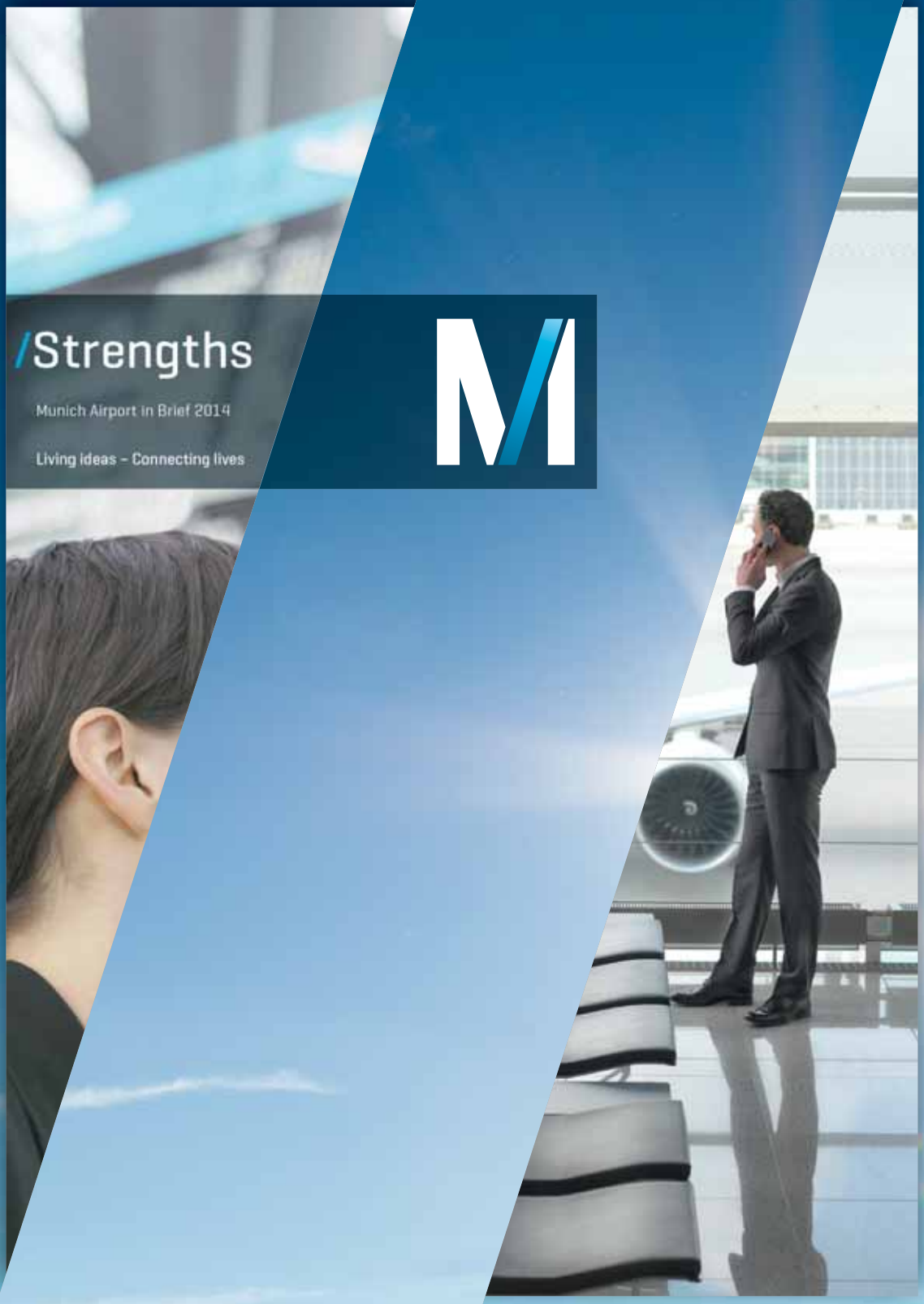
/Strengths

Munich Airport Annual Report 2014

Living ideas – Connecting lives



/Strengths

Munich Airport in Brief 2014

Living ideas – Connecting lives

/The secrets of our success

5 Star Airport

/The secrets of our success

Constantly increasing passenger numbers and a great track record of winning World Airport Awards are proof that Munich Airport belongs to the world's elite. The tremendous success enjoyed by Munich is based on four key strengths: expertise, innovation, partnership, and responsibility.

Expertise across all areas is the main prerequisite for success. Thanks to ceaseless innovation in terms of technology, processes, and services, Munich Airport can look forward to a really bright future. A fair partnership with all stakeholders is paving the way for further developments. This applies to customers, as well as to shareholders, employees, and residents. In addition, a sense of responsibility informs the way the airport does its business.

Across all areas, an unremitting work ethic and the pursuit of excellence are making it possible to deliver consistently outstanding services. »Munich knows how to do airports«. And better than most, it would seem.

Contents

For a PDF version of the report, please visit
www.munich-airport.com/report

Integrated reporting

Integrated reporting – the logical consequence of an integrated strategy

Sustainability is an integral part of the corporate strategy at Munich Airport. In order to convey this holistic approach, the integrated report combines both financial and sustainability reporting within a single publication. As a result, business activities are not only represented comprehensively in economic terms, but also from an environmental and social perspective.

Integrated thinking and action creates value

The <IR> framework concept provided by the International Integrated Reporting Council (IIRC) is seen as the standard for integrated reporting. Companies are expected to set out which main activities will help them create value in both financial and non-financial terms in the short, medium, and long term. As an <IR> pilot company and part of the <IR> business network, Munich Airport is implementing this principles-based and forward-looking approach in its own reporting.

Reporting to the highest standards

Munich Airport feels duty-bound to adopt a policy of transparency towards the various stakeholder groups. The aim of the report therefore is to set out its main business activities in an intelligible manner.

In addition to IIRC recommendations, Munich Airport also follows other international standards and bases its financial reporting on the international standards known as

Coverage of the IIRC Content Elements

Corporate structure and environment

Governance

Business model

Opportunities and risks

IFRS (International Financial Reporting Standards) and the provisions of commercial law. The Management Report is drafted in accordance with the German Accounting Standard 20. Sustainability issues satisfy the requirements of the GRI (Global Reporting Initiative) as per the GRI G4 Comprehensive guidelines. Consideration is also given, to a greater or lesser degree, to voluntary initiatives such as the German Sustainability Code or the German Corporate Governance Code.

An integrated picture of how value is created

Among other things, the <IR> framework concept defines what are known as Content Elements, about which a company should provide information as part of an integrated reporting approach.

The overview below gives some idea of this integrated approach. It refers to the business activity, the framework conditions within which the company operates, and the business model (corporate structure and environment). In addition, the organizational structure describes the ability to create value over the short, medium, and long term (governance). The specific opportunities and risks associated with this are also indicated, as is the way that resources are used (strategy and resource allocation). The report also explains how far strategic objectives have been met and how this impacts on the company's pursuit of value creation (performance). Lastly, there is an overview of the imminent challenges ahead (outlook).

Strategy and resource allocation

Performance

Outlook

Basis of reporting

/Executive Board

Thomas Weyer
Vice President and Chief Financial Officer,
Chief Infrastructure Officer

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

/CEO's letter

Dear Reader,

From a passenger's perspective, Munich Airport is not just the best in Europe, it is now also the only airport worldwide – besides the Asian airports of Hong Kong, Seoul, Singapore, and Tokyo – to boast five stars. Following a long audit process, the renowned London-based consultancy Skytrax awarded us this special certification in March 2015. I am particularly pleased, since this speaks volumes for the high quality experienced by passengers in Munich in terms of infrastructure, service, shopping opportunities, and ground handling. But passengers found another way last year to show just how highly they rate our airport, with 39.7 million people landing at or taking off from Munich – a new record.

I would like to thank everyone who placed their trust in us for these fantastic results, particularly our employees, to whom I also extend my sincere gratitude. Whatever their role, each and every one of them has been a star in the eyes of our passengers and customers. I would also, however, like to thank our business partners, particularly the airlines, as well as our shareholders and those in positions of responsibility within the region for their support during 2014. Munich Airport will only enjoy sustained success if it feels an equal sense of obligation toward all its stakeholders.

Group revenue and income constant

Last year was again characterized by enormous competitive pressure within the air traffic industry and by an unusually high number of strikes. The number of aircraft movements was slightly down on the previous year at just under 377,000 take-offs and landings. Nevertheless, Group revenue was slightly up at some 1.2 billion euros. Munich was also one of the few airports in Germany to turn a handsome profit last year, with income for the year (EAT) in excess of 100 million euros, also representing a slight increase on the previous year. For 2014, we will be paying 27.6 million euros to the surrounding municipalities in local trade tax.

Four reasons for success

Munich Airport has therefore enjoyed another highly successful year. As far as I am concerned, this success is based on four key strengths that typify our company and that we would therefore like to talk about in this integrated company report: expertise, innovation, partnership, and responsibility.

- Great performance across all areas, underpinned by real expertise, is the main prerequisite for success. We know how to do airports! The best testimony to how we really live out our service ethos is the fifth star. And we will be able to do even more of the same when we finish building the new satellite in 2015, thereby increasing the capacity of Terminal 2 by around 40 percent. When we spend hundreds of millions extending and modernizing Terminal 1 as part of the next expansion phase. And when we offer our expertise both in Munich and to other airports worldwide on a consultancy basis.

- Ceaseless innovation in terms of technology, services, and processes will also ensure that we continue to enjoy success as a dependable business partner in future. For example, we introduced an automated passport control system at Munich Airport in 2014. An innovative new Internet portal concerned with aircraft noise monitoring is available to residents and anyone else who might be interested and passengers can now surf the Internet for free in all terminals.

- A fair partnership with our stakeholders is inspiring confidence and paving the way for further developments. A big step in the right direction was the conclusion during 2014 of the new framework agreement with the airlines regarding take-off, landing, and other charges. This is proving valuable to both parties because of the greater certainty it offers in planning terms. The constant close dialog with the airport's neighbors and those holding office in the region is also particularly important to us.

- A sense of responsibility characterizes the way Munich Airport does its business in the world and in the society in which it operates. For us, this also means committing ourselves to conserving resources in terms of our operations. This includes a focus on climate protection. Our wide-ranging activities designed to achieve climate-neutral growth in the period to 2020 were recognized in 2014 by Europe's airport organization and, as regards the CDP (Carbon Disclosure Project), we have become the only airport operator worldwide to make it into the Carbon Performance Leadership Index. Responsibility is also a hallmark of our human resources policy. We are only too aware that committed and satisfied employees are the key to business success.

Staying strong

Despite all this success, I do not deny that there were some areas where Munich Airport did not do as well as we might have hoped. The landside access and traffic development project is still work in progress, even though 2014 did see construction work begin on the Neufahrner Kurve section. Unfortunately, we are still some way off completing the Erdinger Ringschluss, establishing an express S-Bahn railway line toward inner Munich, or even an ICE railway station.

In February 2014 the Bavarian Higher Administrative Court sent a very important signal when it rejected all objections to the planning approval notice for the third take-off and landing runway. The judges thus endorsed the official approval for construction of this take-off and landing runway at Munich Airport. Some plaintiffs lodged complaints when the appeal was refused, which means the higher German Federal Administrative Court in Leipzig will now have to make a decision regarding the case. If the approval of our proposed expansion project finally becomes legally effective as a result, nothing could then prevent the third runway becoming a reality assuming our shareholders decide this is what should happen. This increase in capacity is absolutely essential if the success story being written at Munich Airport is to continue over the medium and long term, since the airport is already reaching the limits of what it can achieve during peak traffic periods.

A positive outlook

We remain optimistic as far as 2015 is concerned. The number of passengers should continue to rise and exceed the 40 million mark for the first time. We are expecting a slight increase in revenue and are even assuming earnings after taxes will rise significantly. We are also expecting something of a turnabout in terms of aircraft movements, with signs of this emerging during the last two quarters of 2014. Over the past few years, many airlines have invested heavily in larger aircraft in order to transport more passengers with fewer jets. Given that airlines keep new aircraft in service for many years, this kind of increase in capacity cannot be repeated at will. With the effects of fleet renewal set to diminish, we believe 2015 will see take-off and landing numbers increase by one to two percent.

The predicted further growth in air traffic and the challenges this brings will remain the central issues for us over the next few years. The way we respond and the way we handle and frame these issues will determine the future viability of Munich Airport and its importance both as a transport hub and in economic terms. We are well aware that we need all our various stakeholders – customers, employees, shareholders, and residents – to buy into this process. This is something we will continue to strive for: with expertise, innovation, a sense of partnership, and an awareness of our responsibility.

We really hope you can join us on this journey.

Dr. Michael Kerkloh

/Highlights 2014

Welcome party for the Olympic team

On February 24, the day after the closing ceremony of the Winter Olympics in Sochi, friends and supporters of the German Olympic team gathered to greet the athletes at München Airport Center (MAC). German President Joachim Gauck kicked off the event by congratulating the medal winners, including double Olympic champion Felix Loch and gold and silver medalist Maria Höfl-Riesch, from the airport apron itself.

Major accolades won at the World Airport Awards

Munich Airport celebrated great success at the World Airport Awards 2014 in March, being crowned best airport in Europe and third-best in the world. Its employees were also named the best airport crew in Europe. With these results, the airport once again improved its position compared with the year before. Almost 13 million passengers from 110 countries took part in the survey conducted by the independent London-based aviation research institute Skytrax.

Attractive new long-haul destinations

Over the summer season, passengers at Munich Airport could choose from 229 destinations in 63 countries around the world, and enjoy a number of new routes: Lufthansa began flying to Mexico City five times per week and to the Canadian business hub of Toronto seven times per week on April 3 and June 5, respectively, while United Airlines launched daily flights to Houston, Texas on April 25.

Subsidiaries celebrate their birthdays

Airport subsidiaries aerogate and Cargogate celebrated 40 years of success on June 5. The two companies now have contracts with some 60 airlines with scheduled flights to Munich and with around 20 different charter clients per year.

Big celebrations for the soccer World Cup

The 2,000-capacity airport arena in the München Airport Center Forum was transformed into a party arena for public screenings of the World Cup matches (photo above).

Career launchpad

The 89 new apprentices at Flughafen München GmbH (FMG) and its subsidiaries began their training at the airport on September 1 as »airport ambassadors«. No fewer than 42 of these young talents are working in ten different professions at FMG. The other 47 apprentices are launching their careers at the subsidiaries eurotrade, Allresto, and aerogate, where they are pursuing seven different career paths.

Happy Birthday, Airbräu!

Airbräu celebrated its 15th birthday on September 9. The airport restaurant with its own brewery and cozy beer garden not only caters for passengers and employees, but has also established itself as an attractive destination for visitors from the surrounding area. Airbräu is now visited by some 1,800 people a day.

Munich Airport welcomes 150 CityLiners

On September 15, Lufthansa CityLine relocated its administrative operations from Cologne to Munich. The 800-strong CityLine team in Munich was joined by some 150 administrative staff. Previously, most of the staff stationed here were cabin and cockpit crews and technicians. The airline, a fully owned subsidiary of Lufthansa, flies from Munich to 64 destinations.

Busiest day ever recorded

On Friday, September 26, more than 140,000 passengers passed through Munich Airport – the most ever recorded in one day. Munich Oktoberfest attracts hundreds of thousands of business travelers and tourists from all over the world, making this traditionally the busiest time of the year.

Flights to more than 190 destinations

Airlines announced some 145,000 flights for the winter season from October 26, 2014, to March 28, 2015. The highlights included increased frequencies on a wide range of routes, as well as new destinations such as the Caribbean island of Guadeloupe, and new airlines such as Iran's Mahan Air, which flies to Tehran several times a week.

From Kempinski to Hilton

The Kempinski hotel group's 20-year contract for the airport hotel ended on December 31. Since January 1, 2015, the Hilton Worldwide Group has been running the 5-star hotel, located right next to Terminal 2, which was originally opened in May 1994.

A piano makes its final approach

At the end of July, the pianist and singer Stefan Aaron landed on the apron at Munich Airport on a »flying carpet«. His concert included the Munich Airport Soca Song, especially composed for this event. Munich Airport was the fourth venue on the »Orange Piano Tour«, which in recent years had taken the artist to the Swiss Alps, the Great Wall of China, and a Norwegian fjord.

/Our strengths

Step 1 › Install
Download the **appear2media** app. It is available for free from the app stores for iOS and Android smartphones and tablets.

Step 2 › Open
Open the app and select »Munich Airport«.

Step 3 › Scan
Simply hold your device over the pictures on the next few pages of this report (12 to 19) so you can see the entire image on your screen in each case.

/A dependable partner

A business partner that delivers innovation – Munich Airport lives up to these expectations every day and does so with great relish. This approach informs its dealings with airlines, joint ventures, clients, lessees, and neighbors of the airport. **Innovations** are essential for the successful development of the company. Thanks to its many years of experience, Munich Airport is able to provide guidance and is always thinking one step ahead.

municon

09:15 — **Munich Airport experts advise their partners in Qatar on airport management issues via telephone conference.**

AirSite South

15:30 — **The real estate team meets a potential new lessee at AirSite South and the property is inspected.**

At home

19:00 — **A person picking someone up uses a 360° view on their smartphone to find out where at the airport they can pick up their in-bound visitor the following day.**

Scan this page to access the **»Dependable partner«** film.
munich-airport.com/film/partner

Cargo

10:00 — **Cargogate takes care of the handling and storage of airfreight, as well as any documentation, and dealing with customs formalities.**

T1 and T2

11:30 — **Attractive products and services for visitors from all around the world. Many retail chains regard a branch at Munich Airport as something of a flagship.**

municon

14:15 — **Airport representatives and lessees meet at the conference center to discuss future investments.**

MAC

17:00 — **A major car manufacturer uses the largest covered space in Europe to showcase the latest top-of-the-range model.**

Scan this page to access the **»Unbeatable service«** film.
munich-airport.com/film/service

/Unbeatable service

Speedy transfers – one of the strengths of Munich Airport. Short distances are among the many attractive benefits of the service offered at the airport. From the S-Bahn station to the terminal and from one gate to the next. Clear signage in logical locations ensures passengers take the direct route. Short distances are also the order of the day for baggage and other services provided for airlines such as cleaning, refueling, and loading/unloading. The service philosophy represents one of the central areas of **expertise** – with the focus on maximizing passenger satisfaction.

/Sustainable commitment

The airport is only able to function if there is close interaction between the various service providers. This is why the business model is built around sustainable collaboration with neighbors and partners. One aspect of this is the regular dialog with stakeholders, where communication regarding the various environmental issues is paramount. This **partnership** inspires confidence and provides the basis for visible success.

Apron

07:20 __ **A bus awarded »Blue Angel« certification (for its environmentally friendly credentials) transports passengers across the apron. The vehicle keeps noise and pollutants to a minimum.**

Departure area

16:00 __ **A passenger survey helps create transparency between Munich Airport and its stakeholders. At the same time, airport employees are answering questions at a trade fair nearby.**

Terminals

18:30 __ **As dusk falls, the apron lighting based on energy-saving LED technology switches itself on.**

Surrounding area

19:00 __ **One of the 16 fixed measurement points records the take-off of an aircraft. The measurement results are online 20 minutes later.**

Scan this page to access the **»Sustainable commitment«** film.
munich-airport.com/film/commitment


SPINNING
SPINNER PRO

/Enthusiastic employees

A company is only as good as the employees who work for it. Munich Airport and its subsidiaries place great value on a healthy working environment, a positive corporate culture, and satisfied employees. They feel a sense of **responsibility** for training, health, and a work-life balance. Because this is the kind of environment that produces committed and enthusiastic employees who feel a sense of belonging toward their company.

Sports hall

06:00 — **After some communal morning exercises and a short team briefing session, the Airport Rescue and Firefighting service begins the day shift.**

Meeting room

09:00 — **Brand-related training for new employees.**

Cafeteria

12:00 — **Wood-fired pizza is on the menu today at the cargo cafeteria and is proving to be quite a hit.**

Conference room

16:00 — **Employees meet for a group rehearsal of a musical they are due to perform.**

Scan this page to access the **»Enthusiastic employees«** film.
munich-airport.com/film/employees

/Company profile and strategy

Corporate structure and overview

Flughafen München GmbH (FMG), founded in 1949, operates Munich Airport along with its 11 subsidiaries. The shareholders of FMG are the Free State of Bavaria with 51 percent, the Federal Republic of Germany with 26 percent, and the City of Munich with 23 percent. Along with its investees, Flughafen München GmbH is a »full-service operator« offering services across all areas of airport management.

The Munich Airport Group is active via the business units Aviation, Commercial Activities, Real Estate, and Participations, Services & External Business. In addition to its core business at Munich Airport, the Group also provides consultancy and management services worldwide.

↗ Web
munich-airport.com/portrait

→ Group Management Report
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Munich Airport – an overview

1,200.1 million euros Group revenue

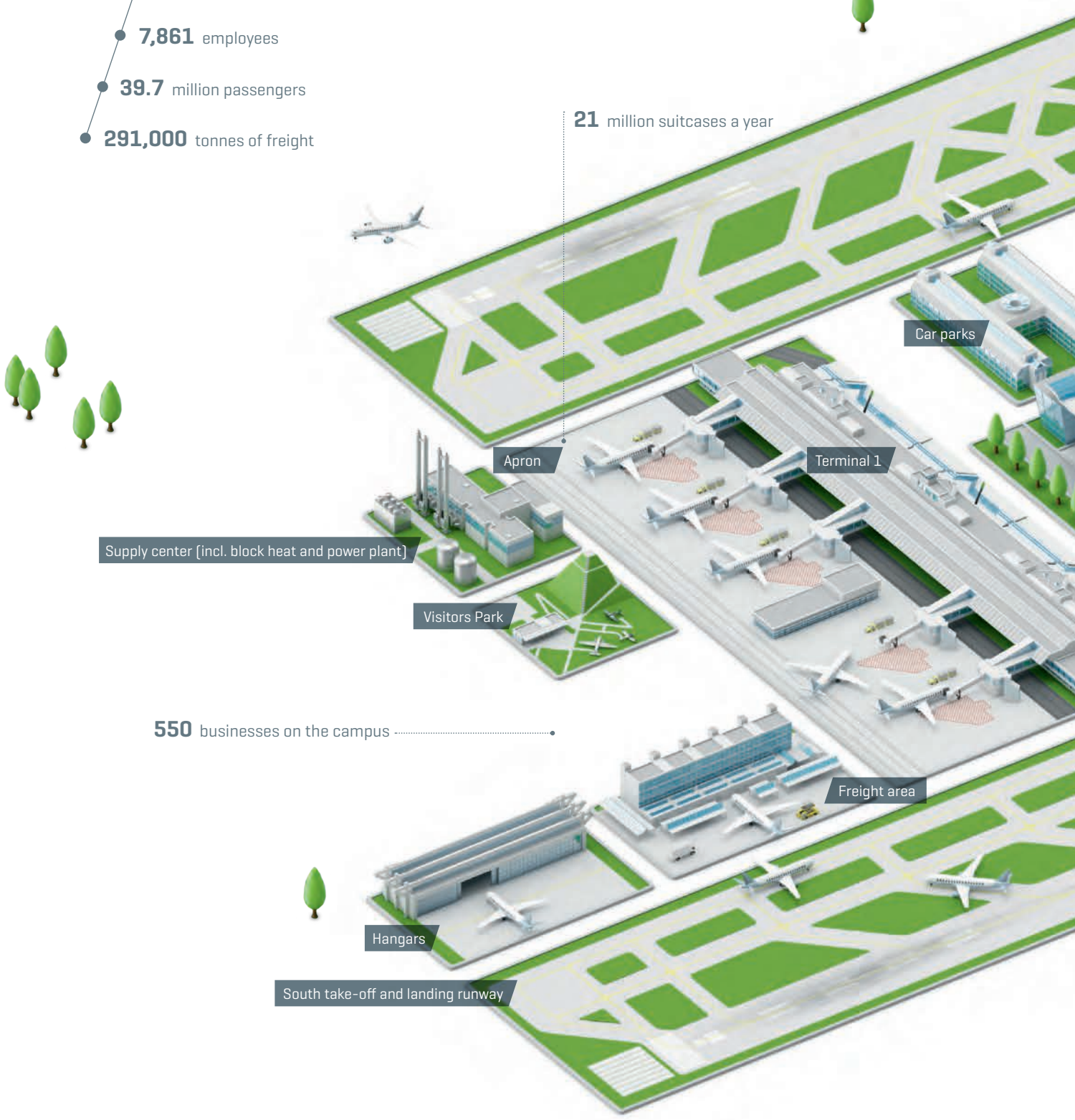
266.5 million euros operating result

7,861 employees

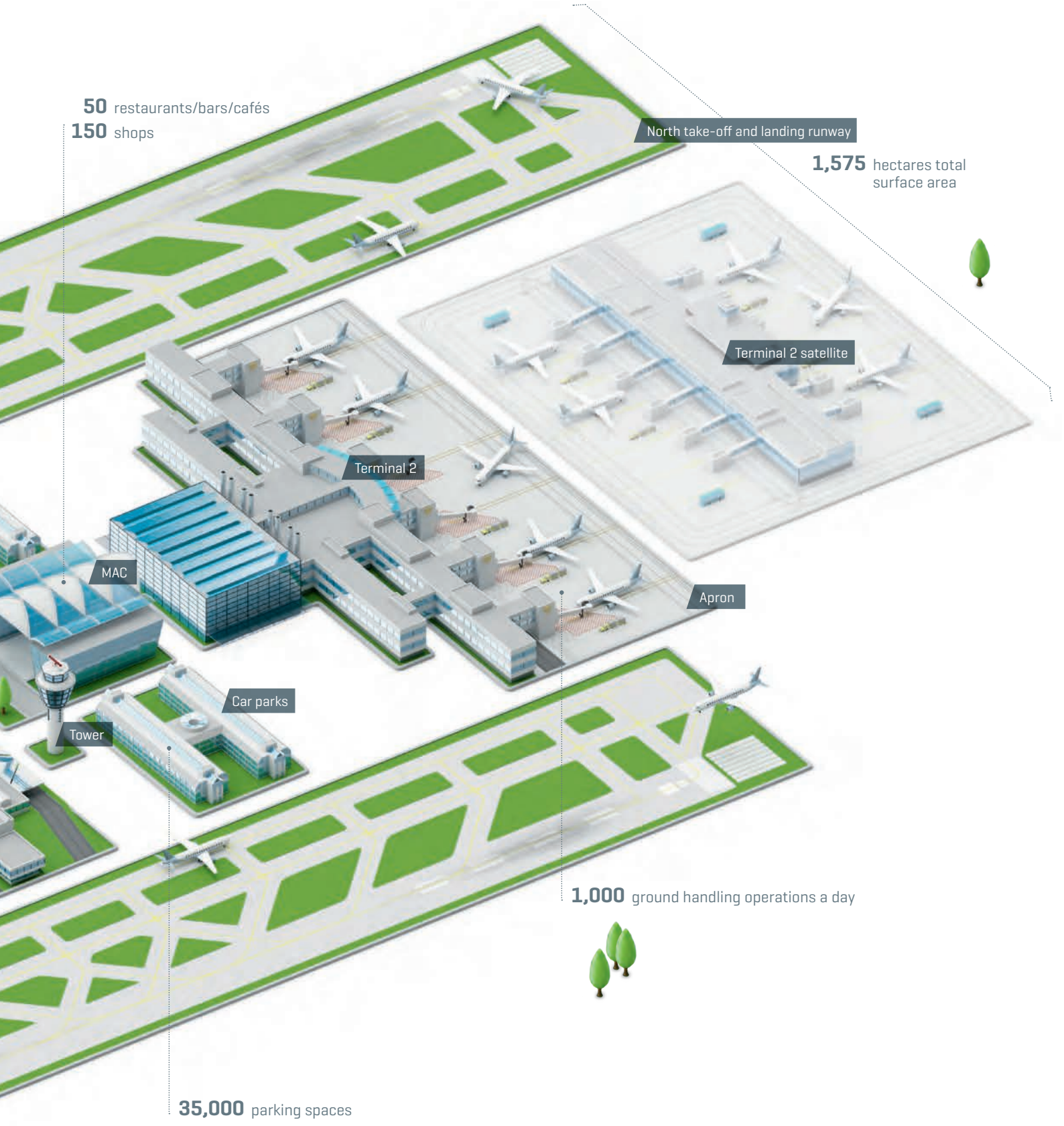
39.7 million passengers

291,000 tonnes of freight

21 million suitcases a year



550 businesses on the campus



Munich Airport can look forward to the future with confidence. →

Strategy and management

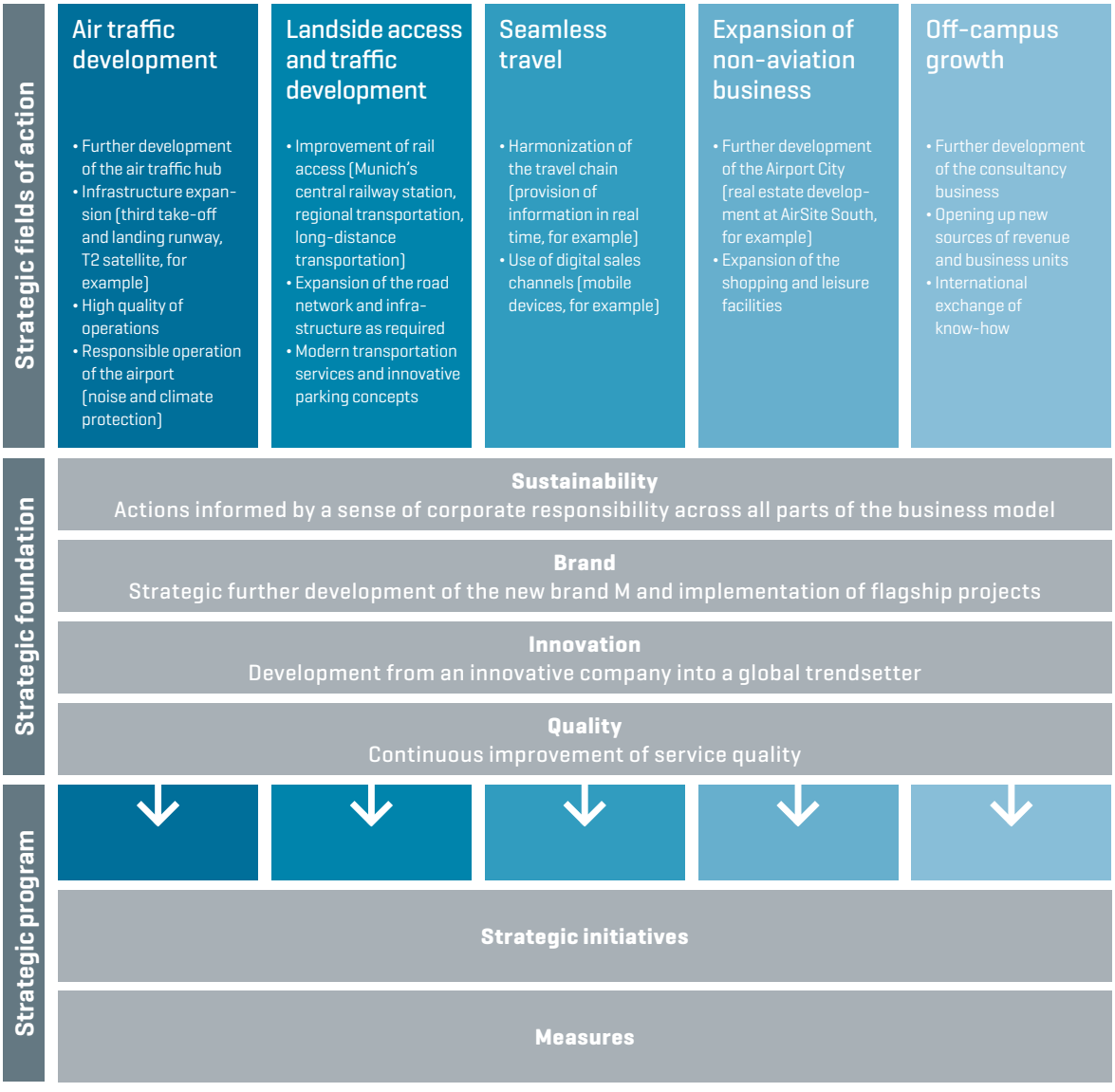
Impact of business activities and Strategy 2025

As a central mobility hub in Bavaria, Munich Airport has a varied impact on its stakeholders. In addition to any social and environmental impact, it is mainly economic effects such as new jobs and the decision by many firms to settle in the region around the airport that are having a significant impact on employees, the area immediately surrounding the airport, and Munich, Bavaria, and Germany as business locations.

In terms of corporate governance, the aim is to minimize the negative and promote the positive impact associated with the operation of the airport with a view to creating long-term value for Munich Airport, its employees, customers, and the region. Indeed, Munich Airport's Corporate strategy 2025 is based on this principle of sustainable development. It touches on the key strategic opportunities and challenges for Munich Airport. The intention is to ensure sustainable growth over the long term.

Strategic fields of action and a strategic foundation

In order to achieve these objectives, five strategic fields of action were devised as part of the Corporate strategy 2025 and firmed up with specific content. These are underpinned by a strategic foundation, which summarizes the main issues that apply across the Group. The foundation provides the basis for all strategic business decisions and for future development within the fields of action.



Strategic management and corporate governance

Implementation of the strategy ranges from the picture of the future at the very top level down to individual fields of action and the associated strategic objectives. These are allocated to the divisions and broken down into initiatives and measures. The Executive Board is responsible for formulating and achieving the strategic objectives. The first and second tiers of management are responsible for implementing the initiatives and measures derived from the objectives. Target achievement is also the basis for variable, performance-related remuneration. This helps to ensure that strategic issues, including those relating to sustainability, are implemented across the divisions in people's day-to-day work. Target achievement is monitored on a quarterly basis via internal management reporting.

Projects and measures for achieving strategic objectives

During 2014 there were numerous initiatives and measures across the Group as a whole designed to further the achievement of strategic objectives. Important flagship projects included:

- Improvements in rail access: The groundbreaking ceremony for the Neufahrner Kurve section on October 27, 2014, marked a milestone for better regional rail access within the »landside access and traffic development« field of action. The infrastructure project will offer passengers from eastern Bavaria quick and convenient access to Munich Airport. The section should be up and running by the end of 2018.

- Development of a digital strategy: The airport industry is not immune to the relentless digitization of society, with passengers demanding more all along the travel chain. This is what prompted FMG to start the Group-wide »Digital strategy« project in August 2014. Fields of action were derived up to the end of 2014 from the newly formulated »Charter of digital objectives«. Implementation of the first projects from the digital strategy is planned for 2015.

- Responsibility for brand M allocated to Corporate Development: Further development of brand M has been entrusted to Corporate Development since July 2014. This underlines the strategic importance of the brand in terms of positioning the company, while also favoring significant crossover with the corporate strategy and greater focus on the customer. The aim is to create more opportunities to experience the new brand across the entire airport campus and beyond, to embed it unremittingly in the corporate culture, and to kick-start new projects and measures for developing and strengthening the brand profile.

Financial and non-financial performance indicators

In addition to the traditional financial performance indicators of EBIT and EBITDA, FMG also measures itself among other things against the non-financial key performance indicators of Airport Service Quality (ASQ), carbon reductions, and employee retention. This underlines the central importance of service quality improvements, CO_2-neutral growth, and employee retention both in terms of strategic target achievement and for internal and external stakeholders.

→ Group Management Report
see page 99

→ Materiality matrix
see page 29

→ Glossary

Quality management

One of the core strengths of Munich Airport is the quality of its services. This insistence on quality applies not only to the core aviation business, but also to all other areas such as commercial activities (end customer business) and internal processes.

Major awards for service quality

In its drive for continuous improvements in service quality, Munich Airport places great emphasis on the opinion of its partners and customers. These include passengers, airlines, airport employees, and visitors, as well as employees of other companies based at the airport. Each year the Munich Airport Group receives feedback on how satisfied customers are with its service quality via the Airport Service Quality benchmark program run by the airport umbrella organization known as the Airports Council International (ACI). The annual passenger surveys conducted by Skytrax, the independent London-based aviation research institute, also provide important results and information.

The Skytrax World Airport Awards 2014 saw Munich Airport achieve its best rating to date. The airport secured third place for the second time, a feat first achieved in 2006. Indeed, Munich even managed to secure first place worldwide within the group of airports in the 30 to 40 million passenger range. In terms of the European rankings, Munich Airport was declared Europe's best airport for the seventh time in 2014. In addition, the Bavarian hub airport also came second in the global rankings in the individual categories of »Best Airport Dining«, »Best Airport Leisure Amenities«, and »Best Airport VIP Terminal«. Another accolade awarded to Munich Airport was for »Best Airport Staff« in Europe. The survey by Skytrax covered just short of 13 million passengers from 110 countries. Each year passengers rate international airports across some 40 categories.

Over 250 airports worldwide now take part in the Airport Service Quality (ASQ) benchmark program run by the airport umbrella organization ACI. Munich Airport achieved practically the same rating for customer satisfaction in 2014 as the year before. Based on a possible maximum score of 5, Munich Airport was awarded 4.04 (2013: 4.06). In terms of European hub airports, this puts Munich on a par with Copenhagen, London Heathrow, and Amsterdam airports but behind Zurich.

ASQ

↗ Web
airportservicequality.aero

→ Glossary

Since July 2014 Munich Airport has enabled its passengers and visitors to surf the Internet for free and without any time restrictions. Customers have responded accordingly to this improvement in the quality of their time spent at the airport by helping it achieve the highest increase in satisfaction in the ASQ benchmark program.

↗ Web
worldairportawards.com

Europe's first 5-star airport

In early 2015 Munich Airport became the first 5-star airport in Europe. This coveted distinction is seen as the »Oscar for aviation«. It was awarded by Skytrax, the renowned London-based aviation research institute. For several months the Skytrax auditors ran the rule over Munich Airport as part of the comprehensive »5-star program«. This involved analyzing, assessing, and – where necessary – optimizing the various fields of action across all areas of the airport.

As in the hotel industry, five stars denote a premium service: simplified processes along the entire travel chain and clear signage and route guidance. Munich Airport stands out from other airports with its exceptional service quality and hospitality, appealing and modern atmosphere, cleanliness, and high level of comfort.

→ GRI G4-18
GRI G4-26

Materiality process

1. Identification

Various sources and processes are used to identify significant themes. FMG conducts a survey every year, which is linked to the publication of the integrated report and covers the core stakeholder groups. Stakeholders are able to nominate and rate the issues identified, either in writing or online. FMG also uses the results of internal scenario analyses to understand Munich Airport's business model in the broader context of a sustainable approach to development.

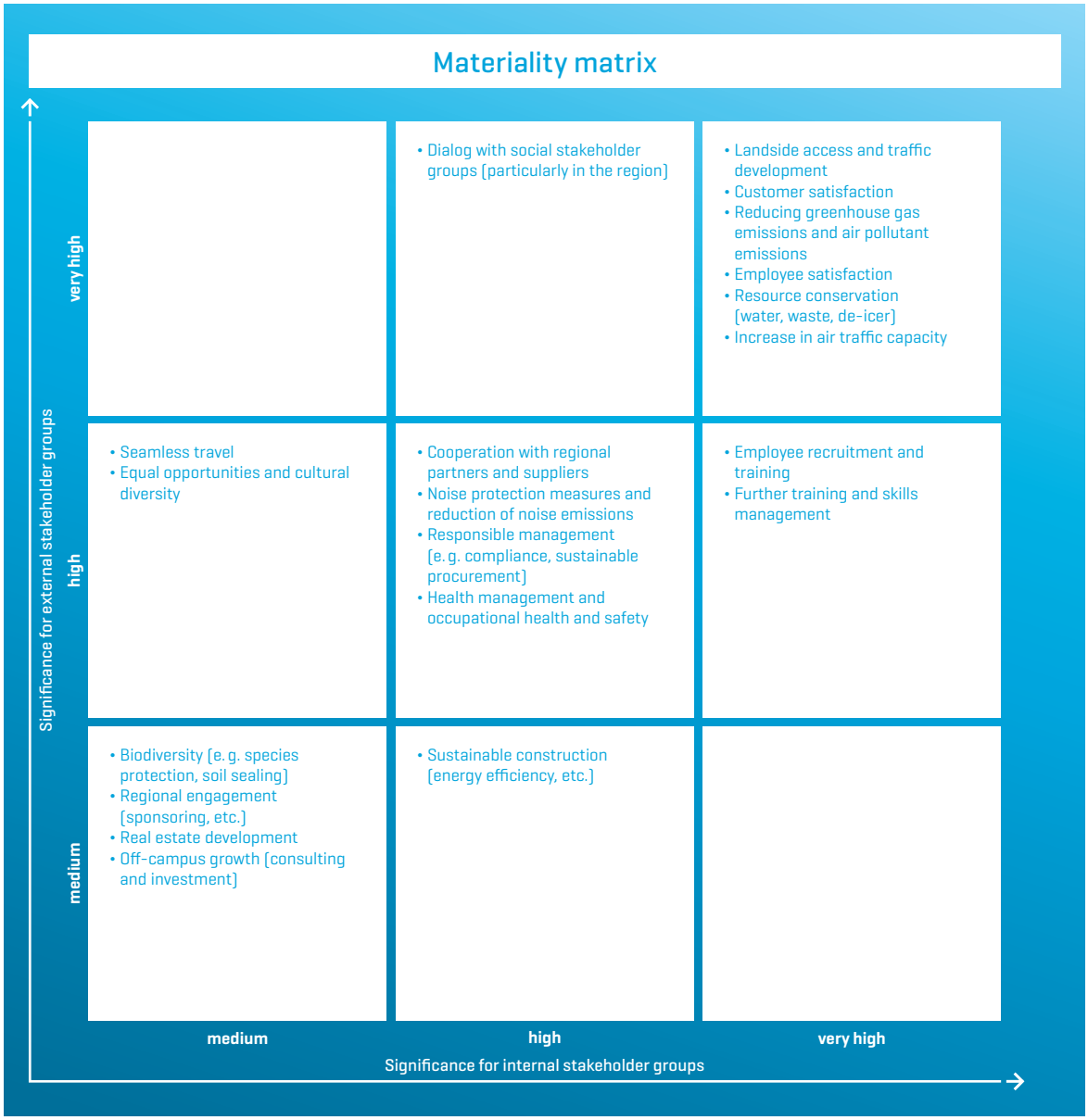
2. Prioritization

The annual stakeholder survey is used to prioritize the issues identified. The results of the survey are presented in a materiality matrix with two equivalent axes showing the significance of individual issues for internal and external stakeholders. These issues are then discussed with experts within the company, and content is allocated to the strategic fields of action. The discussion considers the impact within the four business units (Aviation, Commercial Activities, Real Estate, Participations, Services & External Business). The issues are also incorporated into the objectives process. Sustainability is therefore a central element of strategic development at Munich Airport. Munich Airport also defines the main issues for reporting purposes accordingly.

→ Strategic fields of action
see page 24

3. Validation

As part of the annual strategic objectives process, the relevant issues are discussed internally with the management staff at FMG. In addition, external feedback is obtained as part of the stakeholder survey regarding the content of the integrated report. This provides an opportunity to modify or supplement issues and objectives or even include new ones.



→ GRI G4-18
GRI G4-19
GRI G4-26

→ Sustainability program
see page 163

Strategic sustainability management

For Munich Airport, sustainability is a central component of the corporate strategy. From an organizational perspective, sustainability management is entrusted to Corporate Development because of the wide variety of issues involved. Objective-driven and effective sustainability management is based on the main issues associated with the business model. It also takes into account the most important issues for the various relevant stakeholder groups and integrates these into strategic planning and operational implementation initiatives in a consistent manner.

A key tool used by Munich Airport is the Group-wide materiality analysis. The aim of the analysis is to derive the most important issues for the purpose of strategic sustainability management and integrated reporting. This provides the basis for the Executive Board to set the central parameters for sustainable development.

The materiality analysis is informed by the principles formulated by the Global Reporting Initiative (GRI), namely sustainability context, materiality, completeness, and stakeholder inclusiveness. The identification and prioritization of important issues are achieved through continuous dialog with stakeholders. Existing internal processes and methods are used to identify, prioritize, and validate issues. Munich Airport is striving to improve processes continuously, particularly in terms of estimating and measuring the internal and external impact.

→ GRI G4-18
GRI G4-26
Strategic Sustainability Management

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see page 190

→ Stakeholder dialog
see page 51

→ Glossary

Expansion plans

The third take-off and landing runway

Securing the future of Bavaria as a business location

Given its central geographical location in Europe, the outstanding appeal and quality of its services, and the increasing demand for mobility, Munich Airport should be expecting future passenger figures to increase too. A lot has been done already to equip the airport for the predicted growth. For example, the satellite for Terminal 2, which is currently being constructed, will see capacity increase by some 11 million passengers.

→ Glossary

In addition, the required approvals for further expansion measures of critical importance to the future viability of the airport have been obtained from the authorities. These include, in addition to the construction of the third take-off and landing runway, important infrastructure projects for improving transportation links between the airport and the rail and road network.

In particular, the third take-off and landing runway represents a unique strategic opportunity to cement the quality of Bavaria and Germany as locations in the face of global competition. Only with the third runway can the bottlenecks that currently occur during peak times be prevented, with the increase in capacity from the current 90 to at least 120 aircraft movements an hour opening up prospects for long-term development. If Munich Airport wants to preserve its role as a hub airport of European significance in future, the construction of the third take-off and landing runway is indispensable.

Overview of the history of the third take-off and landing runway

Ten years of dialog, public involvement, and transparency

Friday, July 26, 2005
Flughafen München GmbH informs the Supervisory Board about foreseeable capacity bottlenecks. The committee duly instructs FMG to start planning for a third take-off and landing runway.

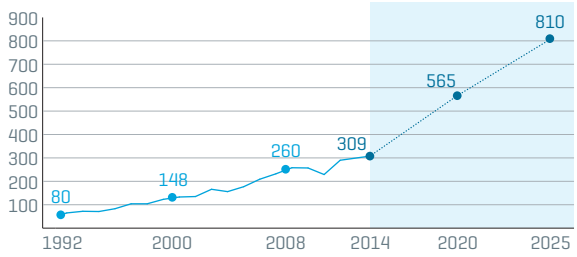
The figures for 2006
Munich Airport records over 30 million passengers and over 400,000 aircraft movements in a year for the first time.

November 11, 2008, to March 31, 2009
The concerns of members of the public affected are discussed at the BallhausForum in Unterschleißheim. The debate runs for a total of 59 days. Almost 700 speakers express their views on the various issues of relevance.

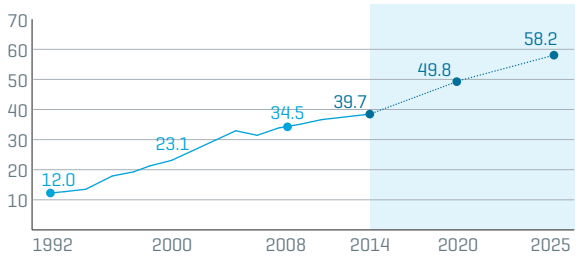
February 2, 2012
Munich Airport informs the BayVGH that it will not be exercising its right to immediate enforcement until the principal proceedings take place.

Demand forecast through 2025

Freight volume – Development and forecast (incl. mail, excluding trucking)
In thousands of tonnes



Passenger volume – Development and forecast
Commercial passengers in millions



Source: Munich Airport, January 2015; Intraplan Consult GmbH, March 2010

Monday, July 29, 2005
The airport informs the Lord Mayor and local councilors for the region about the expansion plans.

September 20, 2005
A Communities Council is established. This is where representatives from the region are given comprehensive information regarding plans and reports at an early stage. The committee follows the entire planning process. The Communities Council meets 12 times before the process even begins.

September 20, 2005
Some 31 potential locations are examined for the runway, with a shortlist of six being drawn up.

August 31, 2006
FMG requests the »regional planning procedure« for expanding capacity in terms of take-off and landing runways. All documentation submitted was available for inspection online at www.muc-ausbau.de.

February 21, 2007
The government of Upper Bavaria reacts positively to runway location »5b« from a local planning perspective. This concludes the regional planning procedure.

August 24, 2007
FMG sends the government of Upper Bavaria the request for planning approval in relation to runway location »5b«.

November 5 to December 4, 2007
Some 47 folders containing over 10,000 pages of planning documents are made available in the surrounding municipalities and published online. This results in 59,191 objections – around 97 percent of which are group objections. Some 123 statements are issued by the districts and municipalities affected, as well as competent authorities and associations.

July 29, 2008
FMG shareholders give the green light for a »regional fund« sponsored by the Communities Council: The airport makes 100 million euros available voluntarily to help in special cases and mitigate any adversity suffered in the surrounding area as a result of the third take-off and landing runway. The Communities Council decides how much the various parties receive.

April 12 to May 11, 2010
Additional documents are made available for public inspection, including the revised predictions regarding air traffic and new calculations regarding aircraft noise. This results in a further 20,000 objections, on which airport experts issue statements.

July 5, 2011
The government of Upper Bavaria issues the planning approval notice for the construction of a third take-off and landing runway. This includes the right to immediate enforcement.

November 4, 2011
The deadline for complaints and applications expires. In total, some 22 complaints are referred to the Bavarian Higher Administrative Court (BayVGH).

The figures for 2011
Munich Airport achieves a new record of nearly 38 million passengers. A total of 409,956 aircraft movements were recorded.

June 17, 2012
Referendum in the City of Munich: A million Munich inhabitants are invited to vote, but only 32.8 percent do so. The result is close but decisive: Around 180,000 (54.3 percent) reject the construction project, with 150,000 voting »Yes«.

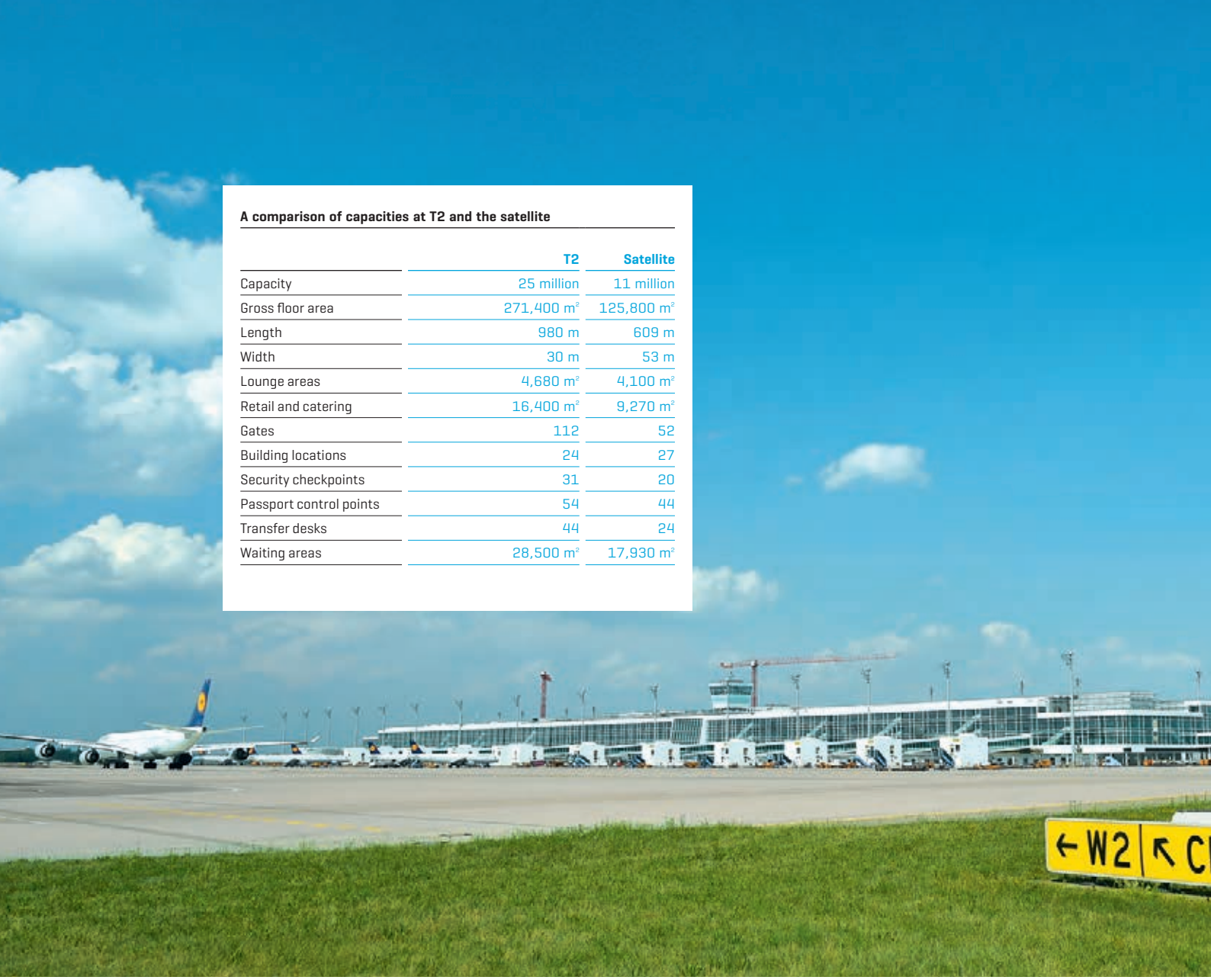
2012 – 2013
The referendum is legally binding on the City of Munich for one year. Representatives of the Free State of Bavaria and the Federal Republic of Germany reassert their belief that expansion of the airport is indispensable.

March 2013 to February 2014
The BayVGH hears the complaints against the planning approval notice in 41 sessions and makes five visits to the site. On February 19, 2014, the court rejects the complaints raised.

November 2014
A working group from the German Airports Association (ADV), with representatives from German airports including Munich, sets out guidelines for the best way of involving the public in the expansion project.

Outlook for 2015
The court is set to make a decision at a later time regarding the six outstanding complaints from private individuals and Bund Naturschutz Bayern e. V., Bavaria's association for nature conversation.

March 4, 2015
The German Federal Administrative Court in Leipzig rejects the complaints from six municipalities against the decision not to admit the appeal.



A comparison of capacities at T2 and the satellite

	T2	Satellite
Capacity	25 million	11 million
Gross floor area	271,400 m²	125,800 m²
Length	980 m	609 m
Width	30 m	53 m
Lounge areas	4,680 m²	4,100 m²
Retail and catering	16,400 m²	9,270 m²
Gates	112	52
Building locations	24	27
Security checkpoints	31	20
Passport control points	54	44
Transfer desks	44	24
Waiting areas	28,500 m²	17,930 m²

→ GRI G4-26
GRI G4-27
Focusing on the interests of residents

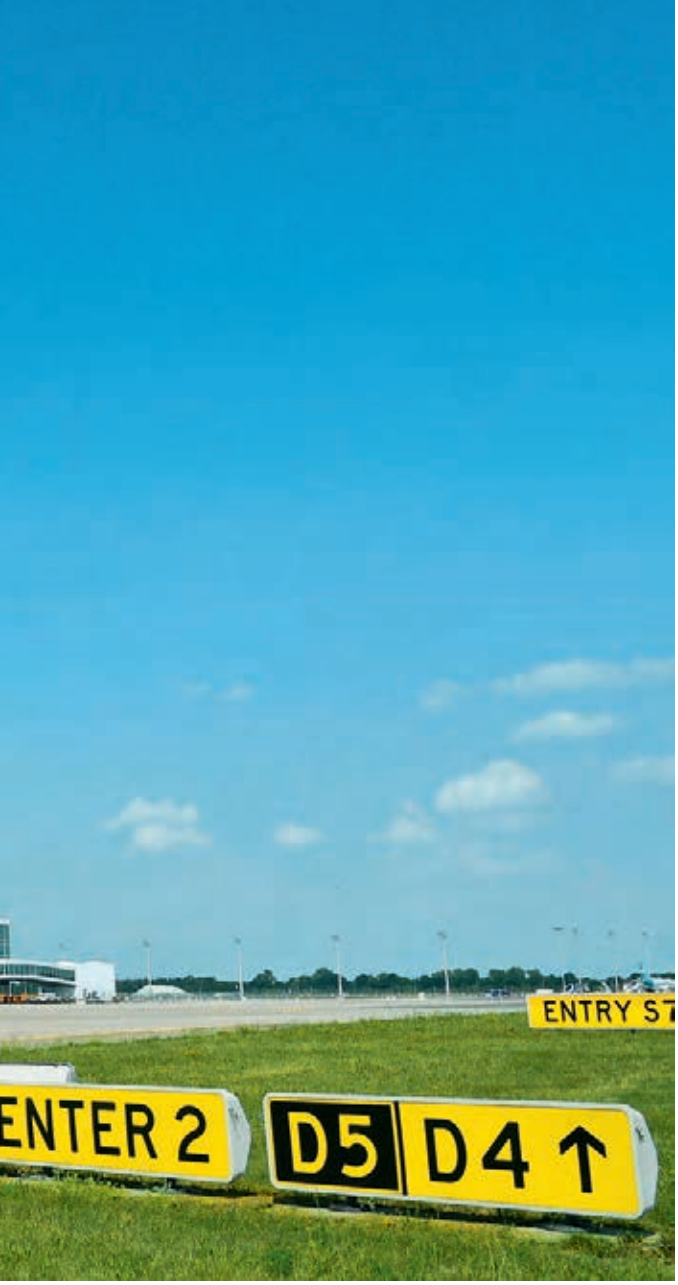
An important court decision

The year under review – 2014 – brought an important legal decision regarding the expansion plans for Munich Airport. On February 19 the Bavarian Higher Administrative Court rejected all objections against the planning approval notice issued by the government of Upper Bavaria for the third take-off and landing runway. After sitting for almost a year, the court decided that the construction of a third runway is justified from a planning perspective and that the associated objectives – coping with future transportation demand and boosting the economy and job opportunities – are sufficiently important to outweigh the opposing public and private concerns (the environment or noise protection, for example). According to the court, the planning authorities did not exceed their powers or the discretion they enjoyed. The judgment represents an important milestone in terms of the expansion of the airport. Some plaintiffs lodged complaints when the appeal was not admitted, which means the higher German Federal Administrative Court in Leipzig will now have to make a decision regarding the case.

Focusing on the interests of residents

Involving those affected in the planning process at an early stage can prove decisive when seeking acceptance of expansion projects associated with transportation infrastructure. It is a case of ensuring the justified interests of residents are afforded effective protection. With a view to creating the utmost transparency, it has been a long-standing policy of Munich Airport to seek a close dialog with the region surrounding the airport and explain all the main aspects of the expansion measures to politicians and the public.

In addition to the extensive discussions during the proceedings involving the authorities and courts over the years, Munich Airport has put forward questions from members of the public in a range of different forums and provided its own sources of information such as the results of ongoing noise and air quality measurements. Various committees such as the aircraft noise commission, the Communities Council, or the sewage treatment association are places for discussing ongoing airport-related



issues with the surrounding area. In many cases amicable agreements have already been concluded with owners of plots of land regarding their appropriation by the airport.

Munich Airport also joined a working group of the German Airports Association (ADV). In November 2014 guidelines were unveiled in Berlin regarding how best to involve the public in expansion projects at German airports. This shows how airports are setting themselves the challenge of finding a sustainable balance between individual interests and the common good.

Significant construction progress at T2 satellite

The satellite building for Terminal 2 is being built as part of a joint venture involving FMG and Deutsche Lufthansa. It offers additional ground handling capacity for 11 million passengers a year and 27 direct gate positions. Construction work is on track, with the glass facade and roof being completed during 2014 almost a year after the topping-out ceremony. Previously, work had been focused on the interior, with Lufthansa's service facilities and a highly varied catering and retail provision gradually taking shape. During winter 2014/2015 work began on attaching the passenger boarding bridges. At the start of 2015 the first vehicles for the passenger transportation system between Terminal 2 and its satellite were delivered. Construction of the new terminal building is scheduled to finish during the third quarter of 2015.

The new building has been devised as a kind of »Green Satellite«. An ambitious target has been set whereby future CO_2 emissions should be 40 percent lower than for both the existing terminals. This is to be achieved via a wealth of measures such as a climate facade, modern air source technology for air conditioning, and LED technology and dimmers for the lighting.

Major step toward conversion of Terminal 1

FMG's next major construction project cleared a significant obstacle during 2014. In December the Supervisory Board gave clearance for in-depth planning in relation to T1 optimization. The aim is to make T1 much more appealing to passengers and airlines from the non-Schengen segment by expanding the T1 building. The building project is set to increase the capacity of Terminal 1, create new retail and catering units and lounge areas, and improve passenger handling processes.

→ Glossary
→ GRI G4-26
GRI G4-27

→ Glossary

The proposed new gate area consists of a three-story core construction and a two-story pier in the northern section of the terminal. It is intended to be a self-sufficient entity, which uses individual connecting bridges to clear the service road and link with the existing Terminal 1 structure. Here too, the same premise applies as for satellites: The use of innovative construction and technical systems should keep energy requirements and CO_2 emissions for the new building as low as possible and at least 40 percent lower than in the existing terminal. Construction is due to start in 2017.

/Service portfolio

Aviation

The Munich Airport Group offers numerous services across all areas of airport management. The four business units of Aviation, Commercial Activities, Real Estate, and Participations, Services & External Business each made another significant contribution to the service portfolio in 2014.

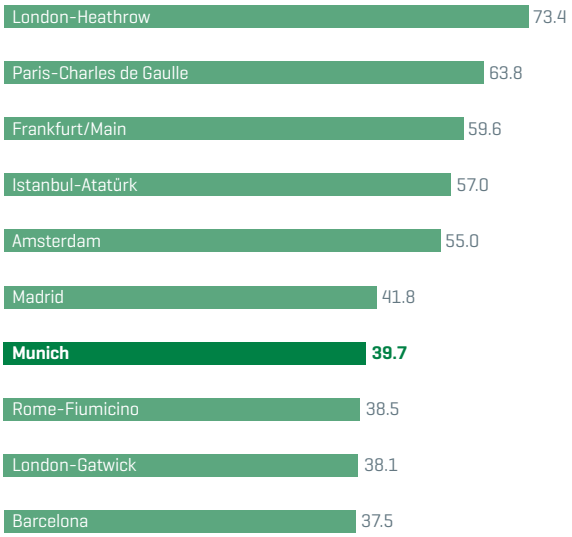
The Aviation business division at FMG is concerned with all aspects of air traffic handling across airport premises, apart from the loading and unloading of aircraft. It produces flight schedules and predictions regarding future flight schedules, controls operations for the take-off and landing runways, and takes care of all procedures on the aprons and at the gates. In addition to passenger boarding bridges and baggage conveyor systems, this also includes the various services at the terminals. This division is also responsible for the marketing activities to promote further development of air traffic and generate new connections.

Almost 40 million passengers

2014 saw a further record in terms of passengers. Some 39.7 million passengers took off from or landed at Munich Airport, thereby underlining both its importance as an attractive hub airport and its outstanding quality: Munich was the only European airport to make it into the top three airports worldwide according to the rankings produced by the aviation research institute Skytrax. Munich Airport was ranked 7th by passenger volume in European terms.

However, 2014 again saw further consolidation within the aviation industry. The established airlines are facing tough competition from new providers from the Arab world and from low-cost carriers. This has prompted them to invest in modern, larger aircraft, which has led in turn to a further increase in passenger figures of just under 3 percent at Munich in 2014, while aircraft movements decreased slightly. Having said this, Flughafen München GmbH is expecting something of a turnabout for 2015, with the number of take-offs and landings set to rise again. Overall, the German Federal Government is expecting air traffic to grow by just short of 60 percent by 2030.

Munich compared with other European airports in 2014
Passenger figures in millions



As of December 31, 2014
Source: Airports Council International (ACI)

↗ Web
munich-airport.com/statistics

A demand-oriented offer for airlines

Thanks to the new framework agreement on charges concluded between Flughafen München GmbH and the airlines in 2014 following lengthy negotiations, both sides should benefit from greater certainty in planning terms. This will apply to take-off and landing charges and prices for other services for a period of seven years. Even greater customer focus should result from the reorganization of the Aviation Marketing division: All processes are assessed and consistently tailored to suit customer needs. The aim is to secure additional routes and airlines for Munich Airport.

The route network associated with Munich Airport became even denser during 2014. For example, Lufthansa and United now offer new long-haul connections to Mexico City, Miami, and Houston. The airport also sees further potential for connections to South America, the Philippines, and some cities in China. Given that capacity is almost completely exhausted, however, particularly during periods of heavy traffic, the airport is already no longer capable of providing enough slots. As such, further growth will only be possible in Munich if the proposed third take-off and landing runway can be built.

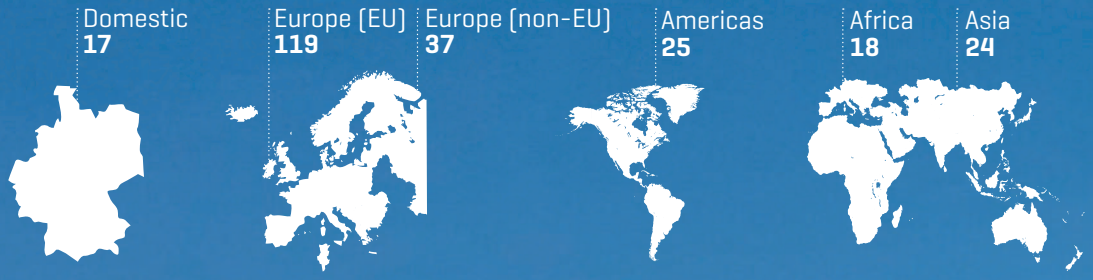
→ Group Management Report
see page 97

Destinations regularly served[1)]

68 countries regularly served from Munich

240 total destinations

91 airlines



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

The airport as hub: part of the global transportation network

Illustration of the environmental and economic benefits of a hub system (right) – significant reduction in the number of flights

Aviation highlights 2014

↓

Another passenger record:
39.7 million passengers

New long-haul connections
to Mexico City, Miami, and Houston

New framework agreement
with airlines regarding charges
at Munich Airport

Safety the top priority

Safety is tremendously important for an international passenger airport. Top priority is given to both general security (airport security) and the safe operation of aircraft and their handling on the ground (airport safety). Particularly against a backdrop of increasing traffic figures, the focus in terms of airport safety is on avoiding accidents and dangerous situations and identifying the potential for errors. The statutory provisions associated with air traffic define the following areas of responsibility:

Responsible authorities	Areas of responsibility
FMG, CAP Flughafen München Sicherheits-GmbH	• Personnel, employee, and access controls • Structural and technical design of the airport • Training for personnel • General safety of airport operations
Airlines	• Airline's own safety measures for operations • Safety measures with respect to passengers, baggage, mail, and freight • Safety of own aircraft • Training for personnel
Federal police	• Passport controls for arrivals and departures, various security-related tasks
Customs	• Import and export controls for items passengers take with them

Munich Airport is monitored by the Bavarian Aviation Supervisory Authority. In addition to continuous quality checks associated with national and EU security inspections, FMG has its own quality management system for security matters.

↗ Web
munich-airport.com/security

Safer air travel thanks to new technology

The transportation services element within the Aviation unit further increased air travel safety during 2014 thanks to various technical innovations. One such example was the introduction of an »active identification obligation« on October 1 in order to implement the ICAO recommendations. This applies to all vehicles and devices moving around the maneuvering area (runway and parallel taxiways) during operations associated with the take-off and landing runways. The information sent out from around 200 vehicles can be compared with data from ground radar and used to identify vehicles without any ambiguity. Particularly when visibility is restricted, this method can prove a great help when managing ground handling for aircraft.

→ Glossary

Fog can have an impact on the number of aircraft movements at the site. It is now possible, thanks to cameras installed at a key position (the head of the runway towards the northeast), to monitor the arrival and lifting of fog from the east and to even do so at night using a long exposure facility. This visual support should enable the German meteorological service to confirm or correct its forecasts regarding visibility levels. This in turn has a direct impact on the regulations imposed by German air traffic control and therefore on capacity.

Munich helping to shape European standards

→ Glossary

The European research project known as SESAR (Single European Sky ATM Research) is hoping, via standardized processes and technologies, to introduce some uniformity to taxiing traffic at European airports. Together with London-Heathrow, Zurich, Amsterdam, and Frankfurt airports, as well as the Aéroports de Paris authority, Munich also became actively involved in the SESAR project during 2014.

By developing innovative concepts for aircraft taxiing, FMG has now assumed a leading position within SESAR. The idea behind the »Follow the Greens« procedure is for pilots in future to find their way to their target position by means of ground lighting and an intelligent control system. FMG will carry out final testing of this concept during 2015 as part of a one-week validation phase. This simulation exercise will show the extent to which the new procedure improves processes during bad weather and simplifies the steps involved in marshaling.

Airport Rescue and Firefighting: a safety must

The Airport Rescue and Firefighting service at Munich Airport satisfies the guidelines set down by the International Civil Aviation Organization (ICAO) under the highest category 10. This means any point on the take-off and landing runways must be reached within 180 seconds of an alarm being triggered, with firefighting efforts starting before this time limit too. Munich Airport has two fire stations, therefore, in order to maintain its high safety standards. As well as performing firefighting duties, the Airport Rescue and Firefighting service also plays an active role in the rescue service.

In 2014 Germany's most modern installation for fighting aircraft fires was installed on the practice area used by the Munich Airport Rescue and Firefighting service. It is designed to replicate the size and layout of a Boeing 747. Modern computer-controlled technology makes it possible to simulate the effects of various extinguishing agents.

Avoiding bird strikes

Collisions between aircraft and birds can undermine the safety of air traffic. With this in mind, FMG maintains close contact and dialog with the institutions responsible, particularly the airlines, German air traffic control, authorities at regional level and higher, and the GBSC (German Bird Strike Committee). Specially trained FMG employees perform bird control duties throughout the operating time on airport premises and actively deal with any potential bird-related risks. However, Munich Airport is not merely content with driving away birds that represent a hazard in terms of air travel. Instead, the main focus is on a specific biotope management approach tailored to local conditions. This means taking steps on airport premises and the surrounding area to ensure birds of relevance to aircraft safety – heavier birds or those that form flocks – are not attracted in the first place.

Keeping bird strikes to a minimum

Munich Airport maintains a very high level of safety with regard to bird strike prevention. The statistics from the GBSC show that Munich Airport has had a relatively low bird strike rate for many years now. The bird strike rate is less than 0.7 reported bird strikes for every 10,000 aircraft movements within the airport and less than 0.2 reports in the so-called surrounding area.

	Bird strike rate within the airport	Bird strike rate in the surrounding area
Munich during 2013	**0.65**	**0.19**
German passenger airports during 2013, average figures	2.50	0.72

Source: Bird strike statistics from the GBSC
No comparative values were available for 2014 at the time of writing.

A »Jumbo« used for fire simulation purposes during fire service exercises

Airport Rescue and Firefighting service deployments

	2014	2013
Total alarms	4,446	3,997
of which false alarms	648	754
Number of deployments	3,798	3,243
of which technical support	1,839	1,754
of which safety monitoring	977	902
of which firefighting	123	104
of which first-responder deployments[1)]	859	483

[1)] Initial assistance until the arrival of the public rescue service

Commercial Activities

The Commercial Activities business division at FMG tends to target its services at end customers, which means it contributes significantly to the impression that people take away from their time at the airport. These include passengers, visitors, and those picking people up from or bringing them to the airport. The business division is responsible for the following services: retail and catering as part of center management, parking-related services, and advertising and events on airport premises.

→ Glossary

→ Group Management Report
see page 98

Bavarian identity and strong brands

The main areas covered by Commercial Activities are the development, marketing, and management of retail and catering operations in the terminals and the München Airport Center (MAC). The challenge in terms of marketing these areas is to strike a sensible balance between the surface area devoted to access and that devoted to sales, as well as finding the right mixture of sectors and brands. In doing so, Munich Airport is aiming to promote its own Bavarian and therefore specific identity, while also relying on brands with a strong international reputation.

↗ Web
munich-airport.com/shopping

New shop concepts

Munich Airport offers passengers, employees, and visitors a total of 154 shops and service providers, as well as 50 catering outlets. Retailing at Munich Airport is spread across some 18,400 square meters of catering space and 22,000 square meters of space dedicated to retailers and service providers.

↗ Web
munich-airport.com/parking

At Terminal 2 a significant transformation was successfully completed before the end of 2014 in the non-Schengen area on Level 05 of the international departure area. New luxury brands on the central plaza, such as GUCCI, Bottega Veneta, Mulberry, TOD's, Rolex, or Salvatore Ferragamo, are exactly what is needed to satisfy the consumer demands of international passengers. Further highlights in the year under review were the opening of new stores for the brands Hallhuber, Olymp, Falke, Max Mara, and Marc Cain and a refit of the Hugo Boss shop in MAC. The new »Cee'U« shops are gradually replacing the former »checkout« shops in Terminal 1 and 2. They offer passengers a wide range of travel-related items, and the architecture and concept involved represent the very latest in design.

Construction work on the satellite building is continuing apace, with 2014 also seeing significant progress in commercial terms too. The process of marketing the 8,000 or so additional square meters of retail and catering space is almost complete. The new brands and highlights, in both retail and catering terms, will round off the shopping experience at Munich Airport perfectly.

More convenient parking

Parking services are very important to the success of the business division. In 2014 some 10.1 million vehicles used

the 35,000 parking spaces distributed across 14 car parks and other parking areas at Munich Airport. This represents an 8.6 percent increase on the previous year. Customers include business travelers and holidaymakers, as well as visitors, lessees, and airport employees. The new system in place since 2014, based on a full-service approach, offers customers far more convenience when parking through things like online booking, additional services offered on the campus, or the customer service center as the first port of call for any parking-related queries. The portfolio also includes the car rental center, for which contracts, invoicing, and customer support are taken care of on site, and responsibility for the taxi and shuttle service and all outside parking areas belonging to Terminal 1 and Terminal 2.

Airport with a central market square

Other activities in which the business division is involved are marketing advertising spaces and organizing events on airport premises. Given the high passenger and visitor numbers, the airport has something very attractive to offer advertising customers based on high contact numbers and a diverse target group profile. A deliberate decision has been made to limit the number of advertising spaces and thereby retain an element of exclusivity in order to focus marketing efforts on high quality, innovative formats, and the frequent potential for media attention. Examples are the large-format advertising on the facade of Terminal 2, the policy of giving advertising customers free rein across entire rooms and exhibition spaces within the terminals, and particularly the MAC Forum as Europe's largest covered open-air space. This market square at the heart of the airport is a real USP for Munich – somewhere to hold events that can make the airport a place for new experiences and also attract additional visitors.

The events held throughout 2014 at Munich Airport had a definite sporting theme. From April 14 to 26 the MAC Forum was a blur of swinging tennis rackets. In partnership with the BMW Open, Munich Airport gave passengers, visitors, and employees the chance to show off their sporting prowess on two tennis courts ahead of the ATP tournament.

During the football World Cup from June 12 to July 13, part of the MAC Forum transformed itself into a mini stadium hosting numerous public screenings. The Surf & Style event was held in the summer for the fourth time in a row, with the world's largest »stationary wave«

Highlights for Commercial Activities in 2014

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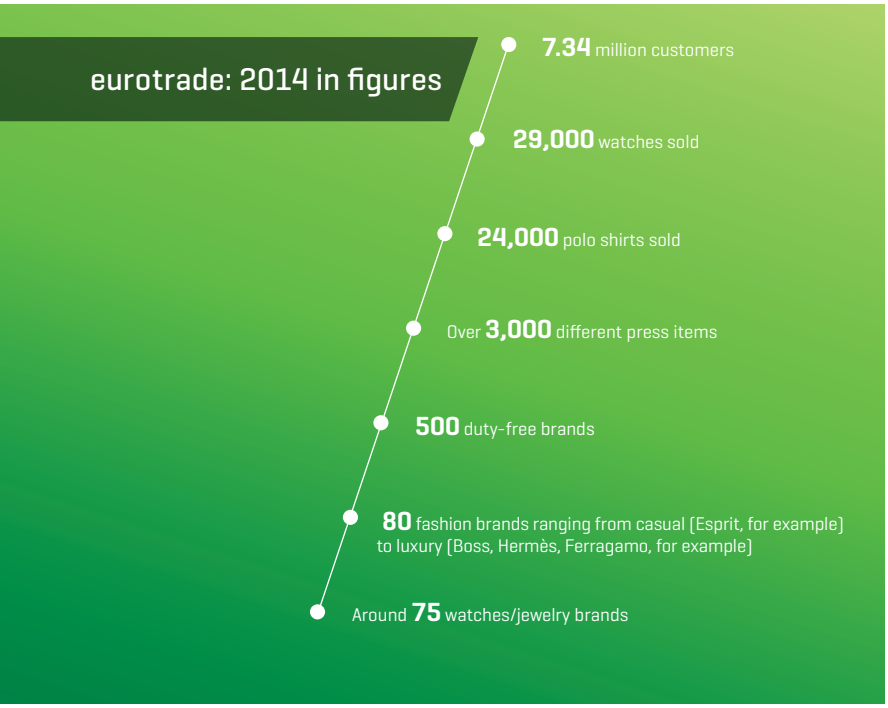
New **brands at the central plaza** in Terminal 2

Full-service parking

First tennis tournament at the MAC Forum



– created at an airport – making another tremendous splash with beginners and professional surfers alike. The pros had another chance to see how good they were during the European championship for »Stationary Wave Riding«.

The winter market at Munich Airport with its numerous stalls offered visitors a host of highlights as the year drew to a close. These included an ice slide, an open air cinema, a bigger ice rink than the previous year, and an attractive program of stage shows.

eurotrade wooing customers from around the world

↗ Web
eurotrade.org

→ GRI G4-27
Innovation management with the focus on the customer

eurotrade Flughafen München Handels-GmbH (eurotrade), a wholly owned FMG subsidiary, runs 67 retail stores at Munich Airport covering duty-free/travel value, newsagents and souvenirs, fashion, watches, jewelry, and accessories, as well as some small catering outlets. In addition, eurotrade runs a duty-free/travel value store at Friedrichshafen Airport. In order to meet the needs of international customers as effectively as possible, eurotrade puts together its product portfolio with its target groups in mind and offers well-known brands at Munich Airport that are popular around the world.

New catering records at Allresto

Munich Airport is known for the excellence of what it offers in catering terms. Indeed, the catering at Munich Airport has been among the best placed at the Skytrax World Airport Awards on several occasions. Allresto Flughafen München Hotel und Gaststätten GmbH (Allresto), a wholly owned FMG subsidiary, runs some 85 percent of all the catering facilities at Munich Airport. Its success is based on three different areas: restaurants, employee canteens, and a hotel. The restaurants run by the company itself and offering international, German, and Bavarian cuisine are very popular with passengers and visitors. Allresto is also responsible for bistros, cafés, and bars in both terminals, for a fast-food restaurant, and for the municon conference center. The five employee canteens and the Kempinski Hotel Airport Munich[1] are run, on the basis of a management agreement, by caterer Eurest Deutschland GmbH and Kempinski respectively (with Hilton taking over from Kempinski from the end of 2014).

Further digitization and networking of offers

A significant challenge facing the Commercial Activities business division over the coming years is the ongoing digitization of all forms of advertising, something that has been implemented already in the new satellite building. The division is also working on new products and services on the topic of mobility and the infrastructure this will require. The major driver in terms of new products and services is the need to increase the level of interconnection, personalization, and mobile communication associated with everything that passengers are offered from arrival until departure.

Innovation management with the focus on the customer

Innovation management at FMG underwent some realignment during 2014. So-called innovation search fields, where trends and customer needs are brought together, help Munich Airport to pick out those areas where it would like to concentrate its efforts. Efforts to develop Munich Airport into one of the world's leading airports are now tending to focus more strongly on end customers.

[1] Hilton Munich Airport since January 1, 2015

Examples of innovations for 2014:

- »Tablets for Dallmayr«: The digitized menu at the Dallmayr restaurant in Terminal 2 is now available in eight languages and also displays content from the InfoGate information system next to images of the dishes available. Special offers arranged in collaboration with the duty-free provider eurotrade are also shown. Following a successful pilot project, the use of tablets at the airport is now expected to be extended to various areas.

- 360° views of terminal interiors: Together with the Munich-based start-up NavVis, FMG is working on a way for people to find their bearings before they even leave the house. The plan for 2015 is to create an app where the user can walk round inside a virtual version of the airport and benefit from additional shopping information and positioning accurate to the meter.

Further improving service quality

Munich Airport is aiming to improve service quality continuously. This includes extending the Wi-Fi on offer, for example. Since August 2014 passengers and visitors to Munich Airport have been able to surf the Internet with their laptops, tablets, and smartphones for free and without any time restrictions. Previously, Internet access via Wi-Fi had been restricted to 30 minutes.

→ GRI G4-27

A further important service innovation has been introduced at the border inspection posts at Munich Airport. Since February 2014 the EasyPASS automated border inspection system has been operating on a trial basis. This removes the need for the checks performed on departing passengers by German police officials at six control gates.

Further improvements are designed to make life easier for passengers with impaired mobility. For example, the counter at the main information desk has been lowered for wheelchair users so they can communicate eye-to-eye with the personnel providing the information. Passengers with impaired visibility are able to use a floor-level guidance system and a braille overview plan in both German and English located at the main information desk to help them find their way around the terminals. Munich is also the first German airport to boast technically advanced sanitary facilities for people with reduced mobility. A barrier-free toilet covering 14 square meters includes features like a height-adjustable recliner with side bars and an overhead lift.

↗ Web
navvis.com

Real Estate

The real estate business at Munich Airport has developed into a core business with good prospects for the future. As a growing hub airport, Munich Airport will prove increasingly attractive to companies with an interest in air traffic and looking to establish a presence on the premises.

Responsibility for all real estate projects rests with the Real Estate business division at FMG. Its task is to take care of and develop – in economic terms and based on the life cycle of property – the airport infrastructure and any property and land located on the campus or outside the airport. Real Estate currently manages 450 properties covering 200,000 square meters of office space on the 1,575 hectares taken up by the airport premises. Numerous buildings at the airport, which opened in 1992, will need to be replaced in the next few years, including Terminal 1.

Real estate strategy for Munich Airport

In the real estate strategy it devised during 2014, Munich Airport stresses the increasing attractiveness of the site: Some 100,000 passengers, over 32,000 employees, and numerous visitors pass through the airport every day, with some 26 million people living in its wider catchment area. This enormous potential and the continuously increasing passenger and freight figures are attracting a growing amount of complementary business – a development which can be seen at other European airports.

A systematic search for space with potential

As part of this real estate strategy for 2025, Flughafen München GmbH has undertaken a systematic search of the campus in a bid to identify space with potential. A record has been made of the spaces needed for the development of air traffic or those suitable for other real estate projects, as well as a record of which new products will be in demand in future on the real estate market.

With its new strategy, the Real Estate business division is pursuing four objectives:

- Using real estate as a means of securing the core business of aviation over the long term
- Making optimal use of spaces used for commercial purposes
- Generating substantial proceeds
- Taking account of interests associated with the airport

New AirSite real estate brand

The real estate strategy envisages a planned development of new real projects over the next few years. Four areas have been earmarked for this purpose, whose location and accessibility lend them a certain distinctive character but which are to be marketed under the common brand of AirSite. One example is the northern section of AirSite West, the space to the west of Terminal 1 along the

distribution road. This is to be reconfigured during 2015, from an urban development perspective, so additional office buildings, hotels, and a new connection to the central airport distribution road can be created.

Real estate projects to be agreed with the region

If AirSite is to be successful, working closely with neighboring municipalities in order to reach some kind of understanding in respect of the undertaking is crucial. New real estate projects should therefore be closely linked to air traffic and passenger growth. This will mean they are not competing against businesses or business parks in the region. The price level involved should ensure – and this applies to the medium or long term too – that only companies reliant on the various possibilities offered by the airport will decide to have a presence there. As a result, the airport as a real estate location will tend to face competition from the wider conglomeration and other European airports rather than the area immediately surrounding the airport.

Highlights for Real Estate in 2014

↓

In-depth plans to improve Terminal 1, investments worth 270 million euros over the next few years

Construction of the satellite building for Terminal 2 without stopping operations

Approval of plans to expand the hotel at Terminal 2 by 162 beds

A common AirSite brand as a result of the new real estate strategy

→ Group Management Report
see page 94

Participations, Services & External Business

AeroGround: ground handling services from a single source

↗ Web
aeroground.de

AeroGround Flughafen München GmbH, a wholly owned FMG subsidiary, is the market leader in respect of ground handling services at Munich Airport. AeroGround works with its sister companies aerogate and Cargogate as part of the ground handling group and offers from a single source all landside and airside services associated with aircraft, passenger, and freight handling. Around 2,000 employees handle up to 300 aircraft a day. AeroGround delivered exceptional reliability during 2014 too, with 98 percent of the aircraft it handled departing on time.

AeroGround counts more than 100 airlines among its customers. The portfolio ranges from Deutsche Lufthansa and numerous Star Alliance partners such as Singapore Airlines, Thai Airways, and Air China at Terminal 2 to airberlin, Condor, Turkish Airlines, the US carriers Delta Air Lines and US Airways, and the Gulf airlines Emirates, Etihad Airways, and Qatar Airways at Terminal 1. In terms of freight handling, FedEx, UPS, TNT, and AirBridgeCargo rely on the services of AeroGround.

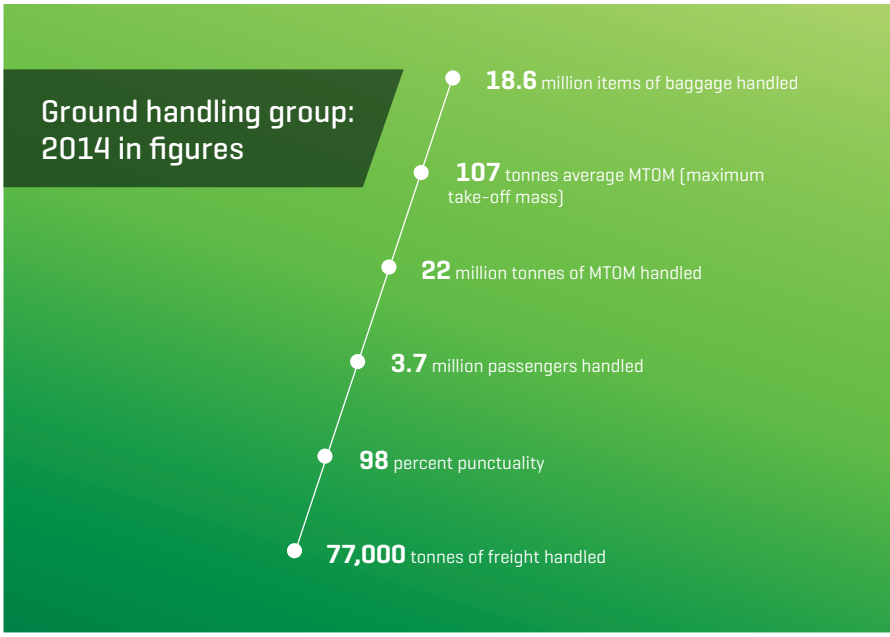
The main strengths of AeroGround are the consistently high quality of the handling work and the extensive portfolio of services. It was able to avoid losing customers during 2014, as well as securing long-term extensions to existing handling contracts with over 25 airline customers and concluding new contracts with others. Major successes for 2014 include the new deals agreed with Thai Airways, LOT, Adria Airways, and Aegean Airlines at Terminal 2. So-called full-handling packages, which cover both aircraft and baggage handling by AeroGround and passenger handling by aerogate at Terminal 1, were agreed with Emirates, Etihad, and Air Europa among others.

Tarom Romanian Air Transport and the freight airline AirBridgeCargo signed contracts that also cover the freight handled by sister company Cargogate.

In order to secure the viability of Munich as a site and exploit potential growth in terms of air traffic, AeroGround is pursuing an expansion strategy beyond Munich Airport as well. In addition to expanding its international consultancy activities in collaboration with FMG, AeroGround is also looking to secure ground handling licenses at other

airports. For example, AeroGround has successfully bid for handling licenses at Berlin-Schönefeld Airport and the new BER airport.

The establishment of a European ground handling network is another component of AeroGround's expansion strategy. With a view to offering an alternative to the global players in the ground handling market, AeroGround, the Greek outfit Goldair Handling, and AAS Airline Assistance Switzerland have joined forces to create a strategic alliance under the name »ground.net«. The aim of this collaboration is for airline customers both to benefit from the local and regional expertise of the partners involved and to exploit the advantages of networks incorporating a number of sites. The Greek airline Aegean Airlines is the first joint customer for whom handling can now be performed at the various sites of the network partners. The plan for 2015 is to expand the alliance to incorporate two or three more ground handling companies in central Europe and thereby establish a ground handling network spanning the whole of Europe.



aerogate: passenger handling expanded further

aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH is a wholly owned FMG subsidiary and, as a member of the ground handling group at Munich Airport, is responsible for passenger handling, the baggage delivery service, operating lounges, arrival services, ramp supervision, and operating an IATA ticket agency. Within the highly competitive passenger handling segment, aerogate at Terminal 1 has been able to secure a market share of just under 60 percent. In 2014 some 400 employees handled over 30,600 flights and more than 3.7 million passengers. aerogate's 60 or so customers at Terminal 1 include airlines offering scheduled services such as Iberia and EL AL, tourism airlines like TUIfly, and long-haul customers such as Emirates, Etihad, Saudi Arabian Airlines, Oman Air, and Delta Air Lines. Since 2014 services have also been provided for Qatar Airways and American Airlines/US Airways.

At Terminal 2 aerogate is primarily involved in ticketing and supervision for a number of airlines in the Star Alliance, including Thai Airways, TAP Portugal, and ANA. With 26 aviation services apprentices, aerogate is the biggest provider of training for this particular career on the site.

↗ Web
ground.net

↗ Web
aerogate.de

Cargogate reinvents itself

Cargogate Flughafen München Gesellschaft für Luftverkehrsabfertigungen mbH, a wholly owned FMG subsidiary, has been taking care of freight handling at Munich Airport since 1975. With around 220 employees, Cargogate is responsible for the handling and storage of airfreight, as well as any documentation and dealing with customs formalities. Over 60 percent of airfreight customers flying to Munich Airport are provided with handling services by the company. This equates to just under a third of the airfreight coming into the site or leaving Munich.

To make Cargogate more competitive within the market, the Future Cargogate project was launched in July 2014 with the aim of making better use of the existing infrastructure through sustainable tonnage growth and ensuring structures and procedures are organized with efficiency and the customer in mind.

↗ Web
cargogate.de

One of the biggest new customers in 2014 was AirBridgeCargo, a Russian freight airline that has been running a weekly service between Moscow and Munich since May 2014 with a freight version of a Boeing 747. In November 2014 AirBridgeCargo increased the frequency, allowing Cargogate to record a further increase in tonnage and make up for custom lost during the past year. The new freight flights also contributed to the 8.0 percent increase in airfreight handling at Munich Airport in 2014, as did the additional long-haul routes for passenger air traffic which opened up in the summer.

→ Sustainability indicators
see page 168

EFM: pushbacks and de-icing

↗ Web
efm.aero

EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH – with its 140 or so employees is responsible for providing pushbacks, de-icing, and conditioned air for aircraft. It is an associate in which Flughafen München GmbH holds a 49 percent stake. GGG Service for Airlines GmbH, part of the Lufthansa Group, holds the remaining 51 percent of the company. In the 2013/2014 fiscal year EFM performed around 178,000 pushbacks and, as a result of the weather, just 5,700 de-icing operations. The previous year's figures for 2012/2013 were 170,000 pushbacks and 14,700 de-icing operations. A responsible approach to the environment is a key quality criterion for EFM. As such, the company has included environmental protection in its quality management policy, which has been certified in accordance with ISO 9001 since 1997. Certification in accordance with ISO 14001 has been in place since 2003.

InfoGate: now at 50 locations around the airport

↗ Web
munich-airport.com/infogate

InfoGate Information Systems GmbH, a wholly owned FMG subsidiary, has been marketing the system it developed in-house – also called InfoGate – since 2011. It offers multilingual video-based customer communications and several digital information, reservation, and navigation services. As of 2014 InfoGate communications terminals were already available at some 50 locations across the Munich Airport campus. The density of the services on offer involving direct personal contact has almost trebled since 2010. In addition to manned information desks, passengers and visitors also have access to InfoGate counters where airport employees with the relevant expertise can provide them with information via live video conference. Passengers and visitors can also use one of the many InfoGate touchscreens to find out about the services offered at Munich Airport or, for example, seek individual route guidance to help them find the right gate or restaurant.

InfoGate has been successful in marketing the information system beyond the airport too. The customer base includes companies operating across the whole of Europe from the retail and project development or hotel sectors. As well as new sites at shopping malls and the development of pilot devices in the German airport sector, InfoGate also managed to secure a campus-wide rollout project for a new airport in the Arab world. When the system is up and running in 2015, it is hoped the acquisition of this reference customer in the Middle East will lead to a series of follow-up orders from the local region. Further installations within the financial services, hotel, and health sectors are also expected in 2015.

MediCare continues to grow

More and more patients are using the services of MediCare Flughafen München Medizinisches Zentrum GmbH (MediCare). MediCare's emergency facility is on hand to provide 24-hour medical care for passengers, visitors, and employees at the airport. MediCare also offers occupational and air travel-related medical services to all employees of FMG and its subsidiaries, as well as any other companies headquartered on the campus. In addition, MediCare runs AirportClinic M, a health care center specializing in orthopedics, gynecology, and urology. Flughafen München GmbH holds a 51 percent stake in the company, with MAHM GmbH, a partnership of medical practitioners, holding 49 percent.

International business

The »International Business« support office, together with the subsidiary Munich Airport International Beteiligungs-GmbH (MAIB), coordinates all international activities of Flughafen München GmbH and offers consultancy and management services on a worldwide basis. The success achieved through its business activities over more than 20 years has made Munich Airport an attractive consultancy partner for customers from all over the world. To date FMG has supported more than 30 major international projects in over 20 countries.

Activities in terms of international business

During 2014 FMG experts provided consultancy services to the following airports among others:

- Muscat and Salalah, Oman
- Doha, Qatar
- Jeddah and Riyadh Saudi Arabia
- Belo Horizonte, Brazil
- Ashgabat, Turkmenistan

Consultancy services are also provided at the home site in Munich with a view to ensuring seamless operations involving the satellite terminal, which is due to open for business.

/Dialog and social responsibility

Stakeholder dialog

Constant exchange with all interest groups

An important strategic factor in any airport's success is acceptance by wider society. This is particularly true of expansion projects like the proposed third take-off and landing runway. This is why Flughafen München GmbH places so much emphasis on so-called stakeholder dialog. Again during 2014 the airport engaged in dialog, based on a three-phase concept, with all stakeholder groups, whose interests were recorded via systematic interviews.

Comprehensive information as the basis for dialog

The first phase is all about giving information to the various groups. This involved defining communication content tailored to the respective interests and developing formats for communication purposes. Prominent among these measures is the integrated company report, which FMG is already publishing for the fifth time for fiscal year 2014. This brings together financial and sustainability reporting within a central publication and addresses all target groups in equal measure.

Canvassing stakeholder opinions

In the second phase the airport attempts to engage stakeholders in discussions regarding issues of importance to them and involve them in the decision-making process too. This direct exchange will become even more important in future, with social media giving everyone the opportunity to make information and opinions public directly. Therefore, if the airport asks stakeholders targeted questions and takes their opinions into account in terms of any unresolved issues, this will inspire confidence and pave the way for long-term acceptance. This is consistent with the guidelines associated with the Global Reporting Initiative (GRI), whereby companies must identify their stakeholders by name and illustrate how responsive they are to their expectations and interests. Munich Airport follows this approach, for example, with the annual survey of those reading the integrated report. This is a good way of checking how far the content of the report has been accepted and of determining how important specific issues are for stakeholders.

→ GRI G4-18
GRI G4-24
GRI G4-25
Constant exchange with all interest groups

↗ Web
munich-airport.com/stakeholders

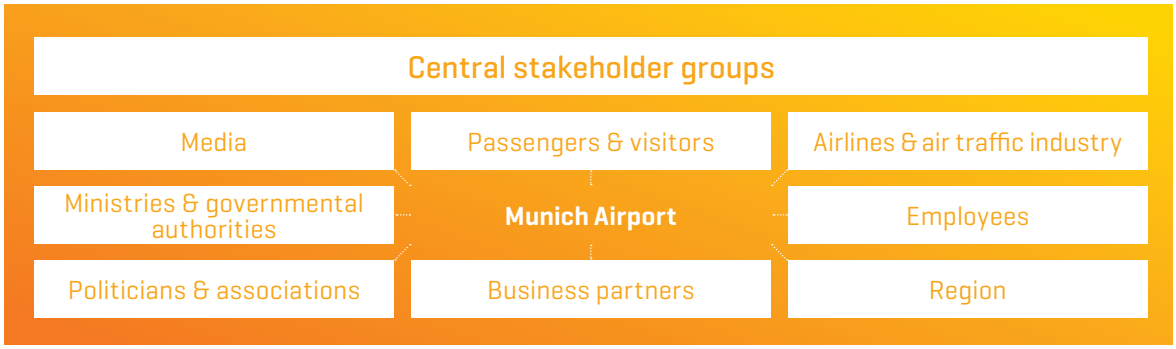
Stakeholder dialog informs corporate policy

In the third phase Munich Airport takes into account stakeholder suggestions and feedback in relation to its business activities. Its stakeholders often force the airport to confront new and relevant issues and they thereby act like a mirror, giving the company an idea of what is going on in wider society. This, in turn, makes it possible to identify issues and trends at an early stage, benefit from outside know-how, communicate the company's positions, and take the sting out of conflicts. As a corporate citizen, a term for a party that consciously acts in a responsible manner toward society, Munich Airport is always looking to pick up on issues of importance to its stakeholder groups and sees dialog as an opportunity to continue developing its corporate policy with sustainability in mind.

The role of Corporate Communications

Corporate Communications at Munich Airport is responsible for dialog with the public, media, and employees. In order to inspire confidence in the objectives and actions of the Group, it provides all the main stakeholder groups with information via numerous channels.

→ GRI G4-26
The role of Corporate Communications



Cross-media issue management

→ GRI G4-26

During 2014 Corporate Communications reinvented itself with a cross-media approach to issue management. So-called issue managers act as the interface with specialist departments and prepare an issue for several communication channels such as the Internet, the intranet, and the airport's newspaper. A channel manager is also available to assist the issue manager. He or she will help to formulate and place content with the target group in mind. Issue management is tailored to issues of future strategic relevance to Munich Airport. Of central importance, for example, are the issues of sustainability, innovation, off-campus growth, air traffic development, and landside access and traffic development.

→ Strategy and management
see page 24

Positive media presence and reputation

An important stakeholder group for FMG is the media. The press department provides prompt information regarding anything of importance happening at Munich Airport. The standout media event during the year under review was the annual press conference held on March 21, 2014, when the company's financial and traffic figures were presented and important trends within the sector were discussed. Again in 2014 the annual press conference made a positive impression in a variety of different quarters. Similarly, the press session regarding the satellite building held on October 22, 2014, struck a note across numerous media. In addition, the press department reinvented the way that communication is controlled during 2014, coming up with new key figures and analysis options. An analysis shows that Munich Airport enjoys a very good presence and reputation in the media.

Dramatic growth in terms of social media

Munich Airport's activities in terms of social media were also stepped up during 2014. The LinkedIn presence was expanded and an Instagram profile was developed. The Facebook page is attracting more and more regular visitors. By the end of 2014 the number of Facebook fans posting positive comments about articles, sharing stories about Munich Airport across social media, or making images and comments public had already reached 86,400. The total number of »digital friends« of Munich Airport has almost quadrupled since the start of 2012.

Experiencing the world of the airport

Giving everyone the chance to experience the airport at close hand: This is something FMG is trying to achieve through its PR work. The Public Affairs team has been providing its guests with first-hand information in a comprehensive and authentic manner, as well as treating them to a peek behind the scenes at an airport. The interest in airport tours and other services offered at the visitors park remained high during 2014. Some 160,000 people watched the activities on the aprons and the take-off and landing runways from the visitors hill alone. Beyond the airport campus, the PR team was often on the road in its historic VW airport bus. An increased presence at regional trade fairs and numerous other public events across Bavaria provided opportunities for direct dialog with FMG stakeholder groups.

During 2015 the visitors park will see the gradual emergence of the large new themed playground, in addition to a newly designed airport exhibition. The individual continents will use toys typical of their countries to entice visitors to embark from Munich on a journey of discovery around the world. The children's slide, designed to look like the authentic tower and standing some 6 meters tall, is the »iconic« feature of the new experience and has been in place since the summer of 2014.

Main stakeholder measures for 2014

- **Stakeholder survey** following publication of the integrated report
- **Dialog** with the municipalities in the region ahead of local elections
- **Policy statement** in the form of a newsletter about current policy developments
- **Annual press conference** and press session at the satellite building

Ongoing dialog with politicians

Other important stakeholder groups for Munich Airport include government ministries, authorities, politicians, and associations. The Political Affairs support office represents the interests of Munich Airport with regard to key issues at both a European and national level and within Bavaria. The focus is on institutions of the European Union, the German Federal Government and Parliament, the Bavarian State Government and Parliament, and Munich City Council. In addition to the efforts to maintain continuous contact, there are also regular events in Brussels, Berlin, and Munich. Flughafen München GmbH also publishes a policy statement two to three times a year, which refers to current issues and contains background information about the airport.

By collaborating closely with industry associations, particularly the German Airports Association (ADV), the German Aviation Association (BDL), and the Airports Council International (ACI) Europe, FMG has access to current information from the aviation industry and helps ensure the industry's interests are represented collectively. The Political Affairs support office also supports the President of the FMG Executive Board, Dr. Michael Kerkloh, in his role as President of the ADV. In addition, the support office at Munich Airport deals with the issue of subsidies and advises the relevant specialist areas about this.

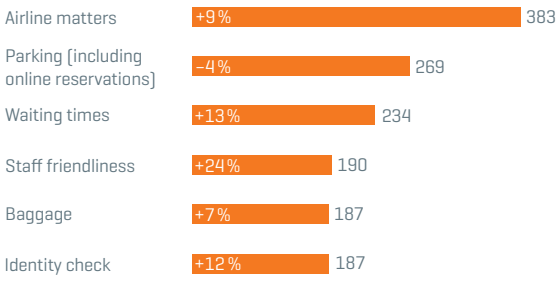
Customer feedback as an important source of information

Munich Airport has been operating a feedback system for airport users for over 20 years. All customer suggestions and complaints are responded to promptly and individually by the central customer management team at Munich Airport and are also systematically recorded and analyzed with a view to improving services. In 2014 the customer management team recorded 1,450 suggestions regarding over 1,800 individual issues. Around 40 percent of this customer feedback concerns things for which the Munich Airport Group has no direct responsibility such as airline-related matters (cancellations, flight delays, or airline services), checks conducted by the authorities, public transportation, and services provided by third-party passenger handling companies. FMG works with the partners responsible to achieve improvements in relation to these issues too.

→ GRI G4-26
Ongoing dialog with politicians

Most frequent complaints by topic

Number of times mentioned/Change on prior year



As a result of improvement measures made, customer feedback was more positive in 2014, particularly with regard to looking up flights online, the equipment in washrooms, and how easy it is to contact the lost property office by phone. The online tool for reserving parking spaces also met with even greater approval following some adjustments and is now far more user-friendly, with the user being guided through the process. The disproportionate growth in traffic at Terminal 1 led to greater criticism during 2014 regarding waiting times at check-in desks, passport and security checkpoints, and baggage collection. An alternative route guidance system and additional security checkpoints provided some relief.

→ GRI G4-26
GRI G4-27
Customer feedback as an important source of information

↗ Web
munich-airport.com/feedback

Regional growth partnerships

Regional Liaison Office: a link between airport and region

Good cooperation with the region is essential if Munich Airport is to be successful. Munich Airport paved the way for this 12 years ago when it set up its Regional Liaison Office. As a support office, it is directly answerable to the Executive Board and sees itself as a kind of bridge between airport and region. For the Regional Liaison Office, 2014 was all about the local elections. The Regional Liaison Officer visited all reelected and newly elected mayors and local councilors from the adjacent and neighboring municipalities with a view to continuing in the new legislative period the regional work which has been conducted in an atmosphere of trust for a number of years now. The regional reception held in June also provided an opportunity to speak with the political class. Some 350 guests from around the region, including business representatives and sponsorship partners, attended at the invitation of Munich Airport.

Promoting tourism and infrastructure projects

There is a spirit of close collaboration with »Tourismusregion Erding e. V.«. Munich Airport has been a member of this association since 2012 and is a committed supporter of tourism in the region. During 2014 Munich Airport became involved in the »PRO B15neu« initiative. This is dedicated to ensuring the »B15neu« federal highway is built in both a speedy and environmentally friendly manner. This federal highway is one of the most significant landside infrastructure projects in the region where the airport is located.

The Communities Council has been an important forum for dialog between the airport and the surrounding area since as long ago as 2005. Following its suggestion, the shareholders of FMG set up a regional fund in 2008 to promote community transportation projects. It is hoped the fund will help offset the impact of construction of the third take-off and landing runway by supporting the expansion of regional infrastructure. Payouts are dependent in principle on work on the third runway actually beginning. Based on what has been decided so far, money from the regional fund has been made available for community road construction projects, with the Erding district receiving 23.4 million euros and the Freising district 26.6 million euros. The funding will go towards Erding's north bypass and to Freising's west bypass, with the amount for the latter capped at 13.5 million euros. Funding has now also been approved for a road between Berglern and Eitting in the Erding district, as well as the construction of Moosburg's west bypass, based on a ceiling of 4 million euros for the latter.

Value creation

A major employer in the region

With its 7,861 employees,[1] Munich Airport is the second biggest employer on the site after Deutsche Lufthansa AG. For many years, the neighboring Freising job center, which also covers the Dachau, Ebersberg, and Erding districts, has reported one of the lowest levels of unemployment in Germany. The average Freising rate of 2.3 percent, a level that essentially corresponds to full employment, again underscores in 2014 the tremendous importance of Munich Airport in the regional labor market.

Economic benefits

Munich Airport has an economic impact at a number of different levels. A basic distinction is made between the effects of airport operations on the one hand and the effects of its use on the other.

Effects resulting from airport operations

The direct impact of the airport includes expenditure in terms of production, administration, and human resources, investments, revenue, and jobs. The indirect effects include those resulting from contracts awarded by businesses based at the airport to companies in the region – the creation of jobs, for example. Induced effects are those resulting from consumption by airport employees and people not employed at the airport directly, such as value creation, employment, and revenue.

Expenditure by companies at the airport

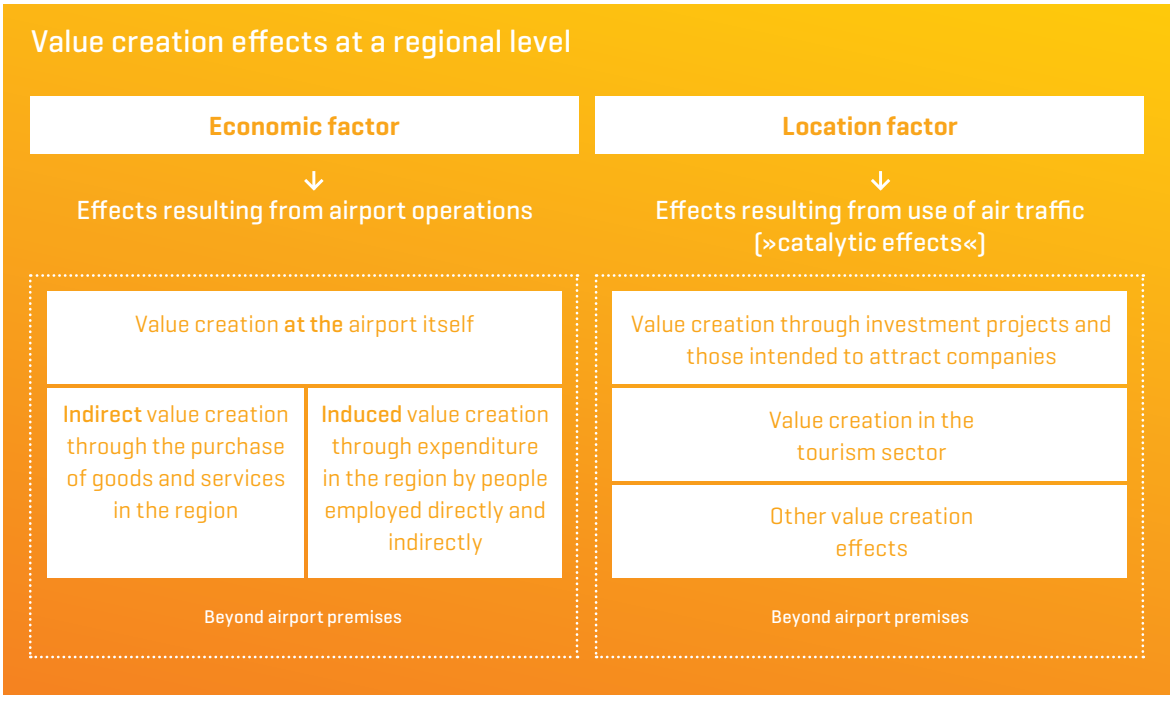
In 2012, together the companies based at Munich Airport spent an estimated 2.8 billion euros. Around two thirds of this spending was with companies in the area surrounding the airport. In 2014 Flughafen München GmbH alone (not including its subsidiaries) spent 41.0 million euros in the Erding, Freising, and Landshut districts and as much as 54.9 million euros in the City of Munich.

→ GRI G4-26
Regional Liaison Office: a link between airport and region
→ Sustainability indicators
see page 168

Salaries paid by companies at the airport rise again

An employment statistics survey, carried out in a three-year cycle, was conducted again at the end of 2012. This shows that the wages and salaries paid by all employers at Munich Airport to their employees totaled around 1.4 billion euros in 2012. More than 976 million euros of this was paid to employees living in the area surrounding the airport. Rates of pay across all 32,250 airport employees, including part-time workers and those in minor employment, had increased significantly since the last survey in 2009. Employees working on campus now earn an average annual salary of 42,965 euros. This equates to an increase in annual salary of some 16 percent in the period from 2009 to 2012. Just as significant is the impact on

↗ Web
munich-airport.com/economy



[1] Including apprentices, but excluding workers in minor employment, temporary workers, and interns

public budgets. Flughafen München GmbH alone – one of around 550 companies on the site – contributed more than 34 million euros in directly deducted payroll tax in 2014, a sum that clearly underscores the scale of the airport's economic importance.

Value creation for the area surrounding the airport

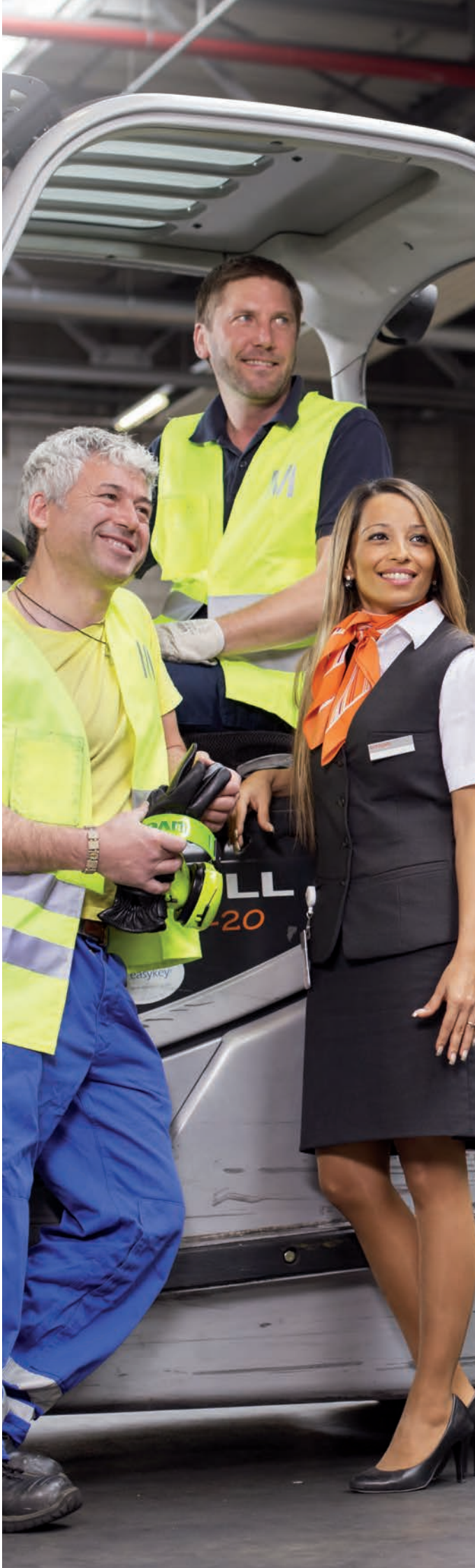
Gross value worth 2.48 billion euros was created at the airport campus during 2012. If the resulting gross indirect and induced value is also included, the total gross value created for Germany as a whole increases to 4.87 billion euros. Bavaria benefits from around 85 percent of this.

Effects resulting from use of air traffic

Important effects, referred to as catalytic effects or location effects, result in turn from the utilization of major transportation infrastructure facilities such as Munich Airport. Thus, proximity to the airport with the global flight connections it offers represents an important criterion in attracting companies to settle in the vicinity, especially those operating internationally. In this respect, the airport as a location offers significant advantages for companies and also for the tourism sector. Its utilization leads to significant national and regional economic effects such as an increase in productivity, investments, employment in the region, and the level of innovation.

The product group structure at Flughafen München GmbH

- Office and other overheads
- Raw materials
- IT
- Marketing
- General services
- Maintenance/repairs
- Vehicles, machinery, and equipment
- Semi-finished products, tools
- Electrical, automation, and process control technology
- Energy
- Construction and planning



Below are two examples of important catalytic effects and their impact on employment.

Attraction of businesses to the area

For international companies, efficient connection to the air traffic network is a highly important factor in their choice of where to locate. According to a study by the European Center for Aviation Development (ECAD), access to air transportation ranks fourth among the most important factors for companies 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 connection to the air traffic network had been inadequate.

Value creation through tourism

Not only does Munich Airport affect the influx of companies, it also has a positive influence on tourism. One study found that overnight visitors from foreign countries who traveled to the Munich region by air spent roughly 1.8 billion euros there during the course of a year. The value creation associated with this expenditure amounted to 978 million euros in the Munich region, thus securing more than 44,000 jobs.

↗ Web
munich-airport.de/de/company/dialog/oekonom/studiekat/index.jsp

Central procurement of goods

Munich Airport does not have a conventional supply chain, but procures – as a provider of infrastructure services – a wide range of products and services needed to operate an international hub airport. The range of product groups associated with Munich Airport is comparable therefore with the requirements of a small town. The total of 139 product groups ranges from things like office requirements and road construction to vehicles and buildings. During 2014 the total volume of orders placed by FMG amounted to some 300 million euros. All procurement by specialist areas and subsidiaries is handled by the central, Group-wide product group management system at the procurement department. The only exceptions are the »merchandise« and »food & beverage« product groups, where purchases are made by the subsidiaries eurotrade and Allresto directly.

Legal provisions in respect of procurement

→ **Legal basis**
Section 98 para. 6 of the GWB (Act Against Restraints of Competition)

FMG is active in the transportation sector as a public contracting authority. As such, it ensures its procurement policy is consistent with the law regarding procurement. Where public contracts are involved – including construction and supplier contracts and services offered by commercial entities or professional persons – the calls for tenders will be on a national or Europe-wide basis depending on the value of the contract associated with the tender. Different statutory thresholds apply depending on the type of contract involved.

→ **Legal basis**
Section 1 para. 2 of the SektVO (Sector Ordinance) in conjunction with EU regulation no. 1336/2013

Supplier structure

Some 4,000 suppliers work for Flughafen München GmbH. The supplier structure during 2014 did not really change much from the previous year. Of the companies supplying Munich Airport, 98 percent are headquartered in Germany. Of these, 64 percent are from Bavaria and 32 percent are from Munich and the area surrounding the airport.

Supplier management

As part of its supplier management process, Flughafen München GmbH conducts annual assessments of around 150 partners under framework agreements. In 2014 suppliers were again evaluated on the basis of such criteria as product quality or the quality of the service provided, reliability, and developments in terms of services and pricing, as well as whether companies were certified in accordance with quality and environmental standards. In the event of poor outcomes, the suppliers have the opportunity to eliminate existing deficiencies in supplier audits.

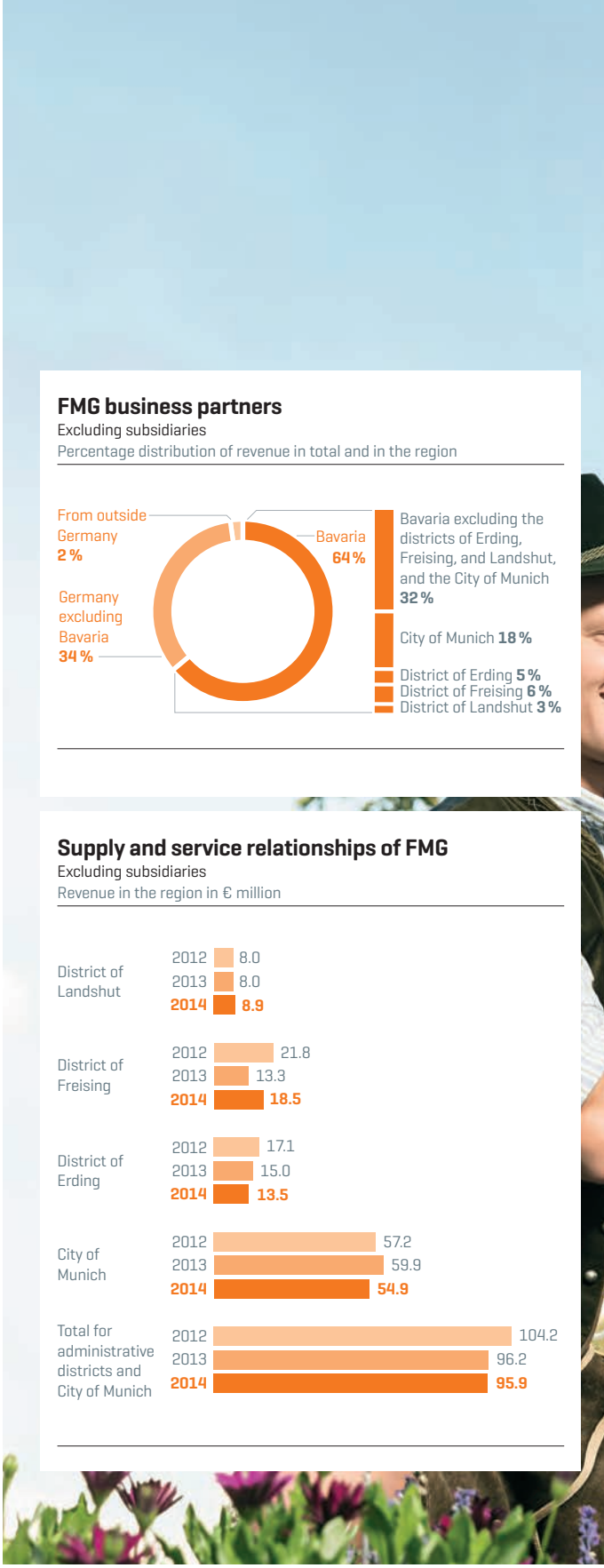
Sustainability aspects

→ **Legal basis**
Section 21 of the SektVO (Sector Ordinance)

The top priority when commissioning products or services is to draw up agreements that are consistent with procurement law and satisfy environmental, social, and economic requirements. The party submitting a tender must confirm it complies with statutory provisions and thereby rule out anything, such as child labor or forced labor, that would prevent it taking part in the procurement process. Those submitting tenders, assuming they are compliant with procurement law, must also provide evidence that they comply with the standards relating to quality assurance and environmental management. There is a specific requirement to take energy consumption and environmental impact into account when procuring road vehicles.

→ **Legal basis**
Section 7 of the SektVO (Sector Ordinance)

FMG is mainly supplied by business partners in the region, which helps reduce transportation distances and CO_2 emissions. It awards contracts on the basis of cost effectiveness and places particular emphasis on the use of materials and products that are both durable and economical. When investment goods are procured, any subsequent costs for servicing and maintenance (life cycle costs) are also considered as required. The fact that procurement is centralized helps avoid any duplicate orders and results in savings due to economies of scale.



FMG business partners
Excluding subsidiaries
Percentage distribution of revenue in total and in the region

Supply and service relationships of FMG
Excluding subsidiaries
Revenue in the region in € million

Community engagement

Supporting a variety of projects in the region

As a responsible neighbor, FMG has been committed to sponsorship activities in the region for more than two decades in the form of financial or other support. More than 500 projects have been promoted in the fields of sport, social welfare, education, and culture. One example is the »apron lights for sports facilities« campaign. Apron lights no longer used at the airport have been handed over to more than 40 sports clubs in the region for free to be used as lighting for their sports facilities. This is the result of replacing apron lighting at the airport with energy-saving LED lights. Another example is the support given to hospice associations and palliative teams in the region that provide severely ill people with professional care.

↗ Web
munich-airport.com/sponsoring

Many helping hands at the airport association

Whether for flooding in Serbia or local employees in urgent need of help, the airport association again provided speedy assistance in many cases during 2014, with the emphasis on avoiding red tape. In May 2014 the association organized an appeal for donations and a relief campaign for the victims of the flooding in Serbia and Bosnia-Herzegovina. To help with donations in kind, the FMG subsidiary eurotrade provided storage areas at short notice. A special account was set up for the flood victims too. The employees of the FMG subsidiary Allresto also contributed to the success of the relief campaign for Serbia. Together with eurotrade, the airport association collected over 12 tonnes of aid for the Jēkabpils region in Latvia, including clothing, bed linen, and blankets for needy families, pensioners, people with limited mobility, and hospitals. A project in Ukraine received a boost from a prominent figure: World boxing champion Wladimir Klitschko donated boxing gloves signed by him and his brother Vitali, which the airport association auctioned for this good cause.

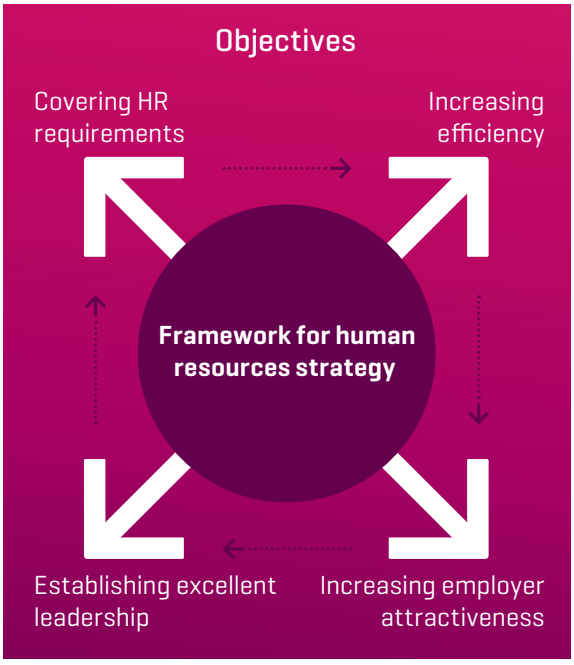
/Workforce and work environment

Human resources strategy

Dynamic growth, strong partnerships, and pioneering innovations: Munich Airport is one of the most successful airports in the world. This success can be attributed to the 7,861 employees[1] in total who work for the Group. With this in mind, the airport is well aware of its special responsibility as an employer. In order to live up to its obligations in this respect, Munich Airport also places a lot of emphasis on having a modern and effective human resources policy devised with people and business needs in mind.

Specific objectives in terms of HR management

If the company is to develop in a positive manner, it is important to ensure the work done in human resources is both successful and based on a specific strategy. The long-term human resources concept is geared toward the wider corporate strategy, the current business situation, and broader trends within society such as demographic change, diversity, individualization, mobility, health, and education. The human resources strategy sets out important objectives for HR management, which are reviewed annually and adjusted as required.



Covering HR requirements

A qualitative/quantitative HR plan came to the conclusion that, from 2012 to 2017, around 2,500 new employees will be needed at Munich Airport, particularly in the areas of IT, engineering, building management, safety, retail, catering, and security. Around half of these positions are to replace existing staff, with the other half involving newly created jobs. By the end of 2014 some 850 of the proposed new jobs had already been filled. HR reviews vocational training on an ongoing basis and adapts the training portfolio each year accordingly. As a result of this, 2014 saw the introduction of the new »Protection and security« vocational program, the Bachelor's dual study course in Mechatronics, and a one-and-a-half-year graduate training program in consultancy. Further new vocational and academic programs are planned for the coming years.

↗ Web
munich-airport.com/workforce

→ Sustainability program
see page 166

Increasing efficiency

Reducing sick leave remains an important factor in the drive to improve efficiency. Improvements in occupational medical services and the provision of a large number of activities relating to in-house inclusion management, company sports programs, and prevention are some of the measures that have been implemented to date. In addition to conducting annual reviews to identify any potential for improvement in terms of pay scale provisions and company agreements, another important objective in the drive to increase efficiency is greater involvement of subsidiaries in the parent company's HR management processes.

Increasing employer attractiveness

The HR corporate division is faced with the key challenge of creating attractive conditions for employees and thereby ensuring positions remain filled over the long term. FMG must establish itself in a fiercely contested labor market if it is to compete successfully for additional staff against a backdrop of demographic change and very low unemployment rates in the districts of Erding and Freising. Numerous activities helped to make FMG more

[1] Including apprentices, but excluding workers in minor employment, temporary workers and interns

attractive as an employer during 2014, including participation in the »Sustainable corporate culture« audit by the INQA (New Quality of Work Initiative). The aim of the audit was to help businesses develop their HR policy and corporate culture. A financial incentive in 2014 was the bonus in respect of the income achieved during 2013, which all FMG employees received in recognition of the success achieved as a result of their commitment. The budget was 4.8 million euros, including the employer contribution for social security purposes. Each employee at FMG covered by a pay agreement received a total of at least 1,100 euros. Part-time employees and those joining during the course of the year were granted their share of the income-related bonus on a pro rata temporis basis. Apprentices received 425 euros. FMG is also implementing on an ongoing basis the agreement made with the works council at the start of 2014 to reduce the number of contract workers within the Ground Handling business unit. According to this, the number of contract workers should not exceed 5 percent as of July 1, 2015. In order to achieve this figure, more and more contract workers have been asked if they would like to be taken on since the start of the year.

→ Workforce and work environment
Leadership Excellence
see page 67

Establishing excellent leadership

The tried-and-tested Leadership Excellence program has been further expanded to include new qualification and impulse modules. Performance reviews have been an established part of the management culture since 2014 and are proving to be a key management tool for management staff.

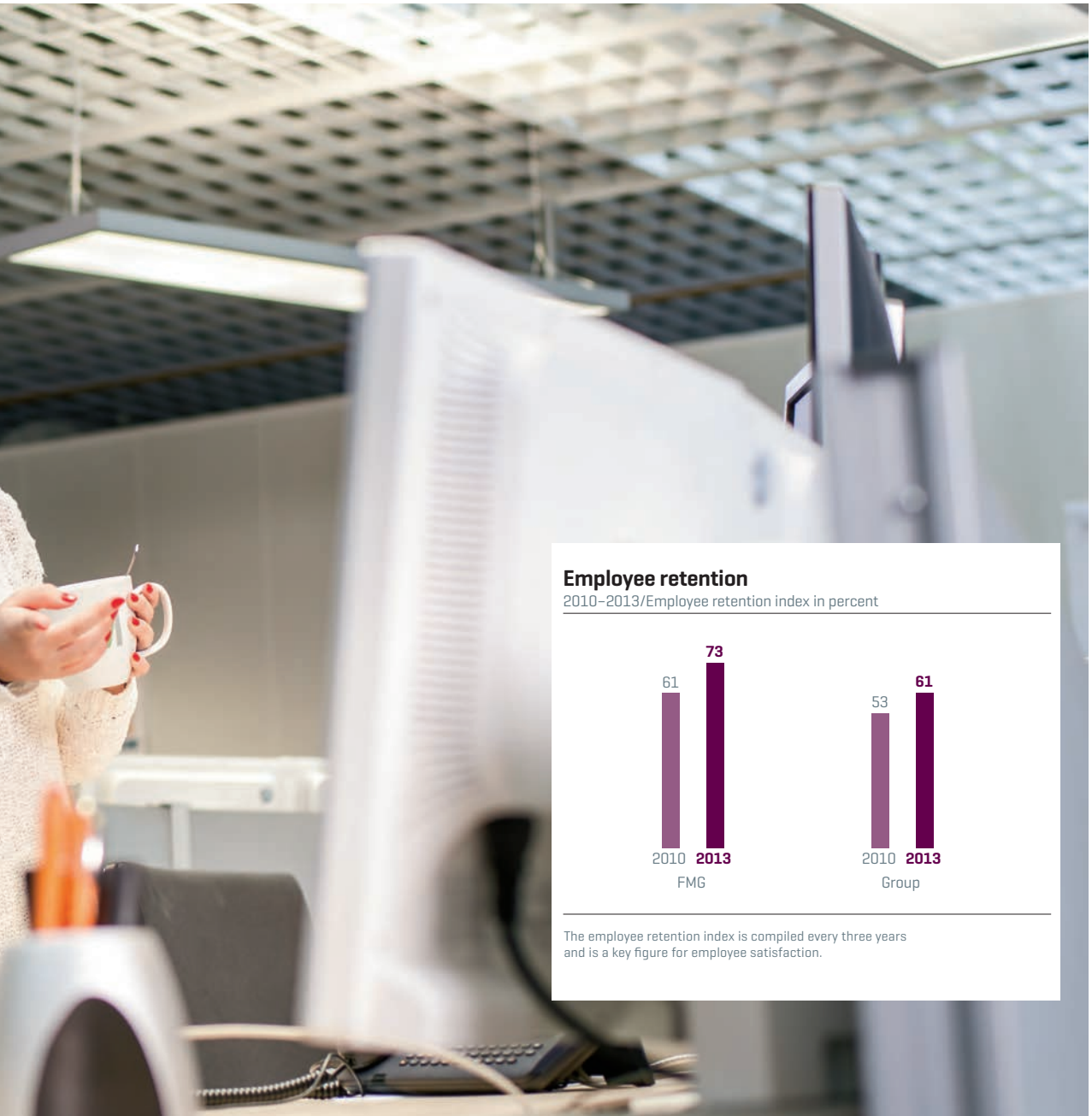
Employee satisfaction and codetermination

Employee survey triggers follow-up process

A lot of ongoing work has been done during the year under review with the results from the employee survey (MAB) for 2013. The overall trend was positive, with double the number of Group employees taking part and significant improvements recorded in terms of company loyalty and satisfaction with line managers. As part of a structured follow-up process, management staff presented the survey results to their employees, decided on fields of action with them, and came up with suitable measures. The individual divisions and teams and the subsidiaries agreed more than 1,000 measures, on which work has been done with a view to implementation »on site«.

In October 2014 the MAB Quick Check was used to put things to the test. This brief survey, coming exactly a year after the Group-wide employee survey, provided an opportunity to measure how successful the MAB follow-up process had been and inject fresh impetus into the ongoing process. An assessment of the responses confirmed that a lot of work was being done with the results from the employee survey. Some divisions still have some way to go in terms of implementation. The next MAB is scheduled for 2016.

→ GRI G4-27
Employee survey triggers follow-up process



Employee retention

2010–2013/Employee retention index in percent

The employee retention index is compiled every three years and is a key figure for employee satisfaction.

Personnel expenses and payments 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. In the spring of 2014 the parties to the TVöD reached agreement regarding two significant amendments. Firstly, the number of vacation days was harmonized for all employees. Employees under 54 had previously been entitled to 29 vacation days and older employees to 30 days, whereas the vacation entitlement now is 30 days regardless of age. Interns and apprentices will have 28 vacation days in future. The second amendment related to salary increases, with the remuneration shown in the tables being increased retroactively from March 1, 2014, by 3 percent for FMG employees, subject to a minimum increase of 90 euros. A further increase of 2.4 percent then took effect from March 1, 2015. Since there are pay scale agreements within almost all companies across the Munich Airport Group, there are no differences between men and women involved in comparable activities.

The average salary for FMG employees – from those paid according to a pay scale and managerial staff to those in minor employment and working part time – was 45,991 euros in 2014. This was significantly above the nationwide average in the transportation and logistics industry, which is the one relevant to FMG. The Munich Airport Group's overall personnel expenses in 2014 totaled 374.3 million euros, of which Flughafen München GmbH accounted for 245.3 million euros. The latter figure comprises 196.5 million euros in wages and salaries – including expenses for travel cost reimbursement and meal subsidies – plus 48.8 million euros in social security levies and expenses associated with retirement provision and other support. Besides the remuneration agreed under the pay scale, all employees also receive additional payments over and above this scale such as annual bonuses or a company pension.

The collective pay scale agreement also includes retirement provision, which is covered by the Bavarian supplementary pension fund for public service employers. Our in-house retirement management office provides advice on this and all matters concerning the statutory pension.

A culture of codetermination

Flughafen München GmbH encourages its employees to adopt an attitude of active codetermination within their company. The underlying principles are set out in the German Works Constitution Act (BetrVG) among other things. Employees have numerous opportunities to become involved with the committees prescribed by law such as the works council, Supervisory Board, youth and trainees council, and council for employees with disabilities or even in working groups such as the »Women's working group at FMG«, the company health management working group, the company sports club, or the corporate idea management group.

Works council

Works council elections were duly held again in 2014, with four years having passed since the last. The works council with its 31 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 important agreements covering vocational health management, addiction prevention, the integration of people with disabilities (or equivalent status), in-house inclusion management, and a variety of working time models.

Youth and trainees council

The company has a youth and trainees council (JAV), whose role is to represent the interests of apprentices and which the executive management involves in any questions relating to this area. This council is represented on the works council, where it has a veto right on JAV-related issues so that decisions can be deferred. The JAV is reelected every two years – most recently in 2014 – by all apprentices and currently comprises seven members and two replacement members.

Employee suggestion program

The employee suggestion program – a traditional tool for corporate idea management – gives employees a chance to apply their ingenuity and specialist knowledge in shaping and improving company processes and influencing the future of the firm. This increases employee motivation levels, makes them feel more valued, and helps them identify with the Group that much more, as well as boosting the economic efficiency of the company. Special emphasis is placed on ideas that are innovative and patentable.

Training and HR development

Training in demand at the airport

The Munich Airport Group is one of the largest training organizations in the region. Interested school leavers can choose from 20 different training and study options. On September 1, 2014, some 89 apprentices embarked upon their professional career at Munich Airport. This meant there were 266 young people taking apprenticeships Group-wide as of the reporting date of December 31. Over 2,200 applications to begin an apprenticeship were received during 2015, a 35 percent increase on the previous year. Many of the apprenticeship and study places had already been awarded by the end of 2014.

A further 89 school-age and 127 university interns received their first insight into the world of an airport, producing 35 project-related Bachelor's and Master's dissertations in the process. Also, October 1, 2014, saw the launch of an 18-month International Consulting Trainee Program intended to train future consultants in the specific know-how they will require in technical and project management roles. The trainees deployed within the IT, Technology, and Aviation divisions are expected to be used in future for consultancy-related work at Munich Airport and elsewhere around the world.

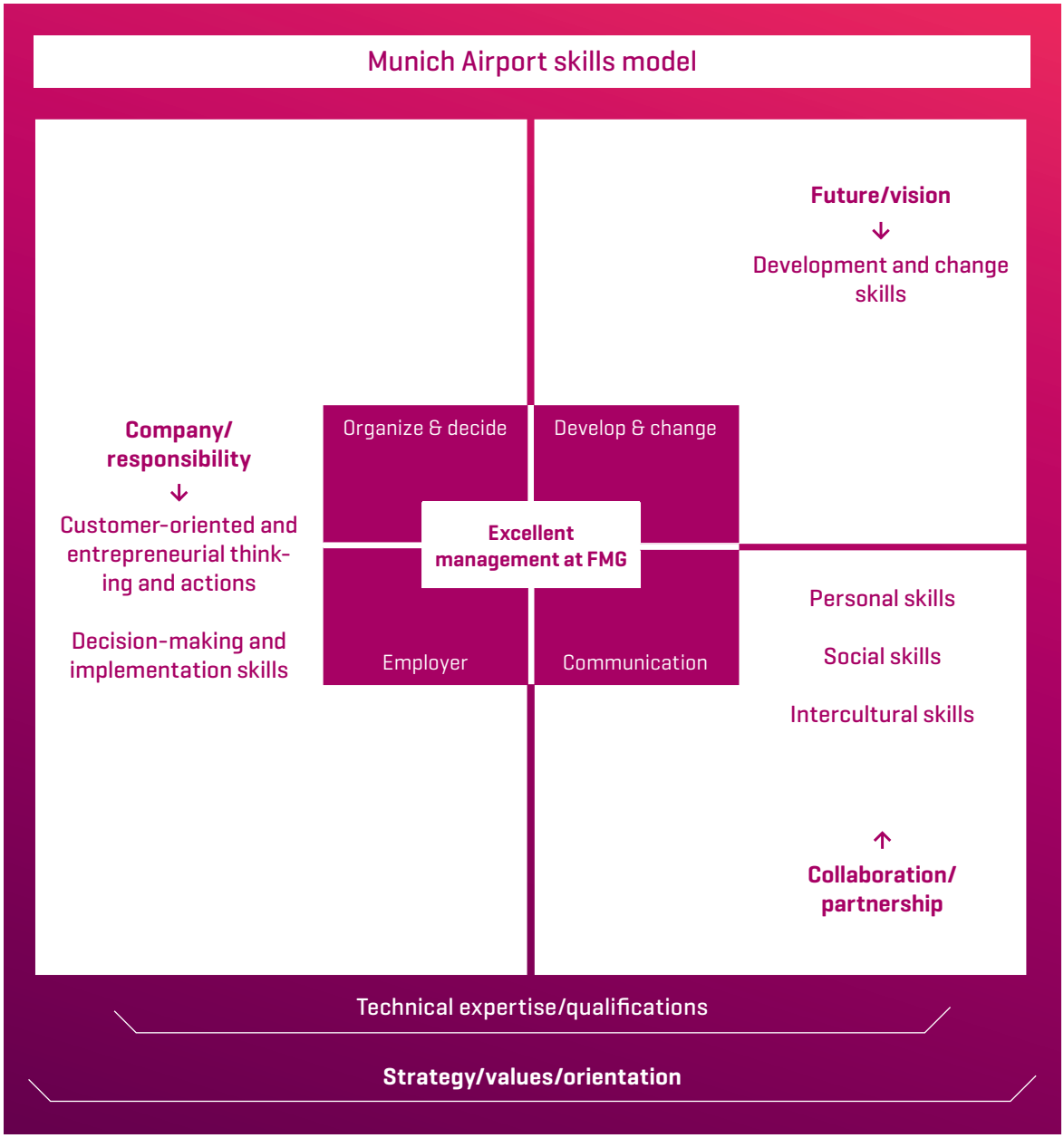
Partner for school and education projects

Munich Airport emphasized its role as an important partner for educational and vocational issues in a variety of ways, including hosting the »MINT[1]-friendly schools« awards, the regional conference for the »SchuleWirtschaft« working group, and the »Jugend forscht/Schüler experimentieren« regional competition. More than 100 school pupils visited the airport on the occasion of the nationwide »Girls' Day/Boys' Day« campaign. The third »Training Night« – which coincided with the first performance by FMG's own musical band made up of apprentices – was an opportunity for 27 companies, offering around 70 apprenticeship and study options, to introduce themselves at the München Airport Center.

[1] MINT stands for mathematics, computer science, natural sciences, and technology.

Airport Academy: a wide range of training

Munich Airport runs its own training center with just short of 50 employees at the Airport Academy. The Airport Academy offers a range of things, from the Leadership Excellence program for management staff to aviation training and security training as part of the qualification process for aviation security staff. The »Welcome to the Airport« event is particularly worthy of mention. This is intended to make things easier for new employees joining the company, giving them a chance to discover how the various players at the airport interact and to share stories, current issues, and information regarding the future direction of the airport with them. A Service Academy was established in 2014, bringing together the various training activities relating to service and hospitality. With over 30,000 training days taken, the tremendous interest in the Airport Academy from all parts of the company is clear to see. Closer monitoring of the training offered helps ensure the resources used are both properly targeted from a financial perspective and that they cater to the educational needs of the employees and the company. The high quality of the activities at the Academy was also reflected in the fact that TÜV Süd certified it as an authorized provider in accordance with the law on employment promotion.



Exchanging knowledge with other airports

With a view to improving their technical expertise and social skills and picking up new ideas relevant to their own activities, apprentices, employees, and management staff took part again in national and international exchange programs during 2014. 21 apprentices visited partner airports in Athens, Istanbul, Malta, or Vienna as part of the European mobility program Erasmus+. In addition, various technical and management staff enhanced their knowledge by visiting a sister airport (Airports of Thailand – Bangkok, Centrair International Airport – Japan). The international experience acquired helps employees develop as people and Munich Airport develop as a business.

Leadership Excellence established across the whole Group

For almost three years now the Leadership Excellence program has continued to help improve the management skills of all management staff at Munich Airport. In 2014 more than 200 management staff were given training in 25 Leadership Excellence modules based around six management topics. Some 800 management staff also took part in 49 so-called impulse modules, namely three-hour training units covering eleven complementary topics. The basis for all this is the skills model, which has been in place since 2002 and – following certain adjustments to suit current requirements – is reflected in almost all HR development tools and the selection process for personnel. The management staff feedback tool, which was devised in collaboration with eight associated companies, is also based on this. With 180 degree feedback, management staff have their management style appraised by the employees for whom they are directly responsible. This tool can be used by all management staff across the Group from 2015 on.

Responsible employer

Diversity

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

As a company with an international outlook, Munich Airport benefits from the social diversity of its employees with their different mindsets and cultural backgrounds. As an employer, FMG has a responsibility toward all its employees and ensures equal opportunities and prospects at all levels.

→ Sustainability indicators
see page 170

Out of a total of 7,861[1] Group employees, 1,322 originate from more than 50 different countries. This favors a kind of cultural exchange and increases the diversity of expertise within the Group. Integral to the work done in HR terms is the promotion of women to management positions. By the end of 2014 some 20% of the management staff across management levels 1 and 2 were female. The aim is to continue to increase this share over the next few years, because heterogeneous management teams increase creativity and innovation within the company. The focus has been on promotion of equal opportunities and diversity, particularly in terms of the New Quality of Work Initiative (INQA), for which FMG underwent an audit. In order to ensure the audit was a success, a development plan was devised – based on the human resources strategy – around the core issues of promoting women, demographics, and human resources management. The resulting measures are due to be implemented over the next two years.

↗ Web
inqa.de

As part of this initiative, Munich Airport is currently involved in a research project at the Landshut University of Applied Sciences. The results should reveal the necessary framework conditions and measures for a human resources policy based around the phases of an individual's life. Here, Munich Airport is providing its partner from the world of academia with practical experience, while picking up on innovative approaches for its own human resources work.

Focusing on family and health

Most employees at the Munich Airport Group are employed under flexible work arrangements, since giving individuals the option to determine their own working hours is one of the main things that makes an employer attractive. The special facilities on offer include the »Airport-Hopser« children's day care center. This opened in September 2013 and caters for employees' children up to four years of age. It is proving really popular with parents and children alike – including employees and their families from external partners such as German air traffic control and Deutsche Lufthansa – and all places are now taken.

Other supplementary benefits offered by FMG:

- Care of employees' children during vacations and public holidays
- »OASE« social counseling facility
- Employee residences close to the airport
- Health promotion initiatives, company sports club, ergonomics advice
- Reduced-rate monthly tickets for Munich's public transportation system and Deutsche Bahn season tickets for train travel
- Employee insurance service
- Free parking on the airport campus
- In-house travel agency with discounted offers

Prospects for employees with impaired health

A central plank of our HR policy is fulfilling our social responsibility commitments and creating suitable jobs and work for disabled employees. Currently, 8.35 percent of employees at the Munich Airport Group are disabled (or of equivalent status) – some 634 employees in total. FMG does all it can to ensure that colleagues who are unable to perform their former activities for health reasons are given positions more suited to their situation. The company also, however, recruits external applicants with disabilities. Particular efforts are made to integrate young people with disabilities into careers at the airport: In collaboration with Lebenshilfe Freising, two long-term interns were awarded permanent positions at the airport in a vehicle maintenance capacity.

[1] Including apprentices, but excluding workers in minor employment, temporary workers, and interns

A consistent approach to promoting industrial safety

A notable success has been achieved in terms of industrial safety and health protection at Flughafen München GmbH: The number of work-related accidents fell by over 25 percent in 2014 compared with the previous year. A series of measures made this possible:

- More advice and support was provided for specialist areas, particularly in terms of planning and construction.
- The team of safety specialists stepped up collaboration with officials within the organization and with state supervisory agencies and those associated with professional associations with a view to adopting an active approach to industrial safety.
- Safety inspections across all areas of the business resulted in numerous measures, which were then tested to ensure they were effective.

The focus at all times was on ensuring all parties within the company collaborated in a targeted manner built on trust (employees, safety officials, management staff, works council, occupational medical service, health management staff, and occupational health and safety specialists). They all work together to ensure and improve safety and health protection for employees, as well as preventing accidents, avoiding work-related health hazards, and implementing findings from the field of ergonomics on how best to organize work.

Further progress has been made in the form of a newly devised industrial safety management system, which is due to be introduced shortly. This will be fully implemented during 2015 and incorporated into the FMG organization. With this in mind, all the relevant processes have already been investigated and optimized and guidelines drafted. At the same time, the assessment of hazards is being standardized thanks to a new IT tool, with measures adopted accordingly. The next step in terms of industrial safety management will see the introduction of a process designed to deliver systematic and continuous improvement across all areas of the company.

A professional approach to health and social issues

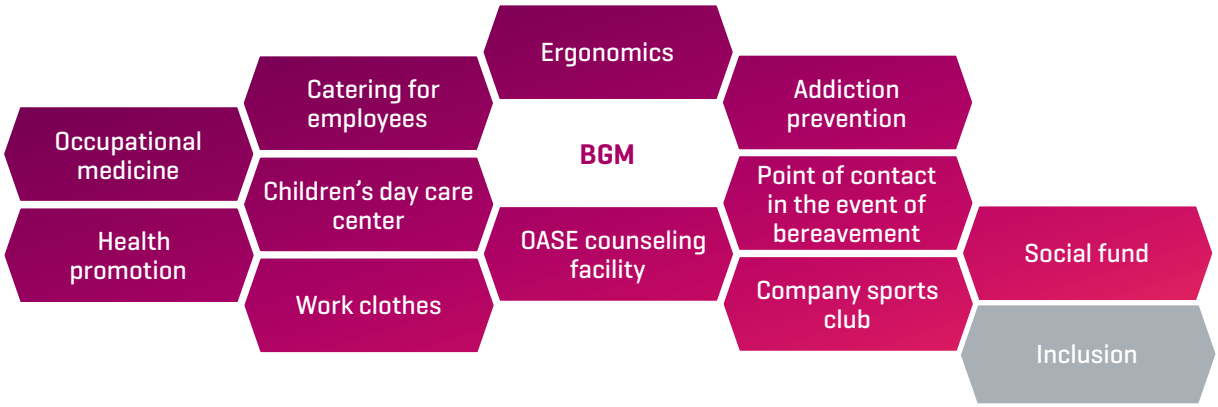
Following a period of reorganization lasting several years, the range of services offered in terms of Corporate Health and Social Management (BGM) has now been decided. The focus is on integrating and further developing the various issues associated with this area such as occupational medicine, catering for employees, and advice on specific scenarios and ergonomics. In order to ensure people at FMG receive the best possible support with specific problems, the in-house system of inclusion management and the issue of disability will be brought together and further developed from 2015 under the broader concept of inclusion. The area concerned will manage these tasks in a way that ensures everything is interlinked as effectively as possible and with a view to maintaining and improving the employability of employees across the Group.

Organized for the first time in 2013, the health day for all apprentices designed to promote exercise, healthy nutrition, and relaxation was extended to two days in 2014 to cope with demand. The idea for 2015 is to hold a health day for all employees across the Group based on the same concept. There are also plans for 2015 to arrange rooms for health services and courses, as well as a special musculoskeletal program designed to prevent and alleviate complaints. The revamp of the five canteens with a focus on healthy eating is expected to take place between 2015 and 2017.

Social fund shows a sense of social responsibility

As of 2014, FMG employees and their families have been entitled to a maximum payment of 10,000 euros from the social fund in the event of an unfortunate occurrence such as death or a sudden critical illness leading to unforeseen difficulties for which they are not responsible. The social fund also provided financial support for a bone marrow typing initiative and various other social institutions in the surrounding area.

A comprehensive approach to prevention and rehabilitation



/Environmental and climate protection

Climate protection strategy

Efficient climate protection management

Major airports loom large when politicians and wider society discuss the issue of climate protection, since their emissions can be compared to that of a small town. This is why an efficient approach to climate protection management – something Munich Airport has been doing since 2008 – is particularly important. As part of this approach, the airport has been implementing an environmental and climate protection strategy, whose ambitious aims include ensuring all further growth is climate-neutral. The basis for this voluntary commitment is a joint paper on climate protection, which met with agreement in 2008 from Flughafen München GmbH, the operator of Frankfurt Airport Fraport AG, Deutsche Lufthansa AG, and Deutsche Flugsicherung GmbH. In signing up to this initiative, the various parties are already going much further than the targets for the sector worldwide, which only envisage climate-neutral growth as of 2020.

Keeping a lid on CO_2 emissions for nine years

As far as Munich Airport is concerned, these targets mean making sure neither the expected rise in traffic volume nor current expansion levels or expansion plans increase CO_2 emissions. The company has therefore been introducing ambitious measures since 2008, which have resulted in the 162,000 or so tonnes of CO_2 emissions attributed to the airport in 2005 falling to around 148,000 tonnes in 2014. Compared with 2013, CO_2 levels fell by 4,242 tonnes or 3 percent. The greenhouse gas emissions per passenger have therefore declined by over 34 percent over the past nine years at Munich Airport. Had the more than 150 individual measures not been taken, CO_2 emissions at Munich Airport would have risen by around 20,000 tonnes, or even by as much as 50,000 to 70,000 tonnes by 2020, compared with the base year of 2005. It will be necessary therefore, over the coming years, to increase energy efficiency by a factor at least equivalent to the anticipated increase in energy consumption associated with the growth in traffic.

In 2014 Flughafen München GmbH invested a total of 2 million euros in measures to help reduce greenhouse gas emissions, although some of the impact will not be felt for a few years to come. The airport also provides its customers – airlines and companies operating on the premises – with constant support in their efforts to further increase energy efficiency.

Footprint covers all emissions

Delivering effective climate protection at an airport is a complex task. First of all, any calculation of greenhouse gas emissions must include all emissions resulting from infrastructure operations, as well as from aircraft during take-off, landing, taxiing, or handling. Other sources are also factored in, such as the arrival and departure of passengers, visitors, and employees and the operations of the many businesses active at the airport such as hotels, shops, restaurants, gas stations, and workshops.

Any climate protection measures must therefore ensure first and foremost that the system for recording the various emissions is both reliable and lends itself to international comparisons. The so-called carbon footprint attributed to an airport, namely the breakdown of all greenhouse gas emissions, consists of three different sources (scopes) in accordance with the international standard known as the Greenhouse Gas Protocol. On the one hand, the emissions of the airport itself are determined. These are firstly (Scope 1) all direct emissions associated with the generation of energy (electricity, heating, cooling) and the transportation of people and goods. These are supplemented (Scope 2) by indirect emissions associated with energy bought in by the airport. Finally, the emissions from its users, namely airlines, hotels, shops, and public and private transportation, are also attributed to the airport (Scope 3).

→ Glossary

↗ Web
munich-airport.com/climate-protection

↗ Web
munich-airport.com/environmental-management

To put it into figures, Scope 1 accounts for around 14 percent of total emissions at Munich Airport, while Scope 2 accounts for around 2 percent and Scope 3 for 84 percent. In terms of the airport user emissions covered by Scope 3, 63 percent of these were caused in turn by the so-called LTO cycle. The landing and take-off cycle refers to an aircraft's CO_2 emissions on the ground and during take-off and landing below an altitude of 3,000 feet (914 meters). Up to this internationally defined height, any greenhouse gases associated with aircraft turbines are attributed to the airport concerned.

→ Glossary

The airport can do little to influence the emissions from aircraft during take-off and landing, although it is continuously looking to make improvements in terms of the landing approach and the time spent on taxiways in collaboration with air traffic control and the airlines. Having said this, however, the main factors involved, namely weather, the traffic situation, aircraft sizes, and occupancy rates, are not things that Munich Airport can influence. This makes it even more important for the airport to introduce effective climate protection measures in those areas where it is able to take direct action.

Scope 1

The main focus during 2014 was on replacing the airport's own block heat and power plant (CHP), which generates around half of the electricity and – via cogeneration of heat and power – covers around 70 percent of the heating and cooling requirements. Following the decision by the German Federal Cabinet in January 2014 to cease granting self-sufficient power supply systems a full exemption from the Renewable Energy Act (EEG) levy it was a case of deciding whether to carry out the proposed replacement of the CHP within this very short period before the end of

Carbon footprint of Munich Airport

Percentage distribution

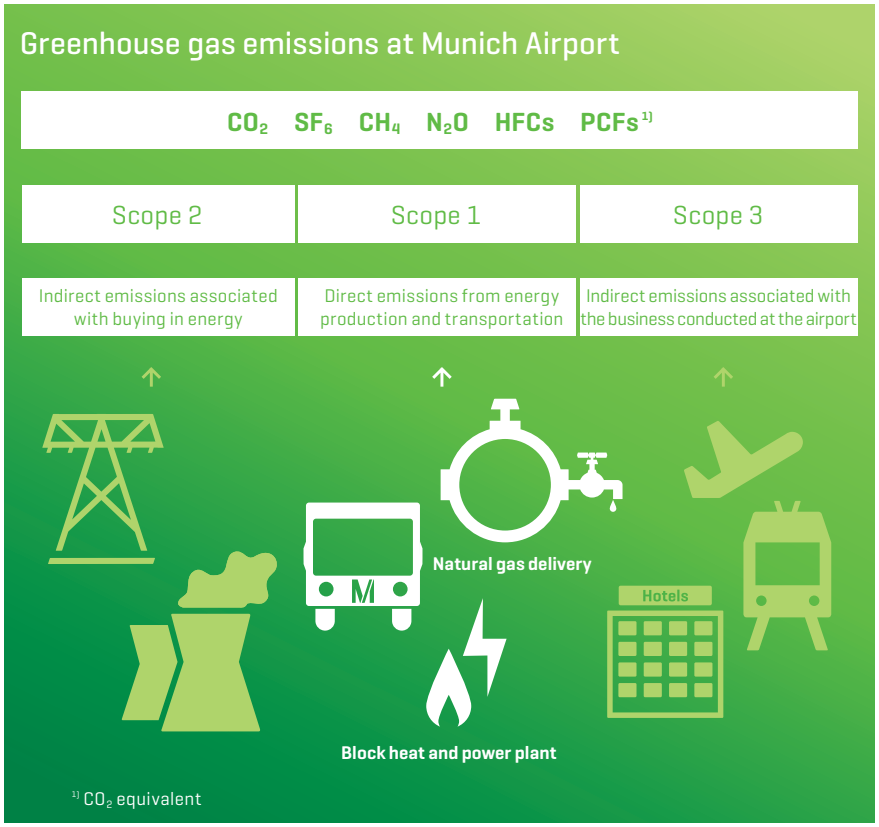
Environmental management system at the Group for 2014

Flughafen München GmbH	Recertification	EMAS
Allresto	Successful surveillance audit	EMAS
aerogate	Successful surveillance audit	EMAS
Cargogate	Successful surveillance audit	EMAS
AeroGround	Introduction	

Certification in accordance with the Eco-Management and Audit Scheme (EMAS) and DIN ISO 14001

2014 or to renovate the old system for economy's sake. Ultimately, it was the modern technology used in a new system, which is far more environmentally friendly and enables additional future CO_2 reductions of 10,000 tonnes a year, that prompted the decision to invest some 3 million euros and build a CHP system generating 17 megawatts of electrical power in less than seven months. During the first two weeks of December the four new CHP blocks were already supplying electricity and heat to support the operation of the airport once they had been commissioned in turn.

Munich Airport is also constantly looking for potential ways of saving energy across all areas of operation, infrastructure, and traffic on airport premises. An example of this is the conversion during 2014 of the lighting on all aprons and in Hangar 2 to modern LED technology, which only uses about half as much electricity as the previous lights. All told, this will reduce CO_2 by some 1,360 tonnes a year in future. A further 150 tonnes or so is to be achieved by reducing the run-on times at baggage conveyor belts.



In recognition of the measures to mitigate the CO_2 emissions associated with operation of the airport, Munich Airport Group again achieved the »Optimization« level under the Airport Carbon Accreditation scheme in 2014.

An important measure whose impact will be felt over the next few years is the pending renovation of some of the old airport buildings, some of which are now almost 25 years old, since new buildings based on the current state of the art are some 40 percent more energy-efficient than buildings from the 1980s. This is the case, for example, with Terminal 1, which is due to be expanded and renovated over the next few years. Flughafen München GmbH places a lot of emphasis on sustainable building, a commitment that is underlined by its membership of the German Sustainable Building Council (DGNB).

↗ Web
dgnb.de

As part of its climate protection program, Munich Airport uses alternative fuels from renewable energy sources within its vehicle pool. In addition to fuels from renewable raw materials such as vegetable oil and bioethanol, some 22 cars now also run on biogas. Since 2013 some 32 apron buses have borne the »Blue Angel« eco label, a sign they are associated with particularly low levels of noise and contaminants. Several tests involving electric utility vehicles are also being run on the premises. Three of these electric vehicles are already being deployed in normal operations and use 20 kWh on average, which is equivalent to around 2 liters of gasoline and generates just 70 g CO_2. The car parks at the airport now have 29 charging points for electric vehicles.

Scope 2

Around half of the electricity used at Munich Airport is bought in from an external network operator, which means the emission level associated with the energy mix within the German electricity grid is attributed to the airport in respect of this. Although the proportion of renewable energies has been rising significantly for years in Germany, the contribution made by lignite and hard coal in terms of electricity generation has also been increasing. As a result, the net effect on climate of the energy bought in by Munich Airport between 2011 and 2013 has actually got worse. Having said this, 2014 saw the amount of electricity bought in and the specific emission factor associated with it decrease slightly once more compared with the previous year. The net effect on climate improved by some 4,000 tonnes accordingly. This is more than four times as much as the reductions achieved through the new LED lighting on the aprons. Flughafen München GmbH continues to step up its policy of buying in electricity from renewable sources.

→ Glossary

Scope 3

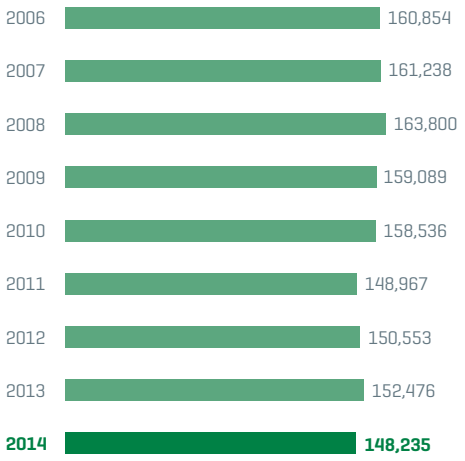
As far as the energy consumed by airport users is concerned, Flughafen München GmbH developed further climate protection measures during 2014 in conjunction with the airlines and air traffic control. The airport made significant investments in 2014 in pre-conditioned air systems, which supply aircraft standing at the terminal with all their heating and cooling requirements and mean pilots will no longer have to switch on the auxiliary power units intended for this purpose. The new stationary installations will become operational in 2015 and reduce greenhouse gases by up to 23,500 tonnes a year. Further fuel savings were achieved by improving approach sequences, so-called continuous descent operations (CDO), and reducing the average time spent standing on taxiways.

Selected examples from the carbon dioxide reduction program for 2014

Issue	Measure	CO_2 reduction	Implementation level
Energy generation	Upgrade of a CHP unit with a new, more efficient motor	760 t	Completed
Lighting	Changeover of Hangar 3 East to LED lighting	513 t	Completed
	Continuing with the project for the changeover of apron lighting to LED technology	674 t	Sub-project completed, overall project to be completed in 2015
Air conditioning	Modification of the air filters at the München Airport Center	113 t	Completed
Vehicles	Optimized use of efficient vehicles	943 t	Completed
Management	Use of a new building management system in the administrative building for technology	154 t	Implementation completed, test operations running
	Management of main ventilation units in T2, with some air recirculated depending on air quality	354 t	Completed
	Reduction of run-on times for electric drives used for the baggage conveyor in T1	150 t	Completed

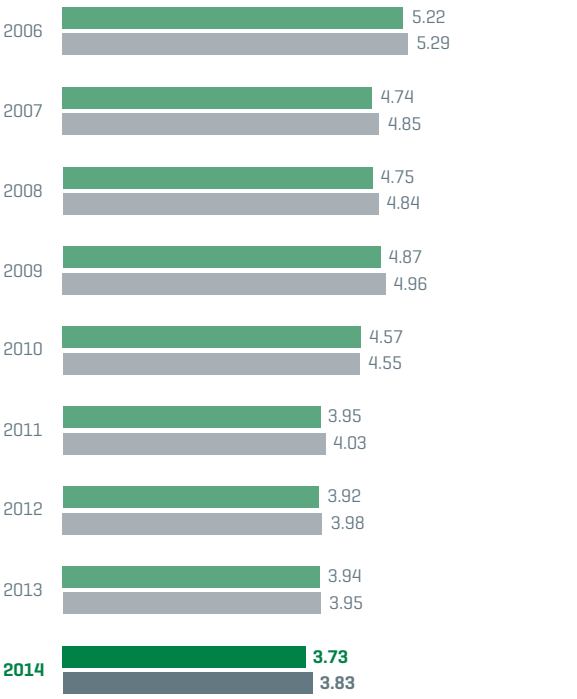
CO_2 emissons at Munich Airport

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



Specific CO_2 emissions

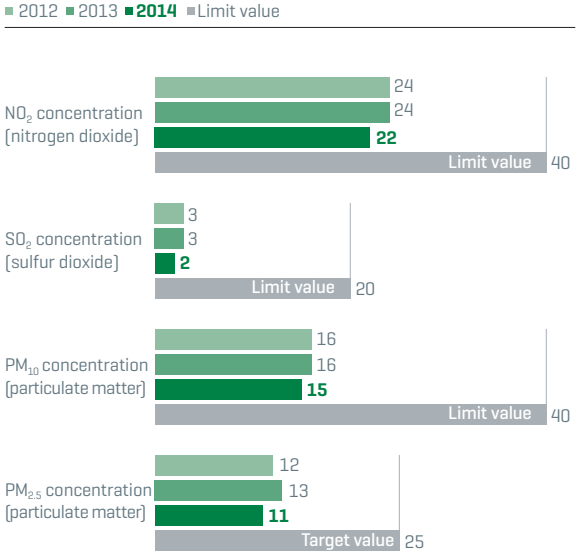
■ Specific emissions in kg CO_2 per passenger
■ Specific emissions in kg CO_2 per passenger (adjustment for climatic conditions[1]) compared with 2005)



[1] The adjustment for climatic conditions corrects the effects of warmer or colder years on heating energy requirements and facilitates a more accurate comparison of the figures.

Measured pollutant concentrations at the main measuring point

Annual average in µg/m³



Air contamination: limits observed

The impact of the operation of the airport and of air traffic on the level of contaminants in the environment surrounding Munich Airport is continuously monitored at two measurement points – one in the western half and one in the eastern half of the airport premises. In 2014, as in previous years, nitrogen dioxide (NO_2) and particulate matter were mainly found to be at low to medium levels. The nitrogen dioxide levels at Munich Airport are therefore not dissimilar to the levels found in medium-sized cities such as Ingolstadt, Bamberg, or Würzburg. In addition to particulate matter and nitrogen dioxide, the contaminants ozone, nitrogen monoxide, sulfur dioxide, carbon monoxide, benzene, toluene, xylene, and dustfall are also measured. The applicable statutory limits were complied with for all of these contaminants.

Detailed and current measurement results are published each month in the impact reports from FMG.

Munich Airport boasts its own mobile air measurement station

→ GRI G4-27
GRI Content Index
see page 182

At the start of 2014 Munich Airport became the first airport in Germany to determine the quality of air beyond the perimeter fence as well – using a mobile air quality measurement station. It complements the two stationary air quality measurement facilities on the airport premises and can be used among other things for targeted investigations in the surrounding municipalities. The measurement and expert evaluation of these air contaminants of relevance from an emissions' perspective is performed by an independent expert.

The mobile air quality measurement station can record the following parameters:

- Particulate matter (PM_{10}, $PM_{2.5}$)
- Nitrogen oxides (NO, NO_2)
- Ozone (O_3)
- Benzene, toluene, xylene (BTX)
- Benzo(a)pyrene (BaP)
- Kerosene components (n-alkanes)
- Meteorology

The municipalities refer any queries to the aircraft noise commission or to the environmental department at Munich Airport directly. A suitable location is selected jointly by the municipality in question, Bavaria's Office for the Environment, and Flughafen München GmbH. Once the measurements, which generally take six months, are complete, the results are made available within the municipality and during sessions of the aircraft noise commission and also published online.

→ G4-EN21, G4-A05
Sustainability indicators
see page 168

Emissions-based landing charges

Flughafen München GmbH levies contaminant and noise-based landing charges, thereby making an active contribution to the improvement of air quality in the airport's surroundings. This gives engine and aircraft manufacturers a long-term incentive to invest in the development of aircraft producing fewer contaminants and to lower emissions from aircraft engines.

↗ Web
munich-airport.com/impacts

↗ Web
munich-airport.com/air

Managing resources

Munich Airport's strategy for using natural resources is based on taking care of and being economical with these, and also showing a sense of responsibility toward future generations. The issues of waste and water management and the preparation of de-icers are particularly important. The primary aim of waste management at the airport, in accordance with the German Waste Management and Product Recycling Act, is to avoid waste. Next, in order of relative importance, come preparation, recycling, energy recovery, and disposal. Any recoverable materials from the operation of the airport – across the board – are therefore collected where they are generated within various separating systems, handed over to certified specialist businesses close to the airport, prepared in sorting plants, and then recycled. In 2014 particular emphasis was placed on increasing the use of recycled paper. The airport company itself is aiming to achieve a rate of 100 percent for 2015.

High recycling rates

All told, Munich Airport recycles around 57 percent of the material from waste generated (film, glass, wood, metal), not to mention the 22 percent of waste processed as wastepaper at a paper plant. Some 11 percent of all waste comes from leftover food, which is turned into valuable fuel in biogas plants. The remaining 10 percent of all waste is processed in the Munich North Power Plant, generating electricity and heat. In addition to the collection systems where employees can throw away batteries and lights, including any brought from home, there are plans to introduce further ones for old cell phones (valuable metals) and for CDs and DVDs (polycarbonate).

Economical use of drinking water

The aim of water management at Munich Airport is to limit the effects had by water resource management, drainage, and the provision of drinking and extinguishing water on water both above and below ground such that the water balance is affected as little as possible. The decisive fields of action here are the reduction of drinking water consumption and a sophisticated approach to wastewater management.

Consumption of drinking water at Munich Airport decreased slightly in 2014 compared with 2013 by around 1 percent from 1,000,558 to 991,557 cubic meters. Around three percent less drinking water was consumed per traffic unit (one passenger or 100 kilograms of airfreight): 23.2 compared with 24.1 liters in 2013.

Although there is sufficient drinking water in the Munich region, Munich Airport continued its efforts to restrict consumption during 2014. An important measure is the cooling of refrigerators and units in the new block heat and power plant using quaternary groundwater from a new 8-meter-deep well, as opposed to high-quality drinking water sourced from a depth of 150 meters by the Moosrain water utility company. Another process water well was drilled for the new east power plant in 2014, which should become operational in 2015 at the same time as the building.

Sophisticated wastewater management

A sophisticated approach is adopted to wastewater management in order to protect the groundwater and drinking water in the area surrounding the airport. The entire network of channels is some 300 kilometers long and captures the wastewater within separate systems depending on the types of wastewater involved. These are domestic

wastewater such as that from handling areas, offices, or HR facilities, commercial wastewater from kitchens, canteens, and catering operations, wastewater from washing aircraft, or a mixture of dirty water and storm water from places such as aprons, roofs, roads, and car parks. Depending on the level of contamination, the wastewater is pretreated in the airport's own plant or forwarded directly to the modern, high-performance sewage plant at Eitting.

Ground filters protect groundwater

Protection of groundwater along the runways also requires special measures, which currently include the construction of new ground biofiltration systems around the four heads of the runway. These prevent de-icer being carried by the wind across green areas and into the groundwater, where it can cause contamination. Ground filters comprise underground, sealed storage spaces filled with gravel. They clean the storm water, which may be contaminated with de-icer, and act as retaining basins too. The quality of the water is constantly measured and, depending on the results, is routed to a water course or – during harsh winters where a lot of de-icer has been used – to the sewage plant. The ground filter at the northwestern head of the runway is already operational, with its counterpart at the northeastern point due to be ready for winter 2015/2016.

Recycling rate at around 60 percent

The way Munich Airport handles resources from a de-icing perspective is unique across the world. In the areas near the heads of the runway, de-icing vehicles keep aircraft free from ice and snow in winter before take-off. The de-icer dripping off the aircraft during this process finds its way via slit drainage gutters and channels into underground basins specifically designed to capture it. It is then mechanically and chemically treated in the airport's own recycling plant, before being distilled and converted back to its original state through the addition of additives. Thanks to this recycling process, some 58.7 percent of the aircraft de-icer used was treated and reused during the winter of 2013/2014. The recycling rate is heavily dependent on weather conditions and therefore tends to fluctuate.

→ Sustainability program
see page 166

Noise protection

Regulations regarding noise protection

Strict noise limits for aircraft

↗ Web
acare4europe.org/

→ Glossary

The noise caused by aircraft is strictly monitored. For example, the International Civil Aviation Organization (ICAO) requires a substantiated noise certificate for both the prototype and operational approval of new aircraft. Currently, 98 percent of all jet aircraft meet the criteria associated with the most stringent noise limit imposed by the ICAO. This is in line with the targets set by the ACARE advisory council within the EU (Advisory Council for Aviation Research and Innovation in Europe), which is aiming to halve perceptible noise as part of its Vision 2020 policy. Similarly, the EU's Flightpath 2050 initiative is targeting a 65 percent reduction in noise emissions by 2050.

↗ Download Flightpath 2050 report
ec.europa.eu/transport/modes/air/doc/flightpath2050.pdf

Regulations limiting night flights

↗ Web
munich-airport.com/night-flight

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., only night mail and survey flights by German air traffic control are generally 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. During 2014 only 64 percent of the permissible noise volume was used. This compares with 66 percent for the previous year. During 2014 the permissible 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.

↗ Web
munich-airport.com/aircraft-noise

Noise specifications for the third take-off and landing runway

→ Sustainability indicators
see page 181

Provisions regarding noise protection were made as early as the planning stage for the third runway: Based on the German Air Traffic Noise Act, the regional government of Upper Bavaria examined the potential noise impact from the three-runway system as part of the planning approval process. The approval authority deems the expansion project to be compatible with the need to protect the general public and neighbors from aviation noise, assuming any entitlements to reimbursement and indemnification as per the German Air Traffic Noise Act and any incidental provisions set out during the planning approval process are taken into account.

Key regulations concerning noise include the following:

Operating regulations

The operation of particularly noisy types of aircraft can in principle be permanently or temporarily restricted or prohibited within the context of operating restrictions. 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 take-off and landing 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 proposed third take-off and landing runway. The third runway may only be used at night in exceptional circumstances – in the event of an emergency or if one of the existing runways is closed. This means that the current noise quota will remain the same. The provisions contained in the planning approval notice are such that residents around the airport need not be concerned that they could be affected by night flights involving the third take-off and landing runway.

Noise reduction measures provide relief for residents

In the latest tests associated with the EU Environmental Noise Directive, Munich Airport has performed very well compared with other major airports thanks to the excellent conditions on the site. The results indicate that the number of those living in the area surrounding Munich Airport who are affected by aircraft noise represent just five percent of the comparable group at Frankfurt Airport and as little as 1 percent of those near London Heathrow Airport. FMG wants to do more than merely fulfill the statutory regulations in its drive to reduce the impact of aircraft noise on the airport's neighboring communities. Currently, a number of active anti-noise measures are being discussed and reviewed that should reduce or prevent noise at source or spread its impact more favorably.

Engines running idle during final approach

Early in 2014 the continuous descent approach (CDA) was introduced for all landings at Munich Airport. Also referred to as continuous descent operations, this is the practice of setting the aircraft's engines to minimal power (they should be idling, ideally) during the descent and avoiding any horizontal flight phases if at all possible. This method saves fuel and reduces CO_2 emissions. With a downwind approach from the side, the noise level also deceases by up to 6 dB(A) because of the difference in height compared with the present standard method.

Landing charges: quiet equals cheap

Munich Airport can influence the type of aircraft used by ensuring its landing charges depend on noise levels. Airlines using quiet aircraft benefit from a charges system based on a broad sliding scale. Noise-based take-off and landing fees may be as much as eight times higher for a loud aircraft type than a quiet one.

New technologies making good progress

- Vortex generators avoid irritating noises:
  FMG is a partner in the Lufthansa-led research project known as »MODAL – Models and Data for the Development of Active Noise-Abatement Measures in Aviation«. The project involves testing vortex generators that eradicate the irritating whistling sounds during the final approach. The measurement points at the airport, arranged specifically for this purpose and featuring special technology, are confirming the expected reduction in noise. Initial measurements show that the noise level during the final approach between 17 and 10 kilometers before landing is reduced by up to four decibels.

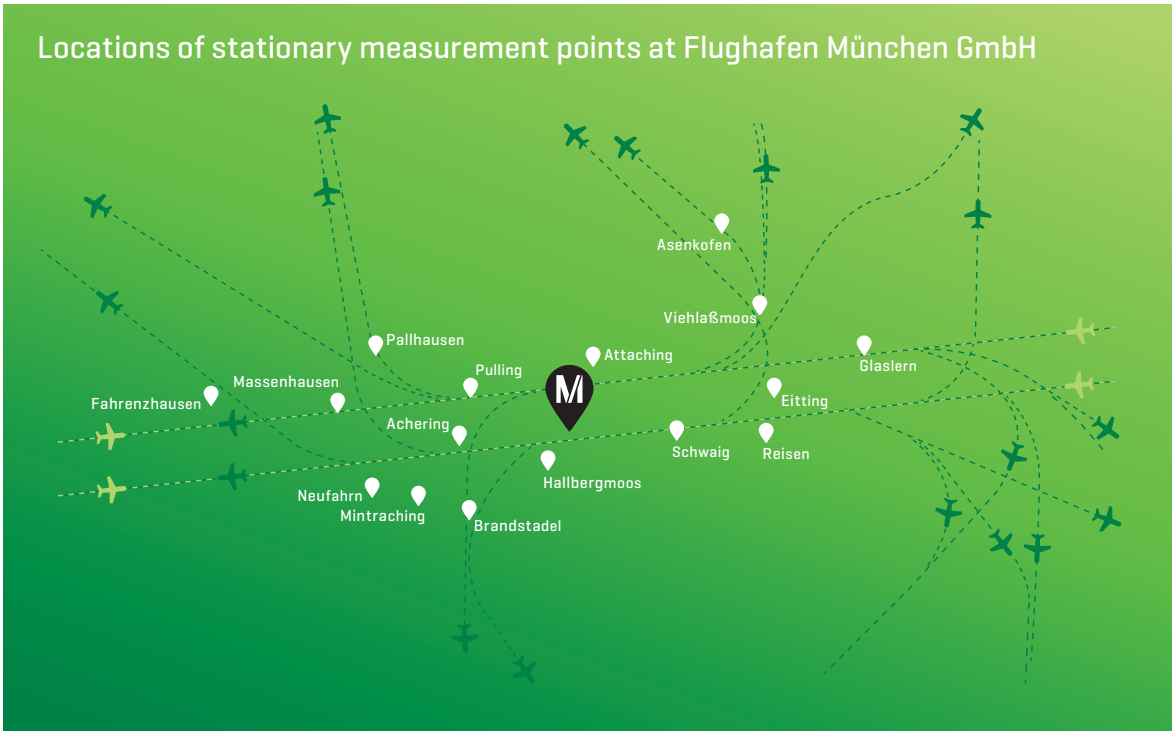
- New engine architecture halves noise levels:
  The development of very quiet aircraft types is set to accelerate further with the use of new geared turbofan engines. Following the unveiling of a 100-seat passenger aircraft at the end of 2013, September 2014 saw the first flight of the A320NEO (NEO: New Engine Option) featuring this innovative drive technology. The geared turbofan (GTF) is based on a completely new and highly effective engine architecture. This reduces fuel consumption and CO_2 emissions, as well as halving noise levels.

↗ Web
commercialaircraft.bombardier.com

Aircraft noise monitoring

Noise measurements at 16 stationary locations

Aircraft noise is continually monitored at Munich Airport. To achieve this, Flughafen München GmbH operates 16 stationary measurement points, which are positioned at a radius of about 20 kilometers around the airport. The values measured are published monthly in impact reports and on the airport website.



Situation similar to last year in terms of aircraft noise

→ Glossary

More than half of the continuous sound level Leq3 Day and Leq3 Night readings recorded by the stationary aviation noise monitoring system during the six busiest months were around the same level as the previous year. Any differences in the level were primarily due to the fact the eastern operating direction accounted for a greater share compared with the previous year.

An additional service: mobile aircraft noise monitoring

Mobile aircraft noise measurements using a measuring vehicle or container are a service provided voluntarily by Flughafen München GmbH. They can be requested by the representatives of municipalities whose locations are not covered by the network of stationary measurement instruments. In 2014, the year under review, seven mobile aircraft noise measuring systems recorded a total of 311 daily values, including – for the first time – in Eching/Haunwang and Unterschleißheim. Repeat mobile measurements were taken in Finsing, Haimhausen, Neufahrn, Leonhardsbuch, and Moosburg/Bonau.

↗ Web
travis-web01.munich-airport.de/data/travis.php

Dialog on many platforms

»FLUMO«: noise measurement data online

Since May 2014 a new, central platform on the topic of »Aircraft noise monitoring at Munich Airport« has been available online, providing more information and creating greater transparency between the airport and the surrounding region. This online service makes it really easy to call up the latest data around the clock from the 16 stationary measurement points located in the area surrounding the airport. In addition to noise measurement data, interested parties will also find information about the course and height of the flight and the aircraft type. Data is displayed after 20 minutes, and it is possible to track back up to two months. The tool also offers a review facility, with the option – for all aircraft noise measurement points – to look at tables and graphs showing the various acoustic measurements and parameters together with the relevant traffic data from previous years. The »virtual« house provides a highly realistic representation: The user can click any location in the region around the airport and see the noise calculated as coming from the aircraft and the exact distance of the aircraft from the position selected. By representing the noise situation at various locations in this way, Munich Airport is something of a pioneer within Germany.

Aircraft noise commission: a forum for all concerned

The »Commission on Aircraft Noise and Air Pollution at Munich Airport« is working intensively to reduce aircraft noise still further. The commission is made up of representatives of Munich Airport, the airlines, Deutsche Flugsicherung GmbH (DFS), the surrounding municipalities, and various authorities, who maintain a constant dialog with each other.

Hotline for noise-related questions

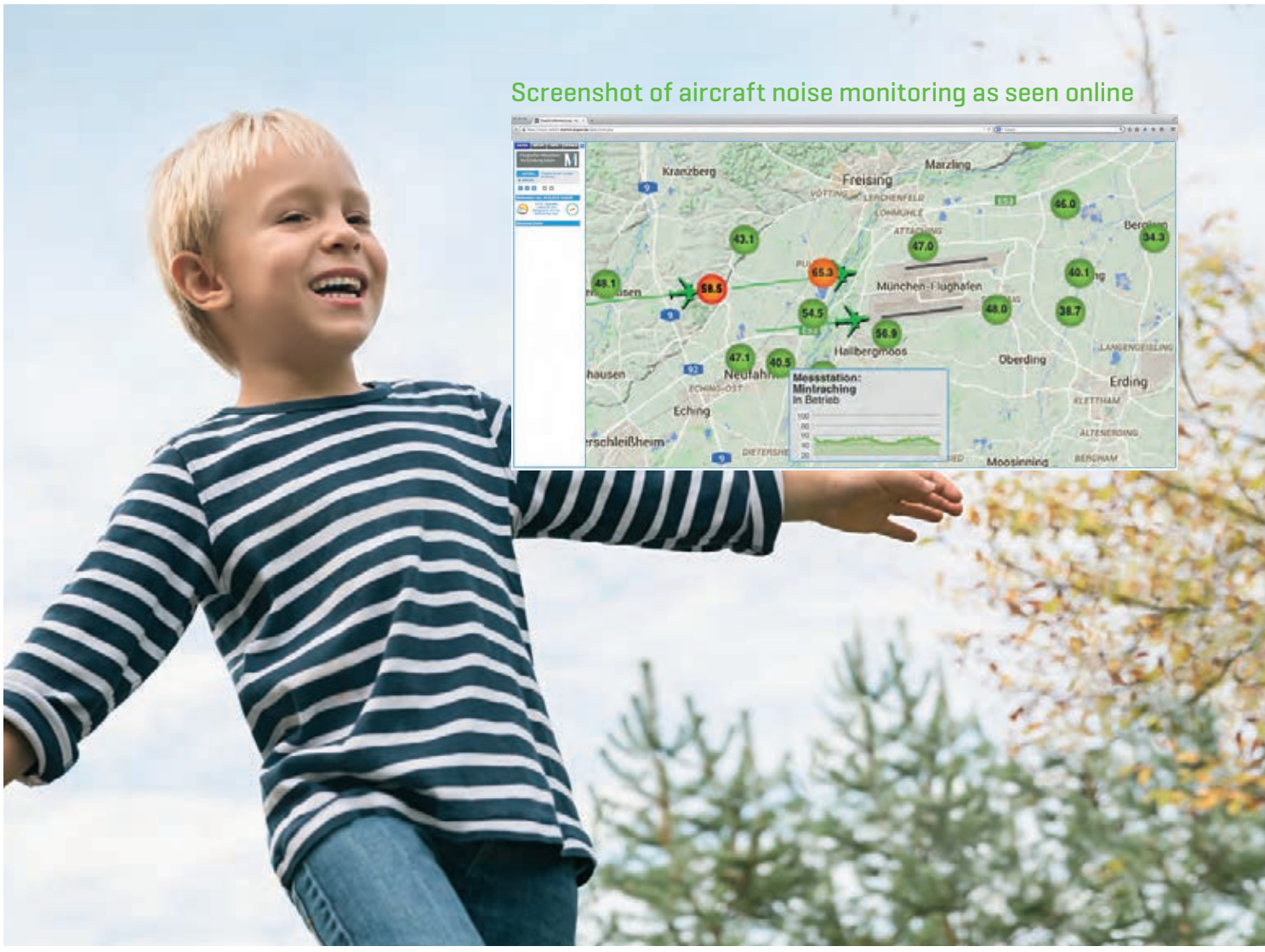
Residents affected can use the telephone line for aircraft noise complaints to contact Flughafen München GmbH directly. This service enables us to respond directly to questions concerning individual aircraft noise events and those regarding aircraft noise in general.

The number for the complaints line for noise-related questions at Munich Airport is as follows: +49 89 975-40410

New website on the topic of aircraft noise

The German airlines, airports, and German air traffic control have together developed an Internet portal to improve the information available on the topic of aircraft noise within the network. It acts as a first port of call for those wanting comprehensive information regarding aircraft noise and provides answers as to how aircraft noise might be effectively mitigated and people protected from noise.

↗ Web
fluglärm-portal.de



Screenshot of aircraft noise monitoring as seen online

→ Glossary

Biodiversity

Airport meadows providing a habitat

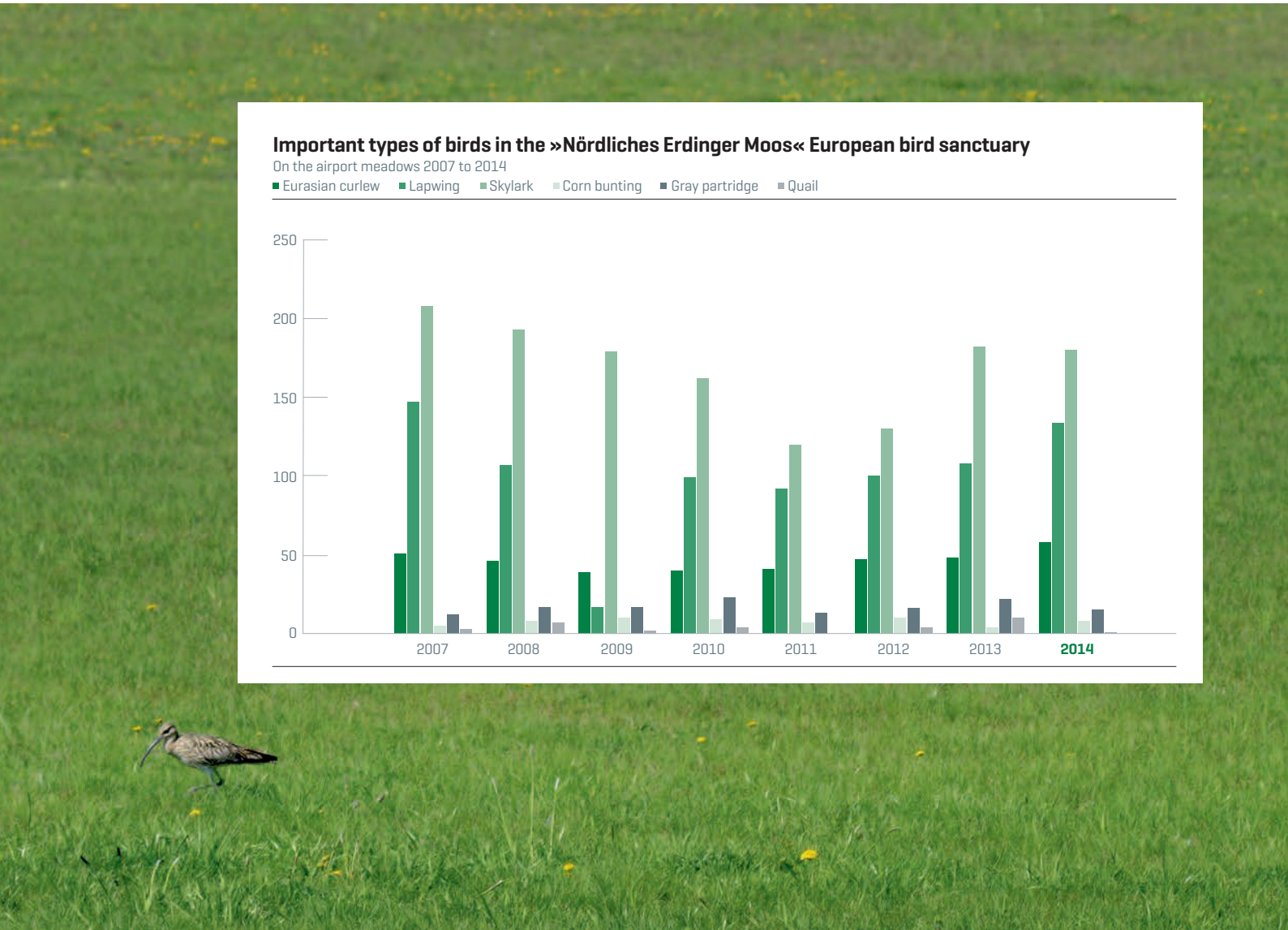
↗ Web
munich-airport.com/landscape

Green areas and ecologically significant meadows make up almost two thirds (943 hectares) of the current airport premises. The airport meadows adjoining the two take-off and landing runways play a central role in the ecological integration of the airport within its environment. They are used for air travel purposes while simultaneously offering bird and plant species an important habitat. The biotope management policy implemented there since 1992 favors the development of high-quality, so-called low-nutrient meadows, which are ecologically much more valuable than, for example, the intensively farmed and high-nutrient green spaces or arable land beyond the airport fence. This natural management method is in harmony with both the bird protection approaches pursued within the airport fence and the requirements of bird strike prevention on the airport premises as a whole.

→ Service portfolio
Bird strike
see page 38

Bird sanctuary on airport premises

The 4,525-hectare »Nördliches Erdinger Moos« site, designated in 2008 as a European bird sanctuary, covers more than 630 hectares of airport meadows around the take-off and landing runways, as well as most of the northern and eastern parts of the Erdinger Moos (moor) where this adjoins the airport premises. The sanctuary is primarily important for bird species that favor an open or partially open low moorland habitat. The evidence in terms of the range of species and the breeding successes achieved underlines its optimum biotope and habitat quality for rare meadow breeders. The sanctuary is also home to significant numbers of breeding birds of other species favoring standing water, reeds, and silted up areas – such as the bluethroat. The security fence ensures meadow breeders have a disturbance-free and suitable habitat, since it offers protection against predators such as foxes. For example, the airport premises are home to



Important types of birds in the »Nördliches Erdinger Moos« European bird sanctuary
On the airport meadows 2007 to 2014

The »Nördliches Erdinger Moos« European bird sanctuary

Forty endangered species of birds or birds threatened by extinction can enjoy a highly protected habitat at Nördliches Erdinger Moos, including:

- the **Eurasian curlew**,
- the **lapwing**, and
- the **blue-headed wagtail**.

one of Bavaria's largest populations of the Eurasian curlew – a species threatened with extinction.

The airport meadows, a key feature of the European bird sanctuary for the preservation of bird species within their natural range, could even be described as being of national importance. To preserve this habitat on the airport site, and also in the wider surroundings, Munich Airport cooperates closely with the nature conservation authorities. For years, the breeding birds on the airport meadows have been carefully and regularly observed and counted. In total, the »Nördliches Erdinger Moos« reserve protects 40 particularly endangered bird species and is consequently an important stepping stone in the Natura 2000 ecological network spread throughout Europe.

Combining air travel with the protection of birds

The practical experience of previous years has demonstrated that the »coexistence« of safe air travel and bird protection is possible in spite of their apparent incompatibility and that both can be developed responsibly in a spirit of cooperation. For example, any upkeep the meadows may need and any construction and maintenance work are performed outside breeding periods wherever possible. Also, whenever the airport implements or plans compensating measures within the two bird sanctuaries of »Nördliches Erdinger Moos« and »Freisinger Moos«, consideration is always given to preserving and promoting species diversity and the biodiversity of flora and fauna. In addition to the numerous bird species, they are also home to rare plant, reptile, dragonfly, and butterfly species such as creeping marshwort, the sand lizard, the ornate bluet, and the dusky large blue.

Hunting as practical nature protection

Compared with other areas, hunting near an airport has a fundamentally different priority. Game is hunted for reasons relating to nature and species protection, for bird strike prevention, or if the size of the population makes it necessary. For example, the population of predators – such as foxes or martens – is regulated for the protection of threatened meadow breeders such as the Eurasian curlew and the lapwing. Likewise in hard winters, the airport hunters help many wild animals via species-appropriate feeding. FMG is also involved in species preservation for red deer. It owns land in the Isar floodplains, one of Bavaria's eleven designated areas for red deer. In collaboration with the Real Estate business division, the Bavarian Hunting Organization, the lower hunting authority, and the hunters responsible, FMG has succeeded in recent years in safeguarding population areas and ensuring deer are able to move to and settle in new habitats, as well as achieving a compromise between nature protection and hunting interests.

→ Glossary

/Financial report

Group Management Report

Basis of the Group

Activities

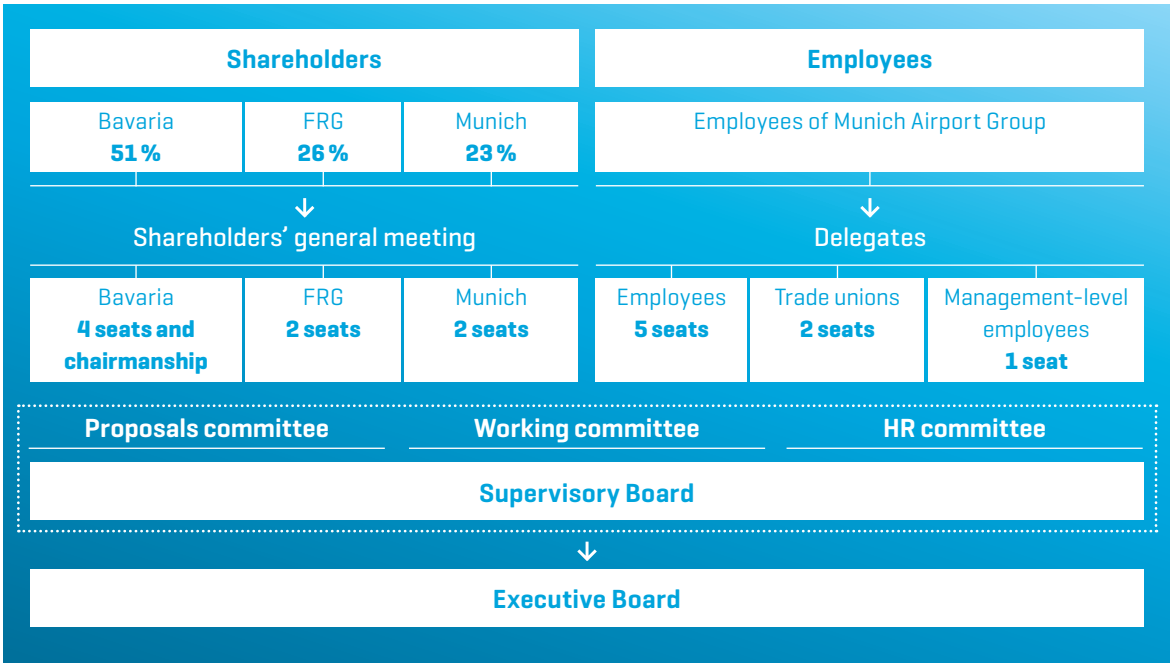
Flughafen München GmbH (FMG), headquartered in Munich, is the parent company of the Munich Airport Group (Munich Airport) and is the operator of Munich's commercial airport.

The range of services and products offered by Munich Airport covers virtually all the services available on the airport campus – from air travel including passenger and cargo handling through to retailing, hotels, and catering services. This fully integrated business model and the resulting depth of added value distinguish Munich Airport from its European competitors.

Munich Airport is committed to a corporate policy of sustainability. The balance between economic, environmental, and social objectives aims to ensure public acceptance of the airport and consequently the viability of the business model.

Corporate governance

FMG is co-owned by the Free State of Bavaria, the Federal Republic of Germany (FRG), and the City of Munich, with Bavaria holding 51.0 percent of shares, the Federal Republic 26.0 percent, and the City of Munich 23.0 percent.



The shareholders' general meeting is the highest monitoring and decision-making body at FMG. It decides unanimously on the execution of measures which – such as airport expansion – affect the business as a whole. Furthermore, long-term borrowing and the approval of the business plan require an unanimous vote from the shareholders. All other decisions are made with a simple majority.

FMG has a Supervisory Board, as specified in Article 1 (1) (6) of the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG). The Supervisory Board exercises monitoring and co-determination rights. It appoints members of the Executive Board and determines the system for their remuneration. Transactions that exceed certain maximum monetary values and terms may only be concluded with the express approval of the Supervisory Board. The employees' representatives in the Supervisory Board are elected for a five-year term by the Group employees. The shareholders' general meeting elects the shareholders' representatives in the Supervisory Board. The term in office of shareholders' representatives in the Supervisory Board ends with the shareholders' general meeting that resolves on the formal discharge of the members for the fourth

fiscal year after the start of their term in office. As at December 31, 2014, the members of the Supervisory Board are as follows:

Hans-Joachim Bues	Executive employees' representative	Senior Vice President Corporate Communications
Anna Müller	Employees' representative	Clerical employee, full-time workers' councilor
Renate Siedentopf	Employees' representative	Insurance broker, full-time workers' councilor
Michael Börries	Employees' representative	Certified aircraft handler, full-time workers' councilor
Orhan Kurtulan	Employees' representative	Certified aircraft handler, full-time workers' councilor
Bernhard Plath	Employees' representative	Economist, full-time workers' councilor
Thomas Bihler	Trade union representative	Clerical employee
Heinrich Birner (Vice Chairman)	Trade union representative	Director of the ver.di labor union, Munich region
Director-General Wolfgang Lazik	Free State of Bavaria	Bavarian State Ministry of Finance, Regional Development and Regional Identity
Minister of State Dr. Markus Söder (Chairman)	Free State of Bavaria	Bavarian State Ministry of Finance, Regional Development and Regional Identity
Director-General Dr. Bernhard Schwab (from October 7, 2014)	Free State of Bavaria	Bavarian State Ministry of Economic Affairs and Media, Energy and Technology
Director-General (retired) Josef Poxleitner	Free State of Bavaria	Until June 2014: Board of Building and Public Works in the Bavarian State Ministry of the Interior, Building and Transport
Director-General Dr. Martina Hinricher	Federal Republic of Germany	Federal Ministry of Transport and Digital Infrastructure
Senior Ministerial Official Christiane Wietgrefe-Peckmann	Federal Republic of Germany	Federal Ministry of Finance
Dieter Reiter	City of Munich	Lord Mayor
Josef Schmid	City of Munich	Mayor

Director-General Dr. Hans Schleicher (Bavarian State Ministry of Economic Affairs and Media, Energy and Technology) left the Supervisory Board on September 30, 2014. Sabine Peters and Willy Graßl resigned from the Supervisory Board on July 22, 2014.

The Supervisory Board has appointed a proposals committee in accordance with Article 27 (3) of the MitbestG, a working committee, and an HR committee. The working committee and the HR committee were entrusted with the following tasks:

Working committee	Statement on the resolutions proposed by the Executive Board Approval of certain legal transactions that exceed certain monetary values and terms
HR committee	Designing the contracts of employment for the Executive Board (with the exception of remuneration) Setting and amending the rules governing remuneration in the area of the Group not governed by collective wage agreements Setting or amending the salary level of certain employees above a set salary level or level of remuneration Commitment to an occupational pension in individual cases

The Executive Board of FMG is responsible for the Group's corporate policy and strategic focus. It plans and determines the budget, and manages and monitors business developments.

The Supervisory Board appoints the Executive Board for a maximum term in office of five years. Reappointment or extension of the term in office is permissible. As at December 31, 2014, the Executive Board consists of two members:

Dr. Michael Kerkloh	President and Chief Executive Officer, Personnel Industrial Relations Director
Thomas Weyer	Vice President and Chief Financial Officer, Chief Infrastructure Officer

The executive officers of FMG receive fixed (salary) and performance-related remuneration including short and medium-term incentives (bonus). The bonus is linked to the consolidated profit before taxes.

Compliance

Compliance management system

Munich Airport has established a Group-wide compliance management system. The Compliance department prepares the compliance risk analysis with input from the divisions and combines it with the subsidiaries' risk analyses. It also trains and advises employees and management on compliance issues. It submits reports on the current status of the compliance management system to the Executive Board on a regular basis and to the Supervisory Board on an annual basis.

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, Munich Airport 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 compliance guidelines and the guidelines covering gifts and invitations 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 every year. 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 in 2014.

Electronic whistle-blower system

Through an electronic whistle-blower system, the Business Keeper Monitoring System (BKMS®), Group employees, business partners, and customers can report behavior potentially damaging to the organization. People inside the Group and outside can also contact the Compliance department by other means of communication (telephone, e-mail, face-to-face discussions) if they wish to draw attention to compliance infringements and need advice.

Tender documents inform potential bidders of the possibility of using the BKMS® should compliance infringements be suspected.

Data protection

Munich Airport'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 apprentices, along with periodic onward training for employees in data privacy law, have helped raise awareness of statutory data protection requirements.

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

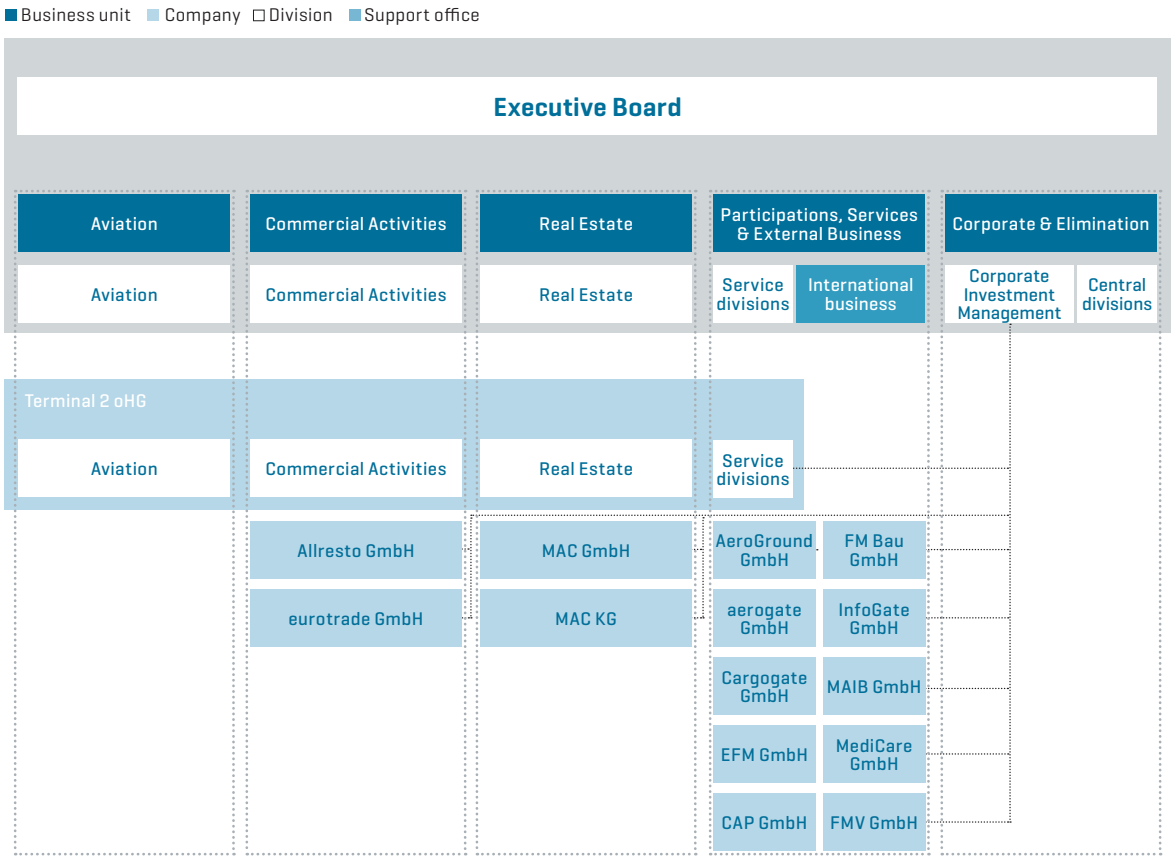
Group structure and organization

Munich Airport's strategy development, management, and reporting system is based on the business, service, and central divisions of FMG. The Group is divided into the business units Aviation, Commercial Activities, Real Estate, and Participations, Services & External Business.

→ GRI G4-17
Group structure and organization

In fiscal year 2014, the former Corporate Investment Management support office was converted into a central division. This takes account of the particular significance of corporate investment management for the business unit-focused management of the Group. Corporate Investment Management manages all subsidiaries in accordance with the business unit strategy allocated in each case.

→ Company profile and strategy
see page 21



→ GRI G4-17

In total, the Group comprises eleven subsidiaries, one associate, and four investment companies:

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)
- München Airport Center Betriebsgesellschaft MAC mbH (MAC GmbH)
- MAC Grundstücksgesellschaft mbH & Co. KG (MAC KG)
- Terminal 2 Gesellschaft mbH & Co. oHG (Terminal 2 oHG)

Associate

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

Companies not 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

In fiscal year 2014, Munich Airport ended its practice of financing various real estate holdings via special purpose vehicles through the acquisition of properties. Consequently, the following property management companies were deconsolidated:

- MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Alpha KG (MFG Alpha)
- MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Beta KG (MFG Beta)
- MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Gamma KG (MFG Gamma)

Business units

Aviation

All services in relation to the operation of Munich Airport's air traffic infrastructure for commercial and private air traffic are combined within Aviation. The following airport charges are levied for the provision and operation of this infrastructure:

	Assessment basis
Take-off and landing charges	Maximum take-off mass of the aircraft (MTOM) on take-off and landing
Noise charge	Fixed amount per landing depending on the noise category
Emissions charge	Nitrogen oxide equivalent emitted per landing
Passenger charge	Number of passengers on take-off
Freight charge	Number of workload units on take-off/ landing
Parking charge	Maximum take-off mass (to be paid for each 24 hours or part thereof, from the fifth hour)
Security charge	Number of passengers and/or workload units on take-off
PRM charge (passengers with reduced mobility)	Number of passengers on take-off
De-icing charge	Number of passengers and/or workload units on take-off
Waste disposal charge	Number of passengers on take-off

In fiscal year 2014, Munich Airport concluded a master agreement on charges with uniform terms and conditions for all airlines, which secures the future development of air traffic charges until 2020.

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. Only designated quiet aircraft are allowed to take off and land outside the core time. The approved slot capacity for scheduled and charter traffic is restricted to 28 planned aircraft movements per night.

The slots available 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.

The existing passenger handling facilities at Munich Airport have a capacity of up to 40.0 million passengers per year in total. Particularly within the Star Alliance Network in Terminal 2, the capacity threshold has now been reached. Expanding Terminal 2 with the satellite building under construction should remedy existing bottlenecks. The freight terminal has a capacity of around 604,000 to 668,000 tonnes per year. The freight-forwarding facility covers a gross floor area of around 36,000 square meters and has 103 docking bays for trucks.

→ Service portfolio
see page 35

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. However, its outer zones overlap with competitors' catchment areas, especially those of Frankfurt, Vienna, and Zurich airports. Compared to these airports, the existing connections to regional and inter-city rail transportation services put it at a disadvantage.

Collaborative work with Deutsche Lufthansa AG (DLH) 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 a sustainable partnership that not only allows capacities to be exploited, but also ensures long-term growth.

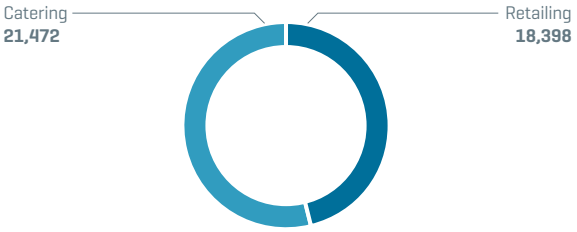
Commercial Activities

Munich Airport's commercial activities are combined under Commercial Activities. The retailing and food and beverage space available at Munich Airport is marketed through leases and concessions granted to third parties and by FMG itself through the subsidiaries eurotrade (retail) and Allresto (hotel and catering).

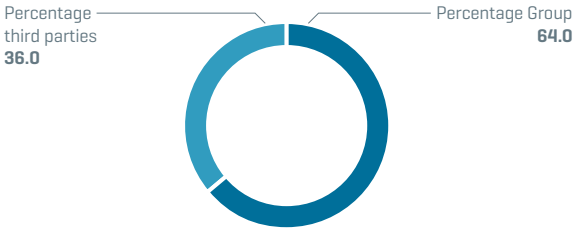
The large number of business and private travelers, extended opening hours, and the availability of duty-free shopping in the non-public area have boosted consumer business at Munich Airport.

In total, Munich Airport can boast 18,398 square meters of food and beverage space and 21,472 square meters of retail space. The Group operates its own retail or catering businesses on around 64.0 percent of the total area.

Commercial space
In sqm



Space ratio
In percent



Commercial Activities also comprises the management of the hotel at München Airport Center on behalf of varying partners (Kempinski AG until December 31, 2014, Hilton Corporation since January 1, 2015). The 5-star hotel has 389 rooms and ten conference rooms.

The business unit is also responsible for marketing parking at Munich Airport, comprising around 35,000 parking spaces, of which 23,000 are multi-story car parks and garages and around 12,000 are in paved and unpaved car parks.

The advertising media and advertising spaces at the airport are also marketed by divisions in Commercial Activities. The airport offers unique, very high quality, high-profile advertising spaces with little wastage and tailored to clients' requirements, such as the MetaTwistTower, which was commissioned in mid-2012. The ten-meter high media tower features a rotating LED screen, which can be resized as required, covering a total area of 41 square meters.

The business unit is also responsible for marketing the event areas in the airport by renting them out to third parties and organizing events for various clients. The annual »Surf & Style« event, which presents the world's largest standing wave for surfing in the forum of the München Airport Center, is one of the largest attractions.

Real Estate

Real Estate's business model encompasses the development, operation, and marketing of all real estate and property owned by Munich Airport. This includes all traffic, operations, logistics, commercial, and office property on the airport campus, the terminal buildings, public traffic buildings as well as all surrounding property, ecological compensation areas, and agricultural areas.

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 connections to public regional and inter-city transportation and limited variability of office space in existing buildings can be viewed as drawbacks. Current planning permissions are restricting new development.

Participations, Services & External Business

The Group's other companies and the service divisions complete the airport's business. The most significant companies are:

AeroGround GmbH: This company's range of services and products encompasses landside and airside ground handling services for airline passengers.

aerogate GmbH: aerogate's main services are passenger handling, operations services with ramp supervision, ticketing, as well as lost & found and arrival services. The range is completed by general aviation services.

Cargogate GmbH: The company supplies airfreight handling-related services.

In total less than 15.0 percent of the Group's external sales is accounted for by activities in the Participations, Services & External Business business unit. They are therefore not explained in detail below.

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

Report on economic position

Macroeconomic and sector-specific environment

Macroeconomic environment

Current forecasts for 2014 range from growth in the global economy of 2.6 percent (World Bank) to 3.3 percent (OECD, International Monetary Fund). However, the growth hides divergent trends in the individual economic areas.

According to data from the Federal Statistical Office, price-adjusted German gross domestic product grew by 1.6 percent in the calendar year 2014 (2013: 0.1 percent). At the same time, the price-adjusted value of exported goods increased by 3.7 percent (2013: 1.4 percent), while the price-adjusted value of imports rose by 3.3 percent (2013: 1.4 percent).

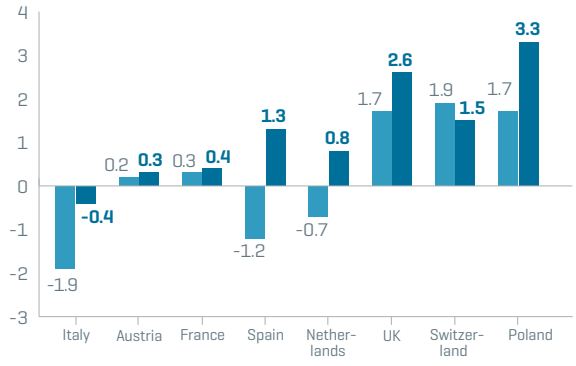
According to data from the European Central Bank, the eurozone achieved moderate growth of 0.8 percent (2013: -0.4 percent) for the first time following several years of recession.

Economic development in Italy, the key destination for Munich Airport, remains critical. The current assessment by the OECD assumes a recession in 2014 of -0.4 percent (2013: -1.9 percent).

Selected European countries' economic growth

In percent

2013 **2014**



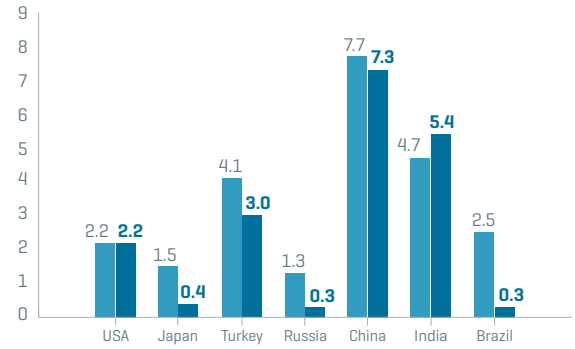
The fall in the oil price exacerbated the economic situation in Russia dramatically, after economic growth had already collapsed there because of the crisis in Ukraine. This resulted in growth falling sharply to 0.3 percent. The Chinese economy is currently experiencing a period of politically-driven structural change and posted a slowdown in growth to 7.3 percent (2013: 7.7 percent).

Otherwise, the OECD expects the following economic growth for Munich Airport's major international destinations:

Selected destinations' growth

In percent

2013 **2014**



Sector-specific environment for Aviation

The major European airlines are experiencing an increasingly difficult market situation. The pressure to consolidate that has been a feature of recent years continued in 2014. The established premium airlines were faced with tough competition. Low-cost airlines increasingly targeted businessmen traveling within Europe, namely traditional airlines' core business. Arab airlines that successfully transported passengers from the European market via hubs in the Gulf did very well on long-haul flights to Asia.

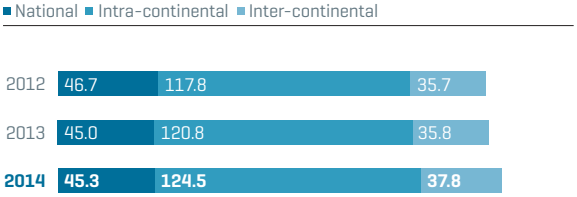
Attempts by network carriers to make their structures viable in the long term through consolidation and cutting costs by establishing or outsourcing their services to their own low-cost subsidiaries were resisted by employees and trade unions. A series of strikes at Lufthansa, Air France, and TAP Air Portugal as well as general strikes in Belgium, Italy, and Greece had an adverse impact on aviation in the past year.

German airlines are still being hit by the aviation tax introduced in 2011, particularly in the case of domestic flights, where the tax plus sales tax is payable on both the outward and the return flight.

The political crises in Ukraine and the Near East also depressed growth in the sector and led to only muted growth in aviation in fiscal year 2014.

In 2014, the number of passengers at Germany's 22 international commercial airports rose by 2.9 percent to just under 207.9 million passengers. In terms of passenger traffic, European connections grew by 3.1 percent, while long-haul traffic grew more sharply at 5.6 percent. Having fallen in the prior year, German domestic traffic increased slightly (0.8 percent).

Passenger numbers at German commercial airports
In millions



Commercial aircraft movements did not decline further in the past fiscal year. The total number of aircraft movements at German commercial airports increased slightly to 2,222,459 take-offs and landings. In recent years, the use of larger aircraft, in particular, reduced the number of aircraft movements despite increasing passenger figures.

Aircraft movements at German commercial airports
In thousands

Airfreight performed well in 2014. With growth of 2.1 percent, 4,522,019 tonnes of airfreight and airmail (including transit items) were handled in total.

Airfreight and airmail (including transit items) at German commercial airports
In tonnes

Sector-specific environment for Commercial Activities

Despite tangible geopolitical crises, conditions for German **retailing** were largely unchanged in the past fiscal year. With growth of 1.1 percent, private consumption proved to be the key growth driver for the German economy. The GfK consumer index rose from 7.4 points in December 2013 to 8.7 points in December 2014. According to projections by the German Retail Association (HDE), German retailing achieved growth in sales of 1.9 percent in total in 2014. Sales of cosmetics and toiletries posted particularly strong growth (+9.3 percent), while sales of clothes (-0.2 percent) and watches/jewelry (-4.4 percent) fell. At the same time, the structural change from shop-based retailing to online is continuing. Online retailing again recorded disproportionately strong growth (+17.0 percent). Bricks and mortar retailers, by contrast, are faced with steadily decreasing footfall.

As in the prior year, the German **catering sector** only posted slight price-adjusted growth of around 1.0 percent in 2014. This was also true of restaurants, eateries, and diners, which reported price-adjusted growth of 0.7 percent (2013: -1.3 percent).

Alongside consumer behavior and the number of domestic passengers, demand and the number of international passengers are also critical for consumer activities at commercial airports. Retailing and catering at airports therefore react more sensitively to geopolitical crises, which are reflected in an absence of passengers and general restraint in spending on the part of foreign passengers.

The situation in the sector was adversely affected by the crisis in Ukraine, in particular, in fiscal year 2014. According to analysis by Global Blue, tax-free shopping sales in the FRG to people traveling from the Russian Federation fell by around -18.0 percent in fiscal year 2014, having grown by 7.6 percent in fiscal year 2013.

Increasing use of online check-in and the expansion of frequent flier lounges by the airlines are reducing the time spent at airports and consequently the potential time in which passengers can spend money in the public and non-public areas of airports.

The economic situation in the German **hotel sector** recovered in fiscal year 2014. Following a decline of -1.2 percent in the prior year, slight growth of 0.8 percent was achieved; the number of overnight stays was up 3.3 percent (2013: 1.9 percent) and the average occupancy increased by 1.2 percentage points to 59.1 percent.

In fiscal year 2014, total investment by advertisers also rose slightly by 0.2 percent to around € 25,080.0 million. Despite the strained and subdued situation on the advertising market, some market segments posted substantial growth, including the **Out-of-Home advertising** segment primarily used by Munich Airport, which grew by 5.3 percent.

Sector-specific environment for Real Estate

The Munich area remains an attractive location for office property. However, letting revenues remained below the long-term ten-year average because of subdued demand. At the same time, office vacancies were reduced substantially to a ratio of 5.1 percent. Among the prestigious office developments in Parkstadt Schwabing north of the Munich city center, average rents per square meter range between € 18 and 22 per square meter, which equates to an increase of between 8.0 and 10.0 percent compared with prior years, depending on the property.

Course of business

Aviation

	2014	2013	Change absolute	Change relative
Aircraft movements [in thousands]	377	382	-5	-1.3%
Passengers [in millions]	39.7	38.7	1.0	2.6%
Cargo handling [in tonnes]	309,361	287,809	21,552	7.5%

With the exception of the number of aircraft movements, all previous records were exceeded in 2014. Passenger numbers came close to the 40 million mark; airfreight exceeded 290,000 tonnes. Other key figures also reached very high or even best ever levels. For instance, there were more seats on offer, at 52.3 million, than ever before. This was 148 per flight, four seats more than in the prior year. Capacity utilization also climbed to a new record. At 75.9 percent, more than three out of four seats were occupied. This equates to 113 passengers per flight, which is five more passengers than in the prior year.

The increase in these average figures per flight lay in the continuing trend towards replacing smaller aircraft with larger ones. The average maximum take-off mass (MTOM) exceeded the 80-tonne mark and increased by 3.7 tonnes to 81.9 tonnes. At peak times in particular, supply can only be expanded further through the use of larger aircraft. Long-haul traffic, which is mainly served by large aircraft, has proved, yet again, to be the motor driving traffic development. In commercial traffic, the proportion of wide-bodied aircraft increased to 8.0 percent of all take-offs and landings.

In total, the number of aircraft movements fell by -1.3 percent in 2014. This was mainly due to the phasing-out of turboprop aircraft at Lufthansa and Air Dolomiti: a measure that affected traffic in Germany and in the rest of Europe. The assumption is that this restructuring of the aircraft fleet will be completed in 2015.

Aircraft movements at Munich Airport

In thousands

While hub traffic was a major factor in the growth in passenger volume in recent years, point-to-point traffic from and to Munich became more important in 2014, posting above-average growth. Originating traffic, as it is known, i. e. the passengers who use the Munich Airport catchment area as the point of departure or destination of their journey, increased by just under 6.1 percent. Accordingly, the proportion of transfer passengers fell by just under two percentage points to 37.0 percent. This development is also due to the new structure of hub traffic, which now has six traffic nodes per day. Following the withdrawal from service of smaller turboprops, some of which were not replaced, traffic concentrated on larger aircraft flying less frequently.

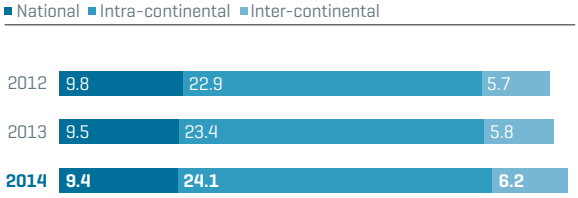
The range of destinations within Germany was reduced again year on year; however, demand remained stable while utilization of aircraft capacity increased. 9.4 million passengers were transported on 85,934 flights within Germany. The trend in domestic traffic was primarily influenced by airlines' consolidation measures but also by strikes in 2014.

The continental region posted average growth. 24.1 million passengers (2013: 23.4 million) took 239,148 flights. While, on the one hand, this area was affected by consolidation and the restructuring of the Lufthansa fleet, other airlines also attempted to acquire passengers and market share with new or additional services.

The upward trend in Eastern European destinations, which have driven growth in recent years, weakened. The political crisis in Ukraine and the conflict in Crimea prevented a better performance. Flights in the regions affected by the crisis were largely maintained. Only the contested city of Donetsk in eastern Ukraine was removed from the Lufthansa flight schedule. In contrast to the sector, the flash points in Ukraine, in Israel, as well as in Syria and Iraq only had a minor impact on traffic volume at Munich Airport.

Achieving growth rates in the high single digits, long-haul traffic yet again demonstrated its role in driving growth at Munich Airport. Among these regions, the highest growth was achieved in flights to North and South America. All in all, the numbers of long-haul passengers increased to 6.2 million (2013: 5.8 million).

Passenger numbers at Munich Airport
In millions



Airfreight was the most successful traffic segment in 2014, posting the highest rate of growth. 291,475 tonnes of airfreight, which is an increase of 8.0 percent on the previous year, was a record figure.

249,211 tonnes of belly-hold cargo (2013: 235,521) on passenger flights provided the basis for the outstanding growth in freight. The new destinations and increase in the frequency of long-haul traffic ensured there was sufficient additional load capacity. The increase in demand – which reached double-digits in some cases – implied high absolute growth. With an increase of over a fifth to 42,264 tonnes, cargo-only made a substantial contribution to the new record.

Airfreight and airmail (including transit items) at Munich Airport
In tonnes

At 17,886 tonnes, the amount of airmail transported per aircraft remained at the previous year's level.

Compared to traffic volumes at other airports in the German Airports Association (ADV) growth in passenger traffic at Munich Airport was below average, while freight traffic achieved far higher growth rates.

→ Glossary

%	ADV	Munich
Commercial traffic 2014		
Movements	0.4	-1.3
Passengers	2.9	2.6
Cargo handling (airfreight + airmail including transit items)	2.1	7.5

Munich Airport was ranked seventh among Europe's busiest passenger airports.

Commercial Activities

Commercial activities at Munich Airport have had a fair to middling fiscal year. In particular, the development of **retail business** run by Munich Airport itself failed to match expectations.

The increasing geopolitical tensions between the Russian Federation and the West have still not had any major impact on tourist travel – the fall in passenger numbers only amounted to 2.8 percent (29,772 passengers). To date, eastern European customers have spent particularly lavishly. Retailing was therefore hit far harder by the reduction in passenger numbers. Average sales generated from non-EU passengers fell sharply compared with the prior year (-5.8 percent).

The relocation of three airlines with high-spending passengers from Terminal 2 to Terminal 1 also had a negative impact. Firstly, there is less retail space overall in the non-public areas of this terminal. Secondly, the product mix offered in this space was less appropriate for these passengers' consumer needs.

In essence, the course of business for **airport catering** reflects the trend in passenger numbers. In contrast to retailing, the relocation of the airlines to Terminal 1 had very positive consequences for business, since Munich Airport runs all catering facilities in this terminal itself.

Despite the preparations for a change of operator, **hotel operations** ran smoothly and without any disruption. At 83.4 percent, the occupancy rate was similar to the high level achieved in the prior year. The average room price increased by 6.8 percent and sales by 5.1 percent.

Parking areas, in particular, benefited from above average growth in originating traffic (6.1 percent). The number of parking transactions increased by 10.4 percent year on year.

The generally tense situation on the **advertising market** meant that no increase in advertising revenues was achieved.

Real Estate

Munich Airport's real estate business is stagnating at a high level. With regard to real estate development, no new revenue-generating properties were added in fiscal year 2014. The difficult competitive situation facing airlines, in particular, meant that the Group was unable to increase rental income on existing properties above indexation.

Sustainable development

To improve the quality of service continuously, Munich Airport had started a program to achieve the highest award for airport quality in the survey conducted by the London-based consultants Skytrax (5-star initiative) in fiscal year 2013. The measures adopted as part of this initiative should also improve the ASQ value achieved in the benchmark program of the ACI.

Accordingly, the company has provided free, unlimited Internet access via Wi-Fi in all passenger areas in the airport since July 2014. Disadvantages resulting from the poorly rated connections to public regional and inter-city transportation are to be offset by a steady improvement in alternative transportation options, such as expanding the network of stations providing car sharing. Munich Airport has increased the much appreciated levels of comfort in departure areas by expanding the network of charging points for cell phones, tablets, and notebooks and including movable footrests in the seating groups at the gates. In Terminal 2, the plaza area has been refurbished by opening a large number of new designer shops, a champagne bar, and redesigning the newspaper kiosks. Additional relaxation areas have also been provided. Waiting times in the check-in area have been reduced significantly by increasing the number of security screening points in Terminal 2.

In fiscal year 2014, Munich Airport implemented numerous measures, which led to a reduction in CO_2 emissions by the Group. The measures related both to energy generation (changing the engines in combined heat and power units) and energy consumption (gradually switching the lighting of traffic areas and buildings to LED technology and purchasing company vehicles with lower fuel consumption).

In January 2014, Munich Airport started the follow-up process to the employee survey carried out in October 2013. Together with their teams and employees, the Group's managers derived fields of action and over 1,000 specific measures to improve the working environment. Another Group-wide short survey was carried out in October 2014, which dealt with the findings of the 2013 employee survey in detail. The next employee survey will take place in 2016.

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, CO_2 reductions, ASQ (airport service quality), and employee retention.

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

The Airport Service Quality (ASQ) is an indicator of the attractiveness of the product and service portfolio. To establish customer satisfaction, passengers at over 200 airports in more than 50 countries are questioned monthly over the entire year at the behest of the Airports Council International (ACI). At the end of the year, an overall benchmark, the so-called ASQ Overall Value, is determined for every airport operator.

→ Glossary

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

An employee retention index serves to measure employee satisfaction. Munich Airport carries out an employee survey every three years for this purpose. An average value is determined from the responses to the questions, which focus on the individual employee's loyalty to Munich Airport. If this 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 Munich Airport. The index is anchored as a key performance indicator in corporate targets. The current employee retention index dates from fiscal year 2013.

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

	2014	2013		Change	
	Actual	Forecast	Actual	absolute	relative
					%
EAT (in T€)	100,052	slight rise	98,606	1,446	1.5
CO_2 reductions (in t)	4,919	slight rise	3,648	1,271	34.8
ASQ	4.04	slight rise	4.06	-0.02	-0.5
Employee retention index [in %][1]	unchanged	unchanged	73		

[1] The employee retention index is assessed every three years; the next survey will be carried out in 2016.

EAT has only increased slightly year on year. While Aviation revenues rose thanks to a new passenger record and positive freight traffic volumes, revenues from Non-Aviation were well down on expectations. The Ukraine crisis and relocation of airlines from Terminal 2 to Terminal 1 had an unexpectedly adverse effect on retailing at Munich Airport. Thanks to falling interest rates and the continuing optimization of the financing structure, the Group improved the interest result significantly. The reversal of provisions also had a positive impact, as did the improvement in other operating expenses, which had been affected by non-recurring items in the prior year.

Consequently, the trend in EAT matched expectations by and large.

In fiscal year 2014, Munich Airport was unable to maintain the ASQ value achieved in the prior year despite a range of measures to improve quality. This is mainly attributable to the relocation of passenger flows from Terminal 2 to the older Terminal 1 and the perception that quality standards in Terminal 1 are generally lower. In particular, the relocation of Turkish Airlines, Qatar Airways, and US Airways from Terminal 2 to Terminal 1 led to reduced customer satisfaction regarding waiting times at check-in desks and at passport/security checks.

Consequently, the ASQ value achieved failed to meet expectations.

Thanks to comprehensive measures relating to energy generation and energy consumption, Munich Airport exceeded the targets set for reducing CO_2 emissions for fiscal year 2014. The Group reduced emissions caused by operation of the airport by 4,919 tonnes in total.

Employee retention was not measured in fiscal year 2014.

Financial position

	2014	2013	Change	
	T€	T€	absolute	relative
			T€	%
Non-current assets	5,026,742	4,941,424	85,318	1.7
Current assets[1]	210,120	455,488	-245,368	-53.9
thereof cash and cash equivalents	101,530	323,853	-222,323	-68.6
Assets	**5,236,862**	**5,396,912**	**-160,050**	**-3.0**
Equity	1,906,973	1,839,761	67,212	3.7
Non-current liabilities[2]	2,352,503	2,270,147	82,357	3.6
Current liabilities[2]	977,386	1,287,004	-309,619	-24.1
Liabilities	**5,236,862**	**5,396,912**	**-160,050**	**-3.0**

[1] Including assets classified as held for sale
[2] Including financial liabilities resulting from interests in partnerships

Total assets have decreased by T€ 160,050 compared with the prior year. This was caused by the termination of long-term agreements covering the financing of buildings, which had been imposed with the participation of structured entities at the time the airport site in Erdinger Moos had been commissioned. As a result of this, the financing partners involved had a claim to financial compensation totaling T€ 156,314. This compensation was effected partly by offsetting it against outstanding items from loss absorption declarations (T€ 20,241) and partly through payment in cash. All loans owed to banks as part of the financing (carrying amount as of December 31, 2013, of T€ 246,492) were repaid. The cash and cash equivalents needed were provided from current cash flow as well as by liquidating short term deposits and utilizing credit lines.

The increase in property, plant, and equipment is mainly attributable to the Group's construction activities. In fiscal year 2014, capitalization of around T€ 163,081 was attributable to the satellite building site alone.

The increase in equity was the result of reinvesting total comprehensive income.

As scheduled, Munich Airport has drawn further loan tranches (totaling T€ 240,000) to finance the satellite building. In fiscal year 2015, the Group expects to repay financial liabilities owed to banks amounting to T€ 260,278. This resulted in corresponding shifts in the maturities of loans.

Financial position

Capital structure

Corporate capital consists of the following:

			Change	
	2014	**2013**	**absolute**	**relative**
	T€	**T€**	**T€**	**%**
Issued capital	306,776	306,776	0	0.0
Reserves	96,625	100,006	-3,381	-3.4
Other equity	1,506,083	1,435,297	70,786	4.9
of which net profit attributable to controlling shareholders	100,246	99,513	733	0.7
Shares of non-controlling shareholders	-2,511	-2,318	-193	8.3
of which net profit attributable to non-controlling shareholders	-194	-906	712	-78.6
Equity	**1,906,973**	**1,839,761**	**67,212**	**3.7**
Financial liabilities resulting from interests in partnerships	**67,875**	**227,054**	**-159,179**	**-70.1**
Shareholder loans	**491,913**	**491,913**	**0**	**0.0**
Floating-rate loans	1,254,030	1,012,337	241,693	23.9
Fixed-rate loans	563,368	910,159	-346,791	-38.1
Loans	**1,817,398**	**1,922,496**	**-105,098**	**-5.5**
Derivatives	**102,358**	**67,929**	**34,429**	**50.7**
Other liabilities	**850,345**	**847,759**	**2,586**	**0.3**
Financial liabilities	**3,329,889**	**3,557,151**	**-227,262**	**-6.4**
Equity ratio	36 %	34 %		6.8

The improvement in the equity ratio was largely due to the repayment of debt.

The main terms of Munich Airport's non-current financial liabilities and the shareholder loans can be found in the table below:

Method of funding	Currency	Interest rate	Outstanding liability in T€	Interest rate in % from	Interest rate in % to
Financial liabilities resulting from interests in partnerships	EUR	Earnings-based	134,507		
Shareholder loans	EUR	Earnings-based	491,913	Base rate plus margin	
Loans	EUR	Floating-rate	1,261,500	6-month EURIBOR plus margin	
Loans	EUR	Fixed-rate	580,688	1.2	5.1

→ Glossary

The loans bear 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.

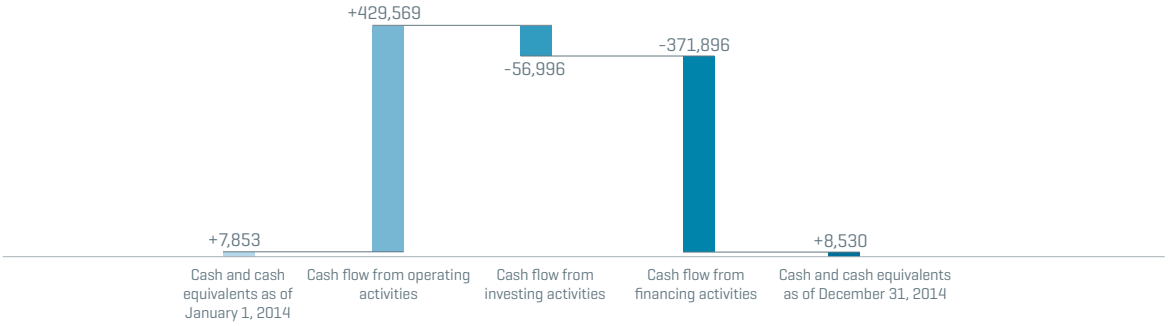
Munich Airport uses interest rate payer swaps and currency forwards to hedge against risks arising from interest rate and exchange rate fluctuations. The transactions are designated as hedging instruments and in most cases accounted for as cash flow hedges.

Hedge transactions	Notional amount	FMG pays Currency	FMG pays Fixed rate in % from	FMG pays Fixed rate in % to	FMG pays Forward rate in EUR/USD from	FMG pays Forward rate in EUR/USD to	FMG receives Currency	FMG receives Interest
Interest rate payer swaps	997,000	EUR	1.5	4.2			EUR	3/6-month EURIBOR
Forward currency purchases	2,460	USD			1.25	1.31	EUR	

Liquidity

Cash flow statement

In T€



Sufficient funds were available from the net cash flow from operating activities in 2014 to ensure the liquidity of the Group in operations. In addition, all investments could be covered and loan liabilities repaid from cash flows.

Investments

Munich Airport capitalized T€ 288,024 in fiscal year 2014. Over half this figure (56.6 percent) was attributable to the major investment in the satellite. Other capitalization related to a large number of smaller investments relating to our operations.

Munich Airport is reacting to the steady growth in passenger numbers at the airport with the decision taken in December 2010 to extend Terminal 2 by adding a satellite building. The new building will offer additional handling capacity for eleven million passengers per year.

With the 27 aircraft stands connected directly to the satellite, the number of bridge positions close to the Terminal 2 building will more than double compared with the current situation.

The glass facade and roof were completed in 2014. Previously, the work had switched increasingly to the interior, where Lufthansa's service facilities and a broad range of catering and retail facilities are emerging by degrees. Structural completion of the new handling building is planned for the fourth quarter of 2015.

The construction project is affecting virtually the entire eastern part of the airport campus. Accordingly, aprons must be extended and power supply facilities developed. Munich Airport capitalized T€ 163,081 in connection with the satellite construction site in total in fiscal year 2014.

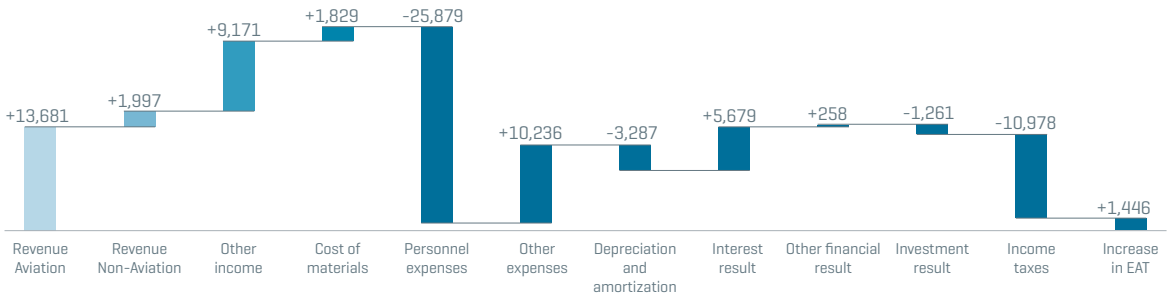
As of December 31, 2014, purchase commitments totaled T€ 409,907. Approximately 59.8 percent was attributable to the satellite building site. The rest was attributable to a large number of insignificant investments relating to our operations.

Results of operations

In fiscal year 2014, Munich Airport's EAT rose by T€ 1,446 to T€ 100,052. The causes of this increase are explained in detail below.

Analysis of the results of operations

In T€



Aviation revenues increased by 2.3 percent to T€ 613,236. Here, the growth was mainly generated from an increase in the revenues linked to the number of passengers. However, the airport also achieved a slight increase in revenues from movement-dependent charges. Lower revenues resulting from falling movement figures were more than offset by the increase in average MTOM. Year-on-year growth was also boosted by the increase in charges, which came into effect on October 1, 2013, and benefited the whole of 2014.

Total sales from the other business units (T€ 586,839) only increased slightly year on year. This is largely caused by the fall in sales in retailing.

The increase in other income to T€ 53,964 is mainly the result of the change from provisions.

The cost of materials (T€ 314,584) has scarcely changed compared with the prior year.

Munich Airport's personnel expenses are largely driven by the number of and the amount of remuneration paid to employees employed under the collective pay scale agreement for public sector employees. The collective payment under this agreement was increased by 3.0 percent effective March 2014 (at least € 90). The Group again created new jobs in the fiscal year. The average number of employees has increased by 185 year on year. In total, personnel expenses rose by 7.4 percent to T€ 374,304.

The fall in other expenses to T€ 86,438 is largely attributable to non-recurring effects in the prior year. In fiscal year 2013, Munich Airport allocated T€ 8,090 in total to provisions for onerous ground handling contracts.

Because of commissioning in fiscal year 2014, depreciation and amortization are slightly up on the prior-year level, at T€ 212,206.

Long-term agreements to finance buildings ended in 2014. The interest expense from these agreements was comparatively high (2013: T€ 20,921). Expenses from financial liabilities have fallen correspondingly sharply in fiscal year 2014. However, falling interest rates meant that the Group had to accept far higher interest expenses from the measurement of long-term provisions and a considerable reduction in interest income from time deposits. Overall, the interest result has improved by 5.1 percent to T€ -106,415.

The other financial result (T€ 5,294) has scarcely changed compared with the prior year.

The investment result (T€ 637) is also of minor significance for the Group by and large.

Tax expenses have risen by a fifth to T€ 65,971 compared with the prior year. This is firstly the result of higher taxable results. In addition – as a direct consequence of ending the financing of buildings via property management companies – differences between the carrying amounts of these buildings in the consolidated financial statements and tax base qualified as taxable for the first time. This led to a sharp increase in deferred tax expenditure.

Events after the balance sheet date

No other events have become known or are to be expected 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

	2014	Forecast 2015		
			from	to
EAT (in T€)	100,052	increase	28.0 %	34.0 %
CO_2 reductions (in tonnes)	4,919	decrease	-85.5 %	-80.5 %
ASQ	4.04	increase	1.5 %	2.7 %
Employee retention index [in %][1]	73	unchanged		

[1] The employee retention index is assessed every three years; the next survey will take place in 2016.

The early indicators for economic growth in the Federal Republic have improved again recently. The ifo Business Climate Index stands at 111.7 and the ZEW Indicator at 48.4. The Purchasing Manager Index has only softened slightly. The GfK Consumer Climate Index is currently trending upward from its already very high level. The figure of 9.0 achieved in January 2015 is the highest level since November 2001.

The forecasts for the FRG's economic growth are being revised slightly upward again as the current trend in the oil price and dollar exchange is increasingly taken into account. They average 1.4 percent at present. The effects of the trend in oil prices have probably not yet been fully taken into consideration in all forecasts. Further upward revisions are therefore not unlikely.

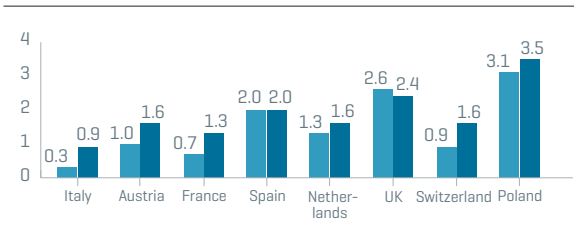
Compared with 2014 only a marginal improvement to growth of around 1.1 percent is expected for the eurozone.

However, development in Italy, which is an important destination for Munich Airport, is still viewed very critically with average growth of only 0.3 percent expected.

A slight recession is expected for Switzerland because of the decision to end the cap on the Swiss franc exchange rate at the beginning of 2015. The new situation has not yet been taken into consideration in a large number of forecasts. As a result, there is currently no reliable forecast for Switzerland.

Selected European countries' growth

In percent

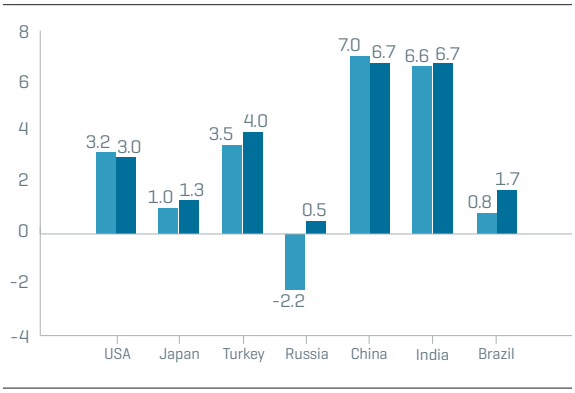


The fall in the oil price will probably exacerbate the economic situation in Russia dramatically, after economic growth had already collapsed there as a consequence of the crisis in Ukraine. This is expected to have a corresponding effect on sales involving passengers flying from and to Russia in Aviation and Non-Aviation.

Otherwise, the following economic growth is expected for Munich Airport's major international destinations:

Selected destinations' growth

In percent



The outlook for German airports is good. The sector expects growth in passenger numbers of 2.8 percent for the coming year. ADV cites positive growth in the global economy and the tourism industry as a key factor. Freight is also expected to grow sharply (2.7 percent) because of substantial exports by German companies and a sharp rise in imports by air. The trend in aircraft movements bottomed out in fiscal year 2014. The Airports Association is assuming an increase in take-offs and landings of 1.4 percent for 2015.

Munich Airport also has positive expectations of traffic volumes in fiscal year 2015. The number of passengers should increase again and exceed the 40 million threshold for the first time. Having fallen for many years, a reversal in the trend in aircraft movements is also expected. This growth will be supported most notably by the increasing involvement of low cost airlines, which will close those gaps left in the flight schedule caused by the ongoing consolidation among larger companies.

Aviation revenues will increase sharply in fiscal year 2015 thanks to positive traffic development and the increase in charges effective January 1, 2015.

Increases in passenger numbers have a proportional impact on Non-Aviation revenues as a rule. Sales in retailing and catering will therefore rise compared with 2014.

Munich Airport expects further growth in sales from a continuation of the buoyant trend in car rental and passenger parking that emerged during the fiscal year. Activities and offers for key accounts and car sharing providers will also be expanded.

With regard to real estate development, no new revenue-generating properties will probably be added in fiscal year 2015. The difficult competitive situation facing airlines, in particular, means there is no prospect of the Group being able to increase rental income on existing properties above indexation.

Overall, Munich Airport expects growth in revenues of between 1.5 percent and 3.5 percent.

Other operating income will match the level of fiscal year 2014.

The cost of materials will increase further – mainly because of higher material input in retailing.

As negotiated between the partners to the collective pay scale agreement in fiscal year 2014, collective pay rates will be increased by 2.4 percent from March 2015. New jobs will be created, particularly in view of the commissioning of the satellite, which is expected to take place in the subsequent fiscal year, and to improve the quality of passenger handling services. Personnel expenses will therefore increase above the level of fiscal year 2014.

The implementation of cost-cutting measures throughout the Group will reduce other operating expenses further.

Conversely, scheduled depreciation and amortization will increase further. This is due to the commissioning of additional flight operation areas, the east power plant, and the new combined heat and power plant.

There will be a further improvement in the interest result driven by falling interest rates for floating-rate loans and the repayment of high fixed-rate loans.

Income tax expenses are not likely to change significantly.

Overall, Munich Airport expects **EAT** to increase by between 27.0 percent and 32.0 percent.

A range of measures from the continuation of the 5-star initiative will contribute to growth in the **ASQ** value. However, it must be assumed that the trend toward disproportionate growth in passenger numbers in Terminal 1 will persist. The proportion of less satisfied passengers in the ASQ survey is therefore likely to continue its upward trend. The differences in the quality assessment of Terminal 1 compared with Terminal 2 cannot be made up in such a short period. A large number of the quality improvement measures to be completed in fiscal year 2015 are also concentrated on Terminal 2. This will limit the increase in the ASQ despite the Group's best efforts. An increase of between 1.5 percent and 2.7 percent is therefore expected overall.

In fiscal year 2015, the Group will have far fewer financial resources to invest in measures to reduce CO_2 emissions. A dramatic fall in **CO_2 reductions** to around a fifth of the reductions achieved in 2014 is expected.

The follow-up process to the last survey of the **employee retention index** will also continue in 2015. There is still a need for action in implementing changes in some areas. However, the next survey of the index will not take place until the employee survey in fiscal year 2016.

Risks

Munich Airport's risk management system is there to identify events and developments which may have a negative effect on the achievement of the Group's strategic and operational targets. At the same time, it should point out suitable measures for limiting the effects of events and developments of this kind. In this connection, the risk management system takes account of all aspects of entrepreneurial activity – both economic as well as environmental and social.

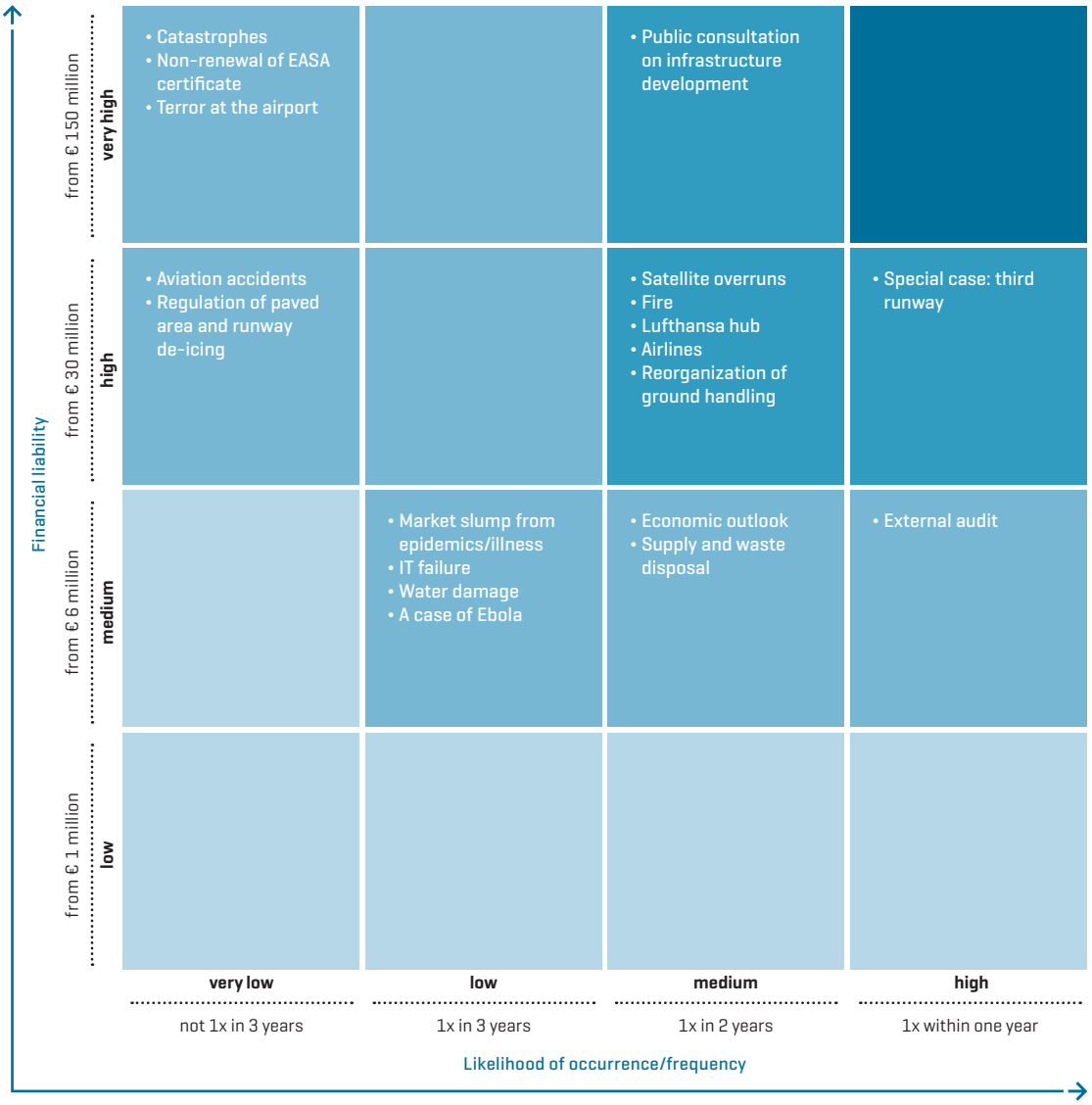
The Executive Board has overall responsibility for the existence and functionality of the Group's risk management system. It formulates specifications for the risk management process and the organizational structure of the risk management system. The Executive Board is informed of key risks in the quarterly risk report. Risks that jeopardize the Group's existence must be reported on an ad hoc basis.

All the Group's functional areas and subsidiaries are included in the risk management process. Risks are identified, assessed, and managed on a decentralized basis by risk officers in the functional areas and subsidiaries. A risk management officer coordinates the activities of the risk officers. He checks their risk reports for plausibility and compliance with assessment standards and combines the individual reports to produce the quarterly risk report for the Executive Board and shareholders.

The functionality of the risk management system and reporting system is monitored by internal audit and subjected to an occasional audit if required.

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	A breach of the Isar dams near Freising caused by heavy rain could lead to the terminals being flooded.	Insurance to cover earthquakes, storms, hail, and flooding has been arranged.
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.	Interruptions of operations as well as property damage and third-party liability claims are insured.
Epidemics	Epidemic outbreaks, such as bird or swine flu, can result in market downturns with reduced aircraft movements and passenger numbers.	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 Rescue and Firefighting service. Property damage and interruptions of operations are insured.
Aviation accidents	Aviation accidents or damage to aircraft can result in interruptions of operations and consequential damage.	To minimize subsequent damage following aviation accidents, Munich Airport maintains an Airport Rescue and Firefighting service, a medical service, and a counseling team.
A case of Ebola	A passenger who is infected with Ebola could infect other people at Munich Airport (passengers, visitors, or employees).	MediCare provides initial care in accordance with the WHO provisions.

Market risks

Risk	Description and analysis	Countermeasure(s)
Lufthansa hub	If DLH amends its strategy of developing the airport as a hub, this would result in dramatic falls in the number of passengers and aircraft movements.	The airport's collaboration with DLH is based on joint investments and long-term cooperation agreements. New customer acquisitions should be able to compensate for any decreases in existing customers.
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.
Economic outlook	The growth parameters assumed in the planning process might not be reached. At present, risks with regard to economic development are apparent within Europe (Greece, Switzerland, and the European part of Russia) and outside Europe (Asian part of Russia and the Gulf region).	Short-term reductions in the budget to safeguard earnings should alleviate the consequences of an economic downturn.

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 timescale.
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. Property damage and interruptions of operations are insured.
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.	Remotely controlled shut-offs and additional protective devices in the pipeline connections limit the possible damage. Property damage and interruptions of operations are insured.
Supply and waste disposal	The inadequate availability of substances necessary for operating activities, such as electricity, heat, cooling energy, drinking and extinguishing water, wastewater, and waste, may result in property damage and interruptions of operations.	The service and maintenance programs, network redundancies, and storage reduce the risk of gaps in supply. Property damage and interruptions of operations are insured.
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 AeroGround are being improved continuously.

Investment risks

Risk	Description and analysis	Countermeasure(s)
Satellite overruns	If the construction period is extended, this could result in substantial cost overruns at the satellite construction project.	Intensive monitoring ensures adherence to the schedule and the budgeted investment volume.

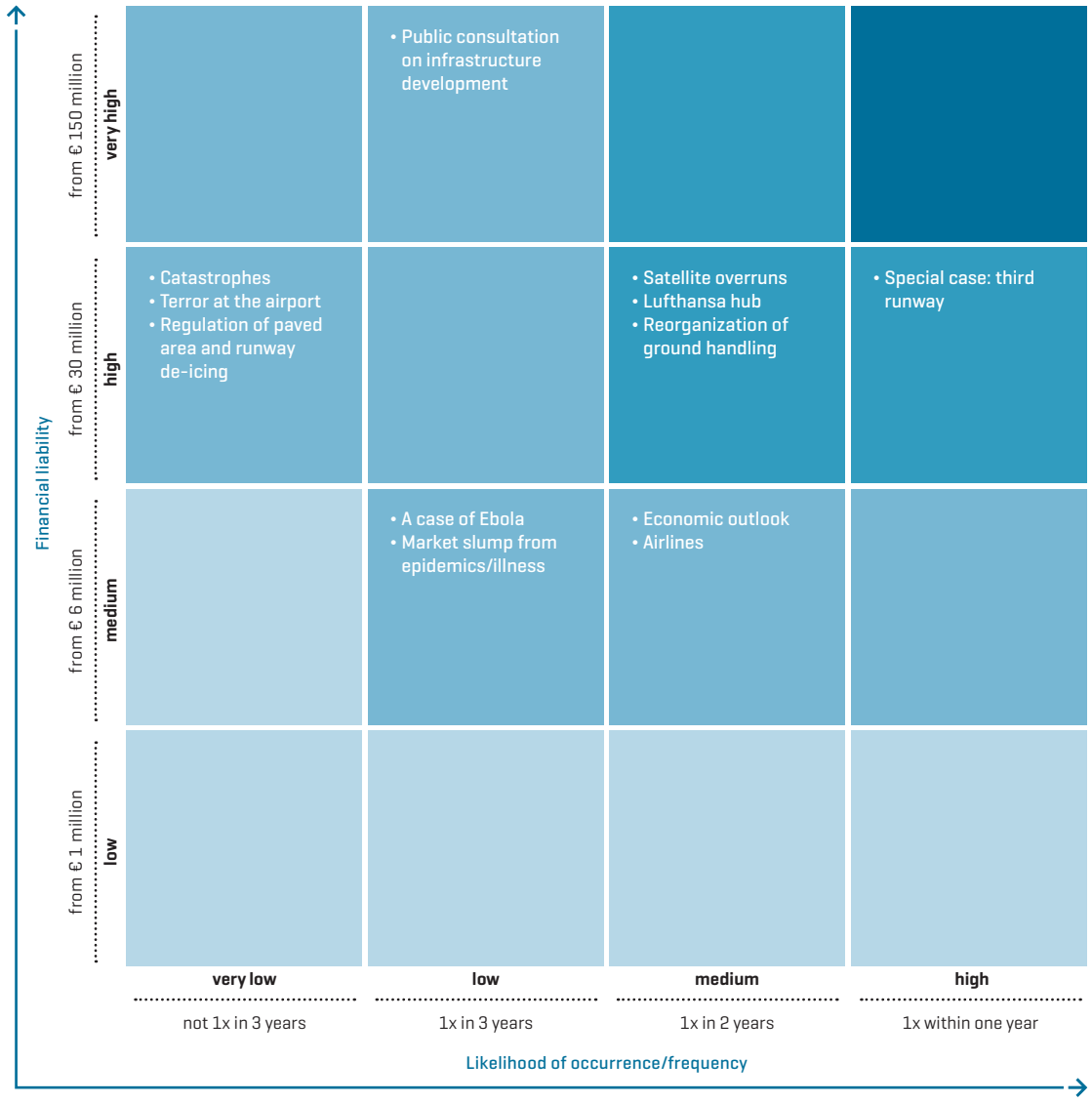
Legal risks

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 depreciated 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, the airport is making a case both within the political system and with the general public for the expansion project.
Regulation of paved area and runway de-icing	There is a suspicion that the products currently used for de-icing paved areas and runways accelerate the oxidation of aircraft brakes. There are discussions about banning these products at the SAE international standardization committee. If they are banned, Munich Airport would have to invest substantial sums in wastewater systems to comply with the requirements of water management legislation.	Together with other airports, the Airport is arguing against these de-icers being banned.

Risk	Description and analysis	Countermeasure(s)
Public consultation on infrastructure development	The draft law on the introduction of public consultation in Bavaria is currently going through the legislative process in the Bavarian parliament. A negative outcome to a Bavaria-wide public consultation could lead to construction of the third runway being prevented or in any case to it being considerably delayed.	Munich Airport is making a case both within the political system and with the general public for the expansion project.
Taxes	The situation at eurotrade GmbH discussed with the fiscal authorities is not expected to have any major impact on earnings but it cannot be ruled out entirely.	The airport has prepared a report in consultation with its tax consultants.

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

Overview of net risks



Financial risks

Risk reporting at Munich Airport also includes financial risks. As of December 31, 2014, 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.

The aims of financial risk management are to ensure liquidity and the ability to raise financing, to limit financial risks, ensure profitability, and to manage financial positions and risks systematically.

In terms of applied and future items and transactions, Munich Airport is, in particular, 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.	Munich Airport counters interest rate risks using payer 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. The management of reliability risks 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.

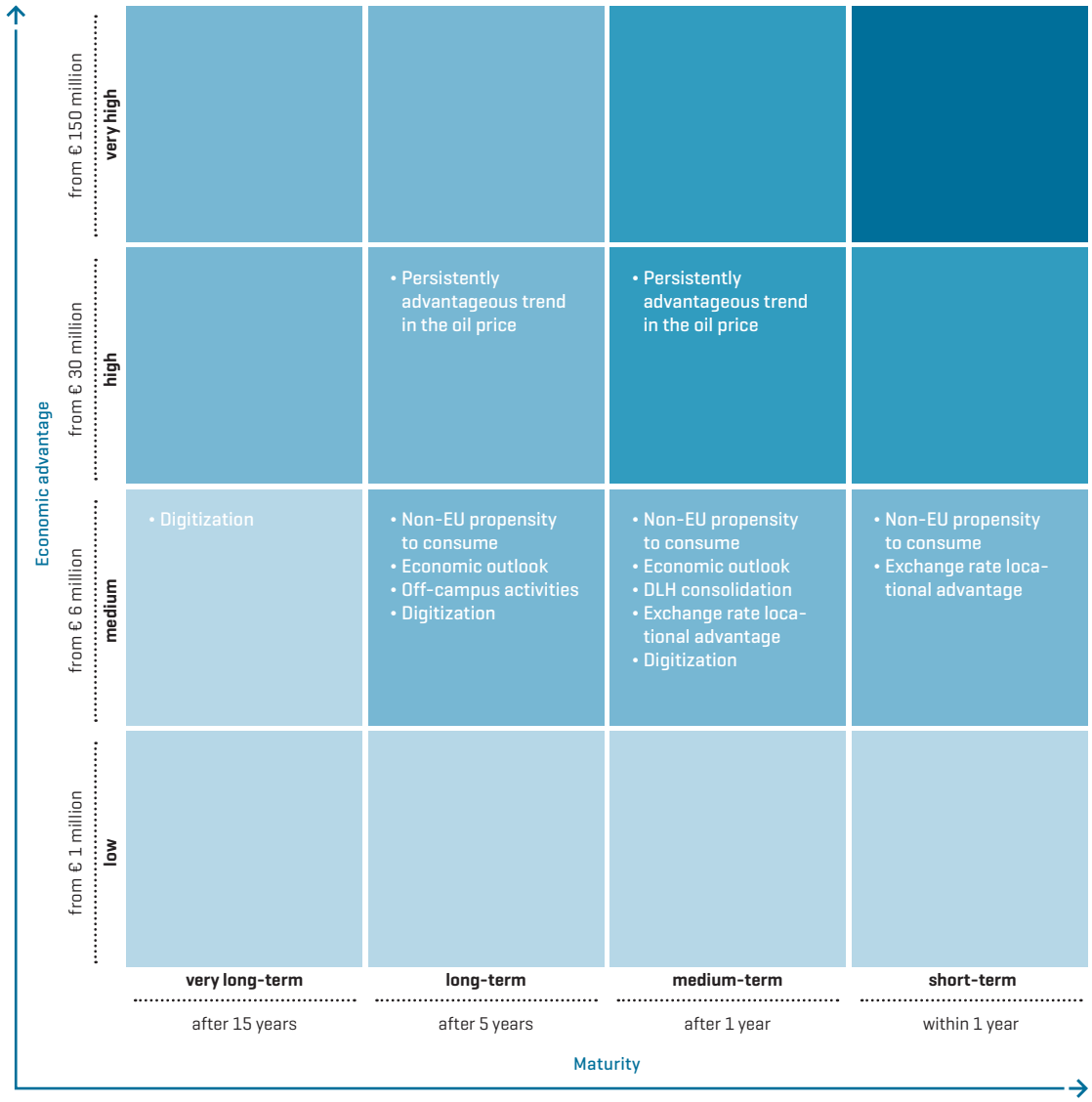
The overall assessment of the risk situation has shown that the continuity of Munich Airport is not endangered in terms of assets or liquidity and that, for the foreseeable future, there are no identifiable risks that could threaten its status as a going concern.

Opportunities

At present, Munich Airport has not established a reporting system to manage opportunities that is embedded in the organization in a comparable way to the reporting system for managing risk. The identification, assessment, and management of opportunities takes place on a decentralized basis in the divisions and investments with central support from Corporate Development as well as Finance and Controlling.

This report shows possible developments and events that could lead to a positive deviation from the economic developments assumed in the planning process. The presentation is based on the risk classification in the risk report with the difference that the horizontal axis shows maturities – that is the time until opportunities are expected to occur and how long it will be until they have an impact – and not the frequency with which they occur. Where opportunities are mentioned on numerous occasions, this indicates that they will have an impact over several periods. Similarly to the risk reporting, the presentation does not provide any assessment of the actual probability of occurrence.

Overview of opportunities



Opportunity	Description and analysis
Persistently advantageous trend in the oil price	The oil price could remain below the level of USD 100 to 125 per barrel for a long period. In this case, savings in the costs of energy would be expected in the medium term. This could also be expected to have a positive impact on growth in aviation, which would increase revenues beyond the level planned.
Non-EU propensity to consume	Overcoming the current geopolitical and economic crises could lead to an increase in the propensity to consume of passengers from regions outside Europe above the planned level.
Economic outlook	Trends are currently discernible that could lead to an increase in the general economic outlook above the planned level, which would have a corresponding impact on revenues.
Off-campus activities	The off-campus business of the airport's Group companies could develop better than expected - with corresponding growth in revenues.
Exchange rate locational advantage	The decision to stop pegging the Swiss franc to the euro exchange rate could lead to passengers in the area where the catchment areas for Zurich Airport and Munich Airport overlap opting to fly from Munich. This could result in local volumes exceeding the level taken into account in planning. Connections via the hub in Zurich could also become more expensive from passengers' perspective than connections via the hub at Munich Airport. This could be followed by an increase in connecting traffic above the level taken into account.
DLH consolidation	The consolidation strategy of the key partner airline DLH is currently leading to a reduction in aircraft movements and passengers in Terminal 2. Premature termination or modification of the strategy to the benefit of Munich Airport could lead to traffic development increasing beyond the level taken into account.
Digitization	Currently Munich Airport is working on a strategy to adjust the airport's business model more closely to the structural change resulting from digitization. The potential medium and long-term effects on growth resulting from this strategy have not yet been taken into consideration.

Consolidated annual financial statements

Consolidated income statement

T€	Disclosure	2014	2013
Revenue	VI.1	1,200,075	1,184,397
Changes in inventories and work in progress		-572	48
Work performed and capitalized	VI.2	17,332	16,377
Other income	VI.3	37,205	28,368
Total income		**1,254,040**	**1,229,190**
Raw materials and consumables used	VI.4	-314,584	-316,413
Employee benefit expense	VI.5	-374,304	-348,425
Other expenses	VI.6	-86,439	-96,673
Operating profit before depreciation and amortization (EBITDA)		**478,713**	**467,679**
Depreciation and amortization expense	VI.7	-212,206	-208,919
Operating profit (EBIT)		**266,507**	**258,760**
Interest result	VI.8	-106,415	-112,094
Other financial result	VI.8	5,294	5,037
Financial result		**-101,121**	**-107,057**
Share of profit of associates	**VII.4**	**637**	**1,897**
Profit before tax (EBT)		**166,023**	**153,600**
Income tax expense	VI.9	-65,971	-54,994
Profit for the year (EAT)		**100,052**	**98,606**
of which attributable to the owners of the parent		100,246	99,513
of which attributable to non-controlling interests		-194	-907

Consolidated statement of comprehensive income

T€	Disclosure	2014	2013
Profit for the year (EAT)		**100,052**	**98,606**
Cash flow hedges	VII.16	-36,150	35,208
Income tax relating to items that may be reclassified	VII.6	6,690	-8,382
Items that may be subsequently reclassified to profit or loss		**-29,460**	**26,826**
Actuarial gains or losses	VII.17	-4,682	236
Income tax relating to items that will not be reclassified	VII.6	1,301	-66
Items that will not be reclassified to profit or loss		**-3,381**	**170**
Other comprehensive income for the year, net of tax		**-32,841**	**26,996**
Total comprehensive income for the year		**67,211**	**125,602**
of which attributable to the owners of the parent		67,405	126,509
of which attributable to non-controlling interests		-194	-907

Consolidated balance sheet

Assets	Disclosure	Dec. 31, 2014	Dec. 31, 2013
T€			
Intangible assets	VII.1	11,912	8,672
Property, plant, and equipment	VII.2	4,778,221	4,722,105
Investment property	VII.3	190,352	185,964
Investments in associates	VII.4	2,339	2,651
Trade and other receivables	VII.5	156	222
Other financial assets	VII.5	204	398
Deferred tax assets	VII.6	37,663	16,677
Other assets	VII.9	5,895	4,735
Non-current assets		**5,026,742**	**4,941,424**
Inventories	VII.7	38,342	36,765
Trade and other receivables	VII.8	56,640	82,275
Other financial assets	VII.8	0	196
Current income tax assets		1,227	787
Other assets	VII.9	7,167	11,046
Short-term deposits	VII.10	93,000	316,000
Cash and cash equivalents	VII.10	8,530	7,853
Current assets		**204,906**	**454,922**
Assets held for sale	**VII.11**	**5,214**	**566**
Assets		**5,236,862**	**5,396,912**

Liabilities	**Disclosure**	**Dec. 31, 2014**	**Dec. 31, 2013**
T€			
Share capital	VII.12	306,776	306,776
Reserves	VII.12	96,625	100,006
Retained earnings	VII.12	1,506,083	1,435,297
Non-controlling interests	VII.12	-2,512	-2,318
Equity		**1,906,972**	**1,839,761**
Financial liabilities resulting from interests in partnerships	**VII.14**	**67,875**	**227,054**
Payables	VII.15	16,229	14,170
Other financial liabilities	VII.15	1,629,727	1,581,419
Employee benefits	VII.17	40,857	35,474
Provisions	VII.18	103,320	96,488
Deferred tax liabilities	VII.6	502,480	484,606
Other liabilities	VII.20	19,035	19,289
Non-current liabilities		**2,311,648**	**2,231,446**
Payables	VII.19	93,735	89,576
Other financial liabilities	VII.19	794,202	915,909
Employee benefits	VII.17	20,801	19,507
Provisions	VII.18	13,377	18,450
Current income tax liabilities		10,419	46,105
Other liabilities	VII.20	17,833	9,104
Current liabilities		**950,367**	**1,098,651**
Liabilities associated with assets classified as held for sale	**VII.11**	**0**	**0**
Liabilities		**5,236,862**	**5,396,912**

Consolidated statement of changes in equity

	Disclosure	Issued capital	Reserves		Other equity	Attributable to non-controlling shareholders	Equity
T€			Capital reserve	Revenue reserve			
As of Dec. 31, 2012	**VII.12.**	**306,776**	**102,258**	**-2,423**	**1,308,959**	**-1,411**	**1,714,159**
Profit for the year		0	0	0	99,513	-907	98,606
Other comprehensive income for the year		0	0	171	26,825	0	26,996
Total comprehensive income for the year		**0**	**0**	**171**	**126,338**	**-907**	**125,602**
Transactions with shareholders		0	0	0	0	0	0
Allocation to reserves		0	0	0	0	0	0
Withdrawal from reserves		0	0	0	0	0	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**
Profit or loss for the year		0	0	0	100,246	-194	100,052
Other comprehensive income for the year		0	0	-3,381	-29,460	0	-32,841
Total comprehensive income for the year		**0**	**0**	**-3,381**	**70,786**	**-194**	**67,211**
Transactions with shareholders		0	0	0	0	0	0
Allocation to reserves		0	0	0	0	0	0
Withdrawal from reserves		0	0	0	0	0	0
Change of reserves		**0**	**0**	**0**	**0**	**0**	**0**
As of Dec. 31, 2014	**VII.12.**	**306,776**	**102,258**	**-5,633**	**1,506,083**	**-2,512**	**1,906,972**

Consolidated cash flow statement

	Disclosure	2014	2013
T€			
Cash flows from operating activities	**IX.**	**429,569**	**457,038**
Proceeds from the disposition of property, plant, and equipment		4,435	567
Proceeds from the disposition of intangible assets		3	0
Proceeds from the disposition of investment property		29	621
Proceeds from distributions collected from associates		948	1,163
Payments for investments in property, plant, and equipment		-282,445	-280,896
Payments for investments in intangible assets		-3,810	-3,102
Payments for investments in investment property		-1,769	-619
Interest received		2,613	4,817
Changes in short-term deposits		223,000	-59,000
Cash flows from investing activities		**-56,996**	**-336,449**
Proceeds from borrowings		242,188	303,684
Repayments of borrowings		-347,647	-293,994
Cash flows from Group-wide cash management with associates and investments		-1,789	1,257
Repayments of financial liabilities arising from interests in partnerships		-159,197	-39,865
Interest paid		-105,451	-90,904
Cash flows from financing activities		**-371,896**	**-119,822**
Change in cash and cash equivalents caused by payments		**677**	**767**
Cash and cash equivalents at the beginning of the year		**7,853**	**7,086**
Change in cash and cash equivalents caused by payments		677	767
Exchange gains or losses on cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year		**8,530**	**7,853**

Notes to the consolidated financial statements

I. Company

This report comprises the consolidated financial statements of Flughafen München GmbH, Munich (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 in Munich 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 HRB 5448. The shares of FMG are held by the Free State of Bavaria, the Federal Republic of Germany, and the City of Munich.

→ Glossary

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

→ Glossary

As of December 31, 2014, the company has not issued any securities in accordance with Article 2 (1)(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, 2015, 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 (T€). 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 Interpretations Committee (IFRS IC) as adopted by the European Union. It also observes the regulations of Article 315a (3) sentence 2 in conjunction with (1) HGB.

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 IFRS 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 2014:

Regulation	Brief description	Effects	Initial application in the EU	Early application in the EU
IAS 32 Amendment	The current arrangements for offsetting assets and liabilities are confirmed and substantiated. Offsetting is only admissible if there is a legally enforceable right to offset items – without a condition precedent or subsequent – at the reporting date. A gross settlement method may, under certain conditions, equate to net settlement and consequently fulfill the preconditions for offsetting.	Initial application had no significant impact on the consolidated financial statements.	Jan. 1, 2014	Not relevant

Munich Airport did not adopt any accounting standards early.

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, 2014, 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 15	The Standard specifies how and when revenue is recognized. IFRS 15 replaces IAS 18, IAS 11, and a series of revenue-related interpretations.	Munich Airport will not start to make a detailed analysis of the impact before the Standard has been endorsed by the EU.	Not yet determined	Not yet determined
IFRS 9	IFRS 9 provides comprehensive guidance on how financial instruments are to be accounted for. The Standard replaces IAS 39. Among the changes compared with the previous rules, the following must be emphasized in particular:		Not yet determined	Not yet determined
	• Change to the classification of financial instruments	No effects on the consolidated financial statements are expected.		
	• Accounting for impairments of financial assets	Munich Airport will amend the method used for impairment tests.		
	• Accounting for hedge relationships	Munich Airport will restart hedge accounting for expected foreign currency transactions, if applicable.		

III. Consolidation

1. Subsidiaries

Subsidiaries are all companies that are controlled by FMG.

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 or jointly managed company must prepare interim financial statements. Should this not be possible, financial statements with different reporting days may be used in applying the equity method, unless the time lag exceeds 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 pro rata changes in the equity of the associate on each reporting date. In the process, changes in the associate's equity are recognized in other comprehensive income. Otherwise changes are recognized in income.

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

Gains and losses resulting from transactions between a fully consolidated company and a company reported at equity 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

Apart from the parent company itself, the group of companies consolidated in FMG comprises the following subsidiaries:

Name	Seat	Activities	Basis of consolidation	Share of capital in %	
				Dec. 31, 2014	Dec. 31, 2013
aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH [1]	Oberding	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]	Hallbergmoos	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
München Airport Center Betriebsgesellschaft MAC mbH	Grünwald	Real estate management	Contract	0	0

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

After acquisition of all property owned by MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Alpha KG – Grünwald, MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Beta KG – Grünwald, and MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Gamma KG – Grünwald all lease agreements between FMG and these structured entities were terminated as of May 15, 2014. The agreements reached in the lease agreements about the way the companies shall carry out their business were the basis for their being consolidated. As a consequence of the termination of the lease agreements, the companies were deconsolidated.

Malto Grundstücks-Verwaltungsgesellschaft mbH & Co. KG was deconsolidated in fiscal year 2013. It was deconsolidated as a consequence of the contractual relations on which control was based ending.

b) Associates

The following associate is recognized using the equity method:

Name	Seat	Activities	Share of capital in %	
			Dec. 31, 2014	Dec. 31, 2013
EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH	Freising	De-icing 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	Activities	Type	Share of capital in %	
				Dec. 31, 2014	Dec. 31, 2013
FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH	Freising	Insurance agents	TU [1]	100	100
Munich Airport International Beteiligungs-GmbH	Munich	Investment	TU [1]	100	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 (2013: 0.43 percent). The carrying amount of Munich Airport's investment in MediCare Flughafen München Medizinisches Zentrum GmbH (MediCare) amounts to T€ 153 (2013: T€ 153). The airport participates as follows in the assets and liabilities and net profit of MediCare:

T€	Dec. 31, 2014		Dec. 31, 2013	
Investments in joint ventures		153		153
FMG share in %		51		51
	Total	Pro-rata	Total	Pro-rata
Current assets	1,178	601	1,368	698
Non-current assets	613	313	342	174
Current liabilities	780	398	877	447
Non-current liabilities	19	10	19	10
Revenue	7,204	3,674	6,840	3,488
Earnings before taxes	246	125	307	157
Net profit (EAT)	177	90	222	113
Other comprehensive income	0	0	0	0
Total comprehensive income	177	90	222	113
Distributions		0		0

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 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 costs and an allocation of fixed and variable overheads.

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.

Subsequent valuation of property, plant, and equipment is at cost less accumulated depreciation and amortization.

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 fittings	
Mobile equipment, operations, and ground handling	9–10 years
Furnishings and fixtures	10–14 years
Vehicle pool	10 years
Other fixtures and fittings	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 to bring the asset to the condition for it to be capable of being operated in the manner intended by management.

Subsequent valuation of intangible assets is at cost less accumulated depreciation and amortization. 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 complete
- 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.

The useful life of emission rights is indefinite. Therefore, the carrying amount of these rights is annually examined for impairment and amortized if appropriate.

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 property, plant, and equipment, 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.

As soon as investment property comes into operational utilization, it is reclassified as self-used property, plant, and equipment. Investment property is assigned to non-current assets held for sale as soon as the requirements are fulfilled (see 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 leases.

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 a 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.

The financial assets available for sale are investments in subsidiaries and joint ventures, which are not included in the group of consolidated companies for reasons of immateriality.

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. Subsequent measurement of investments in subsidiaries and joint ventures, which are not included in the consolidated financial statements for reasons of immateriality, is at cost.

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. The effective interest rate of floating rate financial instruments is altered periodically for changes in expected cash flows. 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.

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 and can actually do so.

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 the consolidated income statement.

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 the income statement 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. The amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss. The subsequent measurement of the hedging instrument is at fair value through profit or loss (net).

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 short-term deposits and cash in hand and at banks with a term of up to three months. Short-term deposits 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 short-term deposits.

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 equity.

b) Partnerships

The group of consolidated companies contains partnerships with non-controlling interests. Interests in German commercial partnerships are puttable financial instruments with inalienable repayment and redemption clauses. The partner who is withdrawing from the partnership may make a claim for compensation from the other partners. This is why interests in partnerships are classified as financial liabilities unless they are attributable to controlling shareholders. 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 these consolidated annual financial statements in accordance with IFRS 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 deductible and taxable temporary differences on the basis of a two-stage comparison of the balance sheet. Deferred tax assets are also recognized for unused tax losses.

Recognition of deferred tax assets is limited to the extent that future tax profit will be available against which the temporary differences can be utilized. The planning horizon for checking whether tax relief from tax loss carryforwards can be realized amounts to a maximum of five years.

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.

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. In Germany, this is the case when the Bundesrat approves tax legislation that has been passed.

Deferred taxes are also recognized on temporary differences from the elimination of interim results and the consolidation of expense and income. Deferred taxes on temporary differences between a subsidiary's net assets and the fiscal value of the investment are not recognized if Munich Airport itself can determine the date on which these temporary differences are reversed and reversal is not expected within a foreseeable period.

Deferred tax assets and liabilities are offset if Munich Airport has acquired a legal claim to offset actual income tax assets and liabilities and the deferred tax assets and liabilities relate to the same tax authority. Deferred taxes from current items and deferred taxes from non-current items are offset separately. Offsetting only takes place at Group level in as much as offsetting is possible because income tax groups have been created.

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 agreement 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 principles 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 present value of the liability is offset against the fair value of these assets. Any asset surplus is shown under other assets.

16. Other provisions

Other provisions are recognized if Munich Airport has an unavoidable obligation from a past event to commit resources embodying economic benefits to third parties, the obligation can be reliably measured, and the outflow of resources is probable. The obligation may be both legal and constructive in nature.

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. The cost-to-cost method is used to establish the stage of completion.

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.

d) Revenue reductions

Revenue is measured at the fair value of the consideration received or receivable. It is reduced pro rata by the anticipated reduction from volume discounts. Liability is recognized for the difference to the prices charged.

18. Earnings from investments and interest income

Earnings from investments are recognized when there is a legal entitlement to payment. The precondition is that the inflow of economic benefits to the Group is probable and the amount of earnings can be measured reliably.

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.

Measurement of investments in subsidiaries and joint ventures, which were not included in the group of consolidated companies for reasons of immateriality, is at cost.

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		Measurement	Parameter		Disclosure
T€	Dec. 31, 2014	Dec. 31, 2013		Type	Hierarchy [4]	
Interest rate swaps	0	194	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)
Foreign currency forwards	0	196	Discounted cash flows, add-on procedure	Expected cash flows,[1] discount rate,[1] volatility rate,[2] CDS spreads,[3] default loss[2]	II	VI.16.a)
Interest and currency rate swaps	0	0	Discounted cash flows, add-on procedure	Expected cash flows,[1] discount rate,[1] volatility rate,[2] CDS spreads,[3] default loss[3]	II	VI.16.b)
Assets	**0**	**390**				
Interest rate swaps	102,261	66,095	Discounted cash flows, add-on procedure	Expected cash flows,[1] discount rate,[1] volatility rate,[2] CDS spreads,[3] default loss[3]	II	VI.16.a)
Currency futures	98	95	Discounted cash flows, add-on procedure	Expected cash flows,[1] discount rate,[1] volatility rate,[2] CDS spreads,[3] default loss[3]	II	VI.16.a)
Interest and currency rate swaps	0	1,738	Discounted cash flows, add-on procedure	Expected cash flows,[1] discount rate,[1] volatility rate,[2] CDS spreads,[3] default loss[3]	II	VI.16.b)
Loans in foreign currencies	0	27,998	Discounted cash flows	Discount rate,[1] CDS spreads,[3] foreign exchange rate	II	VI.15.c) VI.16.b)
Liabilities	**102,359**	**95,926**				

[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

The methods are the same as those applied in the prior year.

b) Disclosure of fair value

The consolidated financial statements contain disclosures on the fair value of investment property and on the fair value of financial instruments measured at amortized cost.

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

	Measurement	Parameter		Disclosure
T€		Type	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.
Trade and other receivables	Discounted cash flows	Expected cash flows,[3] discount rate,[3] CDS spreads[4]	II	VII.5. VII.15.
Non-derivative financial liabilities	Discounted cash flows	Expected cash flows,[3] discount rate,[3] CDS spreads[4]	II	VII.5. VII.15.

[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 the levels of hierarchy
[3] Derived from market data
[4] Counterparts: derived from market data; Munich Airport: derived from current credit conditions

The methods are the same as those applied in the prior year.

The fair value of investments in subsidiaries and joint ventures, which were not included in the group of consolidated companies for reasons of immateriality, is not disclosed. They are equity instruments of unlisted companies. Prices of comparable listed equity securities are not available. FMG views the investments as strategic investments.

V. Critical accounting estimates and judgments

1. Consolidation

a) Control without a majority of the voting rights

FMG holds 60 percent of the voting rights of Terminal 2 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 majority. 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 material special purpose entities that were established to fund infrastructural investments at Munich Airport. Control was established through lease agreements that enable Munich Airport to control all significant investment and financing of these entities.

2. Carrying amount of certain assets and liabilities

The carrying amounts of assets and liabilities included in the present consolidated financial statements are based on estimates and assumptions concerning the future. In the opinion of Munich Airport, there is no significant risk that these estimates and assumptions will change to such an extent by the next reporting date that a material adjustment of the carrying amount would be expected.

Subject to further resolutions by the Boards, Munich Airport is assuming that the third runway will be commissioned by 2021. The investment in expanding the airport (totaling T€ 178,586; 2013: T€ 159,031) is not expected to be impaired. The obligations from agreements with neighboring municipalities on the funding of infrastructure projects concluded with a view to the construction of the third runway remain in place. A total of T€ 93,021 (2013: T€ 84,277) was provided for this purpose.

VI. Notes to the consolidated income statement

1. Revenue

Revenues result from the following activities and transactions:

T€	2014	2013
Leases, royalties, and licenses	703,771	661,346
Services	245,597	219,854
Sale of goods	182,891	188,763
Miscellaneous	67,816	114,434
Total	**1,200,075**	**1,184,397**

Lease revenues primarily result from the lease of traffic, operations, and logistics property as well as the lease of commercial areas, office space, and conference rooms.

The terms of the majority of leases of traffic, operations, and logistics property are indefinite. Lessees may cancel upon up to 18 years' prior written notice, however. Only few agreements include a definite lease term. The remaining life of those leases amounts to up to 16 years. Lease extensions, provided they have been included in lease agreements, are possible for up to five years. Purchase options are not granted as a rule.

The terms of the majority of leases of commercial areas, office space, and conference rooms are indefinite. Lessees may cancel upon up to six years' prior written notice, however. Only few agreements include a definite lease term. The remaining life of those leases amounts to up to 24 years. Lease extensions, provided they have been included in lease agreements, are possible for up to five years. Purchase options are not granted as a rule. In addition to a fixed rent, lessees of commercial areas have to pay contingent rents depending on sales revenues.

Lease revenue contains contingent rent at an amount of T€ 5,759 (2013: T€ 4,451).

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

T€	Dec. 31, 2014	Dec. 31, 2013
In 1 year	67,465	63,750
In 2 to 5 years	171,452	172,127
After 5 years	152,080	184,049
Total	**390,997**	**419,926**

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

2. Work performed and capitalized

The balance of work performed and capitalized relates in particular to planning and construction activities for the satellite building by Terminal 2 Gesellschaft mbH & Co. oHG as well as various structural improvement projects. Further details can be found in Section V.2.

3. Other income

The components of other income are as follows:

T€	2014	2013
Income from the reversal and consumption of other provisions	9,636	2,875
Income from marketing of advertising space	8,735	8,212
Income from the derecognition of liabilities	4,384	7,381
Income from the reversal of other liabilities	3,557	1,090
Income in connection with damage and compensation	2,039	1,734
Contractual charges from ground rent	1,705	1,627
Income from write-ups on fixed assets	1,206	0
Income from the disposal of assets	942	522
Miscellaneous	5,001	4,927
Total	**37,205**	**28,368**

Exchange rate gains amount to T€ 555 (2013: T€ 47).

4. Raw materials and consumables used

The raw materials and consumables used include the following amounts:

T€	2014	2013
Expenditures for raw materials and supplies	-162,288	-170,042
Expenditures for purchased services	-152,296	-146,371
Total	**-314,584**	**-316,413**

5. Employee benefit expense

Employee benefit expense includes the following amounts:

T€	2014	2013
Wages and salaries	**-305,448**	**-283,635**
Social security and support benefits	**-53,061**	**-49,648**
Expenses for defined benefit plans	-416	-503
Expenses for defined contribution plans	-15,379	-14,639
Expenses for post-employment benefits	**-15,795**	**-15,142**
Total	**-374,304**	**-348,425**

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

	2014	2013
Employees (permanent/temporary, trainees)	7,806	7,625
Apprentices	242	238
Total	**8,048**	**7,863**

6. Other expenses

Other expenses include the following amounts:

T€	2014	2013
Other employee benefit expense	-15,231	-13,806
Expenses for audit, consulting, and project services	-11,145	-13,804
Expenses for advertising and PR	-10,030	-10,028
Contributions and fees for public utilities and other fees	-9,420	-7,482
Insurance	-7,216	-7,349
Lease expenses	-7,161	-6,298
Additional leasing costs and office communication	-4,721	-4,572
Losses from the disposal of non-current assets	-3,991	-1,155
Other expenses in connection with damages	-3,025	-2,869
Other expenses for repair and maintenance	-2,777	-3,908
Additions to provisions	-1,972	-10,105
Other taxes	-1,926	-2,011
Bank charges	-361	-330
Miscellaneous	-7,463	-12,956
Total	**-86,439**	**-96,673**

Exchange rate losses amount to T€ 143 (2013: T€ 142).

Miscellaneous 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:

T€	2014	2013
Loans and receivables	-140	-181
Total	**-140**	**-181**

Charges paid to the auditor are presented among miscellaneous other expenses, as well. They include audit fees at an amount of T€ 141 (2013: T€ 160) and fees for other services amounting to T€ 5 (2013: T€ 116).

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. The remaining life of those leases amounts to up 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:

T€	Dec. 31, 2014	Dec. 31, 2013
In 1 year	3,946	3,727
In 2 to 5 years	11,198	3,780
After 5 years	2,178	0
Total	**17,322**	**7,507**

7. Depreciation and amortization expense

Depreciation includes the following amounts:

T€	2014	2013
Depreciation	-212,027	-208,464
Impairment losses	-179	-455
Total	**-212,206**	**-208,919**

The impairment losses in fiscal year 2014 are attributable to investment property, having been largely attributable to intangible assets in the prior year.

Of the impairment losses in the prior year, T€ 454 was attributable to emission rights reported under intangible assets. Impairment losses on emission rights are the result of an annual impairment test. Emission rights are intangible assets with indefinite useful lives.

8. Financial result

The interest result is as follows:

T€	2014	2013
Interest income from short-term deposits and other receivables	2,947	5,597
Interest expense from financial liabilities	**-98,019**	**-122,499**
Interest result from financial instruments	-95,072	-116,902
Other interest income	0	6,113
Other interest expense	-11,343	-1,305
Other interest result	**-11,343**	**4,808**
Total	**-106,415**	**-112,094**

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 the other financial result are as follows:

T€	2014	2013
Income from the transfer of profit from non-consolidated entities	498	492
Net gains from financial instruments	5,121	15,370
Other financial income	**5,619**	**15,862**
Expense from profit/loss transfer	0	0
Net losses from financial instruments	-325	-10,825
Other financial expense	**-325**	**-10,825**
Total	**5,294**	**5,037**

Net gains from financial instruments are attributable to the categories described in Section IV.8.a) as follows:

T€	2014	2013
Financial assets	**0**	**0**
At fair value, designated	556	37
At fair value through profit or loss	735	1,465
At amortized cost	3,830	13,868
Financial liabilities	**5,121**	**15,370**
Total	**5,121**	**15,370**

Net losses from financial instruments are attributable to the valuation categories described in Section IV.8.a) as follows:

T€	2014	2013
Financial assets	**0**	**0**
At fair value, designated	-144	-10,825
At fair value through profit or loss	0	0
At amortized cost	-181	0
Financial liabilities	**-325**	**-10,825**
Total	**-325**	**-10,825**

9. Income taxes

The components of income tax expense or income are as follows:

T€	2014	2013
Commercial tax	27,636	28,312
Corporate income tax	33,456	27,516
Current income tax	**61,092**	**55,828**
Deferred tax expense/income	4,879	-834
Total tax expense	**65,971**	**54,994**

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 in these consolidated annual financial statements are based on the following tax rates:

	2014	
%	from	to
Commercial tax	8.40	11.97
Corporate income tax and reunification tax	15.83	15.83
Total tax rate	**24.23**	**27.80**

	2013	
%	from	to
Commercial tax	8.40	11.97
Corporate income tax and reunification tax	15.83	15.83
Total tax rate	**24.23**	**27.80**

If the earnings before taxes presented in these financial statements were the tax base, an income tax expense of T€ 46,146 would be expected (2013: T€ 42,693). 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:

T€	Dec. 31, 2014	Dec. 31, 2013
Earnings before taxes	166,023	153,600
Tax rate in %	**27.80**	**27.80**
Expected income tax expense/income	-46,146	-42,693
Non-deductible losses and expenses (commercial tax)	-2,155	-2,631
Non-taxable income and revenues (commercial tax)	1,957	3,452
Tax rate differentials	3,137	-2,374
Effects from the utilization of tax losses without recognition of deferred tax assets in prior periods	292	-869
Deferred tax effect from the purchase of leased properties	-14,005	0
Non-deductible losses and expenses (corporate income tax)	-327	-278
Non-taxable income and revenues (corporate income tax)	296	323
Current taxes relating to other periods	-429	1,998
Deferred taxes relating to other periods	-123	2,686
Tax effect from German partnerships	-9,539	-12,298
Miscellaneous other effects	1,071	-2,310
Income tax expense	**-65,971**	**-54,994**

VII. Notes to the balance sheet

1. Intangible assets

The carrying amounts of intangible assets developed as follows:

	Intangible assets				
T€	Purchased		Self-produced		Total
	Miscellaneous	Advance payments	of which completed	of which incomplete	
Cost					
As of Jan. 1, 2014	**36,578**	**1,407**	**764**	**0**	**38,749**
Additions	2,418	1,258	134	0	3,810
Disposals	-301	0	0	0	-301
Reclassifications	725	-218	78	0	585
As of Dec. 31, 2014	**39,420**	**2,447**	**976**	**0**	**42,843**
Accumulated depreciation and amortization					
As of Jan. 1, 2014	**29,830**	**0**	**247**	**0**	**30,077**
Scheduled	2,166	0	192	0	2,358
Write-ups	-1,206	0	0	0	-1,206
Disposals	-298	0	0	0	-298
As of Dec. 31, 2014	**30,492**	**0**	**439**	**0**	**30,931**
Carrying amount as of Jan. 1, 2014	**6,748**	**1,407**	**517**	**0**	**8,672**
Carrying amount as of Dec. 31, 2014	**8,928**	**2,447**	**537**	**0**	**11,912**

	Intangible assets				
T€	Purchased		Self-produced		Total
	Miscellaneous	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**

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 T€ 2,581 (Dec. 31, 2013: T€ 1,375) 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 T€ 18 (Dec. 31, 2013: T€ 98).

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:

T€	Land	Buildings	Machinery and equipment	Fixtures and fittings	Advance payments and property under construction	Total
Cost						
As of Jan. 1, 2014	**1,888,526**	**3,472,113**	**1,542,018**	**294,571**	**433,636**	**7,630,864**
Additions	2,499	16,779	17,719	16,209	229,239	282,445
Disposals	-3,337	-5,421	-3,923	-12,032	-3,233	-27,946
Reclassifications	-29,483	1,115	21,541	1,677	-18,766	-23,916
As of Dec. 31, 2014	**1,858,205**	**3,484,586**	**1,577,355**	**300,425**	**640,876**	**7,861,447**
Accumulated depreciation and amortization						
As of Jan. 1, 2014	**16,799**	**1,684,732**	**965,522**	**241,706**	**0**	**2,908,759**
Scheduled	0	135,696	44,358	14,325	0	194,379
Disposals	-1,764	-4,679	-1,710	-11,759	0	-19,912
Reclassifications	0	0	384	-384	0	0
As of Dec. 31, 2014	**15,035**	**1,815,749**	**1,008,554**	**243,888**	**0**	**3,083,226**
Carrying amount as of Jan. 1, 2014	**1,871,727**	**1,787,381**	**576,496**	**52,865**	**433,636**	**4,722,105**
Carrying amount as of Dec. 31, 2014	**1,843,170**	**1,668,837**	**568,801**	**56,537**	**640,876**	**4,778,221**

T€	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**
Scheduled	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**

Reclassifications contain transfers into assets classified as held for sale in the amount of T€ 401 (2013: T€ 211).

Impairment losses are presented among depreciation and amortization in the consolidated income statement. 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 of this land is T€ 5,669 (Dec. 31, 2013: T€ 5,669).

Bank borrowings are secured on buildings of subsidiaries of FMG at an amount of T€ 635,359 (Dec. 31, 2013: T€ 1,040,193) and on machinery and equipment of subsidiaries of FMG at an amount of T€ 211,266 (Dec. 31, 2013: T€ 221,332). FMG itself does not pledge any assets as collateral for borrowings.

There are obligations for the acquisition of property, plant, and equipment amounting to T€ 348,214 (Dec. 31, 2013: T€ 329,597).

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 T€ 4,976 (Dec. 31, 2013: T€ 2,802) and borrowing costs resulting from direct borrowings at an amount of T€ 7,508 (Dec. 31, 2013: T€ 2,647). Capitalization of general borrowing costs is based on a capitalization rate of 3.55 percent (2013: 3.71 percent).

Fixtures and fittings contain assets from finance leases. The carrying amounts of these developed as follows:

T€	Fixtures and fittings		Fixtures and fittings
Cost		**Cost**	
As of Jan. 1, 2014	**5,992**	**As of Jan. 1, 2013**	**5,796**
Additions	0	Additions	998
Disposals	-3,563	Disposals	-802
As of Dec. 31, 2014	**2,429**	**As of Dec. 31, 2013**	**5,992**
Accumulated depreciation and amortization		**Accumulated depreciation and amortization**	
As of Jan. 1, 2014	**4,963**	**As of Jan. 1, 2013**	**5,030**
Scheduled	328	Scheduled	671
Disposals	-3,530	Disposals	-738
As of Dec. 31, 2014	**1,761**	**As of Dec. 31, 2013**	**4,963**
Carrying amount as of Jan. 1, 2014	**1,029**	**Carrying amount as of Jan. 1, 2013**	**766**
Carrying amount as of Dec. 31, 2014	**668**	**Carrying amount as of Dec. 31, 2013**	**1,029**

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 of these assets developed as follows:

T€	Land	Buildings		Land	Buildings
Cost			**Cost**		
As of Jan. 1, 2014	**111,360**	**500,224**	**As of Jan. 1, 2013**	**111,360**	**499,781**
Additions	0	80,049	Additions	0	453
Disposals	-4,711	-8,126	Disposals	0	-76
Reclassifications	0	157	Reclassifications	0	66
As of Dec. 31, 2014	**106,649**	**572,304**	**As of Dec. 31, 2013**	**111,360**	**500,224**
Accumulated depreciation and amortization			**Accumulated depreciation and amortization**		
As of Jan. 1, 2014	**0**	**190,295**	**As of Jan. 1, 2013**	**0**	**157,753**
Scheduled	0	62,470	Scheduled	0	32,618
Impairments	0	0	Impairments	0	0
Disposals	0	-2,723	Disposals	0	-76
Reclassifications	0	20	Reclassifications	0	0
As of Dec. 31, 2014	**0**	**250,062**	**As of Dec. 31, 2013**	**0**	**190,295**
Carrying amount as of Jan. 1, 2014	**111,360**	**309,929**	**Carrying amount as of Jan. 1, 2013**	**111,360**	**342,028**
Carrying amount as of Dec. 31, 2014	**106,649**	**322,242**	**Carrying amount as of Dec. 31, 2013**	**111,360**	**309,929**

3. Investment property

The carrying amounts of investment property developed as follows:

T€	Land	Buildings	Total		Land	Buildings	Total
Cost				**Cost**			
As of Jan. 1, 2014	**59,875**	**183,566**	**243,441**	**As of Jan. 1, 2013**	**49,117**	**195,230**	**244,347**
Additions	219	1,550	1,769	Additions	615	4	619
Disposals	-1,799	-35	-1,834	Disposals	-622	0	-622
Reclassifications	18,116	1	18,117	Reclassifications	10,765	-11,668	-903
As of Dec. 31, 2014	**76,411**	**185,082**	**261,493**	**As of Dec. 31, 2013**	**59,875**	**183,566**	**243,441**
Accumulated depreciation and amortization				**Accumulated depreciation and amortization**			
As of Jan. 1, 2014	**2,310**	**55,167**	**57,477**	**As of Jan. 1, 2013**	**2,310**	**41,321**	**43,631**
Scheduled	0	15,290	15,290	Scheduled	0	15,126	15,126
Impairments	179	0	179	Impairments	1	0	1
Disposals	-1,799	-6	-1,805	Disposals	-1	0	-1
Reclassifications	0	0	0	Reclassifications	0	-1,280	-1,280
As of Dec. 31, 2014	**690**	**70,451**	**71,141**	**As of Dec. 31, 2013**	**2,310**	**55,167**	**57,477**
Carrying amount as of Jan. 1, 2014	**57,565**	**128,399**	**185,964**	**Carrying amount as of Jan. 1, 2013**	**46,807**	**153,909**	**200,716**
Carrying amount as of Dec. 31, 2014	**75,721**	**114,631**	**190,352**	**Carrying amount as of Dec. 31, 2013**	**57,565**	**128,399**	**185,964**

Reclassifications contain transfers into assets classified as held for sale in the amount of T€ 4,813 (2013: T€ 207).

Impairment losses are presented among depreciation and amortization in the consolidated income statement. 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 T€ 14,450 (2013: T€ 13,656). Operating expenses (including repairs and maintenance) were T€ 2,026 (2013: T€ 2,119).

There are obligations for the purchase and construction of investment property amounting to T€ 61,675 (Dec. 31, 2013: T€ 66,613).

Investment property is partially burdened with leasehold rights, usufructs, and similar rights. The carrying amount of these properties is T€ 7,675 (Dec. 31, 2013: T€ 9,668).

Bank borrowings are secured on investment property of subsidiaries of FMG at an amount of T€ 45,544 (Dec. 31, 2013: T€ 122,880). FMG itself does not pledge any assets as collateral for borrowings.

The methods of depreciation and useful lives of investment property are disclosed in Section IV.6.

The fair value of all investment property is T€ 245,860 (Dec. 31, 2013: T€ 256,645). 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:

T€	Dec. 31, 2014	Dec. 31, 2013
Investments in associates	2,339	2,651
FMG share in %	49	49

	Total	Pro-rata	Total	Pro-rata
Current assets	837	410	3,699	1,813
Non-current assets	11,660	5,713	9,936	4,869
Current liabilities	5,722	2,804	5,622	2,755
Non-current liabilities	2,001	980	2,603	1,275
Revenue	21,084	10,331	33,239	16,287
Earnings before taxes	1,842	903	5,344	2,619
Profit for the year (EAT)	1,299	637	3,874	1,897
Other comprehensive income	0	0	0	0
Total comprehensive income for the year	1,299	637	3,874	1,897
Distributions		948		1,164

The reporting date of the associates is September 30. Preparation of interim financial statements was waived for reasons of materiality. 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:

	Held for trading		Available for sale		Loans and receivables		Total	
T€	Dec. 31, 2014		Dec. 31, 2014		Dec. 31, 2014		Dec. 31, 2014	
	CA [1]	FV [2]	CA [1]	FV [2]	CA [1]	FV [2]	CA [1]	FV [2]
Other receivables	0	0	0	0	156	156	156	156
Trade and other receivables	**0**	**0**	**0**	**0**	**156**	**156**	**156**	**156**
Non-derivative financial assets	0	0	204	204	0	0	204	204
Derivatives	0	0	0	0	0	0	0	0
Other financial assets	**0**	**0**	**204**	**204**	**0**	**0**	**204**	**204**
Non-current financial assets	**0**	**0**	**204**	**204**	**156**	**156**	**360**	**360**

[1] CA = carrying amount
[2] FV = fair value

T€	Held for trading Dec. 31, 2013		Available for sale Dec. 31, 2013		Loans and receivables Dec. 31, 2013		Total Dec. 31, 2013	
	CA [1]	FV [2]	CA [1]	FV [2]	CA [1]	FV [2]	CA [1]	FV [2]
Other receivables					222	222	222	222
Trade and other receivables	**0**	**0**	**0**	**0**	**222**	**222**	**222**	**222**
Non-derivative 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**
Non-current financial assets	**194**	**194**	**204**	**204**	**222**	**222**	**620**	**620**

[1] CA = carrying amount
[2] FV = fair value

All counterparties for non-current financial assets enjoy high levels of creditworthiness. The Group did not notice any specific 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.

Information on derivatives 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:

T€	Deferred tax assets Dec. 31, 2014	Deferred tax assets Dec. 31, 2013	Deferred tax liabilities Dec. 31, 2014	Deferred tax liabilities Dec. 31, 2013
Intangible assets	1	1	-786	-392
Property, plant, and equipment	9,764	5,785	-472,577	-485,723
Investment property	0	4,402	-20,472	-3,192
Financial assets	0	0	0	-93
thereof derivatives in cash flow hedges	0	0	0	-106
Inventories	0	0	-636	-353
Miscellaneous other assets	1,514	156	-1,191	-339
Assets	**11,279**	**10,344**	**-495,662**	**-490,092**
Financial liabilities	57,795	28,687	-47,214	-23,284
thereof derivatives in cash flow hedges	22,063	18,263	0	0
Provisions	8,926	8,204	-830	-2,784
Employee benefits	6,123	4,291	-33	0
thereof post-employment benefits and other long-term employee benefits	6,080	4,237	0	0
Other liabilities	2,431	0	-4,806	-151
Liabilities	**75,275**	**41,182**	**-52,883**	**-26,219**
Consolidation	**1,428**	**1,255**	**-4,849**	**-4,939**
Unused tax losses	2,376	2,613	0	0
Accumulated impairment losses on tax losses	-1,781	-2,073	0	0
Unused tax losses	**595**	**540**	**0**	**0**
Total	**88,577**	**53,321**	**-553,394**	**-521,250**
Offsetting	**-50,914**	**-36,644**	**50,914**	**36,644**
Amount recognized	**37,663**	**16,677**	**-502,480**	**-484,606**

The effects of the change in deferred tax assets and liabilities on consolidated profit and other comprehensive income are as follows:

T€	2014	2013
As of Jan. 1	**-467,929**	**-460,315**
Derivatives in cash flow hedges	-2,784	4,877
Post-employment benefits and other long-term employee benefits	542	-216
Miscellaneous other temporary differences	-2,691	3,321
Unused tax losses	54	-7,148
Deferred taxes recognized in profit or loss	**-4,879**	**834**
Derivatives in cash flow hedges	6,690	-8,382
Post-employment benefits and other long-term employee benefits	1,301	-66
Deferred taxes not recognized in profit or loss	**7,991**	**-8,448**
As of Dec. 31	**-464,817**	**-467,929**

Unused commercial tax losses amounting to T€ 5,455 (Dec. 31, 2013: T€ 6,687) and unused corporate income tax losses amounting to T€ 7,394 (Dec. 31, 2013: T€ 8,370) 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 T€ 595 (Dec. 31, 2013: T€ 540). 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.

T€ 3,960 (Dec. 31, 2013: T€ 3,736) of deferred tax assets and T€ 502,480 (Dec. 31, 2013: T€ 484,606) of deferred tax liabilities will probably be realized more than twelve months after the reporting date.

The companies included in the consolidated financial statements are corporations and partnerships. Pursuant to Article 8b (1) in conjunction with Article 8b (5) of the Corporate Tax Act (Körperschaftsteuergesetz – KStG) and/or Article 8b (2) in conjunction with Article 8b (5) of the KStG, 95 percent of the differences between the carrying amount for tax purposes of an investment in a corporation included in the consolidated financial statements and its net assets calculated in accordance with IFRS are exempt from taxation. They are of minor significance for the present consolidated financial statements by and large. No tax is deferred.

No additional differences emerge between the net assets of partnerships for tax purposes depicted in accordance with the mirror image method and the net assets calculated in accordance with IFRS beyond the temporary differences taken into account at individual company level.

7. Inventories

The carrying amount of inventories is as follows:

T€	Dec. 31, 2014	Dec. 31, 2013
Raw materials	8,460	7,192
Finished goods and work in progress	241	814
Merchandise	29,641	28,759
Carrying amount of inventories	**38,342**	**36,765**

The carrying amount of inventories that are recognized at net realizable value is T€ 3,516 (Dec. 31, 2013: T€ 841).

The cost of materials includes expenses resulting from impairment losses on inventories at an amount of T€ 52 (2013: T€ 92). Reversals of impairments amounting to T€ 1,216 (2013: T€ 0) were netted off against the cost of materials. The amount of goods and materials used is T€ 113,343 (2013: T€ 123,506).

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:

T€	Held for trading purposes		Loans and receivables		Total	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Trade receivables	0	0	46,645	48,320	46,645	48,320
Other receivables	0	0	9,995	33,955	9,995	33,955
Trade and other receivables	**0**	**0**	**56,640**	**82,275**	**56,640**	**82,275**
Derivatives	0	196	0	0	0	196
Other financial assets	**0**	**196**	**0**	**0**	**0**	**196**
Current financial assets	**0**	**196**	**56,640**	**82,275**	**56,640**	**82,471**

a) Current 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:

T€	Jan. 1, 2014	Addition	Consumption	Reversal	Dec. 31, 2014
	1,430	140	-87	-101	1,382

T€	Jan. 1, 2013	Addition	Consumption	Reversal	Dec. 31, 2013
	1,536	181	-120	-167	1,430

The credit risk arising from trade receivables is demonstrated in the following:

Dec. 31, 2014	Carrying amount	Not due	Due and impaired	Not impaired and overdue by age in days			
T€				under 30	30 to 180	180 to 360	over 360
Trade receivables	46,645	38,955	386	5,047	1,240	764	253

Dec. 31, 2013	Carrying amount	Not due	Due and impaired	Not impaired and overdue by age in days			
T€				under 30	30 to 180	180 to 360	over 360
Trade receivables	48,320	39,750	238	5,800	2,098	199	235

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. T€ 2,297 (Dec. 31, 2013: T€ 1,119) of receivables arising from lease agreements are covered by deposits of T€ 1,238 (Dec. 31, 2013: T€ 941) and by guarantees of T€ 8,329 (Dec. 31, 2013: T€ 8,658). T€ 5,190 (Dec. 31, 2013: T€ 4,524) of receivables arising from ground handling services are covered by cash collateral, bank guarantees, and other collateral at an amount of T€ 9,140 (Dec. 31, 2013: T€ 8,517).

T€ 1,728 (Dec. 31, 2013: T€ 2,352) of the trade accounts receivable of subsidiaries of FMG 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) Current other receivables

The following analysis shows the main components of current other receivables:

T€	Dec. 31, 2014	Dec. 31, 2013
Supplier rebates	3,225	3,298
Receivables from associates and investments	2,913	678
Debit balances in accounts payable	1,177	208
Receivables from personnel	1,011	921
Receivables from banks	259	1,092
Advances to non-controlling shareholders from the absorption of losses	0	19,636
Receivables from shareholders	0	5,853
Miscellaneous	1,410	2,269
Total	**9,995**	**33,955**

Current other receivables are impaired when there is objective evidence that a loss event has occurred (see Section IV.8.d). Impairments of current other receivables are directly charged to the carrying amount. The Group did not recognize any impairment losses in the periods presented.

Current other receivables are not due. The receivables relate to debtors of varying creditworthiness. The Group did not notice any specific credit risks.

c) Current other financial assets

Current other financial assets mainly relate to derivative financial instruments.

Information on derivatives can be found in Section VII.16.

9. Other assets

The following analysis shows the main components of other assets:

T€	Dec. 31, 2014	Dec. 31, 2013
Receivables from taxes and other levies	4,773	9,572
Other non-financial receivables	8	8
Non-financial receivables	**4,781**	**9,580**
Costs in connection with aviation	5,660	0
Prepaid transaction costs	1,439	4,587
Prepayments for maintenance services	602	1,238
Prepaid insurance premiums	180	183
Miscellaneous other prepaid expenses	400	193
Prepaid expenses	**8,281**	**6,201**
Other assets	**13,062**	**15,781**
of which current	7,167	11,046
of which non-current	5,895	4,735

10. Cash and cash equivalents

The following analysis shows the main components of cash and cash equivalents:

T€	Dec. 31, 2014	Dec. 31, 2013
Short-term deposits	**93,000**	**316,000**
Deposits at banks	7,183	6,056
Cash in hand	1,347	1,797
Cash and cash equivalents	**8,530**	**7,853**
Total	**101,530**	**323,853**

The composition and carrying amount of cash and cash equivalents is identical with the composition and carrying amount in the statement of cash flows.

T€ 0 (Dec. 31, 2013: T€ 2,260) of the carrying amount of cash in hand and at banks is 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 exchange transactions are expected in the following fiscal year allowing for the respective market situation.

12. Equity

The share capital of FMG is divided into three shares. All shares are fully paid.

The notional value per share is:

T€	Dec. 31, 2014	Dec. 31, 2013
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:

T€	Dec. 31, 2014	Dec. 31, 2013
Capital reserve	**102,258**	**102,258**
Actuarial gains and losses	-10,550	-5,868
Deferred taxes	2,933	1,632
Miscellaneous other revenue reserves	1,984	1,984
Revenue reserves	**-5,633**	**-2,252**
Reserves	**96,625**	**100,006**

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 respective shareholders' general meetings decide upon the formation and withdrawal of these reserves.

The main components of the carrying amount of retained earnings are:

T€	Dec. 31, 2014	Dec. 31, 2013
Hedge reserve	-99,614	-63,464
Deferred taxes	21,470	14,780
Measurement through other comprehensive income	**-78,144**	**-48,684**
Initial adoption of IFRSs	1,194,886	1,194,886
Miscellaneous other retained earnings	389,341	289,095
Retained earnings	**1,584,227**	**1,483,981**
Total retained earnings	**1,506,083**	**1,435,297**

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 maintaining 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 extraordinary non-recurring effects.

The capital structure is managed with regard to the ratio between net debt and adjusted EBITDA derived from the target credit rating. This ratio is compared with benchmark KPIs of publicly traded companies of the European peer group at regular intervals.

Due to the shareholder structure of FMG, the Group primarily concentrates its efforts to manage the capital structure on the scope of financing through borrowings.

The ratio has developed as follows:

T€	2014	2013
Financial liabilities resulting from interests in partnerships	67,875	227,054
Other financial liabilities	2,423,929	2,497,328
Cash in hand and at banks	-101,530	-323,853
Net debt	**2,390,274**	**2,400,529**
EBITDA for the fiscal year	478,713	467,679
Extraordinary and non-recurring effects	0	0
Adjusted EBITDA	**478,713**	**467,679**
Net debt/adjusted EBITDA	**5.0**	**5.1**

The objectives, methods, and processes for managing and monitoring 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). At regular intervals, ROCE is also compared with benchmark KPIs of publicly traded companies in the European peer group.

The target EBIT is disaggregated into sub-targets for the divisions and subsidiaries of the Group. These objectives are taken into account as part of the calculation of the variable components of management compensation.

Adjusted EBIT and ROCE developed as follows:

T€	2014	2013
Equity	1,906,972	1,839,761
Net debt	2,390,274	2,400,529
Long-term employee benefits	40,857	35,474
Capital employed	**4,338,103**	**4,275,764**
EBIT	266,507	258,760
Extraordinary and non-recurring effects	0	0
Adjusted EBIT	**266,507**	**258,760**
ROCE:		
Adjusted EBIT/capital employed in %	**6.1**	**6.1**

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 and 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 122, 132 et. seq. HGB. The current/non-current distinction, therefore, does not exactly correspond with management's best estimate. → Glossary

T€	Dec. 31, 2014	Dec. 31, 2013
Financial liabilities	67,875	227,054
of which non-current	40,854	38,701
of which current	27,021	188,353

→ Glossary

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 cost		Total	
T€	Dec. 31, 2014		Dec. 31, 2014		Dec. 31, 2014	
	CA [1]	FV [2]	CA [1]	FV [2]	CA [1]	FV [2]
Trade accounts payable	0	0	10,599	10,629	10,599	10,629
Other payables	0	0	5,630	5,630	5,630	5,630
Payables	**0**	**0**	**16,229**	**16,259**	**16,229**	**16,259**
Borrowings	0	0	1,528,894	1,632,271	1,528,894	1,632,271
Financial liabilities from finance leases [3]	0	0	451	449	451	449
Derivative financial liabilities	100,382	100,382	0	0	100,382	100,382
Other financial liabilities	**100,382**	**100,382**	**1,529,345**	**1,632,720**	**1,629,727**	**1,733,102**

[1] CA = carrying amount

[2] FV = fair value

[3] Only the derecognition principles described in Section IV.8.a) must be applied to financial liabilities from finance leases. Otherwise, the general accounting principles for financial liabilities from finance leases described in Section IV.7 are applied.

	At fair value through profit or loss		At amortized cost		Total	
T€	Dec. 31, 2013		Dec. 31, 2013		Dec. 31, 2013	
	CA [1]	FV [2]	CA [1]	FV [2]	CA [1]	FV [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
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
Derivative financial liabilities	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] Only the derecognition principles described in Section IV.10.a) must be applied to financial liabilities from finance leases. Otherwise, the general accounting principles for financial liabilities from finance leases described in Section IV.9 are applied.

a) Non-current trade accounts payable

Non-current trade payables mainly relate to warranty retentions.

b) Non-current other payables

Non-current other payables mainly relate to deposits.

Deposits bear interest at market rates. There are no significant differences between carrying amount and fair value.

c) Non-current borrowings

Borrowings mainly relate to syndicated loans. The loans bear usual non-financial covenants, including negative pledge, pari passu, and change of control clauses. In addition, there are other general conventional agreements concerning interest rate adjustment and repayment in the event of changes in the FMG shareholder structure. There are no financial covenants.

The critical terms of the fixed-rate loans are as follows:

Dec. 31, 2014	Carrying amount	Residual debt	Interest	
	T€	T€	from in %	to in %
Currency				
EUR	563,368	580,688	1.25	5.10
JPY	0	0		

Dec. 31, 2013	Carrying amount	Residual debt	Interest	
	T€	T€	from in %	to in %
Currency				
EUR	882,161	907,799	0.32	7.02
JPY	27,998	27,582		1.72

The critical terms of the floating-rate loans are as follows:

Dec. 31, 2014	Carrying amount	Residual debt	Base interest
	T€	T€	
Currency			
EUR	1,254,030	1,261,500	3M and 6M EURIBOR

Dec. 31, 2013	Carrying amount	Residual debt	Base interest
	T€	T€	
Currency			
EUR	1,012,337	1,031,100	3M and 6M EURIBOR

The current portion of the borrowings' carrying amount is recognized under current financial liabilities.

d) Non-current financial liabilities from finance leases

The carrying amount of financial liabilities from finance leases equals the present value of outstanding minimum lease payments. The total payments to be made in future fiscal years and their present values are compared in the following overview:

	Dec. 31, 2014			Dec. 31, 2013		
T€	Expected payment	Discounting	Carrying amount	Expected payment	Discounting	Carrying amount
≤ 1 year	416	-5	411	651	-14	637
Current	416	-5	411	651	-14	637
1 to 5 years	477	-26	451	910	-45	865
≥ 5 years	0	0	0	0	0	0
Non-current	477	-26	451	910	-45	865
Total	**893**	**-31**	**862**	**1,561**	**-59**	**1,502**

The current portion of the financial liabilities' carrying amount is presented among current financial liabilities.

The finance leases include agreements on the transfer of office equipment and data processing systems in particular. The minimum term of the agreements in question equals the economic useful life of the items transferred. The leases are embedded in a service and maintenance agreement as a rule.

e) Non-current derivative financial liabilities

Information on derivatives can be found in Section VII.16 below.

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	
T€	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Recognized hedges				
Interest rate swaps	0	194	102,261	65,360
Foreign currency forwards	0	196	0	95
Hedges against fluctuating cash flows	**0**	**390**	**102,261**	**65,455**
Cross currency swaps	0	0	0	1,738
Hedges against fluctuating market values	**0**	**0**	**0**	**1,738**
Off-balance sheet hedges				
Interest rate swaps	0	0	0	735
Foreign currency forwards	0	0	98	0
Hedges against fluctuating cash flows	**0**	**0**	**98**	**735**
Total	**0**	**390**	**102,359**	**67,928**

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, 2014	Notional amount	FMG pays		FMG receives
Type	T€	from in %	to in %	
Swaps	950,000	1.48	4.24	3M and 6M EURIBOR
Forward starting swaps	47,000	1.86	4.24	3M and 6M EURIBOR

Dec. 31, 2013	Notional amount	FMG pays		FMG receives
Type	T€	from in %	to in %	
Swaps	843,444	1.48	5.4	3M and 6M EURIBOR
Forward starting swaps	233,000	1.86	2.92	3M and 6M EURIBOR

The Group uses foreign currency forwards to limit the liquidity risks resulting from long-term sales agreements in foreign currency. The aim of these transactions is to ensure that expected fees are exchanged at a specific exchange rate.

Because of the small number of transactions and the minor consequences for consolidated profit, Munich Airport decided to suspend accounting for these types of hedges on January 1, 2014 until further notice. The carrying amount of the remaining transactions is recognized under off-balance sheet hedges.

The portfolio of hedges accounted for in the prior year was as follows:

Dec. 31, 2013	Notional amount	FMG pays	FMG receives	Exchange rate from	Exchange rate to
Type	T€			%	%
Foreign currency forwards	4,805	USD	EUR	0.75	0.75
Foreign currency forwards	1,823	EUR	USD	1.31	1.31

The carrying amount of derivatives that are designated into cash flow hedges developed as follows:

T€	Interest hedge	Currency hedge	Total
Effective portion			
As of Jan. 1, 2014	63,562	-98	63,464
Reclassification	-24,319	98	-24,221
Revaluation	60,371	0	60,371
As of Dec. 31, 2014	99,614	0	99,614
Ineffective portion			
As of Jan. 1, 2014	47	-1	46
Revaluation	3	1	4
As of Dec. 31, 2014	50	0	50
Non-designated portion			
As of Jan. 1, 2014	1,555	-1	1,554
Net change	1,042	1	1,043
As of Dec. 31, 2014	2,597	0	2,597
Carrying amount			
As of Jan. 1, 2014	65,164	-99	
As of Dec. 31, 2014	102,261	0	
	Asset / Liability	Asset / Liability	
	0 / 102,261	0 / 0	

T€	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	
	Asset / Liability	Asset / Liability	
	194 / 65,358	196 / 97	

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, 2014	2015	2016 to 2019	After 2019
T€			
Expected reclassification to interest expenses	1,757	27,049	70,808

Dec. 31, 2013	2014	2015 to 2018	After 2018
T€			
Expected reclassification to interest expenses	1,715	27,352	34,496

The effective portion of the reported foreign currency hedges is reclassified to profit or loss upon payment of the hedged remuneration. In the prior year, the airport expected reclassifications in the following fiscal periods:

Dec. 31, 2013	2014	2015 to 2018	After 2018
T€			
Expected reclassification to revenue	99	0	0

b) Fair value hedges

In previous fiscal periods, Munich Airport converted fixed-rate foreign currency loans to floating-rate borrowings by concluding cross currency swaps. All transactions of this kind expired in the past fiscal year; the loans associated therewith were repaid. The critical terms of the interest and currency swaps held in the prior year were as follows:

Dec. 31, 2013	FMG pays			FMG receives		
T€	Notional amount	Currency	Interest	Currency	Interest from in %	Interest to in %
	29,444	EUR	EURIBOR	JPY	0	1.72

The cross currency swaps were measured at fair value in accordance with the accounting policies described in Section IV.8.e). The same applied to interest and currency components of the borrowings' carrying amount.

The revaluation of the interest and currency components included in the loan value resulted in a net gain amounting to T€ 10,810 in the prior year. This is offset by a net loss from the revaluation of the cross currency swaps of T€ -10,666.

c) Off-balance sheet hedges

The carrying amount of off-balance sheet hedges results from foreign currency forwards, which are used to limit liquidity risks arising from long-term sales agreements in foreign currency. The aim of these transactions is to ensure that expected fees are exchanged at a specific exchange rate.

Because of the small number of transactions and the minor consequences for consolidated profit, Munich Airport decided to suspend accounting for these types of hedges on January 1, 2014, until further notice.

The critical terms of these foreign currency forwards are:

Dec. 31, 2014					
T€					
Type	Notional amount	FMG pays	FMG receives	Exchange rate from	Exchange rate to
Foreign currency forwards	2,460	USD	EUR	1.25	1.31

In the prior year, the carrying amount of off-balance sheet hedges included an interest rate swap of T€ 735, which was used to minimize cash flow risks from a combined position – foreign currency loan with interest and currency swap. In accordance with the accounting policies explained in Section IV.8.e), this hedge was not recognized regardless of its effectiveness. The derivative expired, as scheduled, in fiscal year 2014.

17. Employee benefits

Employee benefits contain:

T€	Dec. 31, 2014	Dec. 31, 2013
Post-employment pension benefits	28,413	24,372
Post-employment medical benefits	2,863	2,332
Post-employment benefits	**31,276**	**26,704**
Jubilee benefits	1,434	1,404
Phased retirement arrangements	5,417	4,829
Other long-term employee benefits	**6,851**	**6,233**
Termination benefits	**2,730**	**2,537**
Bonus payments	2,693	2,923
Overtime accounts	10,827	10,358
Unpaid wages and salaries	2,268	2,304
Miscellaneous other benefits	5,013	3,922
Other short-term employee benefits	**20,801**	**19,507**
Employee benefits	**61,658**	**54,981**
of which long-term	40,857	35,474
of which short-term	20,801	19,507

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, 2013: 31), of whom four (Dec. 31, 2013: 4) are active employees and 26 (Dec. 31, 2013: 27) are retired persons, surviving dependents, and other entitled persons, 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:

T€	2014	2013
Obligation as of Jan. 1	**24,372**	**24,790**
Current service costs	416	415
Interest expense	779	722
Pension payments	-1,349	-1,297
Actuarial gains and losses	4,195	-258
Obligation as of Dec. 31	**28,413**	**24,372**
Expected pension expense	1,086	1,196
Expected pension payments	-1,353	-1,356
Expected obligation as of Dec. 31 of the following year	**28,146**	**24,212**

The change of actuarial gains and losses is attributable to the following:

T€	2014	2013
As of Jan. 1	**5,434**	**5,692**
Change in financial assumptions	4,345	-925
Experience-based changes	-150	667
As of Dec. 31	**9,629**	**5,434**

The measurement of the defined pension benefit obligations is based on the following assumptions:

%	Dec. 31, 2014	Dec. 31, 2013
Discount rate	2.0	3.3
Salary trend	3.0	3.0
Pension trend	2.0	2.0
Fluctuation	0.0	0.0

Life expectancy is derived from the 2005 G guideline tables by Klaus Heubeck. All payments are made in advance.

The average duration of the entitlements is eleven years (Dec. 31, 2013: 11 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 above-mentioned risks:

Dec. 31, 2014	Change in assumption	Change in obligation	
%		+	-
Discount rate	1.0	-12.1	15.1
Salary trend	1.0	1.8	-1.7
Pension trend	1.0	13.0	-10.9

Dec. 31, 2013	Change in assumption	Change in obligation	
%		+	-
Discount rate	1.0	-11.1	13.6
Salary trend	1.0	1.6	-1.5
Pension trend	1.0	11.3	-9.6

The sensitivity analysis is based on the change of one assumption while holding all other 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, 2013: 44), of whom 20 (Dec. 31, 2012: 19) are active employees and 24 (Dec. 31, 2013: 25) 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:

T€	2014	2013
Obligation as of Jan. 1	**2,332**	**2,263**
Current service costs	82	88
Interest expense	75	66
Aid payments	-113	-107
Actuarial gains and losses	487	22
Obligation as of Dec. 31	**2,863**	**2,332**
Expected addition	243	157
Expected benefit payments	-138	-113
Expected obligation as of Dec. 31 of the following year	**2,968**	**2,376**

The change of actuarial gains and losses is attributable to the following:

T€	2014	2013
As of Jan. 1	**434**	**412**
Change in financial assumptions	457	-93
Experience-based changes	30	115
As of Dec. 31	**921**	**434**

The measurement of the defined medical benefit obligations is based on the following assumptions:

%	Dec. 31, 2014	Dec. 31, 2013
Discount rate	2.0	3.3
Fluctuation	0.0	0.0
Costs [1]	6.6	6.1
Cost trend	3.0	3.0

[1] Average insurance premiums in T€

Life expectancy is derived from the 2005 G guideline tables by Klaus Heubeck. All payments are made monthly in advance.

The average duration is twelve years (Dec. 31, 2013: 12 years).

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, 2014	Change in assumption	Change in obligation	
%		+	-
Discount rate	1.0	-12.7	16.2
Cost trend	1.0	13.8	-11.2

Dec. 31, 2013	Change in assumption	Change in obligation	
%		+	-
Discount rate	1.0	-11.6	14.4
Cost trend	1.0	14.4	-11.9

The sensitivity analysis is based on the change of one assumption while holding all other 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.

c) Post-employment benefits via the Bavarian municipalities' supplementary welfare fund

All employees of Munich Airport employed in accordance with the provisions of the public sector's collective pay scale agreement receive an occupational pension. They are insured via their respective employers in the Bavarian municipalities' supplementary welfare fund. The supplementary welfare fund provides all employees of its members with insurance covering post-employment benefits, benefits to compensate for reductions in earning capacity, and benefits for surviving dependents.

The fund is financed via the levies and supplementary contributions of its members from investment and provisions. The levy is determined on the basis of an actuarial calculation, which is updated annually, of the fund's financing requirement over the planning horizon applicable at the time (maximum ten years). The levy rate currently amounts to 3.75 percent. The fund also levies an additional contribution to build up a capital stock, which currently stands at 4.0 percent. If membership is canceled, the company withdrawing from the fund must make a compensatory contribution equal to the present value of all obligations from post-employment benefits to the company's insured employees.

The occupational post-employment benefits provided via the welfare fund are a multi-employer plan. The members of the welfare fund bear the financial and biometric risk of post-employment benefits jointly. The – theoretically possible – asset allocation for each member is not constituted from the total contributions paid in each case but purely arithmetically from the total actuarial risks contributed in each case. Munich Airport is also exposed to the actuarial risks of the current and former employees of other external members with regard to the components of the obligation covered by the levy. It is impossible to reconcile the assets and a clear allocation of the obligation reliably. Post-employment benefits are therefore accounted for as a defined contribution plan. Contribution payments are recognized as an expense immediately.

Munich Airport is not aware of any deficits or surplus at the welfare fund nor of the scope of other companies' participation.

Munich Airport is expecting contribution payments of T€ 15,743 for fiscal year 2015.

18. Provisions

The carrying amount of provisions developed as follows:

T€	Onerous contracts	Regional fund	Restoration	Miscellaneous	Total
As of Jan. 1, 2014	**8,090**	**84,277**	**8,343**	**14,228**	**114,938**
Additions	0	0	3,093	1,271	4,364
Utilization	-3,640	-1,066	-878	-1,121	-6,705
Reversals	-780	0	0	-5,215	-5,995
Reclassifications	0	0	-7	7	0
Unwinding of discount	9	2,353	68	40	2,470
Changes in interest rates	0	7,457	95	73	7,625
As of Dec. 31, 2014	**3,679**	**93,021**	**10,714**	**9,283**	**116,697**
of which short-term	1,630	1,200	3,088	7,459	13,377
of which long-term	2,049	91,821	7,626	1,824	103,320

Provisions for onerous contracts result from ground handling contracts with negative margins. The amount of the negative margin depends on the actual earnings situation in the respective fiscal year. The timing and the amount of the negative margins are uncertain.

Provisions for the regional fund 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 T€ 10,000 up to 2010. T€ 4,368 of the fund has already been drawn up to fiscal year 2014. The remainder is expected to be paid by 2017. On the basis of the positive planning decision for the construction of a third runway, Munich Airport agreed to increase the assistance fund by T€ 90,000 (T€ 40,000 for traffic infrastructure and T€ 50,000 for other infrastructure and to mitigate individual hardship in the surrounding areas) in 2011. The funds may be drawn in annual installments of T€ 10,000 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 toward third parties. It is not certain when and to what extent restoration expenses will be incurred.

Payments for provisions are expected in the following intervals:

Dec. 31, 2014	In 1 year	In 2 to 5 years	After 5 years
T€			
Onerous contracts	1,630	2,049	0
Regional fund	1,201	24,500	69,930
Restoration	3,088	7,627	0
Miscellaneous	7,487	822	1,027
Total	**13,406**	**34,998**	**70,957**

Dec. 31, 2013	In 1 year	In 2 to 5 years	After 5 years
T€			
Onerous contracts	3,640	4,477	0
Regional fund	1,173	16,693	78,830
Restoration	1,130	7,379	0
Miscellaneous	13,173	822	1,015
Total	**19,116**	**29,371**	**79,845**

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:

	Held for trading purposes		At amortized cost		Total	
T€	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Trade accounts payable	0	0	49,718	57,827	49,718	57,827
Other payables			44,017	31,749	44,017	31,749
Payables	**0**	**0**	**93,735**	**89,576**	**93,735**	**89,576**
Borrowings from shareholders	0	0	503,310	505,402	503,310	505,402
Borrowings	0	0	288,504	405,494	288,504	405,494
Financial liabilities from finance leases[1)]	0	0	411	637	411	637
Current derivatives	1,977	4,376	0	0	1,977	4,376
Other financial liabilities	**1,977**	**4,376**	**792,225**	**911,533**	**794,202**	**915,909**
Current financial liabilities	**1,977**	**4,376**	**885,960**	**1,001,109**	**887,937**	**1,005,485**

[1)] Only the derecognition principles described in Section IV.8a) must be applied to financial liabilities from finance leases. Otherwise, the general accounting principles for financial liabilities from finance leases described in Section IV.7 are applied.

a) Other current payables

The carrying amount of other current payables is comprised as follows:

T€	Dec. 31, 2014	Dec. 31, 2013
Outstanding invoices	25,004	21,192
Payables from marketing activities	12,926	3,818
Payables to associates and investments	1,187	2,123
Miscellaneous other payables	4,900	4,616
Total	**44,017**	**31,749**

b) Borrowings from shareholders

T€ 130,674 (Dec. 31, 2013: T€ 131,217) of the borrowings from shareholders are owed to the Federal Republic of Germany, T€ 256,322 (Dec. 31, 2013: T€ 257,387) to the Free State of Bavaria, and T€ 116,314 (Dec. 31, 2013: T€ 116,798) to the City of Munich. The loans bear earnings-based interest and are for indefinite terms. Repayment requires a separate agreement. They are classified as current since Munich Airport does not have the unrestricted right to deny repayment within the following fiscal year. In the year under review, interest expense on shareholder loans amounted to T€ 11,398 (2013: T€ 13,489).

c) Current 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:

T€	Dec. 31, 2014	Dec. 31, 2013
Liabilities from taxes and other levies	6,290	5,503
Other miscellaneous financial liabilities	665	1,050
Other non-financial liabilities	**6,955**	**6,553**
Advance payments on leasehold rights	19,482	13,706
Advance payments in connection with aviation	8,000	0
Advance payments on leases	180	4,876
Other deferred income	2,251	3,258
Deferred income	**29,913**	**21,840**
Total	**36,868**	**28,393**
of which current	17,833	9,104
of which non-current	19,035	19,289

21. Contingent liabilities

As in the prior year, there were no contingent liabilities as of December 31, 2014.

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. The amendment according to Section 6(4) LuftVG for the operation of the third runway has not yet been obtained. It does not expire at a specific point of time.

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. In fiscal year 2014, Munich Airport concluded a master agreement on charges with uniform terms and conditions for all airlines, which secures the future development of air traffic charges until 2020.

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 and 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 software guarantees strict segregation of the functions between acquisition, settlement, and accounting for derivatives and monitoring the risks arising from these transactions.

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 payment obligations from floating-rate loans. To a lesser extent, exchange rate risks influence cash flows from international consulting business.

Munich Airport addresses market risks through the use of derivative financial instruments. Derivatives are acquired solely for hedging purposes and mainly used to hedge fluctuations in cash flows.

The Group uses interest rate swaps to hedge cash flows against fluctuations in interest rates. Fluctuations in exchange rates are eliminated through foreign currency forwards. 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 plus 100 basis points (BP) or minus 25 basis points.

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. These effects are not taken into consideration.

- The interest expense from financial instruments measured at amortized cost where rates are fixed for periods of less than one year, for example when fixed at 3M EURIBOR or 6M EURIBOR, 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 interest-bearing derivatives, for example when fixed at 3M EURIBOR or 6M EURIBOR, 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 affects 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 plus 100 or minus 25 BP will decrease or increase total comprehensive income, profit or loss, and other comprehensive income as follows:

	Dec. 31, 2014		Dec. 31, 2013	
T€	+100 BP	-25 BP	+100 BP	-100 BP
Total comprehensive income	42,428	-10,593	42,043	-46,384
of which other comprehensive income	40,096	-10,023	44,220	-47,945
of which profit or loss	2,332	-570	-2,177	1,561

In view of the current level of interest rates, the analysis of sensitivity to changes in interest rates was not based on a downward shift of 100 BP, as in the prior year, but in a shift of 25 BP. Otherwise, the same assumptions and methods were applied in the sensitivity analysis as in the prior year.

Substantial exchange rate risks arise from fluctuations of the euro against the Omani rial (OMR) and the US dollar (USD). 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 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 currency futures changes.

The presentation of an exchange rate sensitivity analysis as of December 31, 2014, was waived for reasons of materiality. 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 as of December 31, 2013:

	Dec. 31, 2013	
T€	Rate +10 %	Rate -10 %
Total comprehensive income	-630	193
of which other comprehensive income	-500	179
of which profit or loss	-130	14

2. Credit risk

Credit risk primarily results from short-term deposits. In order to limit these risks the Group does not accept counterparties without deposit protection and/or seat inside the European Union.

Default risks are addressed through a severe and effective management of debtors and receivables. This includes the comprehensive and constant monitoring of debtors' creditworthiness, 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 in 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 T€ 158,530 (Dec. 31, 2013: T€ 406,945).

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 short-term deposits and credit lines. In the reporting year, cash flow from operating activities amounted to T€ 429,569 (2013: T€ 467,461). Munich Airport had access to credit lines of T€ 257,285 (Dec. 31, 2013: T€ 227,032).

The following tables show an analysis of the remaining contractual maturities for all financial liabilities:

		2015		2016 to 2019		After 2019	
Dec. 31, 2014	Total	Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
T€							
Financial liabilities from interests in partnerships	161,556	0	27,020	0	29	0	134,507
Shareholders	503,311	11,398	491,913	0	0	0	0
Loans	2,113,704	32,993	260,278	141,026	638,782	77,492	963,133
Finance leases	893	0	416	0	477	0	0
Trade payables	60,925	0	49,718	0	11,207	0	0
Other financial liabilities	49,682	0	44,052	0	5,630	0	0
Non-derivative financial liabilities	**2,890,071**	**44,391**	**873,397**	**141,026**	**656,125**	**77,492**	**1,097,640**
Derivatives	107,137	26,870	655	53,433	0	26,179	0
Derivative financial liabilities	**107,137**	**26,870**	**655**	**53,433**	**0**	**26,179**	**0**
Total	**2,997,208**	**71,261**	**874,052**	**194,459**	**656,125**	**103,671**	**1,097,640**

		2014		2015 to 2018		After 2018	
Dec. 31, 2013	Total	Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
T€							
Financial liabilities from interests in partnerships	322,889	32,039	156,314	0	29	0	134,507
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	1,561	0	651	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	**3,191,061**	**82,516**	**1,116,958**	**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	**3,294,108**	**107,183**	**1,146,402**	**300,946**	**1,587,710**	**3,280**	**148,587**

Borrowings from shareholders are only repaid on the basis of separate repayment agreements. 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:

T€	2014	2013
Total comprehensive income	**67,211**	**125,602**
Deferred taxes for the year on items recognized	-7,991	8,448
Actuarial gains and losses	4,682	-236
Cash flow hedging	36,150	-35,208
Profit or loss	**100,052**	**98,606**
Share of profit of associates	-637	-1,897
Income taxes	65,971	54,994
Financial result	101,121	107,057
Operating profit (EBIT)	**266,507**	**258,760**
Depreciation and amortization	212,206	208,919
Write-ups	-1,206	0
Net profit/loss from disposal of non-current assets[1]	8,813	1,293
Increase/decrease in inventories	-1,577	-1,881
Increase/decrease in current receivables	25,635	-17,219
Increase/decrease in liabilities	6,218	-1,572
Increase/decrease in employee benefits	748	-1,957
Increase/decrease in provisions	-8,336	7,965
Increase/decrease in other working capital	17,780	26,123
Gross cash flow from operating activities	**526,788**	**480,431**
Net income taxes paid/received	-97,219	-23,393
Net cash flow from operating activities	**429,569**	**457,038**

[1] Thereof transfers into assets classified as held for sale T€ 5,214 (2013: T€ 418).

In fiscal year 2014, the companies MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Alpha KG, MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Beta KG, and MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Gamma KG were deconsolidated, while Malto Grundstücks-Verwaltungsgesellschaft mbH & Co. KG was deconsolidated in the prior year (Section III.3.a). Due to the deconsolidation, cash and cash equivalents decreased by T€ 6,751 (2013: T€ 152). Miscellaneous other assets decreased by T€ 1,480 (2013: T€ 0) and miscellaneous other liabilities by T€ 1,474 (2013: T€ 112). Consolidated net assets decreased by T€ 6,757 (2013: T€ 112) in total.

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) (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 from the lease of offices and other operational spaces 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 institutions with indirect shareholding through public assets such as the financial market stabilization funds SoFFin (including Commerzbank AG). Transactions with these credit institutions result from financial liabilities (loans) and derivatives (interest swaps).

T€	Dec. 31, 2014	Dec. 31, 2013
Non-derivative financial liabilities		
Interest payments	-30,903	-27,316
Repayments	-114,720	-95,223
Proceeds	108,357	93,087
Derivative financial liabilities		
Interest payments	-10,862	-10,708

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. Debit 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 in 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. Debit 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). The joint venture (MediCare Flughafen München Medizinisches Zentrum GmbH) and the subsidiaries (FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH and Munich Airport International Beteiligungs-GmbH) 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:

T€	Dec. 31, 2014	Dec. 31, 2013
Trade and other receivables	2,913	678
Liabilities	1,187	2,123
Lease revenues	5,526	5,325
Miscellaneous other revenues	3,384	5,513
Revenues	**8,910**	**10,838**
Cost of materials	8,804	8,098
Other expenses	362	417
Expenses	**9,166**	**8,515**

The miscellaneous other revenues relate primarily to IT services and maintenance. The cost of materials primarily results from aircraft handling and from medical services.

4. Transactions with related persons

The members of the 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:

T€	2014	2013
Salary	547	503
Incentives	302	302
Total	**849**	**834**

In addition, the executive officers received one-time payments, as well as emoluments in cash and not in cash, at a total amount of T€ 16 (2013: T€ 15).

Executive officers are entitled to post-employment pension benefits. The provisions for post-employment pension benefits to executive officers amount to T€ 3,910 (Dec. 31, 2013: T€ 2,783).

Provisions for post-employment pension benefits of former members of the Executive Board and surviving dependents are recognized at T€ 11,093 (Dec. 31, 2013: T€ 10,050). Pension payments amounted to T€ 746 (2013: T€ 724).

The total remuneration paid to the members of the Supervisory Board was T€ 16 (2013: T€ 16).

Munich, April 17, 2015

Dr. Michael Kerkloh **Thomas Weyer**

Supervisory Board's report

The Supervisory Board was informed regularly and in detail by the Executive Board in written reports and at meetings about the company's situation, its development, and important business events. In its meetings and the meetings of its committees, the Supervisory Board discussed all major company matters and made such decisions as it was called upon to make in accordance with its statutory responsibilities.

The financial statements as of December 31, 2014, and the Management Report of Flughafen München GmbH and of the Group presented by the Executive Board have been audited and approved by Deloitte & Touche GmbH, the appointed auditor.

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 consolidated financial statements. The Supervisory Board proposes that the shareholders endorse the financial statements of Flughafen München GmbH and approve the consolidated financial statements.

The Supervisory Board wishes to express its gratitude and respect for the work carried out and the successes achieved by the company's Executive Board and employees in fiscal year 2014.

Munich, June 30, 2015

Dr. Markus Söder
Chairman of the Supervisory Board of
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 fiscal year from January 1 to December 31, 2014. 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 22, 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dorn
German Public Auditor

ppa. Hehl
German Public Auditor

/Sustainable development

Sustainability program

The sustainability program is a Group-wide program that provides the roadmap for sustainable development at FMG. The main objectives of the Strategy 2025 are broken down into individual initiatives and measures in the sustainability program.

Members of top management take responsibility for the initiatives in their division, while members of middle management are responsible for implementing the associated measures. Every year, dedicated discussions are held to determine qualitative and quantitative criteria for measuring target achievement. The targets form part of the performance-oriented remuneration for managers. Together, the strategy team and the managers assess the effectiveness of the individual initiatives and measures and the degree to which they have been implemented.

→ Company profile and strategy
see page 21

Material topic [1]	Initiatives	Measures	Status 2014	Measure ends
Company and management				
Increasing air traffic capacity Customer satisfaction	Providing infrastructure and services to ensure traffic development	Supporting the proceedings for the third runway before the Bavarian Higher Administrative Court and the German Federal Administrative Court in order to give the planning approval notice legal force	90 %	2015
		Optimizing Terminal 1	planned	2020
		Increasing the capacity of the baggage transportation system in Terminal 2	75 %	2015
		Modernizing passenger security checks in Terminal 1	ongoing	ongoing
		Implementing delay code analyses (analyses to determine the reasons for air traffic delays)	80 %	2015
		Expanding the east apron	80 %	2015
		Constructing the Terminal 2 satellite	70 %	2015
		Total airport management at Munich Airport	20 %	2017
		Renovating the baggage carousel in Terminal 1 arrivals	90 %	2015
Customer satisfaction	Reinforcing the leisure component and innovation offensive in the Commercial Activities business unit	Long-term development of consumer-needs orientation according to the new USP positioning	ongoing	ongoing
		Further expansion of leisure components through attractive events, particularly in the public domain	100 %	2014 (completed)
Off-campus growth	Updating the off-campus strategy including all sub-strategies	Introducing a process for market and competitor analysis for FMG's international business	100 %	2014 (completed)
		Developing the service portfolio (consulting, management, investment)	80 %	2015
		Creating a business development plan for FMG's international activities	20 %	2015
		Analyzing and implementing a sustainable organizational structure for FMG's international business	75 %	2015

[1] Corresponds to topics from the materiality matrix, see page 29

Material topic [1]	Initiatives	Measures	Status 2014	Measure ends
Linking transportation operators (seamless travel)	Developing the available technical infrastructure	Consolidating the indoor navigation concepts (»Infogate goes mobile«, indoor navigation for Android/iOS, etc.)	20 %	2016
		Developing a mobile application as a sales channel in line with the new requirements	90 %	2015
	Developing a communication and cooperation concept	Developing a seamless travel cooperation strategy in order to gradually expand the B2B partner network	planned	2015
		Developing a seamless travel cooperation alliance with other airports to create a cross-airport approach (e. g. ADV/sister airports)	ongoing	ongoing
		Establishing a cross-industry, open innovation community in order to jointly develop the information, product, and service range	ongoing	ongoing
Linking transportation operators (seamless travel) Customer satisfaction	Developing a suitable information, product, and service range	Determining passengers' information requirements along the travel chain	planned	2015
		Determining the product and service range for new sales channels along the travel chain	planned	2015
		Continuing the individual innovative pilot projects currently ongoing in the field of seamless travel (with automotive manufacturers, coupon offers, etc.)	ongoing	ongoing
Responsible corporate leadership Employee satisfaction	Developing strategic innovation management	Developing and introducing a reporting system for planned and ongoing innovations	100 %	2014 (completed)
		Promoting the innovation structure, creating and establishing a new motivation and recognition system	25 %	2016
		Developing new initiatives with the support of all Group units	ongoing	ongoing
		Linking innovation management more closely to internal and external stakeholders (corporate strategy, subsidiaries, associations, and so on)	100 %	2014 (completed)
		Determining, documenting, and communicating the lessons learned from innovation projects	ongoing	ongoing
Landside access and traffic development	Improving rail traffic access in three stages (short/medium/long-term)	Supporting upgrading the rail connection between the airport and Munich's central train station	ongoing	ongoing
		Supporting the Neufahrner Kurve project	ongoing	ongoing
		Supporting the Erdinger Ringschluss project (Airport-Erding)	ongoing	ongoing
		Supporting the Walpertskirchener Spange project	ongoing	ongoing
		Supporting the ABS 38 project, Munich–Mühldorf–Freilassing	ongoing	ongoing
		Supporting a second trunk route to Munich	ongoing	ongoing
Landside access and traffic development Customer satisfaction	Optimizing »Services and Parking« for consumers in relation to landside mobility services	Integrating the strategic landside traffic concepts and products (rail, long-distance buses, car sharing) into the long-term parking requirement concepts	50 %	2015
		Implementing the sales and marketing strategy developed for mobility services	planned	2016
Responsible corporate leadership	Implementing and optimizing compliance management	Optimizing the compliance management system (CMS)	ongoing	ongoing
		Internal evaluation of the compliance management systems of the subsidiaries where a controlling interest is held	100 %	2014 (completed)
		Planning training in detail	100 %	2014 (completed)
		Conducting training	ongoing	ongoing
	Strategic development and sustainability management	Finalizing the 2025 corporate strategy (scenario-based development of the strategy for the period 2015–2025)	95 %	2015
		Translating the IIRC value creation model to the Group's internal value creation logic	10 %	2016
Equal opportunities and cultural diversity		Establishing a basic position on equal opportunities and diversity	50 %	2015

Material topic [1]	Initiatives	Measures	Status 2014	Measure ends
Customer satisfaction Responsible corporate leadership	Ensuring the necessary quality and efficiency at the Munich Airport site	Developing an awareness concept for increasing customer orientation and improving the service culture	100 %	2014 (completed)
		Introducing a portfolio management system for projects in the service quality program	100 %	2014 (completed)
		Developing, operating, monitoring, and coordinating the Group-wide quality management systems (ASQ, complaint management, etc.)	ongoing	ongoing
		Continuing and developing the quality and service offensive (5-star program)	ongoing	ongoing
Real estate development	Demand-oriented and economic development of airport real estate	Expanding the five-star airport hotel (Hilton) in the AirSite Center	30 %	2015
Environmental and climate protection [2]				
Noise protection measures and reductions in noise emissions	Accepting responsibility for pollution resulting from air traffic	Adjusting the noise-based take-off and landing fees	80 %	2015
		Designing and developing a noise protection strategy (active sound insulation, flying methods, for example CDA, flight paths, landing fees, passive sound insulation, noise protection programs)	ongoing	ongoing
		Implementing the noise protection strategy and developing innovative noise protection components (active sound insulation measures)	ongoing	ongoing
Reducing greenhouse gas emissions (CO_2) and air pollutants		Introducing pre-conditioned air systems	65 %	2015
Sustainable use of resources	Green IT	Ongoing integration of new measures into the Green IT implementation program	ongoing	ongoing
		Reducing the energy consumption per gigabyte of storage systems by using the latest technology	ongoing	ongoing
		Ongoing procurement of new IT equipment with continually tightened requirements, inclusion of the latest Energy-Star or TCO requirements catalogs, higher prioritization of energy-saving devices when choosing products in order to continually reduce consumption	ongoing	ongoing
Biodiversity Sustainable use of resources Sustainable use of resources Reducing greenhouse gas emissions (CO_2) and air pollutants	Establishing and developing environmental management	Implementing measures from the »environmental protection public concept« (for example environment tours, brochure range on important environmental topics)	ongoing	ongoing
		Developing environmental protection strategies for selected divisions (for example conservation, species protection, air hygiene, climate protection, water protection, soil protection)	ongoing	ongoing
		Airport Carbon Accreditation by the Airports Council International (ACI) (maintain »Level 3 – Optimization«, a seal of quality for successful CO_2 reduction)	ongoing	ongoing
Sustainable construction	Implementing energy-efficient and sustainable construction	Integrating sustainability criteria into extension and conversion planning based on the criteria of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen, DGNB)	100 %	2014 (completed)
		Certifying selected buildings to DGNB standards	ongoing	ongoing
Reducing greenhouse gas emissions (CO_2) and air pollutants	Reducing greenhouse gas emissions	Developing the CO_2 reduction concept (identifying CO_2 reduction measures to achieve the defined sub-target by the end of 2014 for CO_2-neutral growth by 2020)	100 %	2014 (completed)
		Implementing and monitoring CO_2 reduction measures (recording all CO_2-cutting measures in the database, optimizing lighting and ventilation, etc.)	80 %	2015

[1] Corresponds to topics from the materiality matrix, see page 29
[2] For the »Environmental and climate protection« outlook, a detailed environmental program was also published in the annual environmental statement within the framework of the environmental management system according to EMAS-VO and DIN EN ISO 14001.

Material topic [1]	Initiatives	Measures	Status 2014	Measure ends
Reducing greenhouse gas emissions (CO_2) and air pollutants	Using renewable energy	Procuring hydroelectric power from the Uppenborn plants	20 %	2015
		Realizing a second feed-in for possible acceptance of hydropower	100 %	2014 (completed)
	Energy concept 2030	Completing the first construction stage for the energy concept (replacement and increase in the capacity of the block heat and power plant, eastern power station)	80 %	2016
		Implementing the power saving program	80 %	2015
		Further measures to increase efficiency in existing stock	ongoing	ongoing
Sustainable use of resources	Environmentally friendly motor vehicle traffic at Munich Airport with a focus on e-mobility	Planning initial installation of charging stations for the vehicle pools	100 %	2014 (completed)
		Using electric vehicles internally at FMG and thereby testing infrastructure, measuring, and billing	85 %	2016
		Concept for billing battery charging, agreement with national standards	100 %	2014 (completed)
		Reducing the fuel consumption of the vehicle fleet and using alternative drive technologies (general reduction in gasoline/diesel consumption)	ongoing	ongoing
Sustainable use of resources	Resource conservation through recycling and process optimization	Improving the recycling process for aircraft de-icer	ongoing	ongoing
		Installing a central meter management system (smart-meter concept, central recording of energy flows)	ongoing	ongoing
		Reducing de-icer losses caused by transportation (constructing ground biofiltration systems near the head of the north-west runway)	100 %	2014 (completed)
		Using process water to cool the refrigerators at the eastern power station	85 %	2016
Workforce and work environment				
Employee satisfaction Employee training and recruitment	Increasing employer attractiveness internally and externally	Implementing employer branding	75 %	2015
		Conducting the INQA (New Quality of Work Initiative) audit »Sustainable corporate culture«	50 %	2016
		Implementing the onboarding concept	100 %	2014 (completed)
		Adapting the remuneration systems to future requirements	50 %	2015
		Care and control in the follow-up process for employee surveys	100 %	2014 (completed)
		Redesigning and relaunching the careers website	25 %	2015
Employee training and recruitment	Covering the employee requirement qualitatively and quantitatively	Adapting the training portfolio	75 %	2016
		Professionalizing the decentralized training officer system for quality assurance purposes	100 %	2014 (completed)
		Ensuring that satellite staff requirements are covered for FMG and subsidiaries	10 %	2016
		Supporting the international business through staff organizational measures	ongoing	ongoing
		Creating a talent management scheme	10 %	2016

Material topic [1]	Initiatives	Measures	Status 2014	Measure ends
Health management and occupational health and safety Responsible corporate leadership	Increasing efficiency and employability	Implementing an overall corporate health management concept for employees with health conditions	50 %	2015
		Implementing the Group-wide framework agreement on occupational medicine	100 %	2014 (completed)
		Setting up and conducting QA for the information center for employees with psychosocial problems	100 %	2014 (completed)
		Introducing a musculoskeletal program	10 %	2015
		Implementing a procurement process for office equipment	100 %	2014 (completed)
		Expanding the Human Resources role in Group integration (intensifying support for subsidiaries)	90 %	2015
		Introducing a uniform applicant management system	100 %	2014 (completed)
		Increasing Human Resources IT	50 %	2015
Responsible corporate leadership		Optimizing and implementing the personnel selection process	100 %	2014 (completed)
		Creating a Group-wide organization management system	50 %	2015
		Creating and implementing a guideline management framework	50 %	2015
		Implementing, communicating, and developing a standard procedure for reorganization processes	80 %	2015
Training and skills management	Ensuring excellent leadership	Developing and implementing short Leadership Excellence modules on the topic of corporate health management	100 %	2014 (completed)
		Developing and implementing an overall concept for manager training	50 %	2015
		Coaching for managers and employees	20 %	2015
		Implementing employee meetings	60 %	2015
Dialog and social responsibility				
Communicating with social stakeholder groups	Continuing to make sustainability a communication priority	Coordinating the BDL 4-liter campaign	100 %	2014 (completed)
		PR work to clarify the sustainability strategy	ongoing	ongoing
	Optimizing/reinforcing external communication	Maintaining the increased levels of PR work in Munich	60 %	2018
		Partial redesign of the visitors park	50 %	2015
	Sustaining and intensifying regional dialog through regular discussions with stakeholders	Information events for associations and stakeholders	ongoing	ongoing
		Collaborating with neighbors and partners in the immediate vicinity	ongoing	ongoing
		Preparing and implementing regional reception	ongoing	ongoing
	Solidifying engagement in local politics	Dialog with local and political representatives of the airport region	ongoing	ongoing
Collaborating with regional partners and suppliers	Creating transparent supplier and service relationships in the region	Information/communication for suppliers/service providers (creating information flyers for potential suppliers and service providers from the region)	ongoing	ongoing
		Fostering transparency in existing supplier and service relationships (recording and publishing details of FMG sales in the region)	ongoing	ongoing
Regional engagement	Assuming social responsibility in the non-profit sector in the areas of sport, social affairs, culture, and education	Continuing existing sponsorship agreements and examining new project requests on the basis of the FMG sponsorship principles and intensive dialog with sponsorship partners	ongoing	ongoing

[1] Corresponds to topics from the materiality matrix, see page 29

Sustainability indicators

G4-EC1 / Value generated

Group	2014 IFRS	2013 IFRS	2012 IFRS
	€ million	€ million	€ million
Revenue	1,200.1	1,184.4	1,186.8
Other income	54.6	46.7	64.4
Total revenue	1,254.7	1,231.1	1,251.2
minus non-personnel expenses	-401.0	-413.1	-402.7
minus amortization	-212.2	-208.9	-235.3
= Value generated	**641.5**	**609.1**	**613.2**

G4-EC1 / Value distributed

Group	2014 IFRS	2013 IFRS	2012 IFRS
	€ million	€ million	€ million
Employees	374.3	348.4	333.6
Lenders (netted)	101.1	107.1	114.2
Public sector	66.0	55.0	70.0
Munich Airport Group	100.1	98.6	95.3
= Value distributed	**641.5**	**609.1**	**613.2**

The value generated calculation represents the difference between the service provided by the company and the value of the advance services required. The distribution calculation shows the proportions distributed to those involved in the value creation process – employees, the public sector, and lenders.

The services provided by FMG to the public sector include taxes. The interest on the loans to shareholders is included under the »Lenders« recipient group. »Other income« includes other income from companies valued using the equity method. The »non-personnel expenses« include the cost of materials and other expenses.

G4-AO1, G4-AO2, G4-AO3 / Air traffic figures

	2014	2013	2012
Total passenger volume	**39,716,877**	**38,689,954**	**38,378,619**
Non-commercial traffic [1]	16,362	17,310	18,015
Total commercial traffic [1]	39,700,515	38,672,644	38,360,604
Scheduled and charter traffic	39,679,338	38,650,732	38,335,908
Other commercial traffic [1]	21,177	21,912	24,696
Total aircraft movements	**376,678**	**381,951**	**398,039**
General air traffic (non-commercial) [1]	9,079	9,941	10,056
Total commercial traffic [1]	367,599	372,010	387,983
Scheduled and charter traffic	357,295	361,779	376,889
General air traffic (commercial) [1]	10,304	10,231	11,094
Seating capacity utilization in %	**75.9**	**75.2**	**74.5**
Cargo throughput			
Cargo and airmail carried (t)	309,361	287,809	290,301
Total traffic units (TU)	**42,702,844**	**41,449,342**	**41,138,118**

[1] For term definitions see the Annual Statistics Report 2014, p. 42/43

↗ Web
munich-airport.com/statistics

→ Glossary

G4-AO1 / Passenger figures (commercial traffic only)

	2014			2013		
	Total	Domestic	International	Total	Domestic	International
Total commercial traffic	**39,700,515**	**9,356,210**	**30,344,305**	**38,672,644**	**9,379,605**	**29,293,039**
Arrivals	19,832,302	4,660,409	15,171,893	19,296,481	4,659,092	14,637,389
Departures	19,760,723	4,684,878	15,075,845	19,257,666	4,706,653	14,551,013
Transit passengers[1] – commercial	107,490	10,923	96,567	118,497	13,860	104,637
Number of O&D passengers[2] in millions	25.0	–	–	23.5	–	–
Number of transfer passengers in millions	14.7	–	–	15.0	–	–
Proportion of transfer passengers in %[3]	37	–	–	39	–	–

[1] Transit passengers are passengers who fly into the airport and continue their trip on the same aircraft. Transit passengers are only counted when landing.
[2] Origin & Destination passengers are passengers who start or end their trip at the airport.
[3] The proportion of transfer passengers is based on departure passenger surveys.

G4-AO2 / Aircraft movements[1]

	2014			2013		
	Total	Arrivals	Departures	Total	Arrivals	Departures
Passenger flights (scheduled/charter)	**353,326**	**176,548**	**176,778**	**358,019**	**178,859**	**179,160**
Domestic	85,934	42,957	42,977	88,634	44,227	44,407
International	267,392	133,591	133,801	269,385	134,632	134,753
Cargo flights (scheduled/charter)	**3,507**	**1,734**	**1,773**	**3,298**	**1,639**	**1,659**
Domestic	1,426	761	665	1,309	754	555
International	2,081	973	1,108	1,989	885	1,104
Airmail flights (scheduled/charter)	**462**	**230**	**232**	**462**	**231**	**231**
Domestic	462	230	232	462	231	231
International	–	–	–	–	–	–
General air traffic	**19,383**	**9,826**	**9,557**	**20,172**	**10,244**	**9,928**
Domestic	8,381	4,219	4,162	9,085	4,694	4,391
International	11,002	5,607	5,395	11,087	5,550	5,537
Total	**376,678**	**188,338**	**188,340**	**381,951**	**190,973**	**190,978**

[1] Military flights are not included.

G4-AO3 / Cargo tonnage (commercial handling)

	2014			2013		
in t	Cargo handled	Incoming cargo	Outgoing cargo	Cargo handled	Incoming cargo	Outgoing cargo
Cargo-only flights	42,264	15,179	27,085	34,459	14,408	20,051
Bellyhold cargo on passenger flights	249,211	103,763	145,447	235,521	99,526	135,995
Total on all flights	**291,475**	**118,942**	**172,533**	**269,980**	**113,934**	**156,046**

↗ Web
Detailed information on nighttime aircraft movements can be found in the monthly impact reports: munich-airport.com/impacts

↗ Web
munich-airport.com/sponsoring

G4-SO1 / Donations and sponsorship[1]

Group	2014	2013	2012
Proportion of total budget in %			
Sport	36	33	32
Social welfare	31	35	29
Education	13	15	13
Culture	20	17	26

[1] The annual sponsoring budget is linked to FMG's external sales.

G4-10, G4-LA12 / Total workforce

Group	2014						2013		2012	
	Women	Proportion in %[3]	Men	Proportion in %[3]	Total	Proportion in %[3]	Total	Proportion in %[3]	Total	Proportion in %[3]
Total employees[1]	**2,622**	**34.52**	**4,973**	**65.48**	**7,595**	**100**	**7,358**	**100**	**7,197**	**100**
Full and part-time employees[1]										
Full-time	1,711	22.53	4,427	58.29	6,138	80.82	5,930	80.59	5,810	80.73
Part-time	911	11.99	546	7.19	1,457	19.18	1,428	19.41	1,387	19.27
Employment contracts[1]										
Temporary	507	6.68	563	7.41	1,070	14.09	1,001	13.60	949	13.19
Permanent	2,115	27.85	4,410	58.06	6,525	85.91	6,357	86.40	6,248	86.81
Other employees	**294**		**702**		**996**		**982**		**1,087**	
Apprentices	153	–	113	–	266	–	266	–	246	–
Interns	23	–	18	–	41	–	36	–	27	–
Temporary workers	14	–	382	–	396	–	365	–	444	–
Workers in minor employment	104	–	189	–	293	–	315	–	370	–
Total employees including other employees of the Munich Airport Group	**2,916**		**5,675**		**8,591**		**8,340**		**8,284**	
Employees on the airport campus[2]					**32,250**		**32,250**		**32,250**	

FMG	2014						2013		2012	
	Women	Proportion in %[3]	Men	Proportion in %[3]	Total	Proportion in %[3]	Total	Proportion in %[3]	Total	Proportion in %[3]
Total employees[1]	**849**	**20.89**	**3,216**	**79.11**	**4,065**	**100**	**4,003**	**100**	**4,011**	**100**
Full and part-time employees[1]										
Full-time	572	14.07	2,927	72.00	3,499	86.08	3,410	85.19	3,425	85.39
Part-time	277	6.81	289	7.11	566	13.92	593	14.81	586	14.61
Employment contracts[1]										
Temporary	18	0.44	64	1.57	82	2.02	93	2.32	109	2.72
Permanent	831	20.44	3,152	77.54	3,983	97.98	3,910	97.68	3,902	97.28
Other employees	**104**		**111**		**215**		**221**		**203**	
Apprentices	77	–	67	–	144	–	150	–	138	–
Interns	20	–	13	–	33	–	31	–	22	–
Temporary workers	0	–	1	–	1	–	0	–	0	–
Workers in minor employment	7	–	30	–	37	–	40	–	43	–
Total employees including other employees of FMG	**953**		**3,327**		**4,280**		**4,224**		**4,214**	

[1] At December 31: excluding apprentices, workers in minor employment, temporary workers, and interns
[2] Includes all companies based at Munich Airport. Data based on 2012 employment statistics. Employment statistics are collected every three years.
[3] All percentages are based on the total number of employees as per.[1]

G4-11 / Employees covered by collective bargaining agreements

	2014		2013		2012	
	Group	FMG	Group	FMG	Group	FMG
Total number of employees covered by collective bargaining agreements	**7,673**	**4,147**	**7,430**	**4,090**	**7,171**	**4,046**
Proportion of total employees in % [1]	89.31	96.89	89.09	96.83	86.56	96.01

[1] All percentages are based on the total number of employees including other employees.

G4-LA12 / Age structure, gender

Group	2014						2013		2012	
	Women	Proportion in % [2]	Men	Proportion in % [2]	Total	Proportion in % [2]	Total	Proportion in % [2]	Total	Proportion in % [2]
Age structure of employees [1]										
Under 30 years	568	7.48	558	7.35	1,126	14.83	1,167	15.86	1,165	16.19
30 to 50 years	1,441	18.97	2,727	35.91	4,168	54.88	4,200	57.08	4,062	56.44
Over 50 years	613	8.07	1,688	22.23	2,301	30.30	1,991	27.06	1,970	27.37
Total	**2,622**	**34.52**	**4,973**	**65.48**	**7,595**	**100**	**7,358**	**100**	**7,197**	**100**

FMG	2014						2013		2012	
	Women	Proportion in % [2]	Men	Proportion in % [2]	Total	Proportion in % [2]	Total	Proportion in % [2]	Total	Proportion in % [2]
Age structure of employees [1]										
Under 30 years	187	4.60	170	4.18	357	8.78	330	8.24	341	8.50
30 to 50 years	508	12.50	1,800	44.28	2,308	56.78	2,344	58.56	2,270	56.59
Over 50 years	154	3.79	1,246	30.65	1,400	34.44	1,329	33.20	1,400	34.90
Total	**849**	**20.89**	**3,216**	**79.11**	**4,065**	**100**	**4,003**	**100**	**4,011**	**100**

[1] At December 31: excluding apprentices, workers in minor employment, temporary workers, and interns
[2] All percentages are based on the total number of employees as per.[1]

G4-LA12 / Managers

Group	2014		2013		2012	
		Proportion in %		Proportion in %		Proportion in %
Managers total	**637**	**8.39** [1]	**621**	**8.44** [1]	**564**	**7.84** [1]
Women	158	2.08 [1]	149	2.03 [1]	114	1.58 [1]
Men	479	6.31 [1]	472	6.41 [1]	450	6.25 [1]
Age structure of managers						
Under 30 years	28	4.40 [2]	26	4.19 [2]	22	3.90 [2]
30 to 50 years	351	55.10 [2]	349	56.20 [2]	313	55.50 [2]
Over 50 years	258	40.50 [2]	246	39.61 [2]	229	40.60 [2]

FMG	2014		2013		2012	
		Proportion in %		Proportion in %		Proportion in %
Managers total	**391**	**9.62** [1]	**377**	**9.42** [1]	**373**	**9.30** [1]
Women	54	1.33 [1]	44	1.10 [1]	45	1.12 [1]
Men	337	8.29 [1]	333	8.32 [1]	328	8.18 [1]
Age structure of managers						
Under 30 years	5	1.28 [2]	7	1.86 [2]	7	1.88 [2]
30 to 50 years	201	51.41 [2]	196	51.99 [2]	182	48.79 [2]
Over 50 years	185	47.31 [2]	174	46.15 [2]	184	49.33 [2]

[1] At December 31: proportion of managers (up to 4th management level) relative to the total number of employees
[2] Proportion of managers relative to the total number of employees

G4-LA3 / Parental leave taken[1]

Group	2014			2013	2012
	Women	Men	Total	Total	Total
Parental leave taken	71	69	**140**	**147**	**193**
Part-time parental leave taken	10	0	**10**	**28**	**19**

FMG	2014			2013	2012
	Women	Men	Total	Total	Total
Parental leave taken	25	44	**69**	**54**	**87**
Part-time parental leave taken	6	0	**6**	**21**	**11**

[1] Number of employees who have taken parental leave in the year under review. Figures exclude apprentices, workers in minor employment, temporary workers, and interns.

G4-LA1 / Employee turnover[1]

Group	2014				2013		2012	
	Starters	Proportion in %[2]	Leavers	Proportion in %[2]	Starters	Leavers	Starters	Leavers
Starters and leavers by age group								
Under 30 years	478	51.45	303	39.05	468	300	509	339
30 to 50 years	370	39.83	284	36.60	322	240	395	263
Over 50 years	81	8.72	189	24.36	69	128	74	133
Total	**929**	**100**	**776**	**100**	**859**	**668**	**978**	**735**
Starters and leavers by gender								
Male	499	53.71	433	55.80	459	373	536	386
Female	430	46.29	343	44.20	400	295	442	349

FMG	2014				2013		2012	
	Starters	Proportion in %[2]	Leavers	Proportion in %[2]	Starters	Leavers	Starters	Leavers
Starters and leavers by age group								
Under 30 years	85	45.70	43	22.40	89	53	114	60
30 to 50 years	92	49.46	45	23.44	69	55	74	58
Over 50 years	9	4.84	104	54.17	9	74	6	72
Total	**186**	**100**	**192**	**100**	**167**	**182**	**194**	**190**
Starters and leavers by gender								
Male	118	63.44	155	80.73	109	139	121	143
Female	68	36.56	37	19.27	58	43	73	47

[1] Including apprentices, excluding workers in minor employment, temporary workers, and interns
[2] All percentages are based on the total number of starters/leavers as per.[1]

G4-LA1 / Turnover rate[1]

in %	2014		2013		2012	
	Group	FMG	Group	FMG	Group	FMG
Turnover rate	9.86	4.61	9.15	4.41	8.66	4.60

[1] The turnover rate reflects the ratio of leavers to the number of employees (including apprentices, excluding workers in minor employment, temporary workers, and interns) as at December 31 in the year under review.

G4-LA9 / Average hours of training[1),2)]

	2014		2013		2012	
	Group	FMG	Group	FMG	Group	FMG
Average hours of training per employee	**13.97**	**10.20**	**12.45**	**7.93**	**12.94**	**12.94**
Per male employee	15.01	11.00	12.85	8.56	– [3)]	14.33
Per female employee	12.15	7.26	9.59	5.41	– [3)]	9.16
Per manager [4)]	10.59	8.03	15.15	11.70	– [3)]	18.30
Per employee (without managerial responsibilities)	18.09	10.47	15.58	7.54	– [3)]	11.94

[1)] At December 31: excluding apprentices, workers in minor employment, temporary workers, and interns
[2)] Mean hours of advanced training, training, and seminars per worker, only workers as per [1)]; excluding aviation security courses
[3)] Data not yet fully compiled
[4)] Managers at the 2nd through 4th management level

G4-LA6 / Occupational health and safety

Group [1)]	2014	2013	2012
Total			
Accident statistics [2)]			
Reportable occupational accidents	177	231	219
Resulting days of absence	4,443	4,703	3,064
Fatal occupational accidents	0	0	0
Rate per 1,000 workers [3)]	24.82	33.19 [4)]	33.96 [4)]

FMG [1)]	2014	2013	2012
Total			
Accident statistics [2)]			
Reportable occupational accidents	78	105	106
Resulting days of absence	2,533	2,455	1,620
Fatal occupational accidents	0	0	0
Rate per 1,000 workers [3)]	20.73	28.55 [4)]	29.20 [4)]

Workers in ground handling [5)]	2014	2013	2012
Total			
Accident statistics [2)]			
Reportable occupational accidents	89	113	102
Resulting days of absence	2,791	2,900	1,761
Fatal occupational accidents	0	0	0
Rate per 1,000 workers [3)]	49.88	62.71	56.40

Aircraft handling on the ground is a critical area for occupational health and safety measures at Munich Airport. Therefore, additional accident statistics for employees who work in aircraft handling were published in the 2014 report for the first time alongside the FMG and Group figures.

[1)] Including apprentices, workers in minor employment, temporary workers, and interns
[2)] Injuries requiring first aid are recorded when employees attend Munich Airport's medical center.
[3)] Actual average employee capacity (EC) achieved in 2014 x 1,000 / total number of employees according to [1)] and other employees in the relevant year
[4)] The method of calculating the rate per 1,000 workers was modified in 2014 for better external comparability. Owing to the modified calculation method, the values displayed here for 2012 and 2013 do not correspond to the values published in previous years' reports.
[5)] Ground handling employees working for FMG and employees and temporary workers at AeroGround

G4-LA6 / Sick leave

Group	2014			2013	2012
	Women [3)]	Men [3)]	Total	Total	Total
Reported occupational illnesses [1)]	0	7	7	9	4
Illness rate in % [2)]	5.81	7.20	6.74	5.51	7.06

FMG	2014			2013	2012
	Women	Men	Total	Total	Total
Reported occupational illnesses [1)]	0	6	6	7	4
Illness rate in % [2)]	4.38	7.67	7.03	7.42	7.41

[1)] Including apprentices, excluding workers in minor employment, temporary workers, and interns
[2)] Hours off sick in relation to planned working hours, including rehabilitation, therapy programs, treatment, and so on. Relates to total workforce as per. [1)]
[3)] Data excluding CAP Flughafen München Sicherheits-GmbH

G4-LA12 / Employees with disabilities[1]

Group	2014	2013	2012	FMG	2014	2013	2012
	Total	Total	Total		Total	Total	Total
Number of employees with limiting disabilities	634	585	570	Number of employees with limiting disabilities	481	467	459
Employees with severe disabilities in %	8.35	7.96	7.93	Employees with severe disabilities in %	11.83	11.67	11.12

[1] Total number of employees with disabilities as per Book IX of the Social Security Code

G4-LA12 / Nationalities[1]

Group	2014				2013		2012	
	Women	Men	Total	Proportion in %[2]	Total	Proportion in %[2]	Total	Proportion in %[2]
Employee nationalities (overall picture)			**7,861**	**100**	**7,624**	**100**	**7,444**	**100**
German nationals	2,315	4,224	**6,539**	83.18	**6,406**	84.02	**6,310**	84.77
Foreign nationals	460	862	**1,322**	16.82	**1,218**	15.98	**1,134**	15.23
Nationalities of foreign employees								
Turkey	41	371	**412**	5.24	**415**	5.44	**428**	5.75
Austria	20	38	**58**	0.74	**57**	0.75	**61**	0.82
Italy	24	67	**91**	1.16	**84**	1.10	**75**	1.01
Greece	18	31	**49**	0.62	**48**	0.63	**36**	0.48
Kosovo	9	30	**39**	0.50	**40**	0.52	**36**	0.48
Romania[3]	31	22	**53**	0.67	**33**	0.43	**–**	–
Bulgaria[3]	12	9	**21**	0.27	**14**	0.18	**–**	–
Bosnia and Herzegovina	4	11	**15**	0.19	**15**	0.20	**19**	0.26
USA	3	8	**11**	0.14	**10**	0.13	**17**	0.23
United Kingdom	8	14	**22**	0.28	**21**	0.28	**17**	0.23
Africa	17	31	**48**	0.61	**48**	0.63	**51**	0.69
Other nationalities	273	230	**503**	6.40	**433**	5.68	**394**	5.29

FMG	2014				2013		2012	
	Women	Men	Total	Proportion in %[2]	Total	Proportion in %[2]	Total	Proportion in %[2]
Employee nationalities (overall picture)			**4,209**	**100**	**4,153**	**100**	**4,149**	**100**
German nationals	876	2,879	**3,755**	89.21	**3,689**	88.83	**3,678**	88.65
Foreign nationals	50	404	**454**	10.79	**464**	11.17	**471**	11.35
Nationalities of foreign employees								
Turkey	1	271	**272**	6.46	**287**	6.91	**296**	7.13
Austria	6	22	**28**	0.67	**29**	0.70	**30**	0.72
Italy	7	22	**29**	0.69	**30**	0.72	**30**	0.72
Greece	3	13	**16**	0.38	**15**	0.36	**15**	0.36
Kosovo	0	11	**11**	0.26	**10**	0.24	**11**	0.27
Romania[3]	0	0	**0**	0.00	**0**	0.00	**–**	–
Bulgaria[3]	2	2	**4**	0.10	**3**	0.07	**–**	–
Bosnia and Herzegovina	0	6	**6**	0.14	**6**	0.14	**6**	0.14
USA	2	4	**6**	0.14	**6**	0.14	**6**	0.14
United Kingdom	1	4	**5**	0.12	**5**	0.12	**5**	0.12
Africa	0	12	**12**	0.29	**9**	0.22	**9**	0.22
Other nationalities	28	37	**65**	1.54	**64**	1.54	**63**	1.52

[1] At December 31: including apprentices, excluding workers in minor employment, temporary workers, and interns
[2] All percentages are based on the total number of employees as per.[1]
[3] Countries newly incorporated in the survey in 2013

G4-10, G4-LA1 / Employees' areas of residence[1),2)]

	2014				2013		2012	
	Group	Proportion in %[3)]	FMG	Proportion in %[3)]	Group	FMG	Group	FMG
Freising	1,892	24.07	809	19.22	1,857	798	1,622	791
Erding	1,716	21.83	1,035	24.59	1,696	1,044	1,619	1,040
Munich	1,605	20.42	717	17.03	1,486	687	1,282	697
Landshut	1,120	14.25	656	15.59	1,056	635	985	631
Pfaffenhofen	175	2.23	87	2.07	126	83	124	80
Other districts	1,353	17.21	905	21.50	1,403	906	1,811	910
Total	**7,861**	**100**	**4,209**	**100**	**7,624**	**4,153**	**7,443**	**4,149**

[1)]Resident in administrative district at December 31: including apprentices, excluding workers in minor employment, temporary workers, and interns
[2)]Number of employees residing in the particular district
[3)]All percentages are based on the total number of employees as per.[1)]

G4-EN1, G4-EN2, G4-AO6 / Materials used: de-icer[1)]

	2013/2014	2012/2013	2011/2012
Apron de-icer in t[2)]	1,097	5,251	2,600
Aircraft de-icer (Safewing Type I) in m³	1,959	7,762	4,020
Aircraft de-icer (Safewing Type IV) in m³	391	2,215	1,080
Recycling rate of Type I de-icer used in %	59	71	67
Number of days winter operations	38	72	50

[1)]Seasonal database
[2)]Liquid potassium formate and sodium formate granules

The company responsible for de-icing operations at Munich Airport, Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH (EFM), uses glycol-based de-icer that is sprayed onto aircraft by de-icing vehicles.

Low-viscosity Type I de-icer is mixed with water in a ratio of 55:45. It is heated and applied to the aircraft at a temperature of 85 degrees Celsius. Type IV de-icer contains thickeners, making it viscous. It is sprayed on cold and undiluted.

De-icer is applied to aircraft at de-icing points and drains, together with melted ice and snow, through slit drainage gutters into underground collecting tanks. This mixture is transported by truck to the recycling plant, where it is cleaned in a number of mechanical and chemical stages before being distilled. This process produces the glycol-containing substance on which the de-icer is based and to which additives are added to once again create Type I de-icer. Following lab tests and manufacturer clearance, the de-icer can be used again.

The recycling rate achieved with this process was 59 percent for the 2013/2014 season.

↗ Web
efm.aero

G4-EN1, G4-EN3, G4-EN4, G4-EN15, G4-EN16, G4-EN17, G4-EN30 / Energy consumption and emissions[1]

	2014			2013			2012		
	GJ	MWh	CO_2 (t)	GJ[2]	MWh	CO_2 (t)	GJ[2]	MWh	CO_2 (t)
Scope 1: direct energy consumption/emissions									
Natural gas gas/diesel generating sets CHPP	706,119	196,144	39,168	717,271	199,242	39,665	652,993	181,387	36,084
Natural gas gas/gasoline generating sets CHPP	466,906	129,696	25,899	440,250	122,292	24,346	438,639	121,844	24,239
Natural gas boiler plant	11,059	3,072	613	8,491	2,359	470	6,796	1,888	376
Fuel oil gas/diesel gensets	75,841	21,067	5,620	78,416	21,782	5,811	80,892	22,470	5,986
Fuel oil boiler plant	113	31	8	105	29	8	126	35	9
LPG	4,041	1,123	262	4,039	1,122	261	3,995	1,110	259
Fuel oil emergency gensets	1,582	439	117	1,359	377	101	2,450	680	181
Natural gas consumption EFM[3]	3,702	1,028	205	14,437	4,010	798	12,062	3,351	667
Diesel and gasoline	141,296	39,249	10,446	160,690	44,636	11,894	166,046	46,124	12,257
Total scope 1	**1,410,660**	**391,850**	**82,339**	**1,425,057**	**395,849**	**83,353**	**1,363,999**	**378,889**	**80,058**
Scope 2: indirect energy consumption/emissions[4]									
Purchased power[5]	299,600	83,222	49,517	319,796	88,832	53,388	349,463	97,073	54,943
Purchased district heat[6]	86,458	24,016	2,558	129,899	36,083	3,843	143,233	39,787	4,237
Purchased natural gas[7]	6,070	1,686	337	8,485	2,357	469	5,847	1,624	323
Power supplied to outside companies[8]	-209,260	-58,128	-34,586	-214,316	-59,532	-35,779	-210,358	-58,433	-33,073
Heat supplied to outside companies	-138,630	-38,508	-7,311	-159,796	-44,388	-8,232	-150,121	-41,700	-7,507
Cooling supplied to outside companies	-17,821	-4,950	-589	-10,869	-3,019	-362	-10,969	-3,047	-344
Natural gas supplied to outside companies	-6,070	-1,686	-337	-8,485	-2,357	-469	-5,847	-1,624	-323
Purchased power transmitted[9]	38,415	10,671	6,349	23,747	6,596	3,964	23,240	6,456	3,654
Total scope 2	[10]	[10]	**15,938**	[10]	[10]	**16,822**	[10]	[10]	**21,910**
Scope 3: other indirect energy consumption/ emissions (by third parties)	[11]	[11]		[11]	[11]		[11]	[11]	
Electrical energy purchases of outside companies	–	–	34,586	–	–	35,779	–	–	33,073
Heat purchases of outside companies	–	–	7,311	–	–	8,232	–	–	7,507
Cooling purchases of outside companies	–	–	589	–	–	362	–	–	344
Natural gas purchases of outside companies	–	–	337	–	–	469	–	–	323
Fuel for outside companies	–	–	7,135	–	–	7,458	–	–	7,338
Subtotal	**–**	**–**	**49,958**	**–**	**–**	**52,301**	**–**	**–**	**48,585**
Total annual CO_2 emissions open to influence[12]	**–**	**–**	**148,235**	**–**	**–**	**152,476**	**–**	**–**	**150,553**
→ Glossary Air traffic (LTO cycle)	–	–	389,211	–	–	386,113	–	–	387,308
Take-off	–	–	51,052	–	–	48,838	–	–	48,552
Climb out	–	–	87,605	–	–	85,020	–	–	84,825
Idle (traveling on the apron)	–	–	145,124	–	–	150,354	–	–	151,860
Approach	–	–	105,430	–	–	101,901	–	–	102,071
→ Glossary APU	–	–	41,592	–	–	40,129	–	–	38,828
Engine test runs	–	–	997	–	–	1,400	–	–	1,056
Feeder traffic[13]	–	–	39,247	–	–	39,732	–	–	38,082
Total scope 3			**521,005**			**519,675**			**513,859**

[1] Data collected and reported according to the GHG Protocol WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Principle of operational control applied. To the extent that they are subject to emissions trading, conversion parameters, such as heat values and emission factors in particular, are determined according to the provisions of the German Emissions Trading Authority (DEHSt). Other conversion parameters are based on the latest publications from the German Federal Environment Agency (UBA).

[2] The values in this column were adjusted retroactively on account of an internal calculation error.

[3] EFM: Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München (company responsible for de-icing at Munich Airport); associated company

[4] Scope 2 emissions reported using the GHG Protocol Scope 2 Guidance (2015) based on emission factors for domestic consumption in Germany, electricity mix, and district heating mix. Net scope 2 emissions with specific emission factors are 0.595 kg/kWh for electricity and 0.219 kg/kWh for district heat from fossil fuels (50% biomass). The total purchased district heat consists of 50% district heat from fossil fuels and 50% district heat from biomass with a specific emission factor of 0 kg/kWh.

[5] 25.8% electricity from renewable energy sources (as of 2013 according to Section 42 of the German Energy Act [EnWG])

[6] 50% district heat from biomass

[7] Solely natural gas purchased (baseline year 2014), no renewable energy sources

[8] Including the quantity transmitted to outside companies

[9] Total power transmitted to outside companies and subsidiaries. The specific emission factor used for purchased power was also used here.

[10] For physical reasons it is not practical to add heat, cooling energy, and electricity in energy units. The sum can only be used to draw very limited conclusions.

[11] No information as values cannot be specified for all items

[12] Sum of scope 1, scope 2, and the subtotal of scope 3: This is the comparative value for the reference value taken from the baseline year of 2005 at 162,046 tonnes. The CO_2 reference value must not be exceeded in spite of expansion plans and the expected growth.

[13] Feeder traffic includes the traffic caused by passengers, visitors, and employees.

G4-EN6, G4-EN19, G4-EN27 / CO_2 monitoring and CO_2 footprint

The CO_2 footprint is calculated according to the specifications of the internationally recognized Greenhouse Gas Protocol that divides emissions into three categories according to the polluter pays principle:

- **Scope 1** comprises emissions caused by energy produced in-house.
- **Scope 2** covers the energy purchased to meet internal requirements and the associated emissions.
- **Scope 3** relates to emissions caused through use of the airport by third parties. Here, a distinction is made between the emissions that can still be influenced and those that cannot, or that can only be influenced with great difficulty.

The CO_2 emissions that FMG can directly control must be kept to a level of around 160,000 tonnes a year (the reference point from the baseline year 2005), in spite of expansion plans and the expected traffic growth. Without consistent countermeasures, additional emissions of between 50,000 and 80,000 tonnes of carbon dioxide would be generated in 2020, bringing the CO_2 emissions that can be influenced to a total of approximately 210,000 to 240,000 tonnes.

FMG is also trying to reduce the emissions that it cannot influence or that are difficult to influence, such as those generated by airlines and public transportation. For instance, it is working to expand railway connections to the airport and to cut hazardous emissions by levying emission-based landing fees.

One of the most important elements of CO_2 management is the CO_2 database, which was developed by FMG and serves as a reporting, control, and monitoring instrument for all activities relating to CO_2 reduction and energy efficiency. The descriptions and results of the various measures can be found in the section on »Environmental and climate protection«.

G4-EN7, G4-EN16, G4-EN19 / District heat

Munich Airport currently produces around 80 percent of its annual heat energy requirements itself in the block heat and power plant. Aside from a tiny amount that is generated in peak load boilers, the airport meets the remainder of its heating needs by purchasing district heat from a public utility company in Freising. Since early 2011, 50 percent of this purchased district heat – roughly 12 gigawatt hours (GWh) – has been generated by a biomass thermal power plant in Zolling. This procurement is secured by a long-term supply option for the coming years. This district heat obtained from biomass is renewable and climate neutral, and cuts CO_2 emissions by around 2,500 tonnes per year.

→ See scope 2 »Purchased district heat«

G4-EN5 / Energy intensity coefficient[1]

	2014	2013	2012
Power consumption in kWh/pax (per passenger)	5.59	5.95	5.83

[1] Power consumption is responsible for more than 2/3 of the total CO_2 emissions produced by energy-induced processes in the airport (excluding emissions generated by airlines). For this reason, the power consumption per passenger (from the air traffic statistics) is the most useful key figure for energy consumption at the airport. Power consumption is only very slightly linked to weather conditions and varies very little between hot and cold years. The power consumption is made up of total power consumption of all buildings and installations on the campus, including hosted electricity. This includes the power consumption of FMG and its subsidiaries, as well as that of external companies. All losses are also included at the low-voltage level.

G4-EN18 / Intensity of GHG emissions[2]

	2014	2013	2012
CO_2 emissions in kg/pax	3.73	3.94	3.92

[2] The CO_2 emissions per passenger (from the air traffic statistics) is one of the most useful key figures for the airport. It enables a physically meaningful addition of the various forms of primary and secondary energy used at the airport. The CO_2 emissions from scope 1 and 2 are added, as well as power, heat, cooling energy, natural gas, and fuel consumption by external companies. The total figure therefore includes all emissions that must not exceed the targets for CO_2-neutral growth. This is the comparative value for the reference value taken from the baseline year of 2005 at 162,046 tonnes.

G4-EN17, G4-EN20, G4-EN30 / Other greenhouse gas emissions (CH_4, N_2O)

CH_4, N_2O in CO_2 equivalent (t)	2014	2013	2012	
LTO cycle	3,849	3,818	3,910	→ Glossary
Feeder traffic[1]	383	331	331	
APU	412	397	392	→ Glossary
Engine test runs	10	13	11	
Small appliances in buildings	189	78	153	
Mobile systems (vehicles)	42	62	82	

[1] Feeder traffic includes the traffic caused by passengers, visitors, and employees.

G4-EN21, G4-AO5 / Measured pollutant concentrations

in µg/m³	Current legal annual limit value	2014	2013	2012
NO_2 concentration (nitrogen dioxide)	40	22	24	24
SO_2 concentration (sulfur dioxide)[1]	20	2	3	3
PM_{10} concentration (particulate matter)	40	15	16	16
$PM_{2.5}$ concentration[2]	25	11	13	12

[1] There is no legal annual limit for SO_2 for protecting human health. The pollutant value specified by the administrative regulation TA Luft for protecting human health is 50 µg/m³ and is thus higher than the legal limit value for protecting vegetation specified here. Strictly speaking, this limit applies only outside major urban centers or transportation facilities. As long as both this value and the TA Luft limit value are not exceeded, there is no danger to human health in a worst-case scenario.
[2] Target value until 2015, limit value from 2015

↗ Web
munich-airport.com/air

→ Glossary

G4-EN21, G4-EN30, G4-AO5 / Air pollutant emissions

in t	2014	2013	2012
NO_x – air traffic (LTO cycle)	1,401	1,326.2	1,491.0
NO_x – feeder traffic[1]	92	107.9	100.0
SO_x – air traffic (LTO cycle)	99	97.9	98.2
SO_x – feeder traffic	0.2	0.2	0.2
PM_{10} – air traffic (LTO cycle)	11.5	12	12.4
PM_{10} – feeder traffic	1.51	2.3	2.4

[1] Feeder traffic includes the traffic caused by passengers, visitors, and employees.

Pollution sources at the airport and their impact

The main sources of pollution at the airport are vehicles and aircraft. Vehicle pollutants are largely generated by public (landside) traffic (employees, passengers, visitors, freight) and by operational (airside) traffic (for example apron buses, luggage vehicles, aircraft towing vehicles). Pollutants are generated by aircraft during the various operating states of the landing and take-off cycle (LTO cycle), during operation of auxiliary power units (APU) or ground power units (GPU), and during engine test runs. Heating plants, power grids, and storage tanks also emit pollutants. In addition to airport emissions, the pollutant concentrations measured also include their transformation products and the regional and national background pollution in the atmosphere. The background values make the largest contribution to the concentrations measured.

Pollution constituents

The combustion of kerosene in aircraft gives rise to water vapor (H_2O), carbon dioxide (CO_2), sulfur dioxide (SO_2), nitrogen oxides (NO_x), carbon monoxide (CO), unburned hydrocarbons, soot, and particulate matter (PM_{10}). Around three-quarters of the carbon dioxide and nitrogen oxide produced by the airport comes from air traffic. In addition to the main aircraft engines during the LTO (landing and take-off) cycle, the following sources contribute to pollution:

- Operating auxiliary power units (APU) and ground power units (GPU)
- Engine test runs
- Operating service equipment on the apron (such as aircraft towing vehicles)
- Landside vehicle traffic including parking lots (employees, passengers, visitors, freight)
- Airside vehicle traffic (such as follow-me vehicles)
- Power plants (supply of electricity, heat energy, and cooling energy)

G4-EN8 / Total fresh water consumption[1),2)]

	2014	2013	2012
Water purchased from utility in m³	991,575	1,000,558	942,607
Water consumption per 1,000 traffic units in l	23.2	24.1	22.9

[1)] Includes all companies on the campus
[2)] Description of how the values are derived: water metering (991,575 m³) measured at the drinking water feed points (transfer points) from the water utility company to Munich Airport

G4-EN8, G4-EN9 / Water sources

Munich Airport sources its drinking 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.

G4-EN22 / Total wastewater discharge[1),2)]

	2014	2013	2012
Total wastewater discharged from Munich Airport to sewage plant in m³	1,963,719	2,464,802	2,474,845
Wastewater consumption per 1,000 traffic units in l	46	59.5	60.2

[1)] Includes all companies on the campus
[2)] The wastewater discharged to the sewage plant is made up of domestic wastewater, de-icing water, and rainwater.

G4-EN10 / Wastewater discharge

Purification of the domestic wastewater, de-icing water, and, to some extent, rainwater (mixed system) takes place at the Eitting sewage plant, which is operated by the »Erdinger Moos sewage treatment association«, of which FMG is a member. Storm water 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 sewage system of the Erdinger Moos sewage treatment association. Regular quality controls ensure compliance with the monitoring values established by governmental authorities.

G4-A04 / Storm water

Storm water that falls on paved areas of Munich Airport is collected, treated, and managed in different ways, depending on the area where the water is found (for example, flight operation areas such as taxi runways or apron, parking areas, or buildings) and on the various pollutants associated with them. In some cases, drainage is still mixed in the central area, but it is predominately carried out in a modified separation system. Storm water from the mixed system is taken together with the wastewater to the sewage plant for further treatment. The storm water that falls into the separating system is collected separately and treated, and is then allowed to trickle away straight from the site or is fed into surface waters around the airport. In winter, storm water mixed with aircraft and surface de-icers travels via slit drainage gutters and ducts into a de-icing wastewater pond system, and from there is dispensed into the central sewage plant. Only in the area of the taxiways does storm water containing de-icers trickle directly into the green area next to the runways following pretreatment in a filter system (underground degrading system).

In addition, small quantities of de-icer can be carried by the wind to the green areas bordering flight operation areas during 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 2012. They consist of underground storage areas filled with gravel and sealed at the bottom. After its quality is measured (TOC or total carbon), the water flowing out of the storage spaces is channeled either into the de-icing wastewater system or into surface water, depending on its content.

G4-EN26 / Water samples

Under the provisions of the planning approval notice and in order to provide evidence of the current conditions of the water resources, Munich Airport is required to test the water surrounding the airport. In addition to sampling outflows and ascertaining the biological state of selected bodies of water above ground, securing evidence of the quantitative (water level) and qualitative (water quality) status of the groundwater is particularly important. This is achieved through continuous measurement of the water levels of more than 300 groundwater and 17 surface water measurement points. Water quality is determined at 18 groundwater and 11 surface water measurement points. In addition, the biological state is analyzed at seven surface water measurement points. Munich Airport also operates further, largely temporary, measurement points, which are used for securing data from the underground degrading system or from water at construction sites, for example. All implemented measures are summarized in a report, evaluated, and presented to the water authorities.

G4-EN23, G4-EN25, G4-EN28 / Reclaimed material/waste and disposal method[1]

in t	2014	2013	2012	Disposal and reuse
Recycling				
Paper, cardboard, and cartons from aircraft[2]	–	–	–	Sorting facilities, paper factory in Munich/Schrobenhausen (wastepaper recycling)
Paper, cardboard, and cartons from buildings	1,673	1,589	1,571	
Mixed reclaimed materials/waste for recycling from buildings	3,003	2,981	2,929	Sorting facilities, recycling firms in Eitting, Schwaig, Moosburg, and Munich
Mixed glass	168	169	181	
Wood	241	267	263	
Bulk waste[3]	489	400	266	
Scrap metal containing electronic waste	282	286	204	
Other recyclables[4]	180	111	194	
Other form of reuse (reuse of materials/energy)				
Food waste[5]	872	836	893	Biogas plant (energy recovery)
Waste from cleaning of aircraft cabin[6]	–	–	–	Munich North power plant (energy recovery)
Waste for disposal/prohibited liquids (terminal areas)	171	179	181	
Waste for disposal from buildings	553	533	567	
Building waste/rubble	810	1,026	1,125	Recycling/disposal firms (material recycling: pit filling or landfill)
Hazardous waste (FMG fraction only)	301	310	314	Recycling/disposal firms (material recycling) or hazardous waste specialists in Munich and Ebenhausen (energy recovery, secondary fuels)
of which subject to ADR rules[7]	190	254	167	
Other waste[8]	275	260	202	
Total amount	**9,208**	**8,947**	**8,890**	

[1] All quantities refer exclusively to the disposal processes organized by FMG waste management.
[2] Disposal is no longer conducted by FMG waste management. It was outsourced to a disposal company in April 2011.
[3] Increase in 2013/2014 due to a rise in renovation and conversion activities in the terminals
[4] For example foil, light packaging; increase in 2013/2014, particularly in foil from the freight sector. The quantity can vary considerably from year to year as it is dependent on the type and scope of transported goods and because EUWID remuneration for foils requires the carrier to accurately separate/collect the goods.
[5] Excluding Allresto (exception: Terminal 2)
[6] Disposal is no longer FMG's responsibility and has been conducted by a specialist contractor working on behalf of an animal carcass disposal company in Erding since January 2011.
[7] ADR: European Agreement concerning the International Carriage of Dangerous Goods by Road
[8] For example runway wear, refuse

G4-EN25 / 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 2014 reporting year, a total of 190 tonnes of designated hazardous goods (prior year: around 254 tonnes) were transported away for disposal. The vehicles used for transporting hazardous goods were inspected to verify that they are in proper condition and are roadworthy and safe to operate. Employee training on the handling of hazardous goods is held at regular intervals in accordance with legal regulations.

G4-EN23, G4-EN27 / Waste management

As always, the primary goal of waste management at Munich Airport is to avoid generating waste. For this reason, purchased products must be as environmentally friendly as possible and have a long service life in order to satisfy the procurement guidelines that contain both economic and environmental criteria. Reducing and recycling waste are two further important aspects of waste management. 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 at a total of six recyclables and waste collection points. Certified transportation or disposal firms then transport the materials separately for further processing. The majority of all recyclables/waste is generated by the companies based at the airport. Specific advice and appropriate disposal concepts are in place to guide these companies toward collecting recyclables and waste so that they are pre-separated. Ongoing optimization of logistics, for example through maximizing container loads and using short transportation paths, helps to reduce harmful emissions such as CO_2. Munich Airport operates as a service provider, collecting waste and recyclables from airlines, lessees, tenants, and other organizations on campus for recycling and energy recovery. Waste from the cleaning of aircraft cabins and catering waste is processed by a disposal firm at the Munich North waste incineration plant/power plant in accordance with EC Regulation 1069/2009.[1]

[1] Regulation (EC) 1069/2009 of October 21, 2009, on the disposal of animal by-products (EU Official Journal L 300)

G4-A07, G4-EN30 / Measured noise levels[1]

	2014		2013		2012	
in dB(A)	Night	Day	Night	Day	Night	Day
Brandstadel	49	58	49	58	47	58
Pallhausen	44	55	43	55	43	55
Reisen	49	56	49	55	50	56
Viehlaßmoos	46	55	44	55	44	55

[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

G4-SO11 / Noise complaints[1]

	2014	2013	2012
Noise complaints received via telephone	338	442	723
Complainants	110	97	223

[1] Values per year from January 1 to December 31

G4-A07 / Population growth in neighboring communities[1]

Number of residents	2013	2012	Change in % 2012/2013
Freising (District of Freising)	45,806	45,227	1.28
Marzling (District of Freising)	3,094	3,031	2.08
Oberding (District of Erding)	5,838	5,695	2.51
Hallbergmoos (District of Freising)	10,084	9,765	3.27

[1] At December 31. Source: Bayerisches Landesamt für Statistik und Datenverwaltung (Bavarian State Office for Statistics and Data Management) – Statistikatlas Bayern (statistical atlas of Bavaria). Figures for 2014 were not available at the time of going to press.

G4-9, G4-EN11, G4-EN13 / Airport area and green areas beyond the perimeter fence

in ha	2014	2013	2012
Additional green areas in total	**745**	**728**	**720**
Compensatory mitigation areas, zone III	370	353	353
Airport periphery, zone II	250	250	250
Ecological land reserve for future expansion measures	125	125	117

G4-EN11, G4-EN12, G4-EN13, G4-EN14 / Compensating measures

Compensatory mitigation areas, zone III: In zone III of the airport's peripheral area, Flughafen München GmbH currently maintains 370 hectares of sites with ecological compensatory mitigation. This includes seven hectares in the »Oberdingermoos« conservation area, a further 49 hectares in the nature reserves of the Freising and Erding districts, and 81 hectares in the »Freisinger Moos« and »Nördliches Erdinger Moos« bird sanctuaries.

Airport periphery, zone II: The peripheral zone, zone II, comprises over 250 hectares and 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 discharge ditch, and north receiving ditch. Much of the airport's peripheral zone is located in the »Nördliches Erdinger Moos« European bird sanctuary.

Ecological land reserve for future expansion measures: 125 hectares of existing ecological compensation areas form an ecological reserve that will serve to compensate for future construction projects. These are also distributed within the sanctuaries listed above. Their suitability as conservation areas has already been confirmed by the conservation authorities.

GRI Content Index

Key

External audit
- ✔ KPMG: audit of selected information and figures from the sustainability program by KPMG AG Wirtschaftsprüfungsgesellschaft
- ✔ Intechnica Cert: audit by Intechnica Cert GmbH in relation to validation of the environmental statement and auditing of the sustainability data in the 2014 report

GSC
Part of the German Sustainability Code

GRI indicator		Page reference	Comments and links to further details	External audit
General standard disclosures				
Strategy and analysis				
G4-1	Foreword from the executive management	6–7		–
G4-2	Key impacts, risks, and opportunities	24–25, 29, 106–113		–
Organization profile				
G4-3	Name of the organization		Flughafen München GmbH (FMG), Munich Airport Group	–
G4-4	Most important brands, products, and services	93–94, 34–49		–
G4-5	Location of the organization's headquarters		Munich, Germany	–
G4-6	Countries in which the organization operates		Germany	–
G4-7	Nature of ownership and legal form	21, 98–90		–
G4-8	Markets	34–49	Information on aircraft movements can also be found in the annual statistics report at: munich-airport.com/statistics	–
G4-9	Scale of the organization	22–23, 35–36, 55, 114	Details of destination airports and the carriers serving Munich Airport in the year under review are published in our annual statistics report at: munich-airport.com/statistics General airport details such as size, location, or the number of runways can be found at: munich-airport.de/en/company/facts/allg Details on the minimum connecting time: munich-airport.de/en/consumer/fluginfo/transit/easyOrient	–
G4-10	Workforce structure	170–171, 175		✔
G4-11	Employees covered by collective bargaining agreements	63-64, 171		✔
G4-12	Description of the supply and service relationships	56-58		–
G4-13	Significant changes in the organization's size, structure, and ownership	58, 91-92		–
G4-14	Explanation of how the precautionary principle is addressed	37-39, 91, 106-111		–
G4-15	Externally developed charters, principles, and initiatives	75, 190–191, 194–195	Munich Airport is a founding member of AIREG (Aviation Initiative for Renewable Energy in Germany): aireg.de	–
G4-16	Memberships	26–27, 53–54, 85	Membership in the Niederbayern-Forum (and for the tourist region of Erding): munich-airport.de/en/company/dialog/partner/mitgliedschaften	–
Materiality and boundaries of the report				
G4-17	Organization structure	91-92		–
G4-18	Process for defining the report content and aspect boundaries	28–29, 51, 190		✔ 192-193
G4-19	Material aspects	29, 190		✔ 192-193
G4-20	Description of material aspects within the organization	190		✔ 192-193
G4-21	Description of material aspects outside the organization	190		✔ 192-193

GRI indicator		Page reference	Comments and links to further details	External audit
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports	191		–
G4-23	Changes in reporting scope, boundary, or measurement methods	191		–
Dialog with stakeholder groups				
G4-24	List of stakeholder groups	51	munich-airport.com/stakeholders	–
G4-25	Identification of stakeholder groups	51	munich-airport.com/stakeholders	–
G4-26	Engagement of stakeholder groups	28–29, 32–33, 51–53	munich-airport.com/stakeholders	✔ 192-193
G4-27 **GSC**	Response to key concerns raised by stakeholder groups	32–33, 42–43, 53, 63, 79	munich-airport.com/stakeholders	✔ 192-193
Report parameters				
G4-28	Reporting period	191	Calendar year 2014	–
G4-29	Date of most recent previous report	191	July 2014	–
G4-30	Reporting cycle	191	Yearly	–
G4-31	Contact point	197		–
G4-32	GRI Content Index	182–189, 191		–
G4-33	External audit	161, 190–193	munich-airport.de/en/company/umwelt/management/emas/index.jsp	–
Governance				
G4-34	Governance structure of the organization	89-90, 106		–
G4-35	Process for delegating authority for sustainability issues	25–26, 28–29, 89–90, 163–167		–
G4-36	Position responsible for sustainability issues	29, 163-167		–
G4-37	Report processes for consultation between stakeholders/employees and the highest governance body	28–29, 51, 63, 89–90		–
G4-38	Composition of the highest governance body	89-90		–
G4-39	Independence of Supervisory Board chairman	89-90		–
G4-40	Procedure for selecting members of the highest governance body	89-90		–
G4-41	Mechanisms for avoiding conflicts of interest	159		–
G4-42	Role of managerial staff in the sustainability strategy, guidelines, and targets	24-26, 28-29		–
G4-43	Mechanisms for improving knowledge of sustainability issues	28, 53, 63		–
G4-44	Procedure for evaluating the sustainability performance of the highest governance body	89-90, 106		–

GRI indicator		Page reference	Comments and links to further details	External audit
G4-45	Procedures followed by the highest governance body for monitoring sustainability performance	28–29, 106, 163–167		–
G4-46	Assessment of the effectiveness of risk management	106–111		–
G4-47	Frequency of assessments of sustainability performance	28, 163–167		–
G4-48	Formal inspection of the sustainability report		The heads of the Corporate Communications and Corporate Development divisions are responsible for the integrated report. The Executive Board also inspects and approves it.	–
G4-49	Notification procedure for critical concerns	91	According to the FMG statute, in addition to the legally prescribed duties, legal acts and measures are also presented to the Supervisory Board for approval that are of particular importance from a business policy standpoint (e. g. construction projects, infrastructure investments, strategic alignments) or an economic one (contractual objects, volumes, duration). In addition, the Supervisory Board receives a risk report at regular intervals and the annual Compliance and Internal Audit reports once a year. The total number of cases submitted is treated as confidential.	–
G4-50	Critical concerns	91		–
G4-51 GSC	Remuneration policy	25, 99–100, 145, 159		–
G4-52	Determining remuneration	90		–
G4-53	Expressing opinions on remuneration	63–64, 89–90		–
G4-54 GSC	Remuneration ratio	56, 64	Information on salaries is treated as confidential. It is not published to any extent further than that required by law.	–
G4-55	Ratio of remuneration increase			–

Ethics and integrity

G4-56 GSC	Mission statements, codes of conduct, and principles	91	Brand values: munich-airport.de/en/company/konzern/marke	–
G4-57	Advisory mechanisms for compliance issues	91		–
G4-58	Reporting compliance breaches	91		–

Specific standard disclosures

Management approaches

G4-DMA	General management approach	24–25, 28–29, 163–167, 190		–
Management approaches for material aspects				
G4-DMA	Energy and emissions	24–25, 28–29, 73–76, 163, 165–166, 190		✔
G4-DMA	Employment	24–25, 28–29, 61–62, 68, 163, 166–167, 190		✔
G4-DMA	Occupational health and safety	24–25, 28–29, 70, 163, 167, 190		✔
G4-DMA	Education and training	24–25, 28–29, 65–67, 163, 166, 190		✔
G4-DMA	Diversity and equal opportunities	24–25, 28–29, 68, 163–164, 166–167, 190		✔
G4-DMA	Product and service labeling	24–29, 53, 163–165, 190		✔
G4-DMA	Air traffic figures/material use	24–25, 28–33, 35, 80–81, 163, 166, 190		✔

GRI indicator		Page reference	Comments and links to further details	External audit
Economic performance indicators				
G4-EC1 **GSC**	Direct economic value generated and distributed	55–57, 114, 168		–
G4-EC2	Financial implications of climate change		In conformity with risk management, the implications of climate change were investigated and evaluated as part of CDP reporting. In this way, FMG addresses the physical, regulatory, and other relevant risks and opportunities every year.	–
G4-EC3	Coverage of the organization's defined benefit plan obligations	134, 150		–
G4-EC4	Financial assistance received from the government		In the reporting period, FMG received no significant subsidies from the government.	–
G4-EC5	Ratio of standard entry-level wage compared to local minimum wage	55-56, 63-64, 171	The company is based in Munich. 89 percent of its workforce is under collective bargaining contracts.	–
G4-EC6	Hiring of local staff		Not material	–
G4-AO1	Passenger numbers	35, 169		✔
G4-AO2	Aircraft movements	35, 169		✔
G4-AO3	Cargo tonnage	169		✔
G4-EC7	Infrastructure investments and services provided primarily for local benefit	25, 30–32, 44-45, 54, 59		–
G4-EC8	Significant indirect economic impacts	30-33, 55-57		–
G4-EC9	Selection of locally based suppliers	57-58		–
Environmental performance indicators				
G4-EN1 **GSC**	Materials used by weight or volume	80–81, 175–176, 179-180		–
G4-EN2	Percentage of materials used that are recycled input materials	175, 180		–
G4-EN3 **GSC**	Energy consumption within the organization	73-76, 176		✔
G4-EN4	Energy consumption outside the organization	73-76, 176		✔
G4-EN5	Energy intensity	177		✔
G4-EN6 **GSC**	Reduction of energy consumption	33, 73–76, 168–111		✔
G4-EN7	Reduction in energy requirements of products and services	73-76, 177		✔
G4-EN8 **GSC**	Total water withdrawal by source	80, 179		✔
G4-AO4	Quality of storm water	80-81, 179		–
G4-EN9	Water sources affected by withdrawal of water	80, 179		–
G4-EN10	Percentage volume of water recycled and reused	80-81, 179		–
G4-EN11	Land in or adjacent to protected areas	86-87, 181		✔
G4-EN12	Impacts on biodiversity in protected areas	86-87, 181	Comprehensive explanations of the landscape concept, species protection, and biotopes at the airport can be found at: munich-airport.de/en/company/umwelt/bio	✔
G4-EN13	Habitats protected or restored	86-87, 181		✔
G4-EN14	Impacts on threatened species	86-87, 181		✔
G4-EN15 **GSC**	Direct greenhouse gas emissions (scope 1)	73-77, 176		✔
G4-EN16 **GSC**	Indirect greenhouse gas emissions (scope 2)	73-77, 176-177		✔

GRI indicator		Page reference	Comments and links to further details	External audit
G4-EN17 GSC	Other indirect greenhouse gas emissions (scope 3)	73-77, 176-177		✓
G4-EN18	Greenhouse gas emissions intensity	177		✓
G4-EN19 GSC	Initiatives to reduce greenhouse gas emissions	33, 73–76, 177		✓
G4-A05	Air quality	79, 178		✓
G4-EN20	Ozone-depleting substances	73-79, 177		
G4-EN21	NO_x, SO_x, and other air emissions	79, 178		✓
G4-EN22	Total water discharge	80-81, 179		✓
G4-EN23 GSC	Quantity of waste	80, 180		✓
G4-A06	De-icers used	81, 168-111		✓
G4-EN24	Significant spills		In the reporting period, no spills of hazardous materials were reported within the Munich Airport Group. There were no accidents when dealing with hazardous materials such as oils, fuels, or chemicals in the reporting period.	✓
G4-EN25	Transport of waste deemed hazardous	180		✓
G4-EN26	Impact of wastewater on biodiversity	179		–
G4-EN27	Initiatives to mitigate environmental impacts	33, 73-85, 177		–
G4-EN28	Reuse of packaging materials	180		✓
G4-EN29	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 reporting year.	–
G4-EN30	Significant environmental impacts of transporting products, goods, and materials, and transporting members of the workforce	73-76, 176-178		✓
G4-A07	Number and percentage change of people residing in the direct vicinity of the airport	181		–
G4-EN31	Total environmental protection expenditures and investments		Projects and investments are currently used as the basis for determining costs. Financial quantification is not carried out.	–
G4-EN32	Screening of new suppliers using environmental criteria	58	As early as the call for tenders, it is ensured that all suppliers comply with the key criteria for each contract.	–
G4-EN33	Environmental impacts in the supply chain	57-58	There are no known cases of significant negative environmental impacts in the supply chain for the year under review.	–
G4-EN34	Grievances about environmental impacts	30-33	Grievances about environmental impacts are divided into complaints formally filed by interested associations (e. g. in relation to expansion projects) and complaints made by individuals relating to environmental impacts. The number of such complaints received by telephone was in the single digits for the year under review.	–
Labor practices and decent work				
G4-LA1	Employee turnover	172		✓
G4-LA2	Benefits provided to full-time employees	68-71	Benefits are also available to part-time employees.	–
G4-LA3	Parental leave	172		✓
G4-LA4	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 German Works 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.	–

GRI indicator		Page reference	Comments and links to further details	External audit
G4-LA5	Workforce representation in health and safety committees	64, 70, 90		–
G4-LA6 **GSC**	Injuries, occupational diseases, and work-related accidents	48, 70, 173		✔
G4-LA7	Workers with high risk of diseases	70, 173		✔
G4-LA8 **GSC**	Health and safety topics covered in formal agreements with trade unions	70	Members of the works council are permanent representatives on the health and safety committee. The council for employees with disabilities is the point of contact for (severely) disabled employees or employees with health impairments in regard to personal matters or matters related to labor law.	–
G4-LA9 **GSC**	Training and education	65-67		✔
G4-LA10	Skills management and lifelong learning	65-67, 68		–
G4-LA11	Performance and career development reviews	62		–
G4-LA12 **GSC**	Composition of governance bodies and breakdown of employees	89-90, 171, 174		✔
G4-LA13	Wage differences by gender	63-64		–
G4-LA14	Screening of new suppliers using labor practices criteria	58	As early as the call for tenders, it is ensured that all suppliers comply with the central criteria for each contract.	–
G4-LA15	Impacts on labor practices in the supply chain	57-58	There are no known cases of significant negative impacts on labor practices in the supply chain for the year under review.	–
G4-LA16	Grievances about labor practices	63	Complaints relating to labor practices are processed by the works council and are considered to be concluded once they have been resolved.	–
Human rights				
G4-HR1 **GSC**	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. 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.	–
G4-HR2	Employee training on human rights	91	Required under the German General Equal Treatment Act: Information is available on the intranet and through executive employees.	–
G4-HR3 **GSC**	Incidents of discrimination and actions taken	68	There were no reported cases of discrimination during the reporting period.	–
G4-HR4	Violation of the right to exercise freedom of association or collective bargaining	57-58, 63-64	There were no instances of restriction of the right to freedom of association or collective bargaining in the reporting period. Munich Airport actively encourages employees to engage in codetermination. Their rights are protected by the German Works Constitution Act (Betriebsverfassungsgesetz, BetrVG) and other statutes.	–
G4-HR5	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.	–
G4-HR6	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 reporting 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.	–
G4-HR7	Security personnel training		Before entering the departure area, passengers and their hand 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 attends 40 hours of development and training courses annually. All security personnel on the campus are trained in accordance with both in-house and official requirements, as well as statutory regulations on dealing with persons and personal property.	–

GRI indicator		Page reference	Comments and links to further details	External audit
G4-HR8	Violations involving rights of indigenous people		Not material	–
G4-HR9 **GSC**	Operations that have been subject to human rights reviews and/or impact assessments		Not material	–
G4-HR10 **GSC**	Percentage of suppliers and contractors that have undergone screening on human rights	58	As early as the call for tenders, it is ensured that all suppliers comply with the central criteria for each contract.	–
G4-HR11 **GSC**	Human rights impacts in the supply chain	57-58	There are no known cases of negative impacts on human rights in the supply chain for the year under review.	–
G4-HR12	Number of grievances related to human rights filed		The Munich Airport Group has not recorded any complaints related to human rights in the reporting period.	–
Society				
G4-SO1	Measures to incorporate local communities	28–29, 54–58, 82–87, 170		✓
G4-A08	Number of persons to receive compensation due to the airport expansion	30-33		–
G4-SO2	Operations with significant potential or actual negative impacts on local communities	30-33, 79, 82-85	munich-airport.com/noise-protection	–
G4-SO3 **GSC**	Business units analyzed for risks related to corruption	91		–
G4-SO4	Percentage of employees trained in anti-corruption policies and procedures	91	The Executive Board receives regular training on compliance, while the Supervisory Board also addresses the topic at regular intervals. In 2014, some 250 managers of the Munich Airport Group took part in the mandatory training module on compliance as part of the Leadership Excellence Program. This covered general aspects, as well as the Group's specific guidelines on compliance and the prevention of corruption. All employees and supervisors regularly familiarize themselves with the compliance documents and are made aware of any updates or additions to them. All managers and employees must provide their signature to confirm that they have read the compliance documentation. A web-based training course on compliance will be offered to all employees in 2015 as part of the Group-wide training program. The tender documentation provides interested parties with information on using the BKMS® system in the event of a suspected breach of compliance.	–
G4-SO5 **GSC**	Actions taken in response to incidents of corruption	91	There were no confirmed cases of corruption in the Munich Airport Group during the reporting period.	–
G4-SO6 **GSC**	Contributions to political parties and politicians		As a matter of principle, Flughafen München GmbH does not make any financial contributions of any kind to politicians, political parties, or institutions associated with these.	–
G4-SO7	Legal actions for anti-competitive behavior		At the time of going to print, there were no known cases of anti-competitive, antitrust, or monopoly action being brought against the Group for the review year.[1]	–
G4-SO8 **GSC**	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 reporting period.[1]	–
G4-SO9	Screening of new suppliers in relation to impacts on society	58	As early as the call for tenders, it is ensured that all suppliers comply with the central criteria for each contract.	–

GRI indicator		Page reference	Comments and links to further details	External audit
G4-SO10	Impacts on society in the supply chain	57-58	There are no known cases of significant negative impacts on society in the supply chain for the year under review.	–
G4-SO11	Grievances related to impacts on society	82-87, 181		–
Product responsibility				
G4-PR1	Health and safety impacts during product life cycle stages	37-38		–
G4-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]	–
G4-A09	Total annual number of bird strikes	38		–
G4-PR3	Type of product and service information required by procedures	37-38	Rules for Airport Use available at: munich-airport.com/aviation	–
G4-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.[1]	–
G4-PR5	Results of surveys measuring customer satisfaction	26-27, 53		✔
G4-PR6	Sale of products that are banned or subject to concerns		Munich Airport only sells products within the limits of the law.	–
G4-PR7	Non-compliance with regulations and voluntary codes concerning advertising and 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]	–
G4-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.	–
G4-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] The Munich Airport Group complies with statutory regulations and provisions based on the applicable legislation and legal framework. This is no guarantee, however, that individuals will act within the law. When a violation does occur, the incident is also investigated for the possible existence of systematic failings and any necessary improvements are implemented.

Report profile

→ GRI G4-18

→ Materiality process, materiality matrix, and sustainability management
see pages 28 and 29

→ Sustainability program
see page 168

Contents of the report

»Strengths« is Flughafen München GmbH (FMG)'s fifth integrated report. The contents of the integrated report are based on information about the economic development of the company and on a materiality process that is supported by a survey. All of the GRI G4 indicators together form the basis of this process. The material issues for the reporting process are also relevant for strategic sustainability management. The table below gives examples of how FMG manages essential strategic issues. It is presumed that Munich Airport can actively influence all the issues listed within the relevant business units (Aviation, Commercial Activities, Real Estate, Participations, Services & External Business). The initiatives and measures relating to the material issues are described in detail in the sustainability program.

Management of essential issues (G4-19, G4-20, G4-21)

[1] **Key to »Essential for business units«**
AV = Aviation
CA = Commercial Activities
RE = Real Estate
PA = Participations, Services & External Business

	Essential for business units[1, 2]				Essential outside the organization	
Issues in the materiality matrix	AV	CA	RE	PA		**Examples of initiatives/measures in the sustainability program**
Employee training and recruitment	✓	✓	✓	✓		Implementing employer branding
Biodiversity	✓		✓		✓	Developing environmental protection strategies for selected divisions (for example, nature protection, species protection)
Equal opportunities and diversity	✓	✓		✓	✓	Establishing a basic position on equal opportunities and diversity
Health management and occupational health and safety	✓			✓		Overall corporate health management concept for employees with health conditions
Real estate development		✓	✓		✓	Demand-oriented and economic development of airport real estate
Increase in air traffic capacity	✓	✓	✓		✓	Construction of the Terminal 2 satellite
Communication with social stakeholder groups (in particular regional groups)	✓	✓	✓	✓	✓	Maintaining and intensifying regional dialog through regular discussions with stakeholders
Customer satisfaction	✓	✓		✓		Optimizing the offer for end customers
Landside access and traffic development					✓	Improving rail access (short, medium, and long term)
Noise protection measures and reduction of noise emissions	✓				✓	Implementing the noise protection strategy and developing innovative noise protection components
Employee satisfaction	✓	✓	✓	✓		Conducting the INQA audit
Sustainable construction	✓		✓		✓	Integrating sustainability criteria into extension and conversion planning based on the DGNB criteria
Off-campus growth				✓	✓	HR development for off-campus business activities
Reducing greenhouse gas (CO_2) and air pollutant emissions	✓		✓		✓	Introducing pre-conditioned air systems
Regional engagement (sponsorships etc.)					✓	Continuing existing sponsorship agreements and examining new project requests on the basis of the FMG sponsorship principles
Sustainable use of resources	✓	✓	✓		✓	Improving the recycling process for aircraft de-icer
Responsible corporate leadership	✓	✓	✓	✓		Implementing and optimizing compliance management
Linking transportation operators (seamless travel)	✓	✓				Defining the range of products and services for the new sales channel along the travel chain
Training and skills management	✓	✓	✓	✓		Developing and implementing short Leadership Excellence modules on the topic of corporate health management
Collaborating with regional partners and suppliers	✓	✓	✓		✓	Creating transparent supplier and service relationships in the region

[2] Definition of the business units in the Management Report from page 93 and in the chapter »Company profile and strategy« on page 21

The principles of reporting

→ Integrated reporting
see pages 2 and 3

↗ Web
theiirc.org

Integrated reporting: As a member of the <IR> Business Network, FMG conducts its integrated reporting using the principle-based approach set out by the International Integrated Reporting Council (IIRC), which forms the basis of the <IR> framework. FMG observes the IIRC's »Guiding Principles« and includes the necessary »Content Elements«.

Sustainability data: FMG has been involved in the Global Reporting Initiative (GRI)'s »Organizational Stakeholder« program for several years. This report has been created in conformity with the comprehensive model set out in the international G4 guidelines developed by GRI, including the sector supplements for airport operators. »Strengths« is the first report from Munich Airport that is based on GRI G4.

Responses are given for all general and specific standard disclosures, where applicable and material. The GRI Content Index makes reference to the parts of the report that contain information on the GRI indicators and explains if and how these are assessed. As a signatory of the GRI Content Index, FMG adheres to the German Sustainability Code (GSC).

Information in the financial report: The information on the financial and earnings position is based on the requirements set out in the International Financial Reporting Standards and interpretations published by the International Accounting Standards Board and the International Financial Reporting Standards Interpretations Committee and adopted into European law by the European Commission. The supplementary requirements according to Article 315a (1) of the German Commercial Code (Handelsgesetzbuch, HGB) also apply. The 2014 Group Management Report was created in accordance with the requirements of German Accounting Standard DRS 20.

Report parameters

The integrated report is produced annually. The last integrated report was published on July 30, 2014. The reporting period covers the 2014 fiscal year, which runs from January 1 to December 31. In general, the data collected refers to this period or to the situation at the end of the reporting period. Where any information is based on a different time period, this is stated explicitly.

Unless otherwise indicated, the information and figures in this report refer to the entire Group, including affiliated companies in which FMG holds a controlling interest. If data is only available for FMG, this is indicated.

FMG engages in a variety of activities, not all of which can be fully described in this printed report. Therefore, further topics are addressed in the environmental statements and their abridged versions in accordance with EMAS-VO and in a number of other publications. The Munich Airport website also contains additional information, studies, and findings.

Data collection and calculation methods

All of the data and information was collected by the relevant organizational units for the reporting period using representative methods. Key figures relating to health and safety and the CO_2 figures have been presented differently than in the previous year's report. Changes are highlighted in the corresponding footnotes.

Human resources data is primarily collected and evaluated by an electronic HR management system. Environmental data is recorded systematically in the 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 (GHG) Protocol. Heat values and emissions factors subject to emissions trading are recorded in accordance with German Emissions Trading Authority (DEHSt) guidelines. The data published in the report forms the basis for annual participation in the CDP.

→ Glossary
↗ Web
cdp.net

All statements made in this report on future matters take risks and uncertainties into account and are based on the information and forecasts available at the time of publication. While all forward-looking statements are made with great care, deviations may arise for a number of different, unforeseeable reasons.

→ Glossary

The figures listed in this report have been rounded according to standard commercial practice. In isolated cases, this may result in values not adding up exactly to the stated total. This also applies to percentages.

↗ Web
deutscher-nachhaltigkeitskodex.de

External audit and certification

- The Group Management Report and financial statements are audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft in accordance with Article 317 HGB and in compliance with the German standards for the proper audit of financial statements as defined by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer – IDW). The audit was completed on April 30, 2015, and no objections were raised.

→ GRI G4-23

→ Independent auditor's report
see page 161

- This year, KPMG AG Wirtschaftsprüfungsgesellschaft has provided limited assurance on selected sustainability performance information for the first time, in accordance with the »International Standard on Assurance Engagements« (ISAE) 3000. Sustainability performance information in the scope of the assurance engagement is marked in the »External audit« column of the GRI Content Index with the following symbol: ✔

→ GRI Content Index
see page 182

- As part of the annual environmental statement, information on the environmental management system was validated by accredited environmental auditor Dr. Reiner Beer (DE-V-0007) of Intechnica Cert GmbH (DE-V-0279) in accordance with EMAS 1221/2009 and ISO 14001 + Cor.1: 2009. In addition, Intechnica Cert GmbH conducted a one-day audit (certificate no. SVW 097-2015) on March 9, 2015, which examined the reliability of the sustainability data in »Strengths 2014«. The data additionally checked by Intechnica Cert GmbH is marked in the »External audit« column of the GRI Content Index with the following symbol: ✔

↗ Web
munich-airport.com/publications

→ GRI G4-22, G4-23

↗ Web
munich-airport.de/en/company/umwelt/management/emas

Independent assurance report[1)]

To the Executive Board of Flughafen München GmbH, Munich

We were engaged to provide assurance on selected sustainability performance information published in the integrated report 2014 (further »the report«) of Flughafen München GmbH (further »Flughafen München«) for the business year 2014. The Executive Board of Flughafen München is responsible for the appropriateness of the determination and presentation of selected sustainability performance information in accordance with the reporting criteria, including the identification of material issues. This responsibility includes the conception, implementation, and maintenance of systems and processes for ensuring adherence to sustainability reporting principles when determining material report contents. Our responsibility is to issue an assurance report on the selected sustainability performance information.

Scope

Our assurance engagement was designed to provide limited assurance on whether the following selected sustainability performance information for the business year 2014, including the explanatory notes, is presented, in all material respects, in accordance with the reporting criteria:

Information on material aspects, boundaries, and stakeholder engagement:

- **G4-18:** Process for defining the report content and aspect boundaries
- **G4-19:** Material aspects
- **G4-20:** Description of material aspects within the organization
- **G4-21:** Description of material aspects outside the organization
- **G4-26:** Engagement of stakeholder groups
- **G4-27:** Response to key concerns raised by stakeholder groups

Information relating to the following GRI G4 Standard Disclosures:

- **G4-10:** Workforce structure
- **G4-11:** Employees covered by collective bargaining agreements

Information relating to disclosures on management approach and indicators relating to the following »report topics«:

- **Energy & Emissions** – **G4-EN3:** Energy consumption within the organization/**G4-EN4:** Energy consumption outside the organization/**G4-EN5:** Energy intensity/ **G4-EN6:** Reduction of energy consumption/**G4-EN7:** Reduction in energy requirements of products and services/**G4-EN15:** Direct greenhouse gas emissions (scope 1)/**G4-EN16:** Indirect greenhouse gas emissions (scope 2)/**G4-EN17:** Other indirect greenhouse gas emissions (scope 3)/**G4-EN18:** Greenhouse gas emissions intensity/**G4-EN19:** Initiatives to reduce greenhouse gas emissions
- **Employment** – **G4-LA1:** Employee turnover/**G4-LA3:** Parental leave
- **Occupational Health and Safety** – **G4-LA6:** Injuries, occupational diseases, and work-related accidents
- **Training and Education** – **G4-LA9:** Training and education
- **Diversity and Equal Opportunity** – **G4-LA12:** Composition of governance bodies and breakdown of employees
- **Product and Service Labelling** – **G4-PR5:** Results of surveys measuring customer satisfaction
- **Air traffic figures / Material use** – **G4-AO-1:** Passenger numbers/**G4-AO-2:** Aircraft movements/**G4-AO-3:** Cargo tonnage/**G4-AO-6:** De-icers used

The sustainability performance information included in the scope of our assurance engagement is marked in the column »External audit« in the GRI Content Index on page 182 with the following symbol: ✔

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of information and are less extensive than those for a reasonable level of assurance.

[1)] Translation of the independent assurance report, authoritative in German language

Reporting criteria and assurance standards

Flughafen München applies the Sustainability Reporting Guidelines G4 of the Global Reporting Initiative, as described in the section »Report profile«, as reporting criteria for selected sustainability performance information.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000: »Assurance Engagements other than Audits or Reviews of Historical Financial Information« and the International Standard on Assurance Engagements (ISAE) 3410: »Assurance Engagements on Greenhouse Gas Statements«, issued by the International Auditing and Assurance Standards Board. These standards require, amongst others, that the assurance team possesses the specific knowledge, skills, and professional competencies needed to provide assurance on sustainability information, and that we comply with the requirements of the Code of Ethics for Professional Accountants of the International Federation of Accountants to ensure our independence.

Work undertaken

Our procedures included:

- An evaluation of the process for determining material aspects and respective boundaries, including results of Flughafen München's stakeholder engagement.
- A risk analysis, including a media search, to identify relevant information on Flughafen München's sustainability performance in the reporting period.
- Evaluation of the design and implementation of the systems and processes for the collection, processing, and control of selected sustainability performance information, including the consolidation of the data.
- Interviews with relevant staff at Group level responsible for providing the data, carrying out internal control procedures, and consolidating the data, including the »Non-Financial Notes«.
- Evaluating internal and external documentation to determine whether selected qualitative and quantitative sustainability performance information is supported by sufficient evidence and presented in an accurate and balanced manner.
- Utilization of third-party certifications regarding information on CO_2 emissions based on emission reports of the German Emissions Trading Authority at the Federal Environment Agency.
- An evaluation of the overall presentation of the selected sustainability performance information included in our scope.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention to indicate that the selected sustainability performance information for the business year 2014, including the explanatory notes, is not, in all material respects, presented in accordance with the reporting criteria.

Recommendations

Without affecting the conclusion presented above, we recommend further developing approaches and methods for evaluating and measuring economic, ecological, and social impacts as well as systematically including these results in the materiality analysis.

Munich, April 30, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft

Simone Fischer
German Public Auditor
Wirtschaftsprüferin

ppa. **Christian Hell**

/Glossary

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.

Auxiliary Power Unit (APU)
In addition to their two or four main engines, today's commercial aircraft have a smaller auxiliary power unit. The APU is used to start the main engines and to generate electrical power when the plane is on the ground.

Biodiversity
This 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. Some 5,000 companies, representing more than 50 percent of global market value, participate in the CDP, which is the largest sustainability rating scheme in the world.

Cash flow from operating activities
A business parameter describing the net cash assets obtained from the business activities during an accounting period.

Chapter 2/3 aircraft
These aircraft get their name from the ICAO Noise Standards, Annex 16, Volume 1. They have been banned from use within the EU since April 1, 2002, on account of their noise levels. The German Federal Ministry of Transport records particularly quiet Chapter 3 aircraft in its »bonus list«. Aircraft approved after January 1, 2006, now have to comply with the limit values according to ICAO, Annex 16, Chapter 4.

Continuous Descent Operations (CDO)
Aircraft approach procedure with reduced engine power in which the aircraft follows a continuous descent to the airport. This leads to a reduction in fuel consumption and aircraft noise.

Covenants
Specific clauses or (additional) agreements in credit contracts or bond conditions. These are contractually binding guarantees made by the borrower or the bond debtor for the duration of the credit agreement.

Continuous sound level Leq3
Underlying evaluation measurement for the new German 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), and 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.

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.

Earnings Before Interest and Taxes (EBIT)
Earnings before interest and taxes (and extraordinary profit/loss, where applicable), commonly also referred to as operating result or 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 a tool to enable businesses to continuously improve their environmental performance.

»Follow the Greens« procedure
Aircraft guidance concept validated as part of the SESAR research project. The air traffic controller primarily guides the pilot to his or her destination (parking position or runway) via green lights on the ground, thereby using the radio less frequently. This reduces errors arising from misunderstood radio messages and makes it easier for pilots to orient themselves when visibility is poor. It also generates a continuous flow of traffic, reducing fuel consumption, damage to the environment, and costs.

German Accounting Standards (GAS)
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. Essential requirement changes can be specified both for past and future financial reporting.

German Airports Association (ADV)
The umbrella organization of all passenger airports in Germany, Switzerland, and Austria. The organization works to promote Germany as a strong and competitive center of aviation.

German Sustainability Code (GSC)
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.

Global Reporting Initiative (GRI)
An independent institution that publishes globally recognized guidelines on sustainability reporting. Its aim is to establish a common baseline for communication and to ensure the comparability of sustainability reports. The GRI guidelines are updated approximately every five years, with companies always being allowed a transition period. The latest GRI guidelines, G4, must be applied to all reports published after December 31, 2015. This integrated report by FMG has been created in accordance with GRI G4 for the first time.

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 emissions.

Hub airport or air traffic hub
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 to connect to a large number of destinations.

International Civil Aviation Organization (ICAO)
Headquartered in Montreal, the International Civil Aviation Organization is an agency of the United Nations. It 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.

International Financial Reporting Standards (IFRS)
These are accounting regulations for companies that allow financial statements to be compared independently of national standards. They comprise standards and official interpretations of their application.

Landing and take-off cycle (LTO cycle)
This consists of four phases:
- airport approach (including landing)
- taxi-in from the runway to the aircraft stand
- taxi-out from the stand to the runway, take-off
- 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, Habitats 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 protected area network.

Particulate matter

The variable PM_{10} (particulate matter < 10 µm) describes the proportion of particulate matter with a particle diameter of up to 10 µm. As a subset of PM_{10}, $PM_{2.5}$ contains even smaller particles.

Return on Capital Employed (ROCE)

A business management figure used to indicate how effectively and profitably a company is utilizing its capital.

Satellite

Also called a satellite terminal or building. In this context, this 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.

SESAR (Single European Sky ATM Research)

A research project that aims to introduce uniform standards for European air traffic. The SESAR European Airports Consortium (SEAC), founded in 2008, includes six of the ten largest airport operators in Europe: Heathrow Airport Ltd, Flughafen München GmbH, Fraport AG Frankfurt Airport Services Worldwide, Schiphol Nederland B. V., Aéroports de Paris S. A., and Flughafen Zürich AG. Their primary task is to support SESAR's research and development work and to implement the results.

Traffic unit (TU)

A measurement unit used to track total passenger and cargo traffic. A traffic unit equates to one passenger with hand luggage (100 kg in total) or 100 kg of airfreight or airmail.

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