

Living ideas – Connecting lives



MORE WINNERS

Munich Airport: Integrated Report 2015

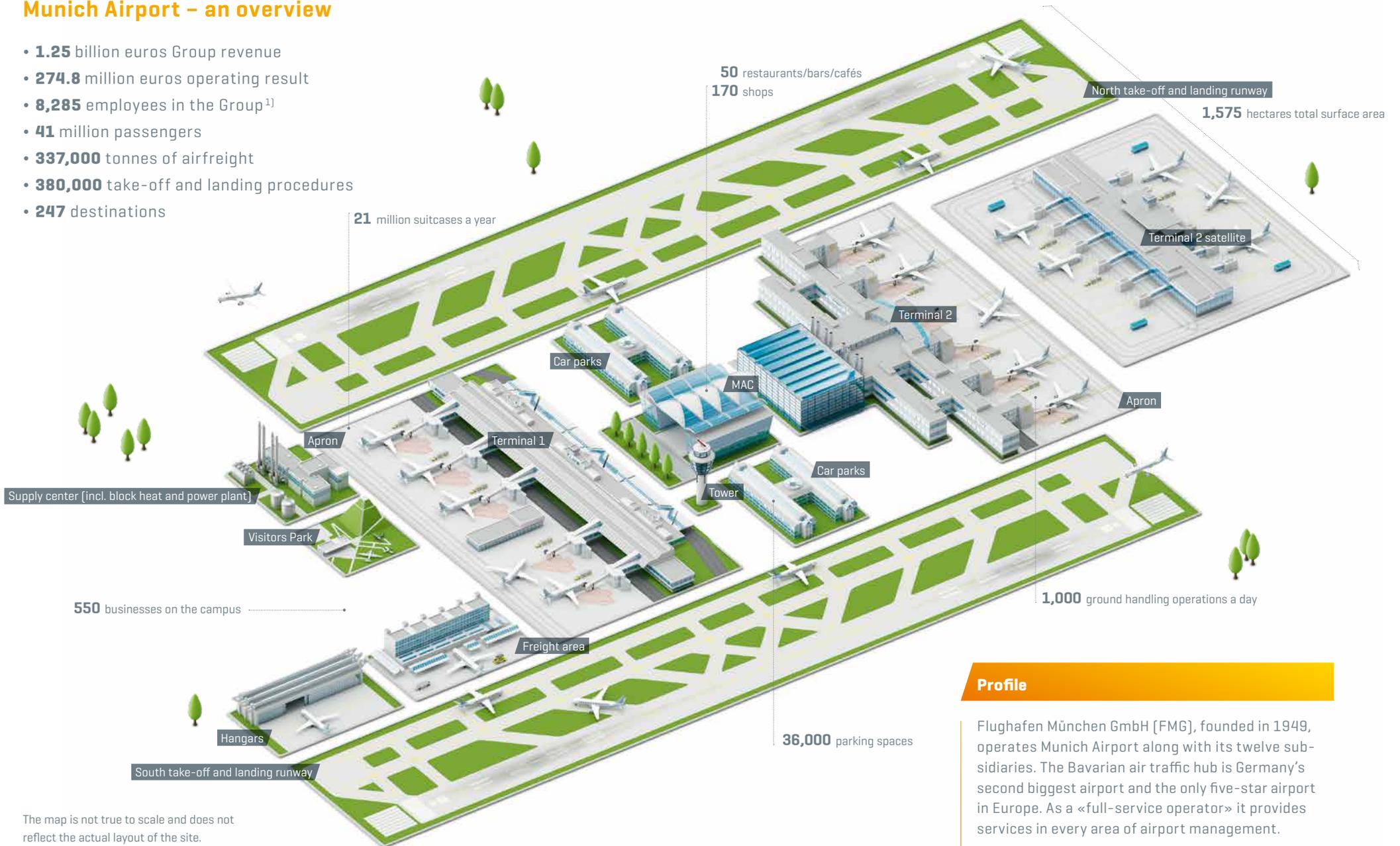


Munich Airport is one of the best and most modern airports in Europe. The story of its success has been spreading across Bavaria for years. Yet its shareholders or owners are not the only ones to benefit from the great appeal of an international airport. Munich Airport has a lot more to offer: It is a major hub for airlines, offers countless international connections to its passengers, generates a high-class location factor for the economy, creates a great deal of value for the region, and secures jobs for its employees. The main idea behind this report highlights the diversity of the stakeholders who are joining Munich Airport on its winning track. Now, our aim is to keep on adding to this success story for the mid- to long-term future, boosting our development in a responsible and sustainable manner.



Munich Airport – an overview

- **1.25** billion euros Group revenue
- **274.8** million euros operating result
- **8,285** employees in the Group¹⁾
- **41** million passengers
- **337,000** tonnes of airfreight
- **380,000** take-off and landing procedures
- **247** destinations



The map is not true to scale and does not reflect the actual layout of the site.

¹⁾Including apprentices, excluding workers in minor employment, temporary workers, and interns

Profile

Flughafen München GmbH (FMG), founded in 1949, operates Munich Airport along with its twelve subsidiaries. The Bavarian air traffic hub is Germany's second biggest airport and the only five-star airport in Europe. As a «full-service operator» it provides services in every area of airport management.

/Contents

- 4 Key figures
- 6 Executive Board
- 8 CEO's letter
- 10 Integrated reporting
- 11 Business model

The Capitals

- 12 Finances
- 14 Infrastructure
- 16 Expertise
- 18 Employees
- 20 Environment
- 22 Society

01 Strategy and management

- 24 Strategy
- 25 Management
- 29 Expansion plans

02 Service portfolio

- 34 Aviation
- 39 Commercial Activities
- 40 Real Estate
- 43 Participations, Services
& External Business

03 Dialog and social responsibility

- 46 Stakeholder dialog
- 49 Regional growth partnerships
- 51 Value creation
- 55 Community engagement

04 Workforce and work environment

- 56 Human resources strategy
- 57 Employee satisfaction and
codetermination
- 59 Training and HR development
- 61 Responsible employer

05 Environmental and climate protection

- 64 Climate protection strategy
- 71 Resource management
- 75 Noise protection
- 77 Biodiversity

06 Financial report

- 81 Group management report
- 106 Consolidated annual financial
statements
- 154 Supervisory Board report
- 155 Independent auditor's report

07 Sustainable development

- 157 Sustainability indicators
- 170 GRI G4 content index
- 178 Report profile
- 180 Independent assurance report

- 182 Glossary
- 185 Imprint

Follow these symbols
to find out more:

→ Reference within the text

↗ [Link to a website](#)

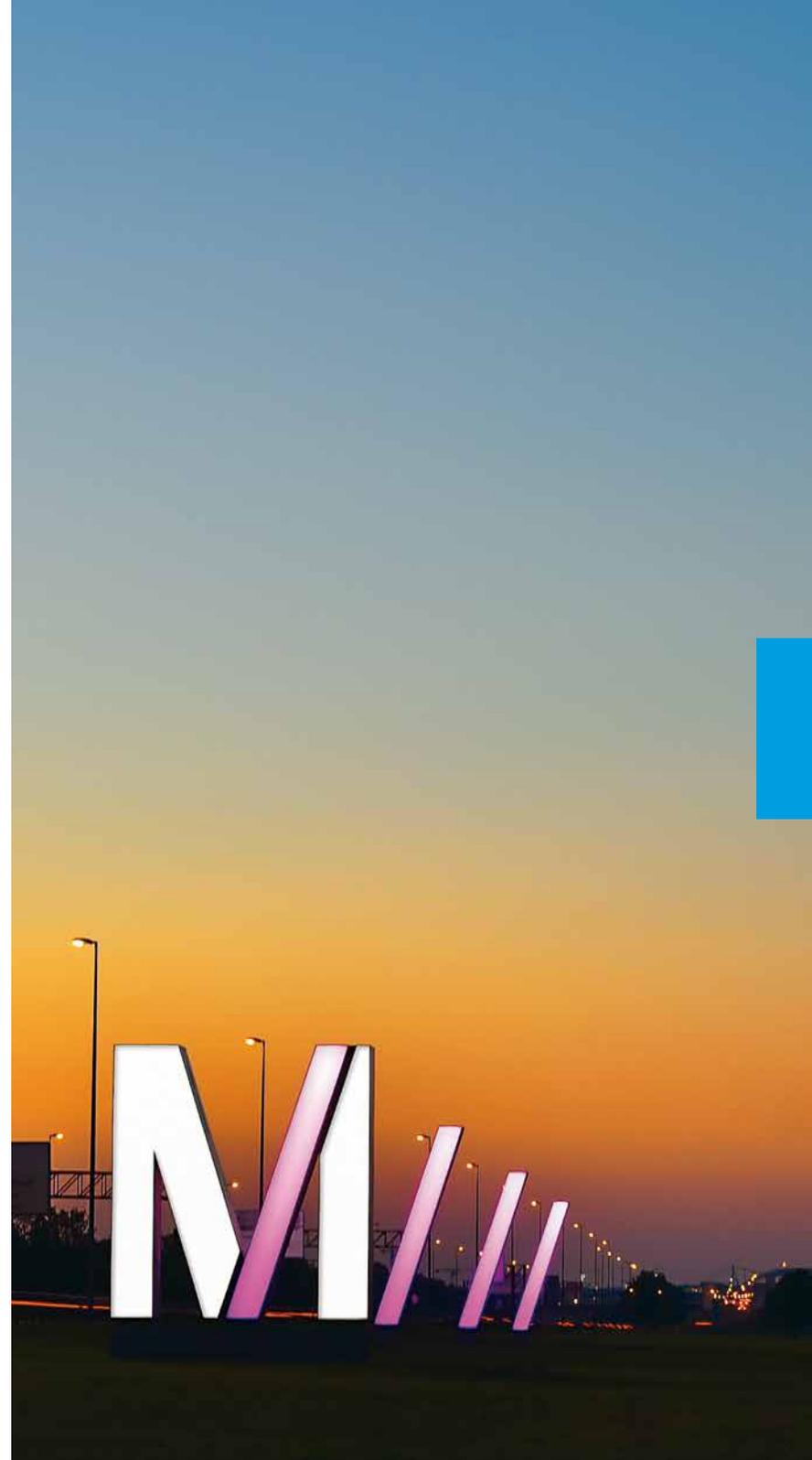
📎 Group management
report at a glance

📱 **Step 1 > Install:**
You can download the
appear2media app for
free from the App Store.

Step 2 > Open:
In the app, go to
«Munich Airport».

Step 3 > Scan:
Hold your device over
the full pictures on
pages 12 – 23.

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



/Key figures

Key economic figures [IFRS]

In € million	2015	2014	2013	Change in % 2015/14
Group revenue	1,249.3	1,200.1	1,184.4	4.1
Of which is Aviation in %	52	51	51	
Of which is Non-Aviation in %	48	49	49	
EBITDA	489.1	478.7	467.7	2.2
EBIT	274.8	266.5	258.8	3.1
Consolidated earnings after taxes [EAT]	135.4	100.1	98.6	35.3
EBITDA margin in %	39.1	39.9	39.5	
EBITDA/Pax in €	11.9	12.1	12.1	-1.7
EBIT margin in %	22.0	22.2	21.9	
ROCE in %	6.3	6.1	6.1	
Cash flow from operating activities	464.4	429.6	457.0	8.1
Investments	272.1	275.5	284.6	-1.2
Equity	2,026.7	1,907.0	1,839.8	6.3
Equity ratio in %	37.5	36.4	34.1	
Net debt	2,322.3	2,390.3	2,400.5	-2.8
Net debt/EBITDA	4.7	5.0	5.1	
Net gearing (net debt/equity) in %	115	125	130	

Key environmental figures

CO₂ emissions

In tonnes	2015	2014
Direct energy consumption [Scope 1]	84,826	82,339
Indirect energy consumption [Scope 2]	16,811	15,938
Other indirect energy consumption [Scope 3a]	51,565	49,958
Total annual CO₂ emissions open to influence	153,202	148,234

Data accounted for in accordance with the GHG Protocol [Greenhouse Gas Protocol].

«Green spaces» belonging to the airport but outside the airport fence¹⁾

In hectares	2015	2014
Additional green areas in total	746	745
Compensatory mitigation areas, zone III	374	370
Airport periphery, zone II	250	250
Ecological land reserve for future expansion measures	122	125

¹⁾ Green areas in Zone II and III (see page 78) that Flughafen München GmbH maintains as natural conservation areas (in contrast to rented farmland or other real estate).

Key social figures

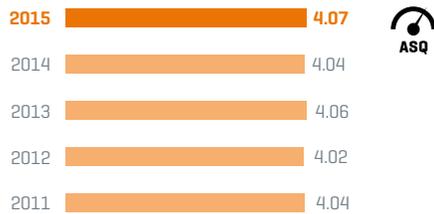
Number of employees ¹⁾	2015					
	Women	Proportion in % ²⁾	Men	Proportion in % ²⁾	Total	Proportion in % ²⁾
Group						
Total number of employees	2,703	33.72	5,313	66.28	8,016	100.00
Full-time	1,726	21.53	4,693	58.55	6,419	80.08
Part-time	977	12.19	620	7.73	1,597	19.92
Fixed-term employment contracts	469	5.85	749	9.34	1,218	15.19
Permanent employment contracts	2,234	27.87	4,564	56.94	6,798	84.81

¹⁾ At December 31: excluding apprentices, workers in minor employment, temporary workers, and interns.

²⁾ Percentage relates to the total number of employees.

Airport Service Quality (ASQ)

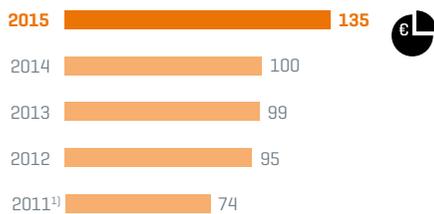
Maximum score: 5



- The ASQ Overall Index is used to indicate customer satisfaction.
 - The value is calculated on a monthly basis at over 250 airports in over 50 countries.
- Page 92

Consolidated earnings after taxes (EAT)

In € million

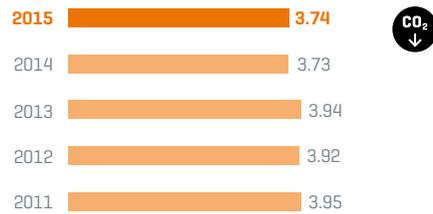


- In 2015, the total earnings after taxes (EAT) rose by 35.3 percent.
 - The EAT for 2015 was particularly strong and the best result in the company's history to date.
- Page 92

¹⁾ See previous year figure in annual consolidated financial statements as at 12/31/2012.

Specific CO₂ emissions

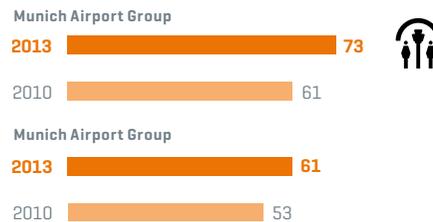
In kg of CO₂ per passenger



- The airport takes countless measures to improve its CO₂ efficiency.
 - Specific CO₂ emissions per passenger dropped by five percent between 2011 and 2015.
- Page 65

Employee retention index

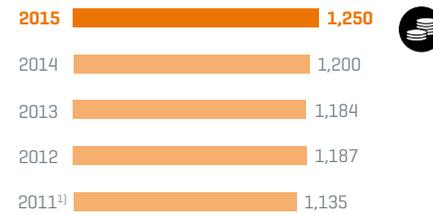
In percent



- The employee retention index is an indicator for employee satisfaction.
 - The next employee survey is scheduled for 2017.
- Page 92

Revenue

In € million

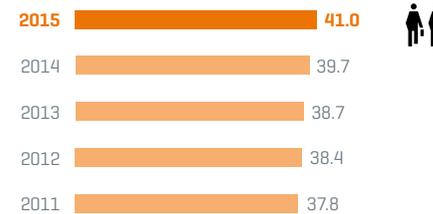


- In 2015, the airport increased its revenue by 4.1 percent to around 1.25 billion euros.
 - Over two-thirds of this growth was generated by the Aviation business division (including ground traffic).
- Page 95

¹⁾ See previous year figure in annual consolidated financial statements as at 12/31/2012.

Number of passengers

In millions of people



- In 2015, passenger volumes climbed above 40 million for the first time ever.
 - With around 41 million travelers, this equated to an increase of 3.2 percent since 2014.
- Page 35





/Executive Board



Munich Airport
will **continue** its
ascent in 2016.

Dr. Michael Kerkloh



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,

I am delighted to tell you that Munich Airport has enjoyed yet another successful year. For example, 2015 was the first year that we broke the 40 million mark – 41 million passengers equates to an increase of three percent. Our cargo throughput grew by as much as nine percent, reaching a new peak of around 337,000 tonnes. I am also happy to report that the number of aircraft movements increased again – by one percent to almost 380,000 – an important trend that we expect to grow stronger throughout 2016.

This positive traffic trend is one of the factors that led to Munich Airport achieving yet another excellent financial result in 2015. Group revenue once again grew year on year to around 1.25 billion euros, while the overall earnings after taxes (EAT) were 135.4 million euros. This makes Munich one of the most profitable airports in Europe. I would like to say a very big thank you to everyone who has helped us to achieve these results, particularly our customers and staff.

More winners

Our economic success not only benefits our shareholders – the State of Bavaria, the German government, and the City of Munich. Munich Airport is creating a lot «more winners», which we have taken as our motto for this year's integrated report:

- Our campus offers our business partners and customers attractive conditions for business, a sound and modern infrastructure, plus an array of outstanding services. The creation of the new Transavia base with four aircraft, announced back in November, demonstrates this perfectly. Furthermore, Lufthansa will soon be using Munich to station the first ten of its fuel-efficient and quiet planes from its new Airbus A350 long-haul fleet.



A very **successful year**,
a team of motivated
employees, and record
profit form the basis for a
safe and secure future!

Thomas Weyer



- Passengers at Munich's hub airport enjoy excellent connections across the entire world, as well as outstanding services on the ground. In 2015, they once again voted Munich as the best airport in Europe. In spring 2015, it became the world's only five-star airport outside of Asia. The high quality of our services is set to increase even further with the launch of the new satellite building for Terminal 2, which opened in April 2016.
- The entire region benefits enormously from the airport's economic appeal. It represents a major location factor for businesses, both large and small, as well as for the tourism industry. On top of that, there is the value created by the airport itself. Our new regional survey shows just how much this is valued: A significant majority of the people in our region – that is 80 percent – see the airport as positive or even very positive.
- For the site's 32,000 employees, the airport offers secure jobs in a diverse environment that covers all levels of qualifications. A quarter of all people from the Freising and Erding districts who are liable for social insurance payments work at the airport. With almost 700 apprentice positions, it is one of the largest providers of apprenticeships in Bavaria. No wonder the news magazine Focus rated us as one of the best employers in Germany in its January edition.
- There aren't many other airports in the world that are as responsible, environmentally friendly, and energy efficient as Munich. For example, we have managed to cap greenhouse gas emissions until 2020 in the first instance and have also achieved climate-neutral growth. This is the outcome of over 160 individual measures – like the new block heat and power plant launched in November, which saves 40,000 tonnes of CO₂ alone.

Continuing the story of success

We are proud of what we have accomplished over the past few decades. However, we cannot rest on our laurels. Our «winners» will only continue to benefit from Munich Airport over the medium to long term if the airport is able to keep up with the rapid growth in the aviation industry. The construction of a third runway will give us the capacity we need to achieve this. Only if the airlines are able to add enough new connections to and from Munich will our airport maintain the role that it has played so far in their strategic plans.

Let us now continue to write the success story of Munich Airport together so that it continues to remain the winning choice for the next generation.



Dr. Michael Kerkloh

/Integrated reporting

Integrated thinking as the foundation for integrated reporting <IR>

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. This allows us to provide a comprehensive overview of our business activities and future plans in relation to economic, environmental, and social aspects.

Munich Airport creates transparency

The <IR> framework concept provided by the International Integrated Reporting Council (IIRC) is seen as the standard for integrated reporting. According to the IIRC, 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.

→ Glossary

Value creation at Munich Airport

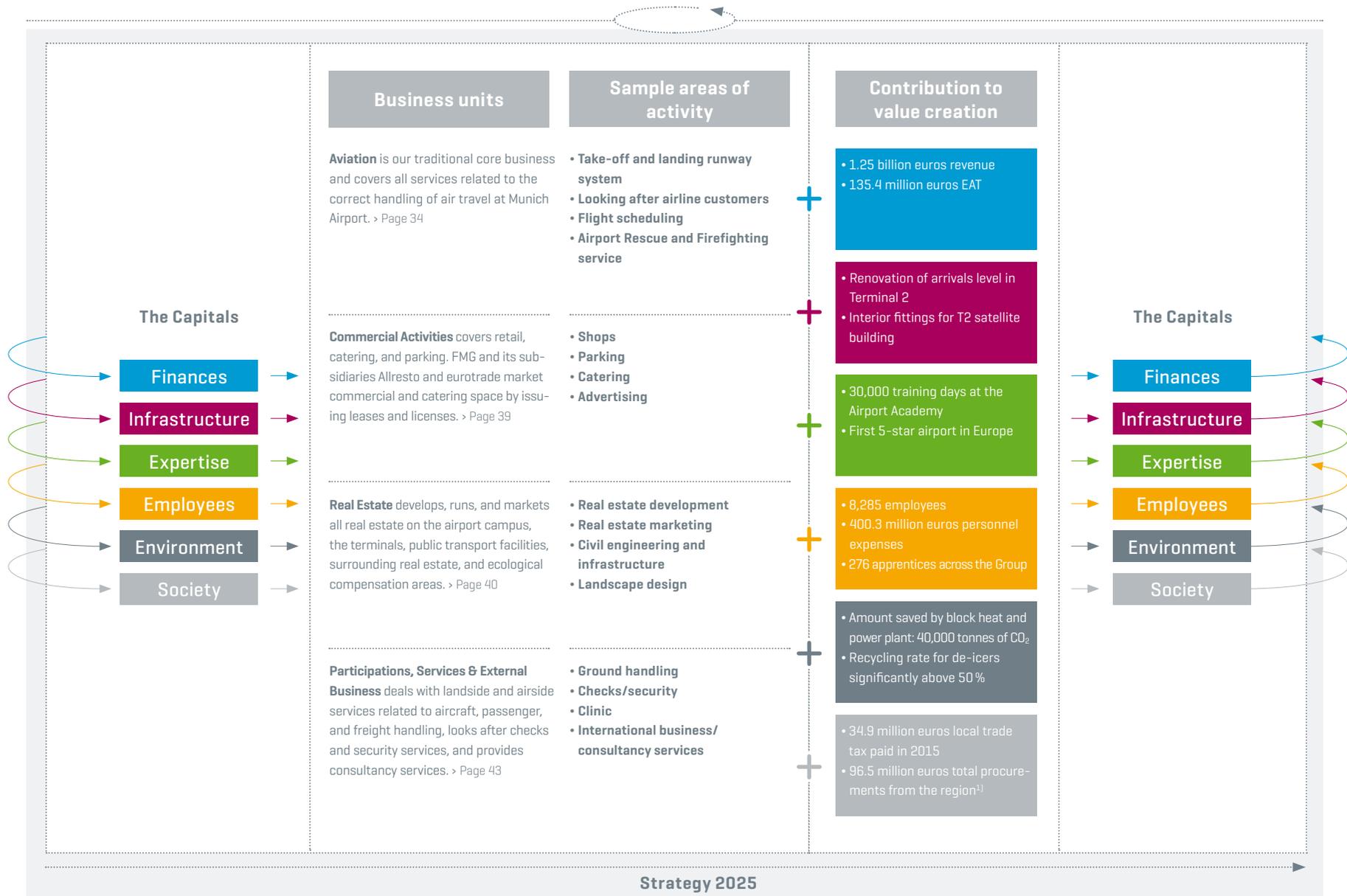
As part of day-to-day business, every company has an impact on a wide array of stakeholders and external factors. To describe the qualitative and quantitative interactions brought about by a business model, the IIRC has defined six types of capital. Munich Airport has used these definitions to identify the most important aspects for its business. This is how it presents the value it creates and demonstrates key cause-and-effect relationships. A major part of this description covers the ways our comprehensive activities have changed the various types of capital in 2015.

Reporting to the highest standards

Munich Airport feels duty-bound to adopt a policy of transparency towards the various stakeholder groups. In addition to IIRC recommendations, we also follow other international standards: Our financial reporting is based on the international standards known as IFRSs (International Financial Reporting Standards) and the provisions of commercial law. The management report is drafted in accordance with the German Accounting Standard (GAS) 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 (GSC) or the German Corporate Governance Code (GCGC).



/Business model



¹⁾ Not including subsidiaries and major projects

A man in a dark suit and red tie stands with his arms crossed, smiling, in a modern office building. The background shows a large, bright interior space with a high ceiling and large windows.

« Munich Airport represents stable and reliable corporate governance paired with exciting prospects for growth. We are proud to support this airport and its important investments in infrastructure for the future with suitable funding. »

Dr. Franz Haunz, Business Unit for Real Estate & Savings Banks/Association
German Public Sector Sales department

Finances

Significance

Solid funding forms the basis for a company's long-term earnings power, profitability, and financial stability. The airport generates financial capital from loans and operating cash flows from its business activities.

Input

- At the start of the fiscal year, Munich Airport held cash and cash equivalents in the amount of 101.5 million euros (8.5 million of which were freely available funds and 93.0 million of which were short-term investments at banks).
- The loan portfolio amounted to 2,344.1 million euros and equity was 1,907.0 million euros.

Measures

- Using the previous year's net income, Munich Airport issued 30 million euros in equal dividends to its shareholders and retained the remaining amount of 70.1 million euros. The 135.4 million euros of net income generated in the fiscal year 2015 was credited to equity. At the Annual General Meeting, the shareholders determine how the net operating profit will be used.

- The airport generated cash flows of 464.4 million euros from its operating business. From this total, 272.1 million euros were invested in maintaining and enhancing the airport's infrastructure and 119.0 million euros were placed with banks.
- The airport repaid loans in the amount of 31.1 million euros and assumed debts with a total value of 115.3 million euros.

Output

- By the end of the fiscal year, the amount of cash and cash equivalents had risen by over 100.0 million euros to a total of 217.3 million euros (5.3 million of which were freely available funds and 212.0 million of which were short-term investments with banks).
- The loan portfolio increased by 74.3 million euros to 2,418.4 million euros and equity increased by 119.7 million euros to 2,026.7 million euros.



Scan this page to access more information on this subject. See the contents page for instructions.



« As a frequent flyer, I expect a lot from an international airport. At Munich Airport, I have the ideal combination of quick transfers and a relaxing place to spend time. »

Daria Hyppa, Frequent flyer on her way from Munich to Hamburg



Infrastructure

Significance

The wide range of services offered by Munich Airport are reliant on building and transport infrastructure that works and that taps into and makes the most of existing space. Servicing, maintenance, and needs-based expansions are the key parameters required to ensure that the airport campus remains attractive.

Input

- **Buildings:** Terminals, commercial space, offices, technical facilities, supply buildings, car parks, halls, MAC, AirSite, the Tower, hotels, the block heat and power plant
- **Transport links:** Roads on the airport premises, highway links, two suburban railway lines, regional and long-distance bus links
- **Open spaces:** Green areas, aprons, taxiways, runways

Measures

- **Buildings:** Interior fittings for the T2 satellite building, e. g. installation of passenger boarding bridges and passenger transport system, renovation of T2 arrivals level, improvements and expansion of the block heat and power plant, topping-out ceremony for the new wing at Hilton Munich Airport

- **Transport links/vehicle pool:** Start of planning approval process for the Erdinger Ringschluss project, Neufahrner Kurve project underway since the end of 2014 [in cooperation with Deutsche Bahn and the German government], addition of electric vehicles to the vehicle pool
- **Open spaces:** Communications on the third runway, expansion of the ground biofiltration system, creation of species-specific areas

Output

- **Buildings:** On-schedule completion of the T2 satellite building with more gates and retail space, improved passenger flow plus easier navigation within T2, expanded block heat and power plant in operation, 162 additional rooms and a new conference center at Hilton Munich Airport from 2017
- **Transport links/vehicle pool:** Links to East Bavaria on regional transport with the completion of the Neufahrner Kurve at the end of 2018, more long-distance bus services since November 2015, more electric mobility used on the airport campus
- **Open spaces:** Decision by the German Federal Administrative Court: Approval of the third runway is valid, new ground biofilter in operation, one hectare of extra green space



Scan this page to access more information on this subject. See the contents page for instructions.

A man with glasses, wearing a dark jacket and a bright orange high-visibility vest with reflective stripes, stands in front of an aircraft on a wet tarmac. The vest has a white 'M' logo on the chest. He is wearing a lanyard with an ID badge that also features the 'M' logo. In the background, the underside of an aircraft is visible, showing yellow hoses and a blue tarp-covered cart. The ground is wet and reflects the scene.

«As an employee, I am able to bring my own ideas to Munich Airport. The vehicle I developed for transporting the aircraft supply hoses has since proven its worth at the airport.»

Klaus Krottenthaler, FMG: Infrastructure for Special Facilities

Expertise

Significance

With over 60 years in the business, an airport relocation behind it, a colorful array of career opportunities and qualification levels on site, and because it provides a large proportion of airport services itself, FMG has acquired a great deal of expertise – covering areas such as the value of a brand; the technical, process-based, and organizational knowledge called upon in consultancy projects worldwide; and copyrights for airport software and in-house developments. Munich Airport will continue to enhance its business further in the future. Innovations are an essential part of this.

Input

- **Careers/qualifications:** Careers for all levels of education, in-house professional development center, the Airport Academy
- **Off-campus/consultancy business:** Expertise in the area of ORAT, operational readiness and airport transfer [Riem to Erdinger Moos]
- **Quality/innovation management:** Strategic customer orientation, ideas pool, open innovation labs, partnerships with universities, higher education centers and start-up companies, innovation mentorships

Measures

- **Careers/qualifications:** Creation of new vocational training schemes, e.g. in the in-house firefighting service, advanced professional development program, new partnership with Airports Company South Africa [ACSA]
- **Off-campus/consultancy business:** Continuation of the International Consulting trainee program, applications for calls for tenders, participation in trade fairs, acquisition appointments
- **Quality/innovation management:** Quality campaign, update to the ideas pool and dialog management, ongoing trend and marketing monitoring, new digital strategy team

Output

- **Careers/qualifications:** Seal from the TÜV (German Technical Inspection Authority) for the Airport Academy as a «certified training provider», 30,000 training days at the Airport Academy
- **Off-campus/consultancy business:** Over 40 major international projects in over 25 countries to date, for example in 2015: opening of Salalah Airport, opening of the new runway in Ashgabat, creation of the new company AeroGround Berlin GmbH, consultancy project at Etihad Airways
- **Quality/innovation management:** Recognition as a 5-star airport, ideas pool with new features, increased focus on the use of digital media for individual flight information



Scan this page to access more information on this subject. See the contents page for instructions.



« I have found my ideal apprenticeship at the airport. It is a great working environment, I get a qualification at the end of my apprenticeship, and am accepted as a woman in a male-dominated climate. »

Julia Heine, FMG: Apprentice mechatronics engineer in the first year of her apprenticeship



Employees

Significance

Employees are responsible for the success of a company. 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. The airport offers its employees an array of opportunities and a diverse range of tasks in an exciting environment.

Input

- **Employee satisfaction:** Flexible working hours, balance between family and career, bonus to reward the income generated in the previous year
- **Training/HR development:** 20 different apprenticeship and dual study programs, 269 apprentices in the Munich Airport Group, in-house Airport Academy
- **Employer:** Total personnel expenses of 400.3 million euros in the Group, 8,285 employees in the Group, 32,250 employees on the airport campus

Measures

- **Employee satisfaction:** Regular employee survey, motivation for active codetermination [e. g. through the ideas pool], reduction to the percentage of temporary workers, performance reviews, onboarding concept
- **Training/HR development:** Adjustments to the apprenticeship portfolio, training monitoring, numerous events, e. g. «Girls' Day/Boys' Day», national/international exchange programs, leadership excellence program
- **Employer:** Social services, e. g. in-house child care service, occupational safety management system, improved company health management [for example, Group Health Day], support for women in management positions

Output

- **Employee satisfaction:** Employee retention index at FMG increased from 61 to 73, low turnover rate of 4.14 percent
- **Training/HR development:** 88 new apprentices in 2015, average of 15 professional development hours per employee
- **Employer:** Increased proportion of women in management roles within the Group, 1,510 of the total of 8,285 Group employees come from more than 50 different countries, proportion of disabled staff at FMG is 11.39 percent [statutory rate is 5 percent], best «Transport and Logistics» employer in ranking by Focus magazine



Scan this page to access more information on this subject. See the contents page for instructions.



« Our airport meadows provide countless rare species of birds with plenty of space to spread their wings. In 2015, they were home to Bavaria's largest curlew population with over 70 breeding pairs. »

Julia Gotzler, FMG: Conservation, Ecology, and Environmental Compatibility

Environment

Significance

As the operator of a major piece of infrastructure, Munich Airport is aware of its responsibility for the environment. The aim is to keep its impact on nature and the environment as low as possible, looking out for future generations. Key issues include aircraft noise, air pollutants, climate protection, water and waste management, and the protection of nature and species.

Input

- **Climate protection:** Climate-neutral growth by 2020 (base year 2005), systematic CO₂ monitoring, air quality measurement stations, power and heat from the own block heat and power plant
- **Resources:** Sophisticated waste management concept, water and flood protection, efficient use of drinking water, de-icer treatment
- **Noise protection:** Strict night-flight curfew, aircraft noise monitoring at 16 fixed stations, additional voluntary mobile measurements, noise-based take-off and landing charges
- **Biodiversity:** Species and land protection, biotope management for preventing bird strikes and supporting the protection of birds, ecological compensation areas outside the airport fence

Measures

- **Climate protection:** Launch of pre-conditioned air systems, environmental management systems at FMG, Allresto, aerogate, Cargogate and AeroGround, switch to efficient LED technology

- **Resources:** Use of recycled paper, continuous monitoring of water quality, construction of ground bio-filtration system for protecting groundwater
- **Noise protection:** Transparent communication of measured values, improvements to take-off and landing procedures, eight mobile measurements on 246 days in 2015
- **Biodiversity:** Multifunctional ecological compensation area to the west of the airport, annual success monitoring for flora and fauna, mowing only outside of the breeding season for meadow breeders

Output

- **Climate protection:** Reduction of CO₂ emissions to 153,000 tonnes despite growth, in contrast to 162,000 tonnes in base year 2005, legal limits for contaminant measurements maintained
- **Resources:** High recycling rate for waste, recycling rate for de-icer significantly above 50 percent, 100 percent recycled paper rate at FMG
- **Noise protection:** Only 62 percent of the permitted noise level at night is used, aircraft noise remains at previous year's level, online platform for aircraft noise monitoring
- **Biodiversity:** Airport premises is part of the «Nördliches Erdinger Moos» bird sanctuary with over 40 species of protected birds, two-thirds of the airport premises are green areas, around 630 hectares of which are high-quality conservation areas



Scan this page to access more information on this subject. See the contents page for instructions.



« Munich Airport is a solid business partner. It promotes regional providers, creating a sustainable corporate culture in the surrounding region. »

Birgit Bachmaier, Owner of Bachmaier florist in Zolling

Society

Significance

Munich Airport lives from, with, and for the region. As well as being a major employer, an engine for the economy and a gateway to the world, FMG's daily challenge is to be a responsible neighbor – in an open dialog and with commitment to the region. The Group cultivates long-term, mutual relationships with key stakeholders in its bid to generate a feeling of trust and acceptance in the society around the airport. Here, particular focus is placed on neighboring communities and political representatives.

Input

- **Stakeholder dialog:** Transparent corporate communication and dialog through a wide range of channels
- **Dialog with politicians:** Presence, information, and active participation on a European, national, and regional level, membership in relevant associations
- **Value creation/region:** Positive value-added effects for the region, the airport as a business partner and neighbor
- **Community engagement:** Willingness to support countless charitable projects in the region, aid campaigns by the Flughafenverein München e. V.

Measures

- **Stakeholder dialog:** Publications, public relations, visitors' program, regional trade fairs and receptions, social media
- **Dialog with politicians:** Interests represented by the Political Affairs support office, regional work by the Regional Liaison Office, regular publication of the policy statement
- **Value creation/region:** Site improvements [third runway, T2 satellite building, transport links, infrastructure], regional fund, boost for tourism industry
- **Community engagement:** Wide array of sponsorship and corporate citizenship activities, social commitments by the airport association

Output

- **Stakeholder dialog:** More positive public perception of the company [result from the stakeholder survey], support for the sustainable development of corporate activity
- **Dialog with politicians:** Representation of interests, dialog, and contact
- **Value creation/region:** Large income tax, local trade tax, and social insurance payments, property, plant, and personnel expenditure, total of 96.5 million euros of procurements from the region [excluding subsidiaries and major projects]
- **Community engagement:** Increased acceptance in the region, sustainable and permanent partnerships



Scan this page to access more information on this subject. See the contents page for instructions.

/Strategy and management

Munich Airport has adopted a corporate strategy based on sustainable value creation. It has launched an array of projects to make sure all of its stakeholders will benefit wherever possible and to protect its position as a global leader.



Strategy

Thinking sustainably, acting responsibly

Munich Airport's Strategy 2025 lays the foundations for the company's development as Germany's second-biggest commercial airport. Applying an integrated concept, the strategy incorporates economic, environmental, and social aspects. The airport's business activities have a major impact on Munich, Bavaria, and Germany as business locations. They affect the region and its inhabitants, the airport staff, the passengers as well as other companies in and around the airport plus further stakeholder groups.

By implementing its strategy, the airport aims to generate positive effects and long-term added value for everyone involved. However, it is also aware of the negative effects that its business may have and is making targeted efforts to keep these to a minimum and find a healthy balance.

Its aim is to protect the long-term future of the airport, which is reflected in the comprehensive nature of its medium- to long-term strategy.

Strategy 2025: planning for the future today

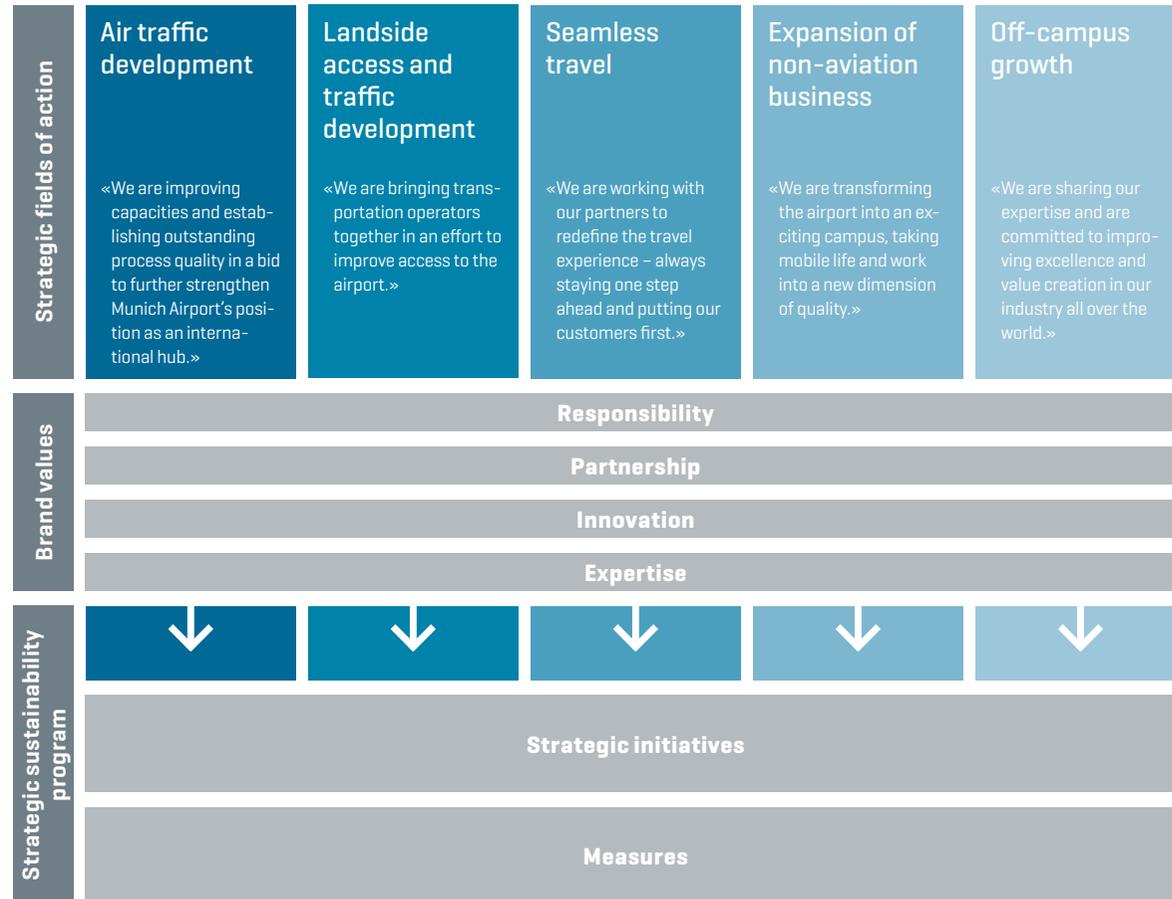
The company's Strategy 2025 is made up of five fields of action, identified as a result of several scenario analyses regarding the future of the aviation industry. The evaluation also considered relevant factors such as global mobility and economic trends. The strategic fields of action address the main future challenges in running the international hub that is Munich Airport. The brand values also provide a foundation for all strategic corporate decisions and future developments within the fields of action. These values represent the key foci across the Group: expertise, responsibility, innovation, and partnership. The brand values reflect the way in which Munich Airport aims to achieve its strategic goals.

Management

Strategic management and corporate governance

Flughafen München GmbH (FMG) has defined specific goals within each of the fields of action to support the implementation of Strategy 2025 and long-term corporate development. These goals are translated into specific projects within the corporate divisions and mapped out in the strategic sustainability program. After defining these goals, the Executive Board and divisions are responsible for making sure they are met. All first- and second-tier managers are responsible for implementing the initiatives. Target achievement is also the basis for variable performance-related remuneration. This approach aims to ensure that the strategic initiatives – including any issues relevant to sustainability – are incorporated into day-to-day work. FMG monitors target achievement in an internal management report prepared on a quarterly basis.

Overview of Strategy 2025



➔ Sustainability program munich-airport.de/en/NHprogramm

Financial and non-financial key performance indicators

In addition to the major financial performance indicators EBIT and EBITDA, FMG also measures itself against non-financial indicators, such as Airport Service Quality [ASQ], carbon reductions, and em-

ployee retention. It thus emphasizes the importance of these factors, not only for the Group's strategic target achievement but also for internal and external stakeholders.



➔ Glossary

➔ Group management report see page 92

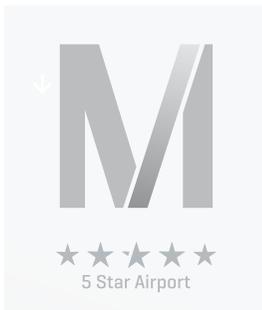
➔ Web
munich-airport.de/en/company/portfolio/qualitaet

Quality management – putting the customer first

Munich Airport sets itself the key goal of achieving outstanding quality in all of its services, which has been recognized as one of its strengths. These high standards not only apply to the core business of aviation, but also in all other areas, such as consumer business and internal processes.

- **5-star airport:** In spring 2015, an expert committee from the London-based aviation research institute Skytrax named Munich Airport as Europe's first five-star airport. As such, Munich Airport is part of an exclusive circle of just five airports in the world who carry this premium mark of approval. For several months the Skytrax auditors reviewed Munich Airport. This involved analyzing, assessing, and – where

necessary – optimizing the various fields of action along the entire passenger chain in the airport.



Munich Airport is Europe's first five-star airport. It was awarded this title by the London-based aviation research institute Skytrax in spring 2015 following an intensive audit process.



First-class ambiance and ultimate comfort

Comfortable seats and benches in the departure areas invite guests to sit and read or switch off for a while. The renovated business zones have space for over 30 visitors to work in a relaxing atmosphere. The tasteful style of the recreation areas in Terminal 2 is in keeping with their role as an oasis of calm.



A diverse range of services

Lots of intricate details, like service facilities for families with young children, show passengers and visitors that their well-being is the number one priority at Munich Airport. Passengers with laptops, tablets, and cell phones will find sockets and USB ports in every corner of the departure areas.



Efficient workflows

On its path to receiving the 5-star airport rating, Munich Airport spent several months improving countless processes along the transportation chain, including security and passport control. Now around 100,000 passengers a month use the automated border inspection system EasyPASS so that they can enter and leave independently.



Easy orientation

Clear, intuitive route guidance makes it easier for guests at Munich Airport to find their way around. For instance, numerous InfoGate terminals inform visitors about flights, departures and arrivals, shops, catering options, and other services.



Exceptional hospitality

With an exceptional focus on good service, a team of motivated employees support passengers and visitors during their time at the airport. Campaigns like the «Day of Kindness» or events like the «Airport Day» in the visitors park show that Munich Airport is much more than a place for take-off and landing.



Holistic, interdisciplinary, and always with the customer at the forefront – this is our approach to shaping the future development of the airport together.

Corporate Development division



- **Skytrax passenger surveys:** For the Skytrax «World Airport Awards 2015» over 13 million passengers from 112 countries rated 550 international airports and countless airlines. They looked at criteria such as the ground handling and customer service quality, the friendliness and expertise of airport staff, the range of shopping and leisure outlets, and transfer options. Munich Airport was once again named as the best airport in Europe. In the global ranking, the airport took third place, defending its strong position from the previous year.
- **ASQ benchmark program:** Passenger feedback is essential for Munich Airport's efforts to improve service quality

on an ongoing basis. Munich Airport receives regular feedback on how satisfied customers are with its service quality throughout the transport chain via the Airport Service Quality benchmark program run by the airport umbrella organization known as the **Airports Council International (ACI)**. Over 250 airports from every corner of the globe take part in the program. In comparison to its result in the previous year, Munich Airport was able to improve its rating in 2015: It received a total of 4.07 out of 5 in 2015, increasing from 4.04 in 2014. In a direct comparison with other European hub airports, this puts Munich behind Zurich, Copenhagen, London-Heathrow, and Vienna airports but ahead of Amsterdam.

- **Dialog management:** Munich Airport works with a feedback system, which the central Dialog Management team uses to process all suggestions and complaints from airport visitors. Providing customers with a quick and personal response helps Munich Airport to improve customer loyalty. The systematic analysis of all feedback forms the basis for continuous improvement to processes and services. In 2015, the amount of criticism received fell in a number of categories. The new Service Center for parking-based issues resulted in a very positive result for the area of parking, in particular.
- **Certified quality management:** The quality management system launched at Munich Airport on the basis of the international standard DIN EN ISO 9001:2008 establishes structures that support the evaluation and improvement of processes. By optimizing its processes on an ongoing basis, Munich Airport has successfully established itself and its high quality standards on the market.

→ GRI G4-27

➤ Web worldairportawards.com

→ Glossary

ASQ
4.07

out of a maximum
of 5 points

→ Sustainability indicators
see page 159



Skytrax World Airport Awards

- In the category of airports with an annual passenger volume of between 30 and 40 million, Munich Airport is the world's number one [based on 2014].
- The Hilton Munich Airport performed particularly well: The hotel directly next to the terminal buildings was rated first place on a European level and came in third on a global scale.
- Outstanding scores were also awarded to the airport's VIP area [second place], its leisure amenities [third place], and the quality of its restaurants and bars [fourth place].
- The employees also received special recognition: The team at Munich Airport achieved an outstanding second place on a European level.

Sustainability management – a central component of the corporate strategy

As an important component of the corporate strategy, sustainability management has been entrusted to the Corporate Development division. It is based on the main elements in the business model. It also takes into account the most important issues for stakeholders and integrates these into strategic planning and operational implementation initiatives.

➤ Web munich-airport.de/en/company/konzern/strategie

→ GRI G4-18
GRI G4-19
GRI G4-26

The materiality analysis is based on the principles defined by the Global Reporting Initiative [GRI]. The identification and prioritization of important issues are achieved through continuous dialog with stakeholders. Existing in-house processes and methods are linked to the internal strategy process for this purpose. Munich Airport has set itself the goal to improve processes continuously, particularly in terms of estimating and measuring the internal and external impact.

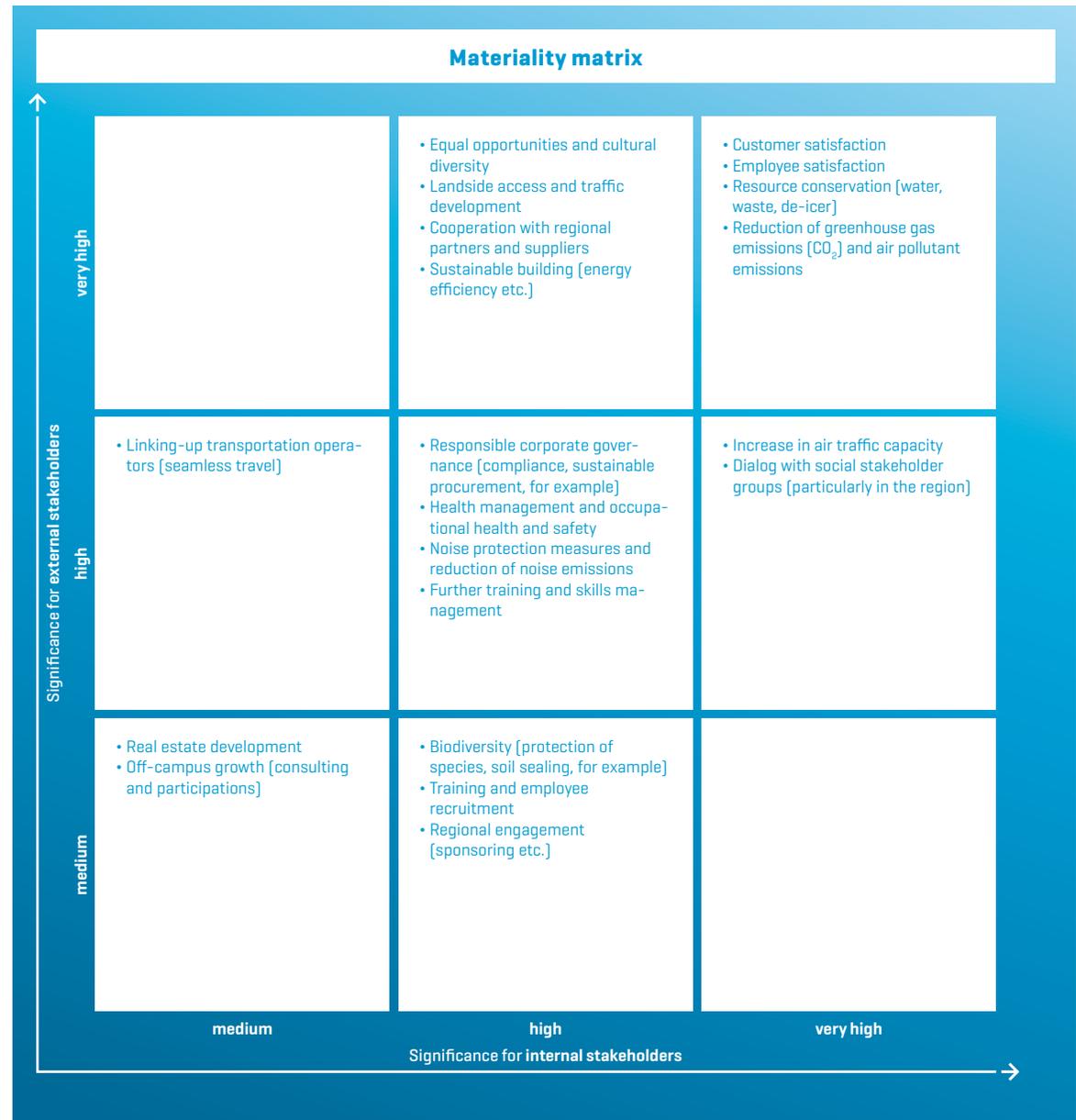
Materiality process

1. Identification: FMG conducts an annual survey of its main stakeholder groups when it publishes its integrated report. It also uses the results of internal scenario analyses to understand the business model in the broader context of a sustainable approach to development.

2. Prioritization: The results of the annual stakeholder survey are presented in a materiality matrix with two equivalent axes, which represent the importance of the 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 experts look at the impact within the four business units. The issues are also incorporated into the objectives process.

3. Validation: Members of the management team discuss relevant issues as part of the annual strategic target agreement process. The stakeholder survey also provides external feedback on the content of the integrated report. Fields of actions and goals are then adjusted, expanded, or incorporated for the first time.

As in previous years, customer satisfaction, employee satisfaction, resource conservation, and the reduction of greenhouse gas emissions and air pollutant emissions remain the most important issues for internal and external stakeholders. Equal opportunities, cultural diversity, and sustainable building have become more important for stakeholders. During the materiality process, FMG identified the issue of digitalization as a new material issue for FMG's sustainable economic development.





The Group-wide materiality analysis is an important tool for strategic sustainability management. This provides the basis for the Executive Board to set the central parameters for sustainable development within the Group. It helps to identify content for the integrated reporting process.

Brand management – the «M» brand continues to establish itself

2015 was quite a busy year when it came to branding: Many touchpoints on the airport premises have been given a makeover. According to a study by Impact IRC in October 2015, 81 percent of people from Munich and the surrounding area value the high quality of these touchpoints with the airport and its brand. According to the study, brand awareness increased by 14 to 62 percent within the space of just one year thanks to the significant improvements made to consistency in the Group's image. Within the Group itself, the brand promise is now incorporated into processes, decisions, and developments much more prominently. For example, it is an

important part of the new quality and customer service training programs. The first example of a new, high-caliber duty-free concept – heavily inspired by the umbrella brand's image of regional flair – has been launched in the new Terminal 2 satellite.

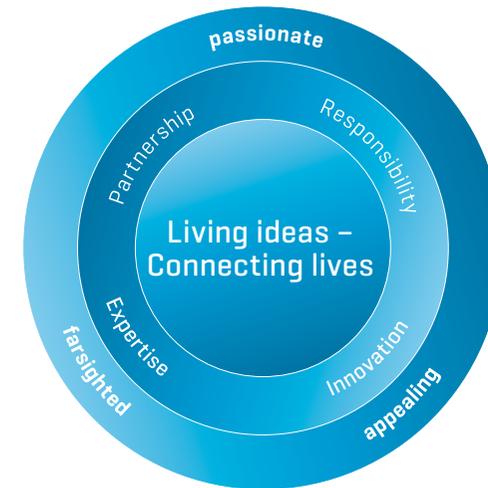
The strategy to establish the «M» brand as a premium quality label beyond the site is stepping up a gear: For instance, the new off-campus project by AeroGround in Berlin is providing a further boost to the «M» brand and transporting the values and high quality standards in place on-site outside of the airport perimeters.

Innovation and digital services along the transportation chain

Munich Airport applies a systematic approach to innovation management in an effort to develop new, innovative, and customer-oriented service solutions. Under this approach, innovation research fields cover the areas where key customer requirements meet major social trends.

The brand positioning

→ GRI G4-18



FMG aims to optimize the travel experience along the entire transportation chain, offering every single customer tailor-made services for their personal travel experience. Since 2015, a newly established team has been working on solutions for pairing digital services with every stage of the travel process, which, for example, make it easier to find your way through the airport or book a parking space.

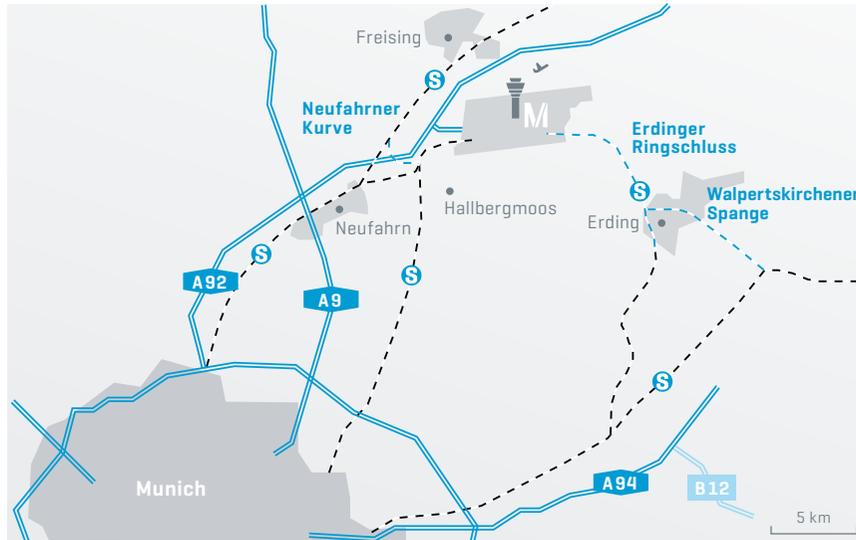
Expansion plans

Needs-based expansion and infrastructure planning

Strategy 2025 highlights key issues concerning the enhancement of the business model and, as a result, marks the key milestones in Munich Airport's picture of the future. FMG is keen to expand airport infrastructure based on its needs, bring together various transportation operators, and extend the range of landside

Examples of innovations

- 360° views of terminal interior
- Launch of a professional travel blog
- Exclusive shops in the lounges

Strategy: landside access

«
Terminal 2 – the best of two worlds ... when an airport and an airline work in partnership, they can create something great.

Terminal 2 Gesellschaft



29
percent

of passengers traveled
on the local S-bahn
railway in 2015

27

new aircraft stands
available at the T2
satellite

→ Glossary

transport services – all while keeping quality and customer requirements at the heart of its work.

Landside access and traffic development: linked by road and rail

Passengers and visitors expect to be able to reach the airport quickly and easily. That is why FMG has placed strategic focus on optimizing its rail access. For years, it has been supporting governmental and state infrastructure plans relating to the rail network in the city and region of Munich. Regional and long-distance railway links are due to be improved step by step under a three-stage plan. The aim is to have more than 40 percent of incoming visitors arrive at the airport by train in future. In 2015, the main sponsor of the Erdinger Ringschluss project, Deutsche Bahn AG, applied for planning approval for the section of track between the airport and Erding's town boundaries. The Group has taken the initiative where the necessary extension to

the airport tunnel is concerned and has issued the invitation to tender for the necessary planning services.

In 2015, Germany's two largest inter-city bus companies considerably expanded their range of services to and from Munich Airport: MeinFernbus FlixBus and Postbus now offer a total of over 60 connections every day.

Terminal 1 is preparing for the future

Extensive renovations are being planned for T1, the older of the two passenger handling buildings. The planned expansion to the T1 building aims to make the area significantly more appealing to passengers and airlines in the non-Schengen segment. The building project is set to increase the capacity of Terminal 1, create new retail and catering units, and improve passenger handling processes. The use of innovative construction and technical systems should keep energy requirements and thus also CO₂ emis-

sions for the new building at least 40 percent lower than in the existing terminal. Construction is due to start in 2017.

Terminal 2: makeover for arrivals

Renovations and updates to Terminal 2 are stepping up a gear. The quality of facilities and the range of shopping, catering, and service options on the arrivals levels are being improved as part of a six-stage construction project. Furthermore, the construction project for T2 arrivals aims to improve the passenger flow, while at the same time making it easier for passengers and visitors to find their way around.

T2 satellite building opens on schedule for passengers

In April 2016, the Terminal 2 satellite building opened for regular airline passengers. With the launch of its new terminal building and 27 new aircraft stands close to the terminal, Munich Airport has additional capacity for



11 million passengers per year. The complex is one of the world's most cutting-edge airport buildings and the first-ever «midfield terminal» at a German airport: Passengers in Terminal 2 travel on an underground passenger transport system, reaching the satellite building in less than one minute. Before the building was opened to the public, it had to undergo extensive tests and a trial period, which involved several hundred voluntary «passengers» using the building in realistic conditions. Over 4,000 staff took part in intensive training sessions to prepare for their future roles in the T2 satellite building. When it comes to sustainability and energy efficiency, the expansion to Terminal 2 has set a new benchmark: An ambitious target has been set whereby CO₂ emissions from the new green building should be 40 percent lower than for both the existing terminals. A wide array of construction measures have been applied in order to cut emissions so substantially, such as a heat buffer in the double-skin facade, cutting-edge air source technology

for the air conditioning system, and LED lighting with daylight-dependent dimming. The construction work did not affect regular airport operations. Like Terminal 2, the satellite building is run by Flughafen München GmbH as a joint venture with Deutsche Lufthansa AG.

Third runway: a decision for the future

Munich Airport will only be able to maintain its position in the international aviation industry and its importance as an economic and location factor over the medium and long term if it manages to continue to grow in line with its customers' requirements. However, its two-runway system is already pushed to its limit. Capacity during peak arrival and departure times in the course of a day is at a maximum. The third runway would increase current capacity of a maximum of 90 aircraft movements per hour to 120, thus covering requirements for the next few decades. Without a third runway, the current range of attractive direct flights would be put at risk: If airlines

are no longer able to offer new connections in Munich and are therefore unable to grow, they will move their flights elsewhere to other hub airports.

Important precedent set by the German Federal Administrative Court

The construction of a third runway is therefore a major decision affecting the future of Munich, Bavaria, and far beyond. In July 2015, the German Federal Administrative Court in Leipzig set an important precedent on this issue by rejecting the remaining six pending complaints against the denial of leave to appeal in the legal proceedings. The planning permission is therefore legally valid. A ruling by Germany's supreme administrative court also confirmed a few of the main arguments for the third runway that have played a major role in the public discussion: the need for expansion, the compensation scheme for local residents, and the measures to ensure conservation of the natural habitat.

➤ [Web
munich-airport.
com/satellite](http://Web.munich-airport.com/satellite)

Need for expansion confirmed by Germany's supreme court

Munich's air traffic forecasts, which reflect the dynamic growth taking place in the global aviation industry, have been confirmed by the court. They form the basis for the plans to construct the third runway. Provided the expansion takes place, the hub in Munich will benefit more than other German airports – in light of the economic strength of Bavaria, the population growth in the region, and the high proportion of transfer passengers. However, capacity problems in the existing two-runway system are currently putting the brakes on any development in traffic levels. The airport will be unable to enjoy needs-based growth until it gets a third runway.

➔ Noise impact
see page 75

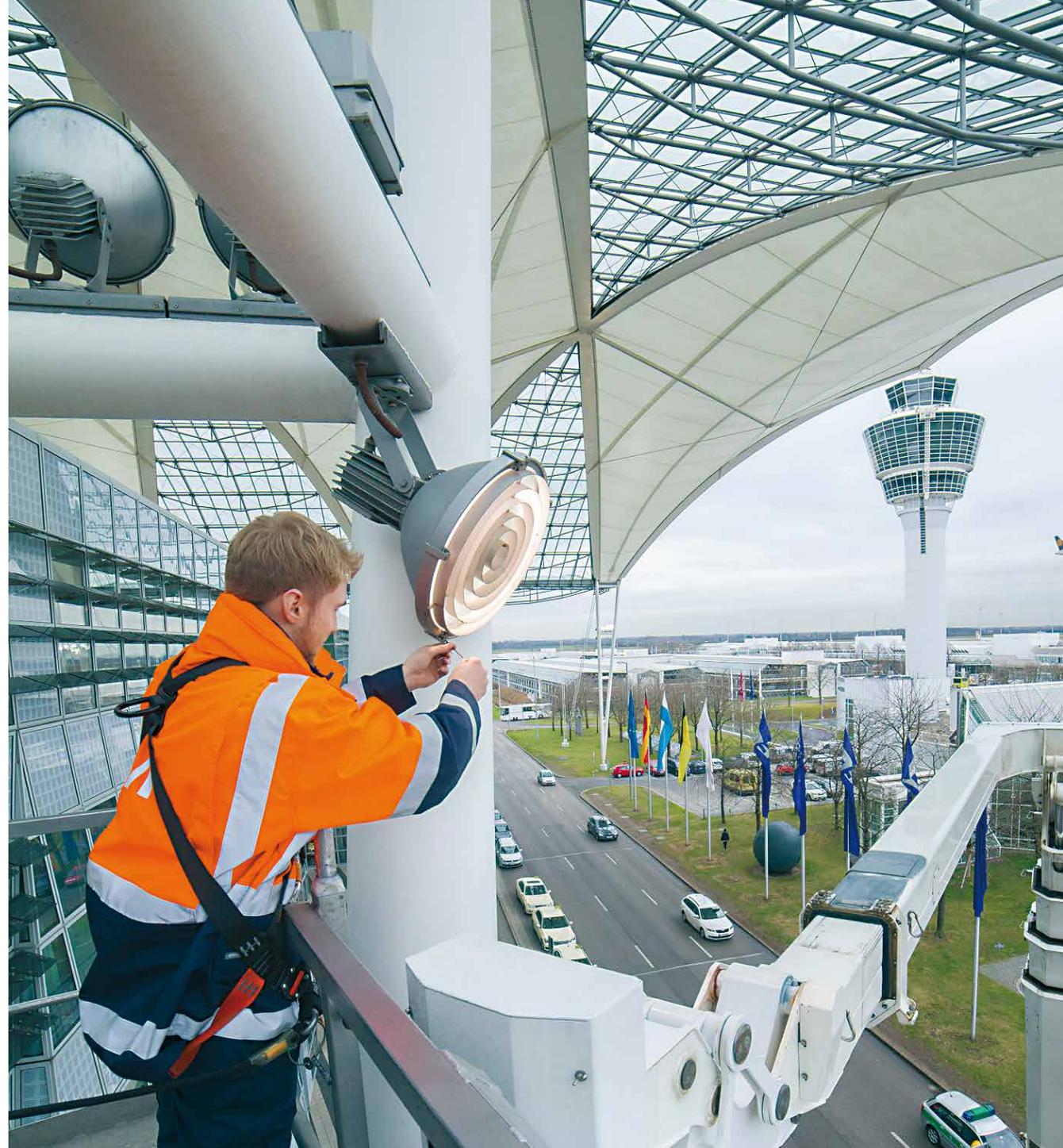
Minimal impact in comparison to other major German airports

The German Federal Administrative Court has also recognized the noise protection concept for the third runway as legally valid, as well as approving the air pollution analysis and compensation scheme for the local residents affected. There are no disputes over the fact that a project like this would severely impact on the lives of the people living in the direct vicinity. The airport is therefore looking for fair and agreeable solutions for everyone affected. The fact is that no other major airports in Germany have such a small circle of impact. That is despite the planning authorities tripling the size of the area eligible for compensation for the third runway.

➔ Biodiversity
see page 77

Environmental protection and conservation areas

According to the court's ruling, the plans do not violate European conservation laws either. By applying a careful environmental compensation concept, the construction project will actually significantly increase the size of the biotopes instead of shrinking them. For every hectare required to construct the runway (870 hectares in total), the airport will protect almost an entire hectare in return, which is much more valuable than the corn crops that dominate the area at the moment. Even now, the



low-nutrient airport meadows are already the best natural habitat for meadow breeders in Bavaria, for instance. They form the heart of the European bird sanctuary set up in 2008.

Discussions with the Bavarian State Government

The Bavarian State Government took the ruling from Leipzig as a starting point for a series of talks in the second half of the year. During these meetings, the minister-president of Bavaria discussed key aspects in detail with the most important parties and stakeholders. Arguments both for and against the project were put forward in a bid to come to a fair, balanced decision.

Airport information campaigns to support the building project

Following the ruling by the court in Leipzig, the airport launched a series of information campaigns to help support the building project. Several thousand staff members and a large number of other supporters submitted their names, photos, and a personal statement to be published on www.gutfuerbayern.de, a website listing the benefits of the third runway for Bavaria. The portal was launched in 2015 and acts as an information platform, presenting all the facts and news on the project, answering questions, and outlining the main arguments. At the launch event «Get it started», some airport staff presented the issues surrounding the expansion to other employees in the form of a motivational play. Employees were able to find out more about all key aspects of the project at a number of talks and trips across the area in question.

An increasing number of partners from the world of business

Since sixty well-known companies and trade associations signed up to support the airport expansion in October, more and more international corporations, medium-sized companies, traditional Bavarian businesses, and associations have been joining the campaign every week in sup-

port of a speedy turn-around for the expansion project. Their demands are also supported by a study published by Vereinigung der Bayerischen Wirtschaft (vbw) [the Bavarian Economic Association] in October, which stated that, as a major air traffic hub, Munich Airport secures over 4 billion euros in added value per year and provides almost 70,000 jobs across Bavaria. The construction of the third runway would create over 15,000 additional jobs. However, if it were to lose its position as an international air traffic hub, there would be 17,000 job losses and the competitiveness of Bavaria as a whole would suffer.

Creating prospects

The efforts made by the airport and the world of business to campaign for the expansion of Munich Airport have received a positive response from politicians. Countless elected representatives and members of government have already spoken out in favor of the third runway. In 2015, Flughafen München GmbH held intensive talks with all those responsible and campaigned hard in favor of the important future project. With its plans, the ruling of the German Federal Administrative Court, and the various information campaigns promoting the third runway, the airport has built a strong basis for a positive decision, which is now down to the three shareholders.

→ IHK study
see page 52

4
billion euros
value added per year

About
70,000
jobs
across Bavaria



A further
15,000
jobs
created by the third runway



Top five measures in the sustainability program [Detailed program online: munich-airport.de/en/NHprogramm](http://munich-airport.de/en/NHprogramm)

Material topics	Initiatives	Measures	Status 2015	Measure ends
Infrastructure development and sustainable building	Third runway	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	100% ■■■■■■■■	2015 Completed
Customer focus	Ensuring the necessary quality and efficiency at the Munich Airport site	Developing, operating, monitoring, and coordinating the Group-wide quality management systems [ASQ, dialog management, etc.]	Ongoing	Ongoing
		Continuation and development of quality and service engagement [5-star-program]	Ongoing	Ongoing
Landside access and traffic development	Medium-term improvements to rail access	Supporting the Neufahrner Kurve project	Needs-based	2018
		Supporting the planning approval process for the Erdinger Ringschluss project [Airport-Erding]	Needs-based	2018

/Service portfolio

All services provided to airlines from a single source and an extensive portfolio of retail, catering, and services with the highest level of quality for passengers and customers: These are the characteristics of Munich Airport and its success story.



Aviation

The aviation business is FMG's core business. FMG's Aviation business division is responsible for, initiates, and markets the air traffic infrastructure and services for airlines and passengers, working with the authorities and other participants.

Munich Airport is positioned as a hub airport. Transfer passengers, in other words passengers who change in Munich en route to their destination, benefit, for example, from the high quality of services, a low minimum connecting time, and seamless travel processes.

For airlines, Munich Airport is not only appealing as a hub airport but also for point-to-point connections. The highest proportion of business flyers in Germany and a catchment area with an above-average economy speak for the high quality of its location.

Who benefits from the hub?



The occasional incoming customer

13%



The frequent business flyer

21%



The passenger on vacation making an international transfer

18%



The business flyer making a transfer

17%



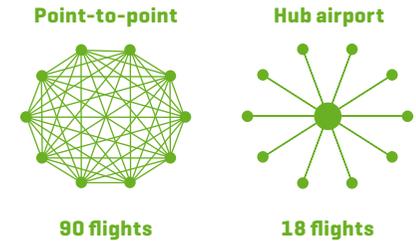
The loyal vacationer

31%

The hub airport: model for success

Hubs bundle flights in an efficient and resource-friendly manner. This creates lots of different connections using a minimum number of aircraft.

Example: Connections between ten airports



The availability of time slots for take-off and landing is the critical factor in the airport's bid to remain competitive in the future. The needs-based expansion of take-off and landing capacities plays a decisive role in this bid.

Around 41 million passengers, record result for freight, and an increase in aircraft movements

The airport achieved yet another passenger record in 2015: Around 41 million passengers – which is a 3.2 percent rise in comparison to the previous year – used Munich Airport in total. This put Munich Airport in 7th place in terms of passenger volume in Europe. One important factor in this positive development was an increase to the aircrafts' average seat capacity utilization to 76.6 percent.

Airfreight also reached a high during the fiscal year: Growing by over ten percent to 336,162 tonnes, the ground handling group achieved a result significantly higher than the German average of 0.1 percent as recorded by the German Airports Association (ADV).

The start of the 2015 summer timetable period saw the beginning of a forecasted turnaround in aircraft movements. The approximate two-percent increase during the summer season meant that annual growth rose by 0.9 percent to 379,911 take-offs and landings in spite of huge restrictions caused by flight cancellations during strike action. The favorable trend in aircraft movements has been confirmed by the additional 11,000 take-offs and landings registered for the 2016 summer timetable.

Munich Airport: an attractive hub airport at the heart of Europe

The airport's route network continued to expand in 2015. For example, the Iranian airline Mahan Air added flights to Tehran while Kuwait Airways relaunched its route between Munich and Kuwait City after an extended break. A total of six new airlines have been acquired, including one new cargo airline. Deutsche Lufthansa expanded its range of intra-continental flights. Furthermore, BMI Regional stationed three aircraft in Munich and added new feeder services within Europe, working with Lufthansa.

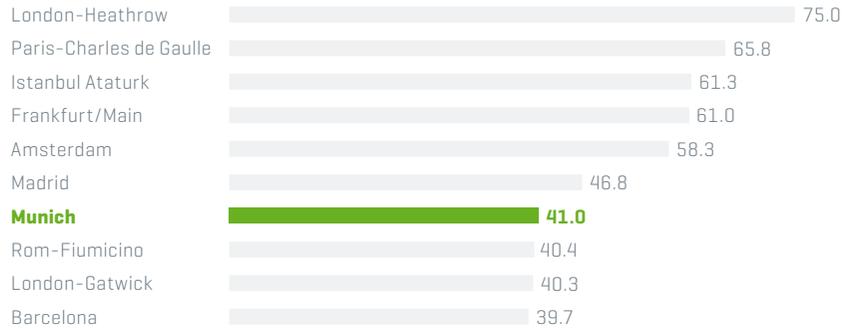
The three long-haul destinations with the highest passenger volume in 2015 were Dubai, New York, and Abu Dhabi. Following the stationing of a long-haul plane by Condor, long-haul routes for tourists experienced huge

→ Glossary

➤ Web
[munich-airport.com/
statistics](http://munich-airport.com/statistics)

Munich compared with other European airports in 2015

Passenger figures, in millions



Data as of: December 31, 2015 / source: Airports Council International (ACI)

Top transfer passengers



Most transfer passengers come from Germany, followed by the U.S., Italy, France, Poland, the UK, Canada, Spain, Romania, and Sweden. Overall, the majority of hub passengers come from outside of Germany.

Destinations regularly served¹⁾

70
countries regularly served from Munich

247
destinations
↔ ↓ ↘

97
airlines

Domestic
16

Europe EU
129

Europe non-EU
33

Americas
27

Africa
16

Asia
26



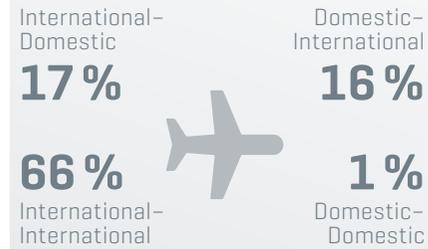
¹⁾ Scheduled and package tour traffic – passenger routes only

Passenger structure in 2015

Passenger group

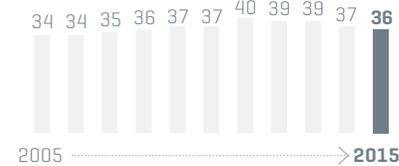


Flow of transfer passengers



Trend in transfer passenger figures

Since 2005, as a %



Reason for travel

Leisure travelers

59%



Business travelers

41%



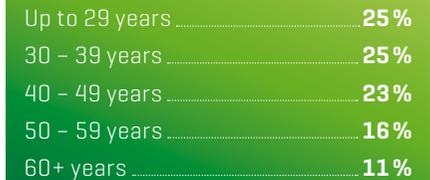
Gender



Permanent place of residence



Age groups





We put our customers at the center of everything we do – the fascination of flying encourages the passion of our employees.

Aviation business division



2015 highlights

- **41 million** passengers
- **336,162 tonnes** of airfreight
- **6 new airlines** at the airport

growth. The European metropolises of London, Paris, and Madrid were by far the most popular routes for intra-continental traffic.

Urgent need for capacity adjustments

The growth in the number of passengers – which was particularly high in Terminal 1 with an increase of far above eight percent – has exacerbated the capacity problems at Munich Airport. Above-average growth also looks likely there for 2016. As well as a third daily Emirates flight to Dubai, the low-cost airline Transavia will be establishing a base of four planes in Munich as of the 2016 summer timetable. On the intercontinental market, the route network to North America, the Caribbean, the Middle East, Asia, and Africa is expected to expand. The launch of the Terminal 2 satellite building in 2016 will be an important step forward in tackling growing demand and maintaining high quality standards in Munich.

With the launch of the Transavia base, the number of high-frequency intracontinental services that can be stationed in Munich has, in theory, reached its limit. The capacity shortages are becoming increasingly problematic. There are hardly any free slots available, particularly during the six in-demand take-off and landing waves on

working days. The growth in 2015 and the forecasted development for 2016 make it even clearer that the present runway system is being pushed to its limits.

Safety and security of the highest standard

Safety and security are crucial for airports. Top priority is given to both aviation security (airport security) and the safe operation of aircraft and their handling on the ground (airport safety). The airport is focusing on preventing accidents and dangerous situations by applying suitable processes and systems, particularly in view of the rising traffic figures.

With the introduction of regulations on airport certification in 2014, the EU is aiming to harmonize safety and security standards and, thus, achieve a consistently high level of safety at all European passenger airports. As part of this process, Munich Airport is required to receive certification based on the requirements set out by the EASA [European Aviation Safety Agency]. This process will look closely at infrastructure-based, operating, and organizational requirements relevant to air travel. The site will also be required to establish a functional safety management system. The transition period, including the completion of the certification process, will run until the end of 2017.

New records in the third quarter

Record quarter



Record month



With almost twelve million passengers, the airport achieved its highest ever passenger count for a quarter between July and September. With almost four million passengers, August broke the airport's monthly record.

→ Glossary

Munich hosts global summit

In June 2015, some of the world's most important leaders met in Schloss Elmau in the Bavarian Alps for the G7 summit. When it came to coordinating, managing, and providing security for the participants' arrivals and departures, FMG, its subsidiaries, and the authorities demonstrated that they could handle major, high-security events professionally, while still guaranteeing high quality standards for the airport's regular flights.

➔ Web
munich-airport.de/en/company/portfolio/sicher

Munich Airport's adherence to standards will continue to be monitored following the certification process.

«Follow the Greens»

As part of the SESAR (Single European Sky ATM Research) project, Munich Airport tested a new process for managing aircraft on the ground. The aim of this European research project is to optimize and harmonize European air traffic management. Following a test period involving pilots in 2013, staff in the Tower then tested various «Follow the Greens» scenarios in spring 2015. Using a single touchscreen, the system can bring together information from the three different sources used to track the traffic situation: ground radars, electronic flight strips, and lighting systems. Employees receive intelligent route suggestions, which they can then approve or modify. Green lights on the taxiway center line guide pilots clearly into position. The new process relieves a great deal of strain on the apron control team, especially when visibility is poor.

Committed to safety – the Airport Rescue and Firefighting service

The Airport Rescue and Firefighting service has two stations at Munich Airport and can reach any point on the runways within a maximum of 180 seconds if an alarm is trig-

gered. This quick response meets the highest standards (category 10) set out in the guidelines by the International Civil Aviation Organization ICAO in keeping with the high safety standards in place at Munich Airport. The Airport Rescue and Firefighting service is not only responsible for fire safety on the campus, it is also in charge of rescue services.

The Airport Rescue and Firefighting service in Munich train under realistic conditions at Germany's most cutting-edge training facilities for fighting aircraft fires. This year also saw the installation of a new fire simulation system, which is especially suited to running exercises for experienced staff.

Successful biotope management supports the prevention of bird strikes

Collisions between aircraft and heavy birds or flocks of birds pose a danger to the safety of flight operations. FMG therefore works closely with the relevant partners and institutions, in particular the airlines, German air traffic control, regional and higher-level authorities, and the GBSC (the German Bird Strike Committee). Specially trained employees perform bird control duties throughout the operating time on airport premises and actively

deal with any potential bird-related risks. Munich Airport has also established a special biotope management team to keep birds that pose a risk to aircraft safety at a safe distance from the airport. For example, it has planted unappealing vegetation in the green areas around the runways. Because mowing can attract birds, these areas undergo as little maintenance as possible. Further measures include avoiding large bodies of water, for instance.

Low bird strike rates at Munich Airport

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 (bird strike reports per 10,000 aircraft movements) for many years now. The average bird strike rates in Germany for 2015 were 75 and 212 percent higher than the rates recorded for Munich Airport in areas 1 and 2 respectively, the airspaces assigned to the airport.

Bird strike rate	Area 1	Area 2
Munich during 2015	1.54	0.24
German passenger airports during 2015, average figures	2.70	0.75

Source: Bird strike statistics by the GBSC (as of March 3, 2016)

Area 1: Take-off 0-500 feet above ground; landing 200-0 feet above ground
Area 2: Take-off 501-1,500 feet above ground; landing 1,000-201 feet above ground

→ Glossary

→ Glossary



Commercial Activities

FMG's Commercial Activities business division looks after services for both business partners and end consumers. It develops, markets, and manages retail and catering in the terminals and at the München Airport Center (MAC). Its portfolio also covers parking-related services, as well as advertising and events on airport premises. As a result, Commercial Activities makes a significant contribution to FMG's non-aviation-based revenue and Munich Airport's position as an international hub and an attractive marketplace. Its brand image is a key factor in its success: Customers value Munich Airport as an innovation location with a distinctive Bavarian charm and top-quality services. Business partners, such as advertisers or the retail unit lessees, use the airport to position their products, services, and brands.

Airport City: shopping and dining

FMG's two wholly-owned subsidiaries eurotrade and Allresto also play an important role in making a trip to the airport an enjoyable experience for customers. For example, eurotrade Flughafen München Handels-GmbH runs 67 retail outlets, covering the sectors of duty-free/travel value, press and souvenirs, fashion, watches, jewelry, and accessories, as well as small catering units.

Allresto Flughafen München Hotel und Gaststätten GmbH provides a diverse range of culinary options at Munich Airport. It runs around 85 percent of all catering facilities at the airport. The high standard of the international, German, and Bavarian dishes on offer is reflected in the airport's strong results in the Skytrax World Awards and its popularity among guests. Allresto is also responsible for the municon conference center. The five employee canteens and the Hilton Munich Airport are run on the basis of a management agreement by caterer Eurest Deutschland GmbH and Hilton Worldwide respectively.



Bavaria and the world – strong brands on an international platform

Munich Airport strives to offer visitors an appealing blend of transport options and retail space with a suitable mix of sectors and brands. The airport's approach is centered around strong and international brands and a unique Bavarian identity with impressive brand recognition. This concept is taken one step further with the opening of the Terminal 2 satellite building: The new terminal building's central market square, which features a select range of catering and retail units, embodies Bavarian tradition and Munich's joie de vivre.

➔ Web
www.eurotrade.org
munich-airport.com/shopping

The satellite building attracts new catering units and shops to the airport

Dining

- Speisekammer: Schuhbeck's second «Platzl»
- Backstube: Exclusive range of baked goods
- Hans im Glück: Burger restaurant
- Lenbachs: Tapas and bar at the tower
- Bubbles Seafood & Wine Bar: Seafood, sushi, and fine wines
- Sissi und Franz: Modern coffee bar
- Amo: Italian restaurant and coffee bar

Shops

- Steiff: Traditional toy brand
- Picard: Premium leather products
- Victoria's Secret: The world's most famous lingerie label
- Van Laack: High-quality men's wear

Online booking for parking spaces

Passengers and visitors are able to book and pay for their parking spaces online using a new simple booking platform. When using the platform, they can select options like price and proximity to the terminal in advance, and benefit from cheap online deals.

➤ Web
munich-airport.com/parking

«Full Service»: parking facilities with added convenience

Over the course of 2015, 10.6 million vehicles were counted in the almost 36,000 parking spaces in the 14 multi-story parking lots and other parking areas at Munich Airport. This represents a five percent increase on the previous year. Following the restructuring to form a «Full Service» parking system, customers now enjoy added convenience when parking, whether it is through booking online or using the customer service center. The portfolio also includes the «Premium parking» service in P20, which is particularly popular with frequent flyers, business partners, and business travelers. With the launch of environmentally-friendly barcode tickets instead of conventional magnetic strip tickets and the installation of LED lighting in P81, the airport's parking services have also been enhanced in terms of sustainability.

A central market square for added public appeal

The MAC Forum between the terminals is the largest covered open-air space in Europe. Passengers and visitors enjoy regular special events in this unique space.

- «Surf & Style» – The MAC Forum takes its fifth beach vacation
- A golf course with the world's longest charity putt

- Now tradition: The winter market and an open-air ice rink at the end of the year

Advertisers also find a high-quality location in Munich Airport: They can reach target groups with strong purchasing power and achieve high contact numbers in the heart of the airport's unique atmosphere. For example, the large-format advertising space on the western facade of Terminal 2 is guaranteed to catch the public's eye. Advertising clients also get the chance to use entire spaces and showrooms in the terminals to showcase their products. The uninterrupted marketing of the MAC Forum throughout 2015 emphasizes just how appealing the airport's central marketplace is to businesses.

Real Estate

The Real Estate business division develops, markets, and runs all property and real estate both on the campus and outside the airport premises. As a location for real estate,

Munich Airport not only offers a high-quality urban development concept, it also has lots of opportunities for building in areas with very high footfall. Sustainable new-build concepts and an urban, city-style infrastructure form the basis for successful positioning on the market. At the same time, the airport's consistent building management concept, which is based around a property's life cycle, also plays a central role in Munich Airport's real estate strategy.

Real estate development in harmony with the surrounding region

Munich Airport's economic and social involvement in the region is one of the main premises in FMG's conduct as a business. The four municipalities of Freising, Hallbergmoos, Marzling, and Oberding, in particular, and Erding, as the district's main town, intend not to allow developments at the airport to limit their business policies. In light of this, the airport's real estate development strategy only targets businesses who are either keen to benefit from the airport's premium address or who require access to Munich Airport's international route network.

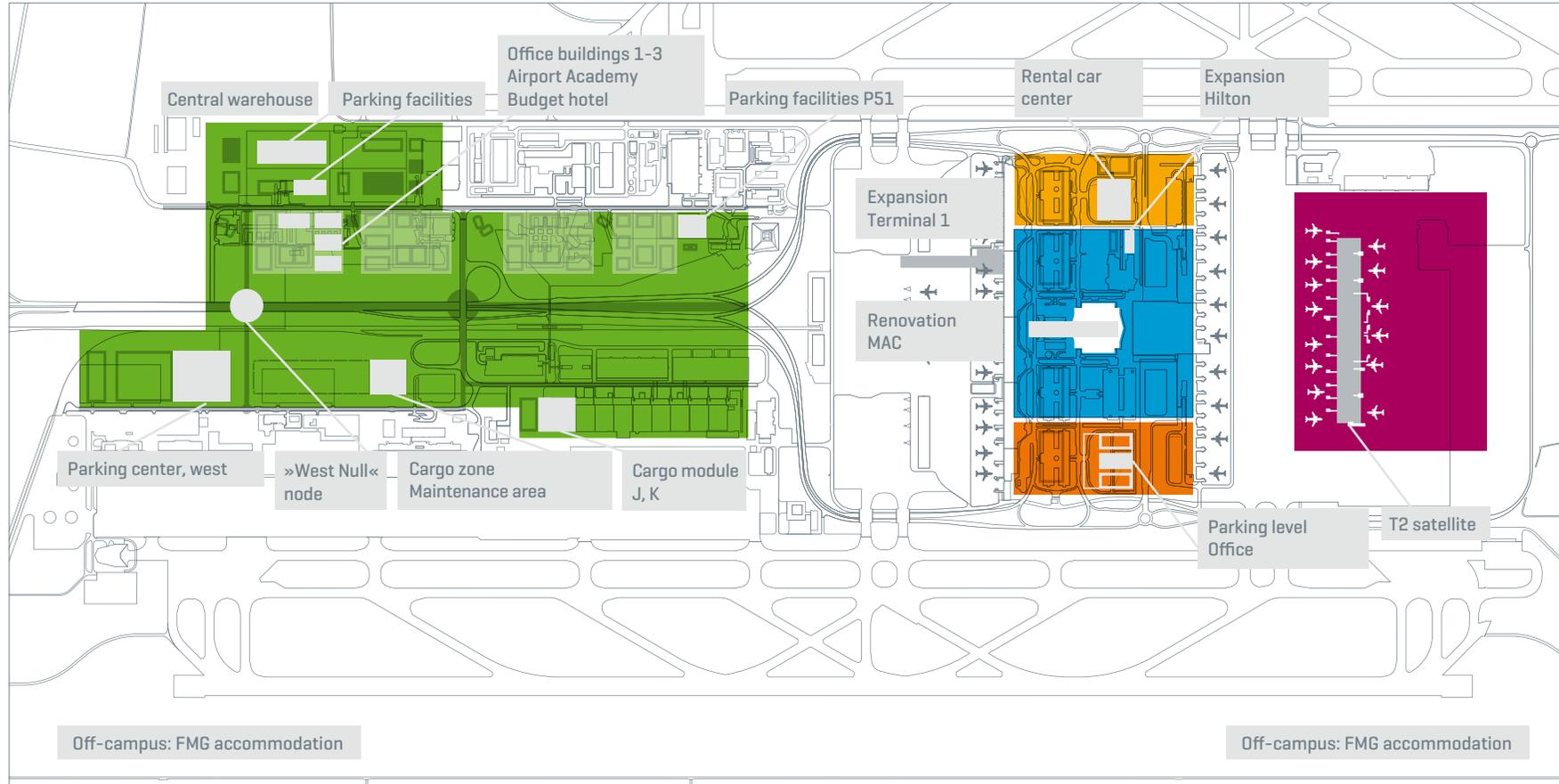


As a 5-star airport, Munich Airport brings together the ideal transport network and sustainable real estate development, making it a top location with excellent prominence for premium brands.

Real Estate business division



Real estate strategy 2025 – selected projects



Targets

1. Using real estate as a means of securing the core business of aviation
2. Making optimal use of spaces already used for commercial purposes
3. Generating substantial contributions to profits by developing real estate
4. Taking account of regional interests

- AirSite Center
- AirSite North
- AirSite East
- AirSite South
- AirSite West

AirSites: attractive real estate locations with location-specific development sites

- The **AirSite Center** forms the commercial heart of Munich Airport and is home to Terminal 1, München Airport Center [MAC], and the Hilton Hotel.
- Along with the Terminal 2 gates, **AirSite East** is also home to the satellite building for Terminal 2, stretching over an area of more than 125,000 square meters.
- The **AirSite South** and **AirSite North** projects are located directly between Terminal 1 and 2, providing airlines with highly sought-after direct access to the gates. With

a gross floor area of around 55,000 square meters, they could be used to construct cutting-edge office buildings and conference facilities.

- Plans for the some 50-hectare **AirSite West** site feature a new urban center with huge potential for development. The urban-inspired design will form the basis for premium amenities and successful business. Offices, commercial property, logistics centers, restaurants, and hotels – a diverse mix of units in a lively and spacious neighborhood.

MAC Forum

Europe's largest
covered open-air
space

8,800 square meters

Size of the extension
to Hilton Munich Airport



Ongoing improvements to airport infrastructure

Renovations to München Airport Center

München Airport Center is frequented by several thousand people a day: passengers, visitors, people picking up passengers, and staff from the countless companies based in the center. Plans are in place to make the airport's commercial center even more appealing and modern. The plans focus on improving visitor routing, cultivating more of a unique character, and strengthening competitiveness.

Workplace of the future

Numerous buildings on the campus are now almost 30 years old, a fact which inspired the airport to look at which areas could be improved as part of an office strategy. The review process started in 2015 and looked at Munich Airport Group's office space requirements; the resulting plans are based on the airport's needs and future growth prospects. The strategy places particular emphasis on the latest trends in office design and sustainable building techniques.

Relocation for the Airport Academy

The Airport Academy's relocation back onto the campus plays a central role in the brand development process. FMG's training center is due to move into a new, modern

building, which will also have offices available for other companies based in Munich Airport. The planning process was launched in 2015 and will continue into 2016.

Hilton Munich Airport set to expand

From 2017, the Hilton Munich Airport hotel will be offering its guests a new conference center plus 162 extra rooms. Just 155 days after laying the foundation stone, the Hilton celebrated the topping-out ceremony for the extension in 2015. The building is set to open in the first quarter of 2017. The interior design is inspired by the concept of «Mountain Hub»: Natural and regional materials highlight the relationship to the landscape of the Bavarian Alps.

FMG creates living space

FMG is hoping to ease the pressure that growing staff figures are putting on the local real estate market by getting involved in the construction of residential property. Working closely with the neighboring municipalities of Hallbergmoos and Oberding, it has completed the initial development stage to build socially viable living spaces on airport property for employees working on the campus. The plans currently feature 600 accommodation units. Furthermore, later stages of the project will see additional real estate being built on third-party property in cooperation with external business partners.





Participations, Services & External Business

AeroGround: airlines value good quality and an extensive portfolio of services

AeroGround Flughafen München GmbH is the market leader in respect of ground handling services at Munich Airport. It works with its sister companies aerogate and Cargogate as part of the ground handling group and offers all landside and airside services associated with aircraft, passenger, and freight handling services from a single source. In 2015, around 2,050 employees handled up to 330 aircraft a day. In doing so, AeroGround delivered exceptional reliability, with 97 percent of the flights it handled departing on time.

The ground handling group counts around 100 airlines among its clients: This includes airlines from the major alliances of Star Alliance, Skyteam, and oneworld Alliance, as well as independent companies and countless cargo airlines. In 2015, AeroGround was able to expand its customer base by a further five partners and also extend a number of existing handling contracts.

Consulting and expansion

AeroGround is making the most of the potential growth in international air traffic by expanding outside of Munich Airport. Experts from Munich are supporting airports and airlines all over the globe in issues related to ground handling. In addition to stepping up its international consultancy activities in collaboration with FMG, AeroGround is also looking to secure ground handling licenses at other airports as part of its business strategy. These efforts paid off in 2015, with AeroGround receiving a license to provide ground handling services at Berlin-Schönefeld airport with an annual volume of around 5,500 aircraft. The license is valid until 2022 and will be transferred to Berlin's new airport [BER] when it opens.

Ground handling group: 2015 in figures

- **18.9 million** million pieces of luggage handled
- **109 tonnes** average-MTOM
- **22 million tonnes** handled MTOM
- **3.5 million** departing passengers handled
- **97 percent** punctuality
- **90,000 tonnes** of freight handled

The continued expansion of «ground.net», the European ground handling network founded in 2013, forms another important part of the expansion strategy. In 2015, AeroGround's existing partners, Goldair Handling from Greece and AAS Airline Assistance Switzerland, were joined in the strategic alliance by GH Italia and Scandinavia-based Aviator. The goal for the next few years is to become the leading ground handling alliance in Europe, so that it can offer airline clients contracts that apply for several sites.

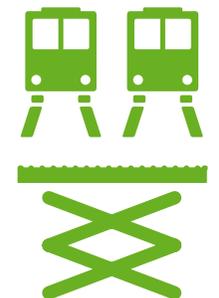
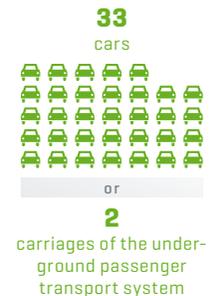
aerogate: passenger services and flight operations

As a member of the ground handling group at Munich Airport, aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH is responsible for passenger handling, the baggage delivery service, lounge operations, arrival services, ramp supervision, and operations for an IATA ticket agency. Within the passenger handling segment, aerogate at Terminal 1 has been able to secure a market share of just under 60 percent. In 2015, some 500 employees handled over 31,000 flights and more than three million passengers. With over 50 aviation services apprentices, aerogate is the biggest trainer for this particular career at the site.

Cargogate: cargo and warehouse handling

Cargogate Flughafen München Gesellschaft für Luftverkehrsabfertigungen mbH has been taking care of freight handling at Munich Airport since 1975. It is responsible for the handling and storage of airfreight, as well as managing any documentation and dealing with customs formalities. Around 220 employees were in charge of handling processes for over 60 percent of airfreight clients, thus dealing with just under a third of all incoming and outgoing airfreight. In 2015, AeroGround's central sales department successfully acquired an important new client for the ground handling group: Since March 31, 2015, a major Chinese cargo airline has been offering regular connections to Tianjin in China and then onwards to Shanghai five times a week.

Ground handling: lifting airport operations



The AeroGround team acquired a new lifting platform in summer 2015. The «Champ350» transports loads weighing up to 35 tonnes.

➔ Web
munich-airport.com/aeroground

ground.net

munich-airport.com/aerogate

➔ Glossary

➤ Web

efm.aero/munich-airport.com/infogate**EFM: pushbacks and de-icing**

Employing around 150 staff, EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH is responsible for providing pushbacks, de-icing, and conditioned air for aircraft. In the 2014/2015 winter season, EFM performed around 185,000 pushbacks and 8,426 de-icing operations. The previous year's figures for 2013/2014 were 179,000 pushbacks and just 5,700 de-icing operations due to the weather conditions. The increase to the number of pushbacks is primarily the result of a rise in take-off figures.

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.

New services available from InfoGate

InfoGate Information Systems GmbH has developed its own system «InfoGate», offering customers a multi-lingual, video-based client communication tool plus a number of digital information, booking, and navigation services. InfoGate communication terminals are placed in over 50 locations across the entire airport campus. In addition to manned information desks, passengers and visitors also have access to counters where airport employees can provide them with information via live video conference. The product portfolio was expanded in 2015: Video stations at the terminal drop-off zones enable passengers with limited mobility to get in touch with the Mobility Service.

The FMG subsidiary also markets its information system outside of Munich Airport. Its customers include leading international companies from the fields of energy, trade, and project development, as well as hotels and other airports in Germany and beyond. InfoGate is always

looking into innovative new service concepts and will also be installing its popular systems in numerous locations around the new T2 satellite building.

MediCare guarantees medical support

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 2015, MediCare received approval to expand Airport-Clinic M, the center of medical expertise for orthopedics and urology. As a result, it is able to expand the number of patients it can attend to and extend its range of medical treatments. The center is due to open in 2017.

International business activities**During 2015 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 were also provided at the home site in Munich with a view to ensuring seamless operations at the satellite terminal.

International Business: from Munich into the wider world

The «International Business» support office is responsible for coordinating all international activities related to consultancy, management, and training services provided by Flughafen München GmbH. Over 70 experts provide airport operators and governments around the world with advice related to planning, running, and managing airports. The main topics covered are preparing for operations, commissioning an airport, and moving into new airport infrastructure. Munich's experts also apply their years of experience to support planning for airports, optimizing operations, and increasing efficiency. To date, FMG's consultants have supported more than 40 major international projects in over 20 countries.

In 2015, the team also used their consultancy skills on-site in Munich as part of the completion of the Terminal 2 satellite, helping to make sure that the building opened smoothly and operations were launched without any problems.

Overview of the product portfolio

- Strategic and operational airport management
- Airport/terminal planning (master planning and function planning)
- Operation of an airport
- Commercial airport development, including the concept of the airport as a city (development of non-aviation)
- Operational readiness and airport transfer (ORAT)
- Training and staff development

A selection of our international consultancy projects

- **Muscat and Salalah, Oman:** Operational readiness and airport transfer (ORAT) for the two airports in Salalah and Muscat. Salalah Airport was successfully opened in June 2015.
- **Singapore:** Support for Munich's sister airport in preparing for the launch of its new Terminal 4 building and in installing pre-conditioned air units for cooling, ventilating, and heating aircraft during the ground handling process.
- **Beijing, China:** Planning support for the new mega-airport.
- **Rio de Janeiro, Brazil:** Operational readiness and airport transfer (ORAT) for the expansion to the terminal at Rio Galeão Airport in preparation for the 2016 Olympic Games.
- **Tokyo and Sendai, Japan:** Consultancy services for the winning consortium in the tendering procedure for airport operation services in Sendai.
- **Palmerola, Honduras:** Consultancy services for the winning company in the tendering procedure for the operating concessions at the new airport for Honduras' capital city in Palmerola. Over the next five years, FMG will help the new operator to plan, construct, launch, and run the airport.
- **Doha, Qatar:** Process optimization, commercialization, and airport master planning following the successful opening of the airport in 2014.
- **Ashgabat, Turkmenistan:** Operational readiness and airport transfer (ORAT) for the Turkmen air traffic authorities, working with the construction company POLIMEKS.

40
major
projects

in over 25 countries

over
20
years

of international
experience

Top five measures in the sustainability program [Detailed program online: munich-airport.de/en/NHprogramm](http://munich-airport.de/en/NHprogramm)

Material topics	Initiatives	Measures	Status 2015	Measure ends
Digitalization	Digital strategy – digital offering	Extending/optimizing the digital assets in the terminals by way of process support [e.g. EasyPass, InfoGate]	30% ■■■■■■■■	2017
Infrastructure development and sustainable building	Demand-oriented and economic development of airport real estate	Expanding the five-star airport hotel [Hilton] in the AirSite Center	30% ■■■■■■■■	2017
Customer focus	Optimizing the landside mobility products and services for end consumers	Integrating the strategic landside transportation concepts and products [rail, inter-city buses, car sharing] into the long-term parking needs concepts	50% ■■■■■■■■	2016
Off-campus growth	Enhancing the off-campus portfolio of products and services and off-campus activities	Purchasing companies in which the airport is invested and expanding off-campus business	Ongoing	Ongoing
Networking transportation operators	Developing a suitable information/product and service offering	Determining the product and service portfolio for the new sales channel along the travel chain	Planned	2016

→ GRI 64-26

/Dialog and social responsibility

For Munich Airport, «Living ideas – Connecting lives» also means open communication. In light of its importance to the economy, society, and the region, it seeks to enter into active dialog and exchange with all interest groups within its role as a «corporate citizen».



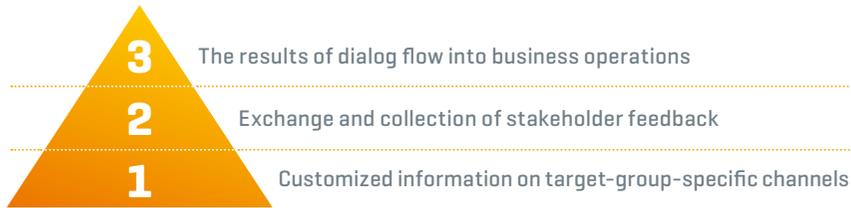
Stakeholder dialog

Munich Airport's brand message is «Living ideas – Connecting lives». Working with its stakeholders is the only way the company will be able to face all of its challenges and successfully shape its future. FMG therefore applies a three-stage approach to stakeholder dialog, encouraging transparency and, as a result, social acceptance.

Information, discussion, and new topics

The first level is all about giving information to the various groups. This involved defining communication content tailored to the respective interests and developing suitable formats for communication purposes. The integrated report represents one of the most important

Levels of stakeholder management



Stakeholder environment



Key stakeholder groups

Airlines, associations, business partners, employees, organizations, passengers and visitors, politicians and authorities, the media and the region

Examples of key stakeholder groups

Academic institutions and research, air traffic industry, end customers, interested parties, lease holders, lessees, local residents, ministries, potential business partners, real estate sector, regional economy, shareholders, society/the public and suppliers

measures; FMG is now publishing the report for the sixth time for the fiscal year 2015. This brings together financial and sustainability reporting within a central publication and addresses all target groups in equal measure.

On the **second level** 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, as social media gives anyone the opportunity to make information and opinions public. Because the airport asks stakeholders specific questions and takes their opinion into account in terms of any unresolved issues, this will inspire confidence and pave the way for long-term acceptance. 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.

On the **third level** Munich Airport takes into account stakeholder suggestions and feedback in relation to its business activities. Its stakeholders often force FMG to confront new and relevant issues and 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 knowledge, communicate the company's stance, and take the sting out of conflicts.

Communication channels

Online

- Airport App
- Social media
- Internet: www.munich-airport.com
- Expansion website: www.gutfuerbayern.de
- Intranet
- Live chat with the Executive Board
- Aircraft noise monitoring platform
- Newsletter

Public relations work

- Publications [e. g. integrated report]
- Press events and press releases
- Marketing partnerships
- Airport tours

Dialog

- Conferences, meetings
- Trade fairs
- Works meetings
- Employee survey
- Performance reviews
- Passenger survey
- Terminal services, InfoGate counters
- Dialog management
- Face-to-face meetings

Committees

- Expert talks and specialist discussions
- Working groups and committees
- Dinner debates
- Communities Council
- Aircraft noise commission
- Regional reception

→ GRI G4-18
GRI G4-24
GRI G4-25
GRI G4-26

The company as part of society

As a «corporate citizen», a term for a company 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.

In 2015, FMG reviewed, discussed, and updated the way it interacts with its stakeholder groups internally. This analysis revealed how the airport responds to the central stakeholders' requirements and expectations.

➤ [Web
munich-airport.de/
en/stakeholder](http://www.munich-airport.de/en/stakeholder)



Public relations support transparency and information campaigns

The media are an important stakeholder group for FMG. One of the most important media events of the past fiscal year was the annual press conference held on March 27, 2015 when the company's financial and traffic figures were presented and current trends within the sector were discussed and explained. Throughout the course of the entire year, the press team addressed the Group's strategic messages, incorporating them into press releases and, as a result, sparking public dialog. For example, the plans to expand the airport were discussed in countless interviews with the President and Chief Executive Officer. As a result of these efforts, a host of reports appeared in important print media, providing the public with regular, in-depth updates on the airport's expansion.

Public relations also focused on keeping the media up-to-date with the progress on the T2 satellite building. As well as organizing a series of visits to the construction site for selected members of the press, the PR department also hosted a major press event on October 20, 2015, where it showcased the range of catering and retail services available in the new passenger terminal.

A survey of business journalists conducted by Dr. Doebelin Gesellschaft für Wirtschaftsforschung mbH in 2015 named the airport's public relations activities as the «Best business communications», putting it in first place in this category out of 31 Bavarian companies and associations.

Thousands of «Likes» for the airport

Munich Airport also stepped up its work on social media in 2015 and enhanced its presence on Facebook, Twitter, Instagram, and Google+.

By the end of 2015, the Facebook page had attracted over 110,000 fans, who added comments to the social media team's posts or shared stories or pictures from their trip to Munich Airport. The most popular posts included the «Flashback Fridays» feature, which was launched at the start of 2015 and takes a nostalgic look back at the airport's history, the arrival of the Airbus A350, the airport's role in the G7 summit, and Airport Day.

The ultimate airport travel experience

The Public Affairs team has been providing its visitors 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 2015. A total of 4,500 visitors took part in the special tour around the lights of the airport campus, an event which coincided with the winter market. Away from the campus, the Public Affairs team stepped up their presence at regional trade fairs and a number of other public events in Bavaria.

A new themed playground for younger visitors was opened in the visitors park in June 2015 and has already proved to be a big hit. The individual continents use toys typical of the respective countries to entice children to embark from Munich on a journey of discovery around the world.

A role on the political stage

The Political Affairs support office represents the interests of Munich Airport at an EU level, a national level, and within Bavaria. The focus is on relevant 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 information and discussion events in Brussels, Berlin, and Munich. Furthermore, representatives from the Munich Airport Group take part in specialist committees and working groups set up by industry associations,

over
110,000
fans on Facebook

➤ Web
[facebook.com/
FlughafenMuenchen](https://facebook.com/FlughafenMuenchen)

[twitter.com/
muc_airport_EN](https://twitter.com/muc_airport_EN)

[instagram.com/
munich_airport](https://instagram.com/munich_airport)

[plus.google.com/
+MunichairportDe-
flughafen-muenchen](https://plus.google.com/+MunichairportDe-flughafen-muenchen)



Airport Day

The first Airport Day at Munich Airport was a raving success: Around 20,000 guests got to experience the excitement of the airport up-close and also explore historic aircraft plus large transport and cargo planes – both from the outside and directly on board. The most popular attraction was the four-engine Breitling Super Constellation from the 1950s, which Deutsche Lufthansa used to deploy for its transatlantic flights.



such as the German Airports Association (ADV), the German Aviation Association (BDL), or the Airport Council International (ACI).

Regional growth partnerships

The Regional Liaison Office brings the airport and the region together

Good cooperation with the region is essential if Munich Airport is to be successful. Munich Airport paved the way for this 13 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. On the one hand, the Regional Liaison Office shares Flughafen München GmbH's news with the region as well as communicating its neighbors' needs and wishes to the company. The regional reception was once again well received in 2015: 350 guests from the region accepted the airport's invitation and took the opportunity to exchange ideas and enter into an open dialog with the company.

Munich Airport from its neighbors' perspective

In early summer 2015, Flughafen München GmbH's Regional Liaison Office commissioned the opinion research institute TNS Infratest to conduct a representative survey of the local population. Following the demoscopic surveys in 1995, 2003, and 2010, the new study was the airport's fourth local survey. The survey focused mainly on the airport's

neighboring districts of Erding and Freising, and also covered several municipalities in the districts of Landshut, Dachau, Munich, and Ebersberg. In 2015, a total of 2,441 residents in 43 different municipalities were surveyed over the phone.

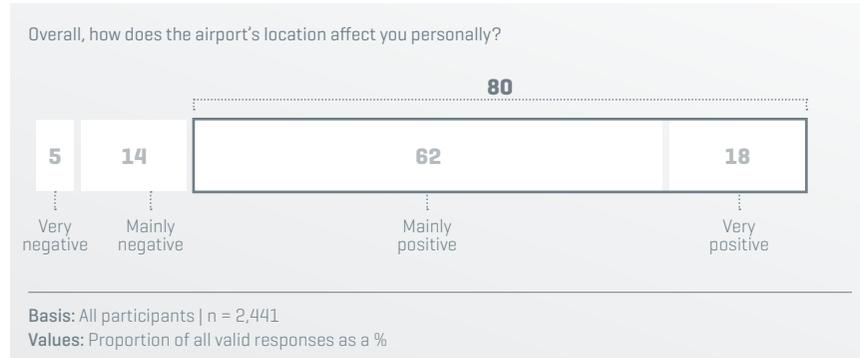
Following the good results for the airport and region in 2010, the latest survey confirmed these opinions in most areas and, in some areas, even surpassed them: For instance, 80 percent of the participants stated that the airport's location had a very positive or mainly positive impact on them personally. The fact that Munich Airport has become one of the most important European air traffic hubs was also seen as a welcome development by an overwhelming majority of the airport's neighbors. Almost two-thirds of the people asked considered the hub airport's operations to have a mainly positive or very positive effect for them personally. Three out of four people asked said that the entire airport region experienced mainly positive effects. In terms of the effects for the Bavarian economy, as many as 87 percent of the participants said that the operation of the airport had a very positive or mainly positive impact.

80
percent
of the people asked
said that the airport's
location had a positive
impact

«
Here at the Regional Liaison Office, we have been bringing our motto <Living ideas – Connecting lives> to life for years. We see ourselves as a bridge between the airport and the region. We are the airport's friendly face in the region, day in, day out.
»

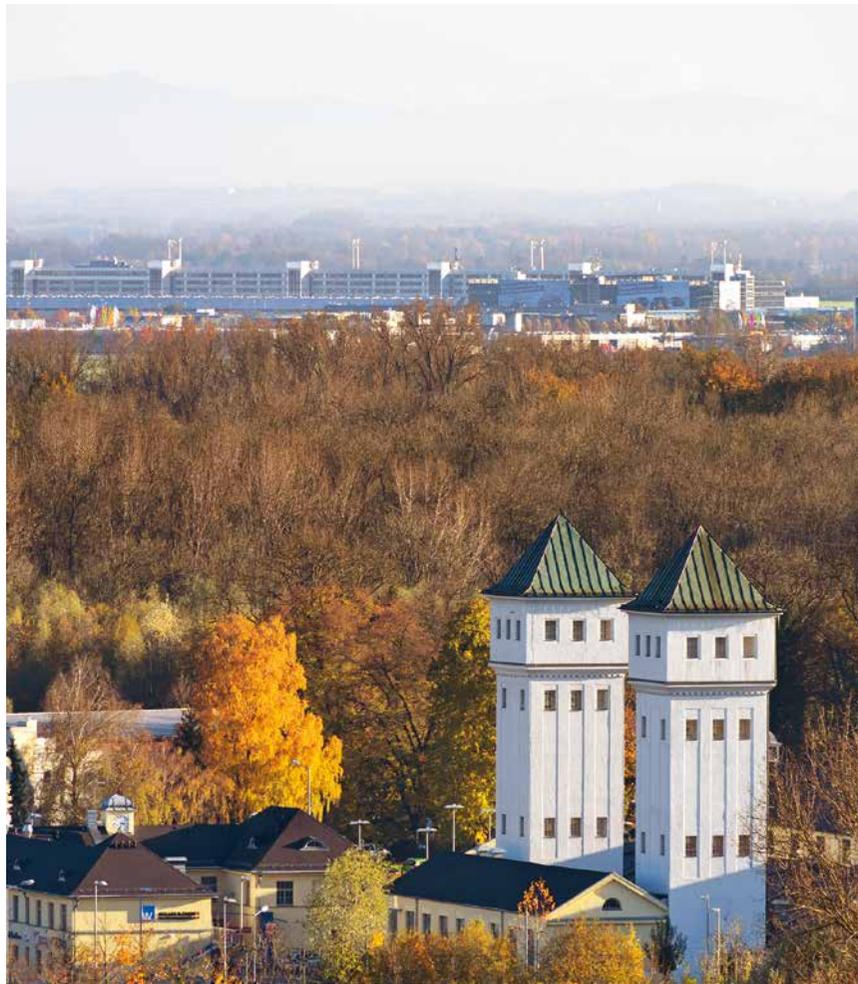
Regional Liaison Office

2015 local survey



➤ Web munich-airport.de/en/company/dialog/gruppen-region/imageanalyse/index.jsp

➤ Web erding-tourist.de/welcome



Overall, the population reported that they were very satisfied with the living conditions in the airport region. Public perception of the economic situation and the range of schools and kindergartens was particularly positive. In contrast, the participants saw major room for improvement in the areas of living and transportation. The appreciation of a high standard of living in the airport region was also reflected in the participants' strong connection to their local roots: Over 90 percent of those asked said that they enjoyed living in their current location.

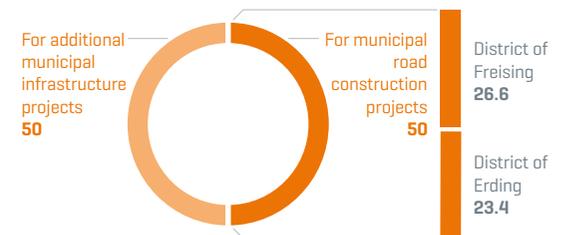
Promoting tourism and infrastructure projects

Munich Airport also participates in regional activities in other ways. There is a spirit of close collaboration with «Tourismusregion Erding e.V.». Munich Airport has been a member of this association since 2012, making it a committed supporter of tourism in the region.

Munich Airport has also been supporting the «Pro B15neu» initiative since 2014. The campaign group is dedicated to ensuring that the B15neu federal highway is completed in both an efficient and environmentally friendly manner. The new highway is one of the most important landside infrastructure projects in the airport region.

Regional fund

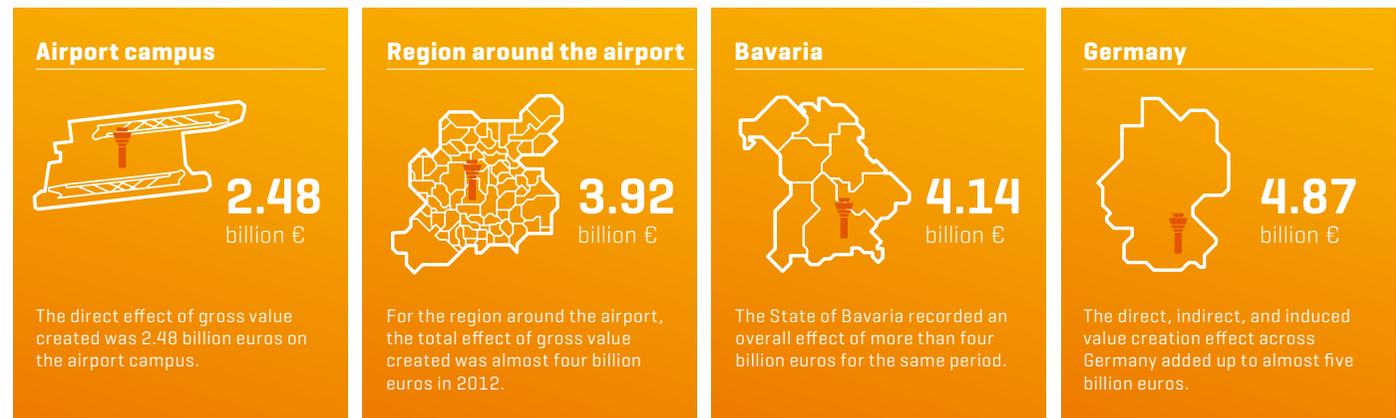
In € million/Fund volume: € 100 million



The Communities Council has acted as an important forum for information and dialog between the airport and the surrounding area for the past ten years. Following a suggestion from the Communities Council, FMG shareholders set up a regional fund in 2008 to promote local 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. 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 four million euros for the latter. Regardless of when construction of the third runway starts, five million euros from the budget have already been made available for the Erding north bypass and five million euros for the Freising west bypass. The majority of these funds have also already been accessed for the projects. All of the funding for the Freising project has already been paid out.

How much wealth the airport creates

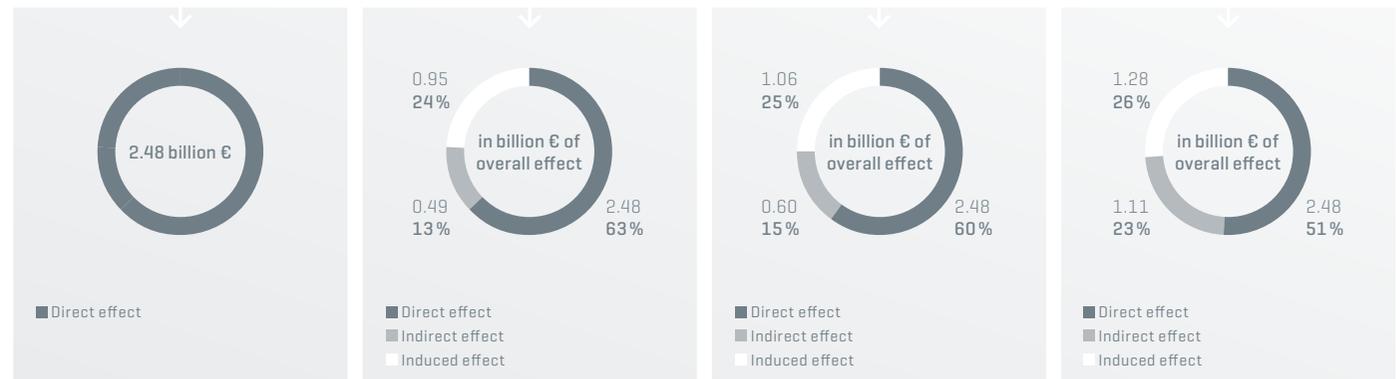
Effects	Brief description
Direct effects	All value created by Munich Airport's economic activities. The direct value created is used to pay salaries and wages.
Indirect effects	The sum of all effects within the area under review which are generated by preliminary services supplied from this area to companies at Munich Airport.
Induced effects	Economic activities with a value-added effect in the area under review which are generated by purchases made using income at Munich Airport.



Value creation

A major employer in the region

With its 8,285 employees¹⁾, Munich Airport Group is the second-biggest employer at the site after Deutsche Lufthansa AG. For many years, the neighboring Freising job center region, 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 2.1 percent, a level that practically corresponds to full employment, again reflects the tremendous importance of Munich Airport in the regional labor market in 2015.



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

→ Sustainability indicators see page 157

➔ Web
[munich-airport.com/
economy](http://munich-airport.com/economy)

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

➔ vbw study
see page 33



Economic benefits

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

Value-added effects resulting from airport operations

The value-added effects generated by airport operations can be categorized into direct, indirect, and induced effects. In 2012, all of the companies that were based on the airport campus generated direct added value in the amount of 2.48 billion euros. Combined with the indirect and induced value-added effects, the airport's total value creation for the area around the airport¹⁾ amounts to 3.92 billion euros. The value created for the State of Bavaria amounts to 4.14 billion euros, while the figure for the Federal Republic of Germany reaches 4.87 billion euros. Every hundredth euro generated in Bavaria can be traced back to Munich Airport.

A third runway would make these value creation effects even stronger. According to a study by the Chamber of Industry and Trade for Munich and Upper Bavaria [IHK]²⁾, the amount of value created directly on the airport campus will amount to around four billion euros by 2025. Furthermore, the total amount of added value that could be traced back to the airport would rise to 6.3 billion euros in the area around the airport while an increase to a total of 7.8 billion euros across Germany could be expected.

¹⁾ Region around the airport: 72 municipalities around Munich Airport, including the City of Munich

²⁾ Source: 2015 IHK study (value for Bavaria using the same system is not available)

Effects resulting from use of air traffic

Effects resulting from the use of Munich Airport are known as catalytic effects or location effects. They include positive economic effects, such as an increase in productivity and investments, plus a high level of employment and innovations. For instance, proximity to the airport and its global flight connections are important criteria in attracting companies to settle in the vicinity, especially those operating on an international scale. The airport also offers impressive advantages for the tourism industry.

Central procurement of services Group-wide product group management

Munich Airport does not have a conventional supply chain, but procures a wide range of products and services needed to operate an international hub airport. The range of products required are comparable to the requirements of a small town: The 139 product groups range from things like office supplies and road construction to vehicles and buildings. In 2015, 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

FMG is active in the transportation sector as a public contracting authority. As a result of this, the Procurement department's work is based primarily around the antitrust law in the field of procurement, particularly when it comes to exceeding certain thresholds. Where such public contracts are involved – including construction and supplier contracts or services offered by commercial entities or professional freelancers – the calls for tenders are issued on an Europe-wide basis in keeping with the regulations under procurement law. Calls for tenders for orders that do not fall under the scope of the law on public procurement are issued on a Germany-wide basis.

Supplier structure

Some 4,000 suppliers work for Flughafen München GmbH. The supplier structure during 2015 did not really change much from the previous year. Of the companies supplying Munich Airport, 94 percent are headquartered in Germany. Of these, 57 percent are from Bavaria and 29 percent are from Munich and the area surrounding the airport.

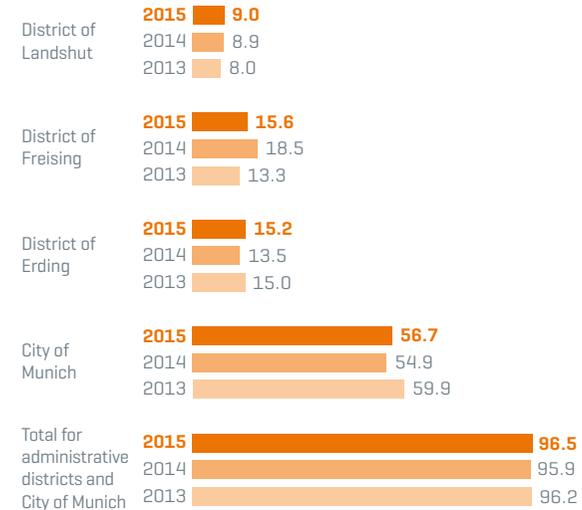
Supplier management

In 2015, Flughafen München GmbH assessed around 150 of its framework agreement partners according to the following criteria: the quality of the product or services, reliability, service and price trends, as well as the company's certification according to quality and environmental standards. In the event of poor outcomes, the suppliers had the opportunity to eliminate existing deficiencies in supplier audits.



Supply and service relationships of FMG

Excluding subsidiaries
Revenue in the region in € million

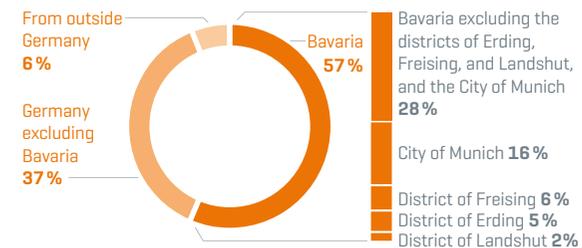


→ Legal basis
Section 98 no. 6
of the GWB (Act
Against Restraints
of Competition)

Section 1 [2] of
the SektVO (Sector
Ordinance) in con-
junction with EU
regulation no.
1336/2013

FMG business partners

Excluding subsidiaries
Percentage distribution of revenue in total and in the region



→ Legal basis
Section 21 of the
SektVO [Sector
Ordinance]

Section 7 of the
SektVO [Sector
Ordinance]

Sustainability aspects

A party submitting a tender must confirm it complies with statutory provisions and thereby rule out anything, such as breaches of core labor standards, that would prevent it taking part in public procurement or tendering processes. Those submitting tenders must also provide evidence that they comply with the standards relating to quality assurance and environmental management. When purchasing road vehicles, for instance, energy consumption and environmental impact must be taken into account. The top priority when commissioning products or services is to draw up agreements that satisfy environmental, social, and economic requirements.

FMG 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. For investment goods, any subsequent costs for servicing and maintenance [life cycle costs] are also considered, where necessary. The fact that procurement is centralized helps avoid any duplicate orders and results in savings due to economies of scale. FMG is mainly supplied by business partners in the region, which helps reduce transportation distances and CO₂ emissions. For example, Allresto purchases food worth over 15 million euros each year – nearly all of which comes from Bavaria and a good 50% of which from the area directly around the airport.





Community engagement

Supporting a variety of projects in the region

As a responsible neighbor, FMG has spent more than 20 years supporting various institutions and initiatives in the region that reach large groups of people and have a sustainable impact. Over 700 projects in the fields of education, social welfare, sports, and culture benefit from financial support and material donations. The company has, for instance, donated tools and materials to the workshop in the multi-generational house in Pfaffenhofen.

The airport's community engagement program has also been helping with the refugee crisis, with FMG support-

ing the food bank project in Taufkirchen and sponsoring two special prizes worth 1,000 euros each to provide language courses for asylum seekers.

➤ Web munich-airport.com/sponsoring

A good cause – for sure

Flughafenverein München e. V. has been providing quick and unbureaucratic relief for almost 20 years now and focuses most of its efforts on the local region. However, the charity also provides support abroad on a regular basis. In spring, it transported 13 tonnes of donated goods to Zasa in Latvia for the sixth time. A children's hospital in Ukraine also received donations in kind, like a much-needed defibrillator. The airport's charitable association also helped its Moosburg-based partner organization Navis e. V. by sending donations like an emergency generator for catastrophe relief in Nepal.

700 projects
benefit from the airport's support as a sponsor

Top five measures in the sustainability program ➤ Detailed program online: munich-airport.de/en/NHprogramm

Material topics	Initiatives	Measures	Status 2015	Measure ends
Communicating with social stakeholder groups	Improving external communication	Maintaining the increased levels of PR work in Munich	60%	2018
		Renovating the visitors park	75%	2017
Sustainable procurement	Strategic development and sustainability management	Continuing to integrate sustainability criteria into supplier management	Ongoing	Ongoing
	Creating transparent supplier and service relationships in the region	Information/communication for suppliers/service relationships (recording and publishing details of FMG sales in the region)	Ongoing	Ongoing
Collaborating with regional partners	Assuming social responsibility in the non-profit sector (regional support for the fields of sports, 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

/Workforce and work environment

A company can only ever be as good as its employees. As a central international traffic node, Munich Airport aims not only to attract the best candidates but also hang onto them. We take major action to make sure of that.



Human resources strategy

Ground-breaking HR policy

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 total of 8,285 employees¹⁾ 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 an effective human resources policy devised with people and business needs in mind.

Goals, measures, and outcome

If the company is to develop in a positive manner, it is important to ensure the work done in human resources is 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,

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




**Our staff are the heart
of our company.
Our task is to make
sure they understand
what we, as an
employer, stand for,
what makes us strong,
and what they can
expect from us.**

Human Resources corporate division



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.

Employee satisfaction and codetermination

Employee survey confirms employee retention

The core of our brand «Living ideas – Connecting lives» also means expressing our opinions in a constructive manner. A regular employee survey therefore forms a fixed part of the corporate culture. It reflects a company where employees are happy with their working conditions, the company as an employer, and the management culture. With

just a few measures still in the implementation phase, the follow-up process is almost complete. The next survey is scheduled for fall 2017.

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. The TVöD is due to enter into new collective pay negotiations in spring 2016. Besides the remuneration agreed under the pay scale, all employees also receive supplementary benefits 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.

→ GRI G4-26

→ Group management report see page 92



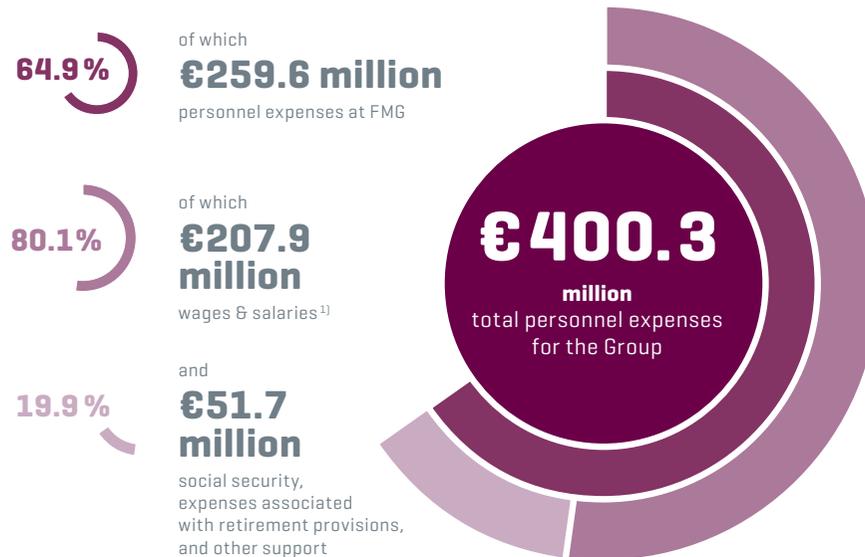
Specific objectives in terms of HR management

General goal	Initial situation/challenge	Measures and outcome
Covering HR requirements	<ul style="list-style-type: none"> Staff requirements for the Munich Airport Group between 2012 and 2017: around 2,500 new employees (50 percent new jobs, 50 percent replacement staff), primarily in IT, engineering, building management, safety, retail, catering, and security Updated training options 	<ul style="list-style-type: none"> Over 1,000 new jobs by the end of 2015 New vocational training schemes and dual study courses: <ul style="list-style-type: none"> Protection and security specialists Bachelor program in Mechatronics/Mechanical Engineering
Increasing efficiency	<ul style="list-style-type: none"> Level of absence caused by sickness remains an important factor for increasing efficiency Cultivation of efficient employment conditions 	<ul style="list-style-type: none"> Improvements to occupational medical services and in-house health management Annual review of pay-scale provisions and company agreements to identify potential for improvement Closer integration of subsidiaries into HR management processes and key performance indicator reports at FMG
Increasing employer attractiveness	<ul style="list-style-type: none"> Fiercely contested labor market Demographic shift Very low unemployment rates in the districts of Erding and Freising Attractive working conditions Offering and protecting equal opportunities 	<ul style="list-style-type: none"> Bonus for income generated by FMG in 2014 Reduction to the proportion of temporary workers at AeroGround subsidiary to a maximum of five percent Implementation of measures from INQA audit and follow-up to employee survey Increase to the proportion of women in management roles
Establishing excellent leadership	<ul style="list-style-type: none"> Leadership as a crucial indicator for employee retention and for reaching corporate goals Increasingly complex requirements for managers 	<ul style="list-style-type: none"> Performance reviews Leadership Excellence program: <ul style="list-style-type: none"> New modules High participant rates

➤ Web munich-airport.de/en/company/mitarbeiter

In 2015, the average salary for FMG employees was 47,272 euros.

Personnel expenses



¹⁾ Including expenses for travel cost reimbursements and meal subsidies



FMG encourages employees to have their say

Employees have numerous opportunities to become involved with the committees prescribed by law or with other working groups, like the Supervisory Board, the Youth and Trainees Council, the Council for Employees with Disabilities, the in-house health management group, and the company sports club. The works council is currently made up of 31 active members. Over the past few years, employee representatives have worked with the employer to draw up important company agreements on health management, occupational safety, and models for working hours.

A number of employees make the most of the employee suggestion program, a traditional tool for corporate idea management which gives staff the chance to shape corporate workflows and influence on ensuring the future of the company. This commitment has two equally positive effects: Improving employees' motivation and feelings of worth, and increasing the Group's economic efficiency. The employee suggestion program is currently under revision with the new system to be launched in 2016. The intention is that, in future, it will also enable ideas campaigns that the airport will develop with its B2B partners and end customers (open innovation).

Updated employee suggestion program

- New system with intuitive user navigation and controls
- Shorter idea processing times from assessment to implementation and review
- Due to be launched for subsidiaries in future

Committed to the next generation

As a reliable employer, Munich Airport not only feels responsible for its employees; it is also committed to working with schools, colleges, and universities in the region. A look at some of its work.



«SchuleWirtschaft» working group for schools and businesses

The aim of this voluntary network is to make the transition from school to working life easier for young people. The committee (in which FMG is also involved) is currently focusing, among other things, on improving integration for young asylum seekers and young people from disadvantaged backgrounds, as well as helping them to find apprenticeships.



«Berufsfit» [fit for work]

This trade fair, held in the 6,000-square-meter winter hall in fall 2015, aimed to provide visitors with guidance on their future career. At the event, 80 apprenticeship organizations, trade guilds, institutions, schools, vocational colleges, and universities from Munich and the surrounding area provided guests with information on around 250 apprenticeships and study programs.



«Jugend forscht» [youth research] at the airport

In 2015, the Germany-wide research competition for young people and children «Jugend forscht – Schüler experimentieren» celebrated its 50th anniversary. Munich Airport has been hosting the regional competition for Munich North for the past 13 years. At the event, 100 young academics presented 65 projects from the fields of working life, biology, chemistry, math/IT, physics, and technology.



P seminars

Work experience for schools: Munich Airport provides regular support to high schools in the area, helping them to design and run P seminars (a practical project about working life that is mandatory for certain types of schools in Germany). The aim of these projects is to help young people to advance their social skills and specialist expertise.



«Girls' Day/Boys' Day»

More than 120 school pupils visited the airport on the occasion of the nationwide «Girls' Day/Boys' Day» campaign. Girls taking part got a chance to see what work was like in more male-dominated areas, such as the Airport Rescue and Firefighting service. In contrast, the boys got to find out more about work in more social areas, like child care and health care.



Vocational training events and trade fairs

Information straight from the source: By way of vocational training events for schools, visiting universities, and taking part in trade fairs like «Stuzubi» or «Vocatium», Munich Airport Group's HR team provide school children from Munich and the area around the airport with information on the wide range of apprenticeships, internships, and dual study programs available at the airport.

Training and HR development

Training in demand at the airport

The Munich Airport Group is one of the largest training organizations in the region. School leavers interested in the airport can choose from 20 different apprenticeship and dual study options. On September 1, 2015, some 88 apprentices embarked upon their professional career at Munich Airport. This meant there were 269 young people taking apprenticeships Group-wide as of the reporting date of December 31. Flughafen München GmbH received a total of 2,209 applications to begin an apprenticeship in 2016, an 11 percent increase on the previous year. A further 125 school-age and 102 university interns received their first insight into the world of airports, producing 28 project-related Bachelor's and Master's dissertations in the process.

Our training partner: the Airport Academy

A company can only reach its quality targets if it has a team of qualified and motivated staff. This is why Munich Airport runs its own training center, the Airport Academy, with just under 50 employees. The center offers a wide range of professional development options, mainly in the areas of human resources, management, aviation, and security training. The Service Academy is the latest addition to the program of training courses, and aims to help establish uniform brand values and service standards, thus making sure the airport keeps its 5-star seal of approval for the long term. With over 30,000 participant training days completed, employees' willingness to develop their skills is clear to see. In 2015, the Airport Academy once again received the seal of approval as a «certified training provider» from the TÜV Süd (German Technical Inspection Authority).

First apprentices complete their training to join the airport fire service

Munich Airport's first four apprentice fire fighters completed their training program in 2015. FMG launched Bavaria's first initial training program for this field three years ago, working with three other companies, Freising vocational college, and Munich's Chamber of Industry and Trade. As well as obtaining the skills needed for the fire service, the apprentices also became qualified paramedics and lifeguards and received a license for driving trucks that they need to be able to drive the fire trucks.

➔ Web
xing.com/company/flughafen-muenchen

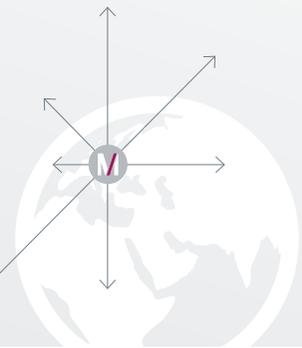
<https://www.kununu.com/de/flughafen-muenchen>

Sister airports

- ACSA** Airports Company South Africa
- BCIA** Beijing Capital International Airport
- BKK** Suvarnabhumi Airport Bangkok
AOT or Airports of Thailand
- CAG** Singapore Changi Airport
- DIA** Denver International Airport
- NGO** Chubu Centrair International Airport Nagoya

200
managers

attended 27 training
modules



Exchanging knowledge with other airports

In 2015, the airport's exchange programs were once again extremely popular. Some 19 apprentices visited partner airports in Malta, Athens, Vienna, and Copenhagen as part of the European mobility program Erasmus. Furthermore, a group of technical specialists and managers advanced their knowledge during trips to the company's sister airports in Denver and Beijing. As part of this program, FMG also welcomed its own guests from Singapore, Thailand, Beijing, and Japan. The international experience acquired helps employees to develop as people and Munich Airport to develop as a business.



Further extension of the Leadership Excellence program

The Leadership Excellence program aims to improve management skills at Munich Airport. In 2015, around 200 members of management took part in 27 Leadership Excellence training modules. In addition, some 530 management staff took part in 49 three-hour training units covering nine complementary topics.

New additions to the program:

- Since the start of 2015, the so-called «job mix» has been outlining a manager's ten main duties, including the time dedicated to each duty.

- In addition to the 21 subject-based modules, the program now also offers courses with a practical format. For instance, participants can experience the simulated everyday life of a manager in a new three-day management workshop. Three events were held for management levels 1 and 2 in 2015, which will be followed by levels 3 and 4 in 2016.
- During four «Dialog Workshops», around 250 managers from the Group discussed the issue of leadership.

75%
male
managers



66%
male
staff

7%
employees with
disabilities



42.29 years
average age



25%
female
managers



34%
female
staff

50
countries





The employer's promise

The excitement of the airport

- The diversity of the airport is similar to the diversity of a small town – by working together, all of the employees in our «airport city» help the campus to light up, day in, day out.

Exhilarating challenges

- The working environment at Munich Airport is diverse, covers a wide range of disciplines, and changes all the time – no matter what your field of work, the airport has opportunities for almost anyone.

One big airport family

- Employees from a number of different countries work in the Munich Airport Group – the reason why the company is doing so well is because every member of the airport family works as a team player.

Reliable connections

- The airport bears a special type of responsibility for its employees – as well as financial success, employees' interests are also at the heart of the entire Group.

Responsible employer

Which factors make Munich Airport an attractive employer? The answer can be found in the airport's employer promise, which is based on its brand positioning. The «Employer Value Proposition» indicates how the Munich Airport Group can establish an authentic position for itself in the competition to attract talented applicants on the labor market.

Diversity: both personal and cultural

Living diversity and working together to write our success story – this is what Munich Airport stands for. As a company with an international outlook, Munich Airport benefits from the social diversity of its employees with their wide variety of mindsets and backgrounds. It acknowledges and respects its employees' cultural backgrounds and takes into account that their interests and needs can vary. As an employer, FMG has a responsibility toward all its employees and ensures equal opportunities and prospects at all levels.

A total of 18 percent of Group employees originate from more than 50 different countries. This favors cultural exchange and increases the richness of expertise within the Group. The promotion of women to management positions is an integral part of HR work. Since 2011, the Group has managed to increase the percentage of women in management levels 1 and 2 from 12 to 20 percent. In management level 2 in particular, eleven vacancies have been filled by women over the last three-and-a-half years. In its efforts to gradually increase the rate of female managers, Munich Airport Group formulated individual targets per management level in 2015, instead of setting a fixed quota. Flughafen München GmbH is aiming to increase the rate of female managers in management level 1 from the current six percent to 13 percent and from 24 to 29 percent in level 2. Targets have also been defined for three Group subsidiaries, even though the proportion of women at management level is already very high at some of these companies.

The focus has been on the promotion of equal opportunities and diversity, particularly in terms of the Initiative

New Quality of Work [INQA], for which FMG underwent an audit. In order to ensure the audit was a success, a development plan was devised on the basis of the human resources strategy, centering around the core issues of promoting women and demographics. Overall, the Human Resources team worked on eleven general areas, such as looking at the latest research findings, restructuring the recruitment process, and enhancing the working hours models. The auditor submitted the final audit results in the first quarter of 2016.

Focusing on family and health

Various options available within the Munich Airport Group, such as its flexible work arrangements, emphasize its appeal as an employer. Its latest accomplishment is the launch of its car sharing portal, TwoGo. This quick and easy platform allows employees to use Outlook or an app to arrange rides to or from work at short notice, helping them to save money and protect the environment. Furthermore, FMG is also planning to provide accommodation at the best possible conditions for its employees. It is currently working on projects on FMG's own property in the area around the airport, as well as looking into other options.

Other supplementary benefits:

- «Airport-Hopser» children's day care center
- 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
- Vouchers in return for working over Christmas and New Year
- Social fund

TOP employer 2016

In a study conducted by the German news magazine Focus, Munich Airport was rated the «Best employer in the transport and logistics sector» in Germany. In an overall ranking across all sectors, it landed in 13th place out of 1,000 companies.

→ Sustainability indicators
see page 164

↗ Web
munich-airport.de/en/company/mitarbeiter/diversity

Other activities in 2015

- Inclusion tandem tour organized by the action group «Jobs für Menschen mit Behinderung» [jobs for people with disabilities], including a stop at Munich Airport [presentation and overnight stay]
- Inclusion for bosses: Event on the issue of inclusion in business, using FMG as an example of best practice
- Partnership with the ICP [infant cerebral palsy] foundation in Munich: Youth internship in the Corporate Health and Social Management team

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 employees with impaired health and disabled employees. As of December 31, 2015, seven percent of employees in the Munich Airport Group were disabled (or of equivalent status) – some 644 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 working life.

A consistent approach to promoting industrial safety

FMG has set itself the goal of continuing to improve occupational safety and, as a result, reduce accidents and the number of absences caused by accidents and sickness. To support them in their efforts in this area, the operating Occupational Safety team has been joined by the newly created Occupational Safety Management team. The year

2015 saw the company achieve an important milestone with the derivation of an action scheme based on the following cornerstones:

- The Occupational Health and Safety division provided all FMG and AeroGround managers with training on how to prepare a risk assessment. At the same time, the airport also rolled out a new IT tool for the systematization and documentation of these assessments. These now form the basis for all measures related to occupational health and safety, as well as for all staff safety training and occupational health care. Every measure is systematically recorded, tracked during implementation, and checked in terms of effectiveness.
- Following the announcement of a new occupational safety management system, roll-out has now been completed for FMG and AeroGround. It provides a basis for detecting weaknesses at an early stage so that preventive measures can be implemented in good time. This gives the company the chance to minimize risks in daily working life at the source, reduce physical strain in operating divisions, and set up transparent

structures for employees and managers. The aim is to improve working conditions and make sure that statutory and other company-specific requirements are complied with.

- The Occupational Health and Safety division is responsible for making sure the Group's occupational health and safety policy is implemented and applied across all areas. The main principles of this policy have been in force at FMG and AeroGround since 2015. They make sure that the organization adheres to legal requirements and support ethical and compliant conduct within the company. In practice, this means that safety, good health, and full employee satisfaction take utmost priority in efficient and process-oriented occupational health and safety management at Munich Airport.

A single-source approach to health and social issues

The Corporate Health and Social Management [BGM] division offers a wide array of services, ranging from occupational medicine and employee catering to advice on situations that may affect a person's psychosocial well-being.

«Ergonomic production» project

This project to reduce the amount of physical strain in handling pursues the following aims:

- To establish ergonomic production in the Munich Airport Group's strategies and systems

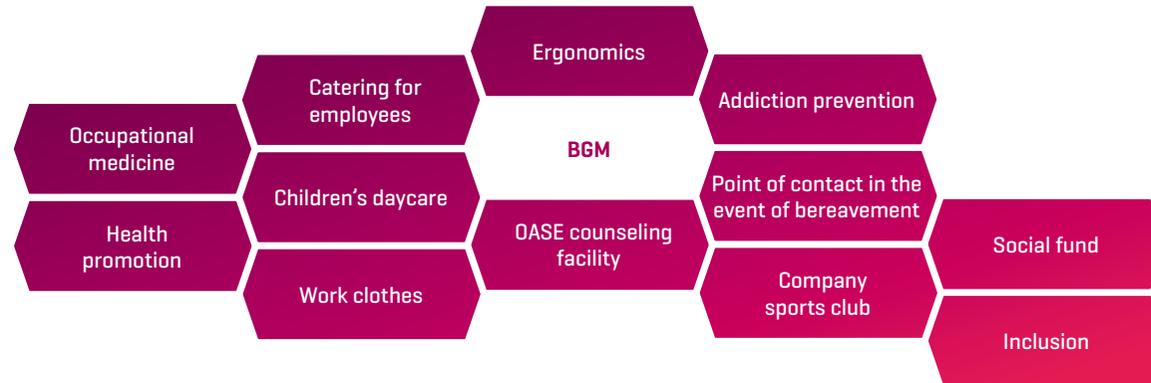
- To implement a method for sustainable job creation in airport operations where jobs are suitable for various ages and the aging population
- To reintegrate employees whose abilities have changed and to prevent employees sustaining health conditions through physical strain

The new «Health Workshop» opened its doors in October 2015. This multi-functional training center hosts relaxation sessions, cooking courses, and talks on health issues – all with the goal of finding a healthy balance between the three core factors of exercise, nutrition, and mental well-being and helping employees to foster a health-conscious lifestyle.

Other topics on the BGM division’s agenda include:

- Following the precedent set by the health days for apprentices, 2015 saw two health days held for all Group employees, where the spotlight was on modern nutrition, stress management, and healthy exercise routines.
- «Aufwind», a musculoskeletal program for staff with health problems related to the locomotor system, was launched at the end of the year.
- Spring 2016 saw the relaunch of the renovated canteen in the airmail sorting center, where the design was new and the inspiration was «fit, international, regional».

A comprehensive approach to prevention and rehabilitation



Healthy employees are the foundation of any company.

BGM

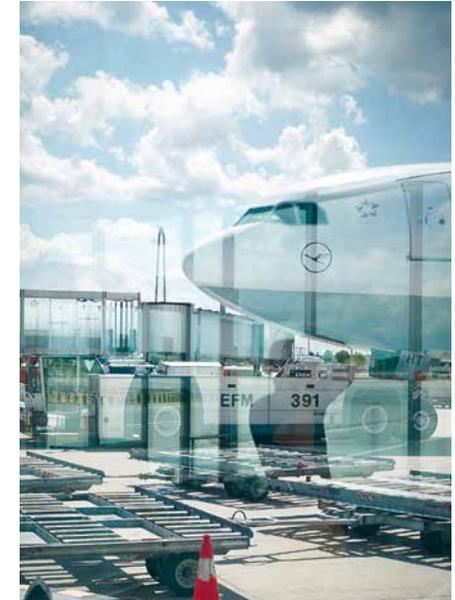


Top five measures in the sustainability program [Detailed program online: munich-airport.de/en/NHprogramm](http://munich-airport.de/en/NHprogramm)

Material topics	Initiatives	Measures	Status 2015	Measure ends
Employee training and recruitment	Covering personnel requirements qualitatively and quantitatively	Meeting personnel requirements for the T2 satellite building and ensuring they continue to be met [FMG and subsidiaries]	75 %	2016
Equal opportunities and cultural diversity	Increasing employer attractiveness internally and externally	Making equal opportunities possible and securing them: Increasing the share of women at management levels 1 and 2	50 %	2017
Health management and occupational health and safety	Improving ergonomics at the workplace by using innovative technology	Using innovative lifting aids in the baggage transportation system in Terminal 1	20 %	2020
	Enhancing the occupational health and safety management system	Introducing an occupational health and safety management system in line with OHSAS 18001 and OHRIS	100 %	2015 Completed
Employee satisfaction	Increasing efficiency and employability	Cultivating efficient work conditions: Checking pay-scale provisions	50 %	2016

/Environmental and climate protection

For Munich Airport, a responsible approach to the environment plays a key role in its corporate strategy. It strives to become a pioneer in this domain and has already rolled out a number of projects that go far beyond statutory requirements and industry standards.



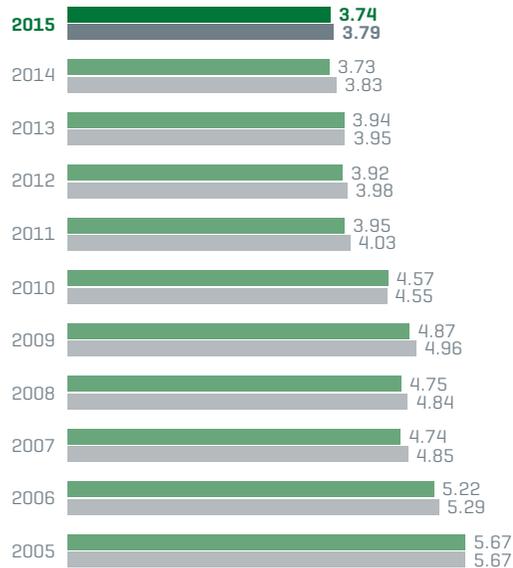
Climate protection strategy

Living responsibly

Be it noise control, conservation, climate protection, waste management, or water management: Munich Airport is aware of its responsibility for the people and natural landscape in its region. In its efforts to become a pioneer in environmental protection, it uses a wide range of measures to make sure airport operations have as little impact on the environment as possible. In doing so, it focuses on two main aspects: FMG's Environment Management team makes sure that legal or official requirements are met. Furthermore, Munich Airport is investing in environmental protection strategies that help to increase efficiency. All of its efforts are centered around a single ambitious goal to achieve climate-neutral growth by 2020. This goal is based on a joint paper on climate protection, which met with agreement in 2008 from

Specific CO₂ emissions

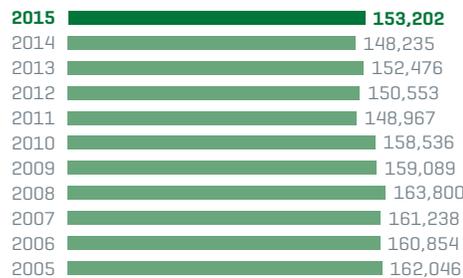
■ Specific emissions in kg CO₂ per passenger
■ Specific emissions in kg CO₂ per passenger
(adjustment for climatic conditions¹⁾ compared with 2005)



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.

CO₂ emissions at Munich Airport

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



Flughafen München GmbH, Fraport AG, Deutsche Lufthansa AG, and Deutsche Flugsicherung GmbH.

34 percent fewer CO₂ emissions per passenger since 2005

As far as Munich Airport is concerned, this means making sure neither the expected rise in traffic volume nor the current expansion levels and expansion plans should increase CO₂ emissions. FMG has therefore been undertaking ambitious measures since 2008, which have resulted in the 162,000 or so tonnes of CO₂ emitted in 2005 falling to around 153,000 tonnes in 2015. Had the more than 160 individual measures not been taken, CO₂ emissions at Munich Airport would have been around 27,000 tonnes a year more than they actually are. In 2015, Flughafen München GmbH invested a total of 300,000 euros in measures to help reduce greenhouse gas emissions, although some of the impact will not be felt for a few years to come.

Nevertheless, absolute CO₂ emissions did in fact rise in comparison to the previous year. There are three main reasons for this rise:

- The primary cause stems from the energy mix used in the German power grid and does not fall into Munich Airport's area of responsibility. Due to the changing mixture of power sources in Germany, the emissions from the electricity that Munich Airport had to purchase rose by over 2,000 tonnes last year.
- A block heat and power plant run by one of the airport's clients on airport premises increased CO₂ emissions by almost 1,600 tonnes. At the same time, heating requirements rose in comparison to 2014 and meant that emissions for the heating supply rose by around 700 tonnes.
- The initial effects from the major Terminal 2 satellite construction project became noticeable. The building site generated almost 900 tonnes of CO₂.

A CO₂ database developed in-house is used for reporting on, managing, and controlling the CO₂ reduction program. The airport also provides airlines and companies operating on the premises with constant support in their efforts to further increase energy efficiency.

Every emission logged

Delivering effective climate protection at an airport is a complex task. After all, any calculation of greenhouse gas emissions not only includes emissions resulting from infrastructure operations or emissions 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 businesses active at the airport such as hotels, shops, restaurants, gas stations, and workshops.

The following individual sources of emissions are counted:

- Power station
- De-icer recycling system
- Airside/in-house vehicles (for example, buses on the apron, luggage transporters, aircraft tugs), ground power units, and other service equipment
- Procured power, district heat, and natural gas
- Power, district heat, cooling power, fuel, and natural gas supplies to external companies
- Air traffic in the LTO cycle
- Auxiliary power units
- Engine test runs
- Feeder traffic: landside/public vehicle traffic (employees, passengers, visitors, freight)

Carbon footprints provide the basis for the reliable recording of all forms of emissions and lend themselves to international comparisons. They break down all greenhouse gas emissions that can be attributed to the airport into three different scopes according to an international standard, the Greenhouse Gas Protocol.



→ Group management report
see page 92

→ Scope 2
see page 67

→ Glossary
→ Web
munich-airport.com/climate-protection

munich-airport.com/environmental-management

→ Glossary



Munich Airport has been awarded the <5-star airport> seal of approval. We also translate our five-star standards into our ambitions for protecting the climate and environment.

Dr. Michael Kerkloh



Expected developments

The Terminal 2 satellite building will open in 2016, thereby increasing building energy requirements. However, PCA systems are expected to remove some of the strain. Setting up both systems will be challenging from a technical point of view but their completion will be decisive for the success of carbon-neutral growth.

New environmentally friendly diesel transporters

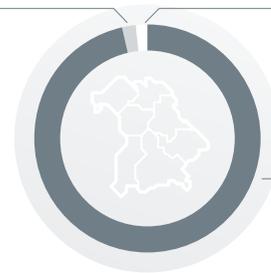
AeroGround spent a total of 2.5 million euros on purchasing 35 luggage and equipment transporters fitted with low-emissions engines. Equipped with a double cab, they have space for an entire loading team, which means that no further vehicles are needed.

Munich Airport's share of Bavaria's total CO₂ emissions

Around 0.66 %

CO₂ emissions at FMG [Scope 3]
0.50 %

CO₂ emissions at FMG [Scope 1+2]
0.16 %



CO₂ emissions in Bavaria, excluding Munich Airport
99.34 %

Source: Flughafen München GmbH, Bayerisches Landesamt für Statistik und Datenverwaltung [Bavarian State Office for Statistics and Data Management] [2012]

Selected examples from the CO₂ reduction program for 2015

Issue	Measure	CO ₂ savings per year	Implementation level
Energy generation	Start of permanent operation of the four new modules in the block heat and power plant and peripheral equipment	Up to 10,000 t in future	Completed
Lighting	Retrofitting of LED lighting in the advertising display cases in Terminal 2	182 t	Completed
	Switch to LED lighting in the helicopter squadron hangar	128 t	Completed
Air conditioning	Installation of frequency converters for the fan drives in ramp equipment stations 1 to 4	188 t	Completed
	Testing of a pilot system using new air curtain technology in departures/arrivals D in T1	6 t	Completed
Airport technology	Installation of PCA systems in Terminals 1 and 2 and in the satellite building	Up to 23,500 t in future	In progress

Greenhouse gas emissions at Munich Airport

CO₂ SF₆ CH₄ N₂O HFCs PFCs [CO₂ equivalents]



Scope 1

Direct emissions from energy production and transportation

2 %

Diesel and gasoline for company vehicles

11 %

Energy self-generation

13 % in total

Scope 2

Indirect emissions associated with buying in energy

3 %

Energy procured externally

3 % in total

Scope 3

Indirect emissions associated with the business conducted at the airport

1 %

Diesel and gasoline for outside companies

6 %

Public transport

7 %

APUs [auxiliary power units] and engine test runs

7 %

Energy purchases of outside companies

63 %
LTO cycle

84 % in total

Scope 1

With its block heat and power plant, the airport generates over half of its energy requirements using environmentally friendly natural gas. It therefore covers almost all of its heating and cooling requirements without having to use any additional energy, relying solely on the waste heat from its power production. However, the year under review brought along new challenges: supplying the new satellite building with energy and dealing with the proportional levy on self-sufficient power supply systems introduced in 2015 under the Renewable Energy Act. In light of these changes, the block heat and power plant, which had been running since 1992, was then renovated using modern technology in a record seven months last year, expanding its capacity by 40 percent. Six large engines with a total electrical output of 24 megawatts now generate 120 million kilowatt hours of electricity plus 140 million kilowatt hours of heat, saving 40,000 tonnes of CO₂ a year if the two forms of energy were to be produced separately. This huge saving is equivalent to the amount of energy consumed by a small city with 40,000 residents.

Munich Airport is also constantly looking for potential ways of saving energy across all areas of operation, infrastructure, and traffic on airport premises. For instance, it spent 2015 switching even more lighting systems to energy-saving LED technology, such as those in the parking lot P81 and in the entrance to the Hilton Hotel. Overall, this reduced emissions by 871 tonnes of CO₂. Changes to air conditioning technology led to a saving of 309 tonnes of CO₂ while measures in systems engineering and IT helped to save 85 tonnes of CO₂.

In 2015, the airport launched a new core center of expertise for planning and managing any CO₂-relevant issues related to sustainable building. The center's area of responsibility includes:

- Advising project managers on any issues related to sustainable building, such as using environmentally



friendly materials or applying regulations set out by the German Sustainable Building Council (DGNB) and in the Energy Saving Ordinance

- Monitoring all aspects of life cycle costs
- Assessing plans and drafts in terms of sustainability
- Establishing a systematic CO₂ monitoring system for the Real Estate business unit
- Representing Munich Airport as part of its membership in the DGNB

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 bioethanol, 23 cars now also run on biogas. Since 2013 some 32 apron buses (which is over half of all buses) have borne the «Blue Angel» eco-label, a sign that they are associated with particularly low levels of noise and contaminants. The vehicle pool also contains four electric vehicles. These green vehicles use 20 kilowatt hours on average, which is equivalent to 2 liters of gasoline and generates just 70 grams of CO₂. The car parks at the airport now have 36 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 emissions 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 in Germany for years, the contribution made by lignite and hard coal in terms of electricity generation has also been increasing. The emissions from the energy purchased by Munich Airport therefore went downhill between 2011 and 2015, even though the amount of electricity purchased in 2015 actually fell by around two gigawatt hours or some two percent. This is because a specific emissions factor of 609 grams of CO₂ kilowatt hours per of electricity was calculated for the German electricity mix in 2015. The increase to this factor alone (which was 595 grams of CO₂ per kilowatt hours of electricity in the previous year) led to an increase of over 2,000 tonnes of CO₂.

Scope 3

As far as the energy consumed by airport users is concerned, Flughafen München GmbH developed further climate protection measures during 2015 in conjunction with the airlines and the companies based at the airport. The airport made significant investments in pre-conditioned air systems (PCA systems). This technology supplies parked aircraft with pre-conditioned air so that they do not need to run their auxiliary power units. Following full implementation, this can save around 23,500 tonnes of CO₂ per year. The PCA systems for all parking positions next to the buildings in Terminal 1, Terminal 2, and in the satellite building are due to go into operation in the first half of 2016.

➤ [Web
munich-airport.de/en/
company/umwelt/
klima/klima/bauen](http://munich-airport.de/en/company/umwelt/klima/klima/bauen)

dgnb.de/en

32
Blue Angels
on 32 apron buses

→ Sustainability indicators
see page 167

→ Glossary

Air quality

Sources of harmful emissions at the airport

In addition to the airport operator, people using and working at the airport also release emissions. This mainly refers to the aircraft in various operating states during the landing and take-off cycle (LTO cycle according to ICAO, Annex 16, Chapter 2), the auxiliary power units, the engine test runs, and – beyond air travel itself – public vehicles on the feeder roads. The aircrafts' main engines during the LTO cycle alone make up almost three quarters of CO₂ emissions. In addition to CO₂, nitric oxide NO_x, particulate matter PM₁₀, and sulfur dioxide SO₂ emissions are also recorded for the LTO cycle and for road traffic.

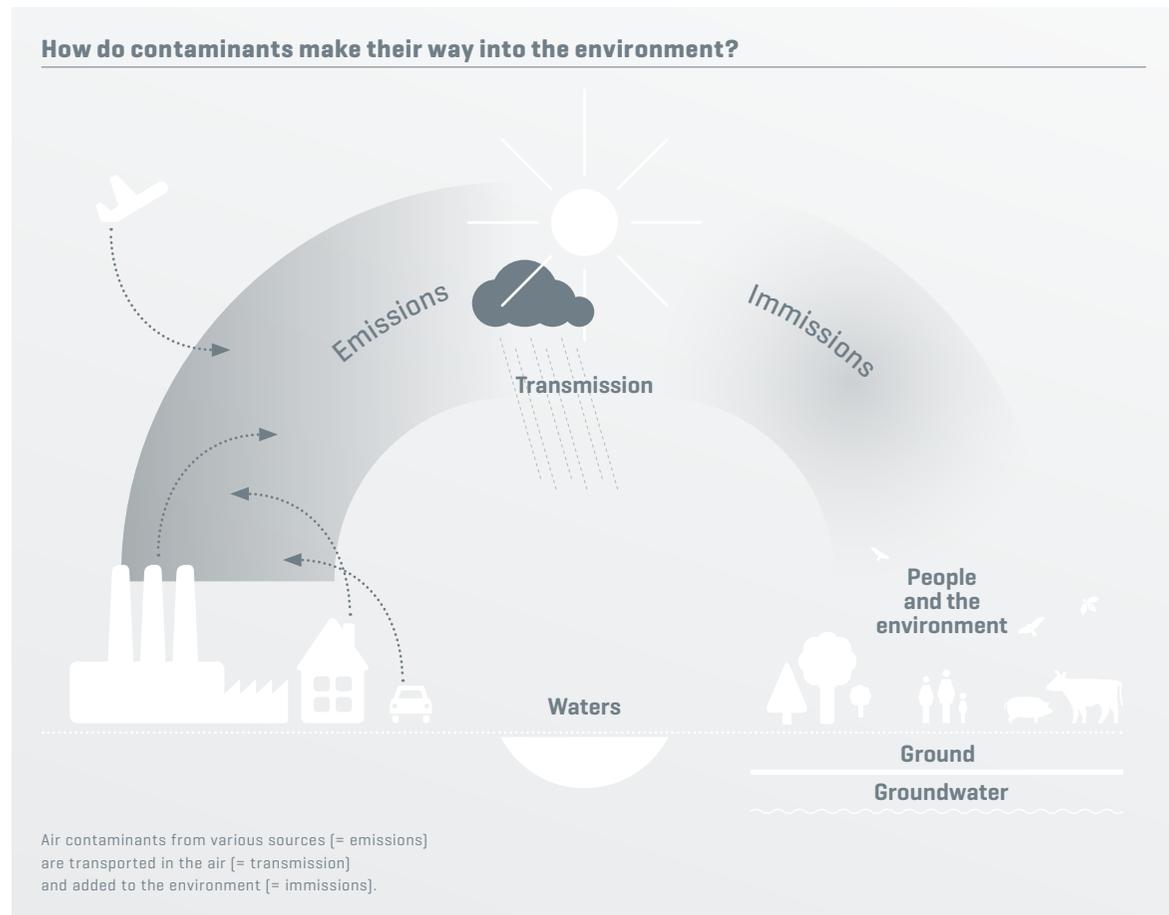
Landing charges calculated according to emissions

Flughafen München GmbH levies landing charges based on NO_x levels. It therefore makes an active contribution to improving the quality of the environment around the airport. This gives engine and aircraft manufacturers a long-term incentive to invest in the development of aircraft producing fewer contaminants. The principles of engine-specific contaminant assessment (NO_x) are in turn incorporated into the calculations for the carbon footprint, thereby improving the way CO₂ is recorded.

Air quality is recorded on an ongoing basis

Emissions affect the environment in a number of different ways. Various measurement methods are used to track their effects. 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 2015, as in previous years, nitrogen dioxide (NO₂) 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 situation in medium-sized cities such as Ingolstadt, Bamberg, or Würzburg. The statutory limits for the contami-

→ Web
munich-airport.com/impacts
munich-airport.com/air



nants ozone, nitrogen monoxide, sulfur dioxide, carbon monoxide, benzene, toluene, xylene, and dustfall were also met. Air quality measurements record the total effects of all sources of harmful emissions at the airport – overlapped with the background levels from the Munich conglomeration and the natural background concentration in the atmosphere.

Mobile measurements at Munich Airport

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 for targeted investigations

in the surrounding municipalities. The mobile station has been used three times to date: It was first placed in Eitting from the start of July until the end of December 2014, where all measurement results were significantly below the limits and targets specified in the 39th Federal Immission Control Act for protecting human health. Its second location was in Freising/Pulling, where measurements were recorded in the first half of 2015. The results for all air pollutants were also significantly below the legal limits. The measuring process was continued in Fraunberg in the second half of 2015. The results will be published online once the measurements are complete.

Various methods used to measure pollution

Long-lasting contaminants can accumulate in crops and therefore seep into the food chain. This is why Munich Airport has spent many years using various methods to find out how many air contaminants are transferred into foodstuff and animal feed. The results are published online.

Biomonitoring

In a bid to measure the concentration of heavy metals and polycyclic aromatic hydrocarbons [PAHs] from the air in 2015, twelve measurement points were set up on airport premises and the surrounding area with plant pots containing Italian ryegrass and kale. Overall, the measurements did not uncover any relevant violations of the thresholds and guidelines for agricultural animal feed and plant-based food.

Honey monitoring

Tests on the honey produced at the airport confirmed the encouraging results from the biomonitoring measurements.

Deposition tests for dustfall

Using the Bergerhoff method, the airport recorded the amount of dust and contaminants transferred into the ground [lead, cadmium, chromium, copper, nickel, thallium, and zinc]. The measurements were significantly below the statutory immission values.

aireg conference

Over the coming years and decades, climate protection will pose major challenges to the aviation industry. Politicians and the aviation industry are intending to stabilize CO₂ emissions in the air traffic industry to the level of the year 2020. The aireg center of expertise [Aviation Initiative for Renewable Energy in Germany] and its members are striving to lead the German aviation industry into the biofuel era. In November 2015, a specialist conference «The future is starting – Innovations for an environmentally friendly aviation industry» attended by a number of renowned experts was held at Munich Airport, one of the founding members of aireg.

➤ Web: munich-airport.de/en/company/umwelt/klima/auszeichnungen/aireg



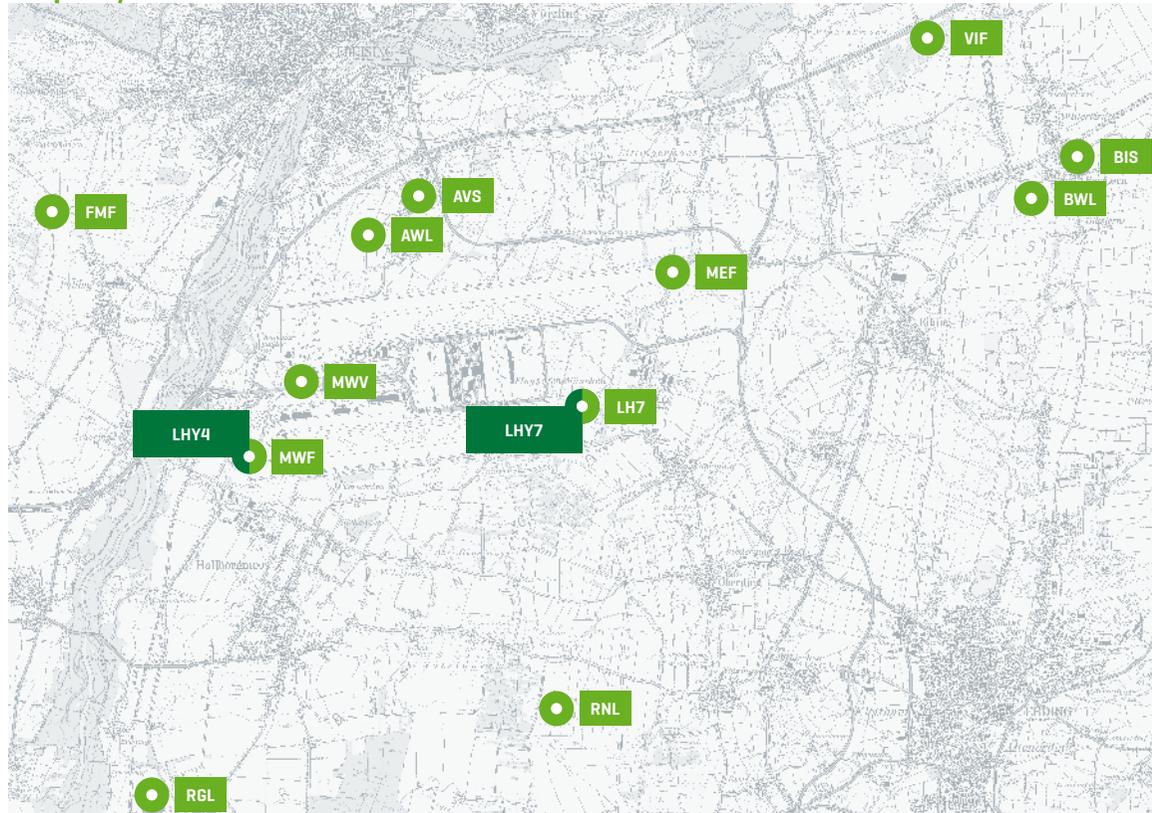
ACA

Airport Carbon Accreditation

The European airport organization ACI EUROPE once again awarded FMG its Airport Carbon Accreditation on «Level 3 – Optimization» for the successful reduction of CO₂ greenhouse gas emissions in 2015.

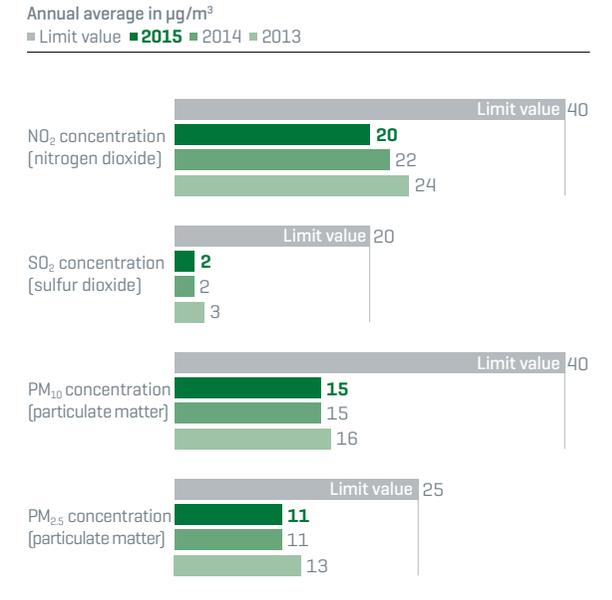
➤ Download brochures on our environmental expertise munich-airport.de/en/general/presse/pub/index.jsp

Air quality measurements in 2015



● Stationary air quality measurement stations at Munich Airport ■ Biomonitoring measuring points in 2015

Measured pollutant concentrations at the main measuring point in the east



A close-knit measurement network

The density of environmental assessment points at Munich Airport creates a measurement network that is clear enough for everyone to see: The some 15-square-kilometer airport site contains two stationary measurement stations plus an additional mobile station. In contrast, the Bavarian Office for

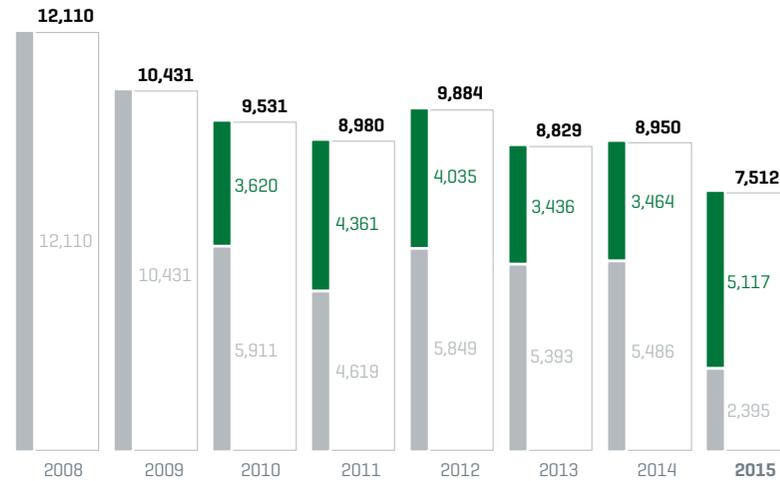
the Environment (LfU) currently uses 54 measurement points and one mobile measuring point spread across 70,000 square kilometers to measure air quality in Bavaria. For permanent biomonitoring, there are seven measurement points in the State of Bavaria [as of 2014], while the Munich Airport site and surrounding

area contained at least twelve in 2014 and 2015. The wide range of measurement points and various methods used show that there is no reason to worry about airport operations putting strain on the environment. Any concerns over health risks can therefore justifiably be pushed aside.



Paper consumption

In thousand sheets of paper
■ Fresh fiber paper ■ Recycled paper

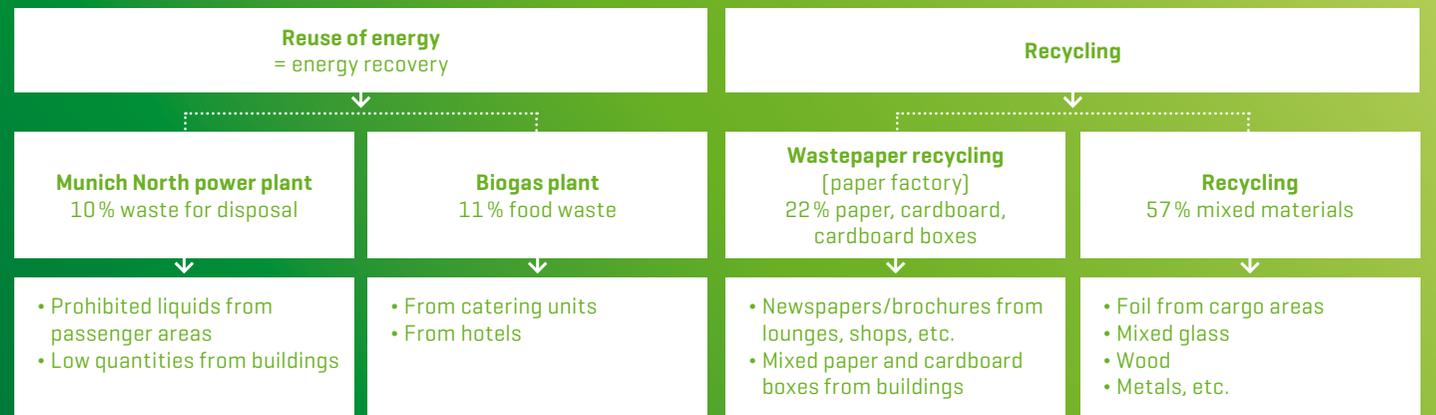


2015 highlights

The waste management concept is enhanced on an ongoing basis.

- The switch to a more local specialist disposal firm for mixed recyclable material reduced the transportation route by around 12,650 kilometers a year, helping to cut CO₂ emissions and transport costs.
- Sorting and material analyses conducted by commissioned experts led to optimum value creation from waste.
- Improving waste and material separation on customers' sites reduced the amount of waste that needed to be disposed of and, as a result, costs, too.

Recycling and energy recovery



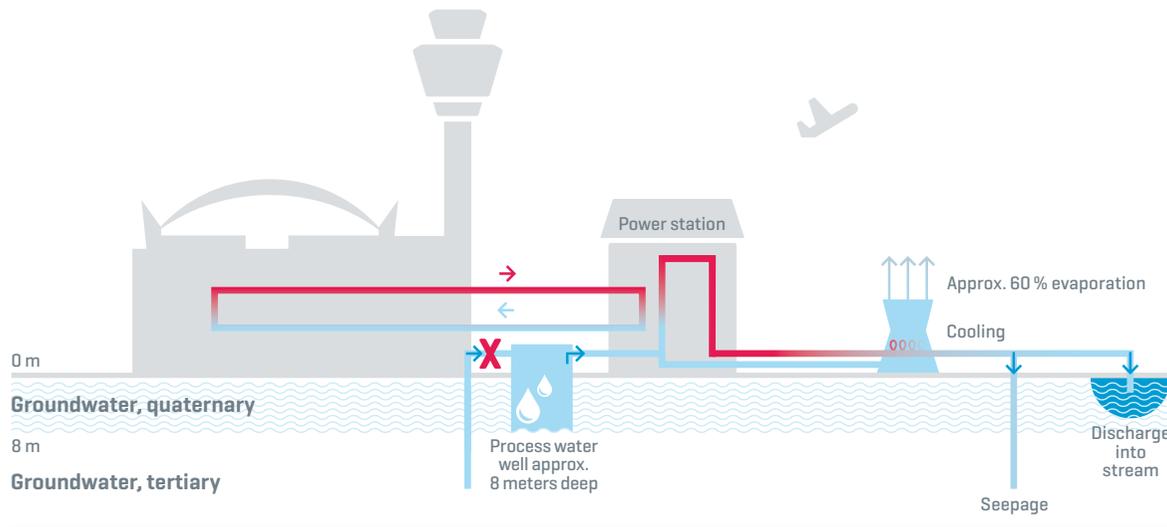
Use of process water for air conditioning

Before

High-quality drinking water from Moosrain water utility company was used to cool the power station.

Since 2010

Instead of valuable drinking water, groundwater close to the surface is now used for cooling purposes.



For example, quaternary groundwater close to the surface [process water] is used for cooling power centers instead of precious tertiary groundwater [drinking water]. The process water comes from wells created by the airport. At the western power center, it has been used since 2010, saving around 950,000 cubic meters of drinking water. The new eastern power center has been using the same principle since 2015 to supply Terminal 2 and its satellite building with cool air.

Further wells are currently being planned in a bid to save up to a further 50,000 cubic meters of drinking water a year over the next few years. Quaternary groundwater close to the surface is due to be used for the following measures:

- Construction water for concrete work and building site supplies
- Runway cleaning processes using high-pressure equipment
- Use in wet sweeping machines
- Sewer rinsing measures
- Watering of green areas, trees, and bushes

Sophisticated wastewater disposal concept

Several sewage systems with a total length of around 300 kilometers collect the wastewater created at Munich Airport; this water can take various forms:

- Domestic sewage, such as that from handling areas, offices, or staff facilities

- Commercial wastewater from kitchens, canteens, and catering units
- Wastewater generated when washing aircraft [may contain oil, kerosene, or heavy metals]
- Mixtures of dirty water and storm water, from areas such as aprons, roofs, roads, and car parks

Depending on the level of contamination, the sewage is pretreated in the airport's own plants, retained, added to bodies of water, or sent to the sewage plant in Eitting. Regular quality controls ensure compliance with the requirements established by governmental authorities. Furthermore, ground biofilters in the areas around the heads of the runways prevent de-icer, that can, for example, make its way into the surrounding green areas if the wind is blowing the right way, from making its way into the groundwater and contaminating it. At the same time, they are used to retain and clean the collected waste de-icer. The quality of the water is monitored and the total organic carbon is measured permanently using a TOC measurement system. Depending on the level of contamination, it may be routed to a body of water or – during harsh winters where lots of de-icer is used – sent straight to the sewage plant in future.

Aircraft de-icer cycle

In the areas near the heads of the runways, de-icing vehicles keep aircraft free from ice and snow 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. Munich Airport's process for recycling de-icer is the only one of its type in the world. The recycling rate for the de-icer glycol was far above 50 percent for the 2014/2015 season. This rate is heavily dependent on weather conditions and therefore tends to fluctuate.

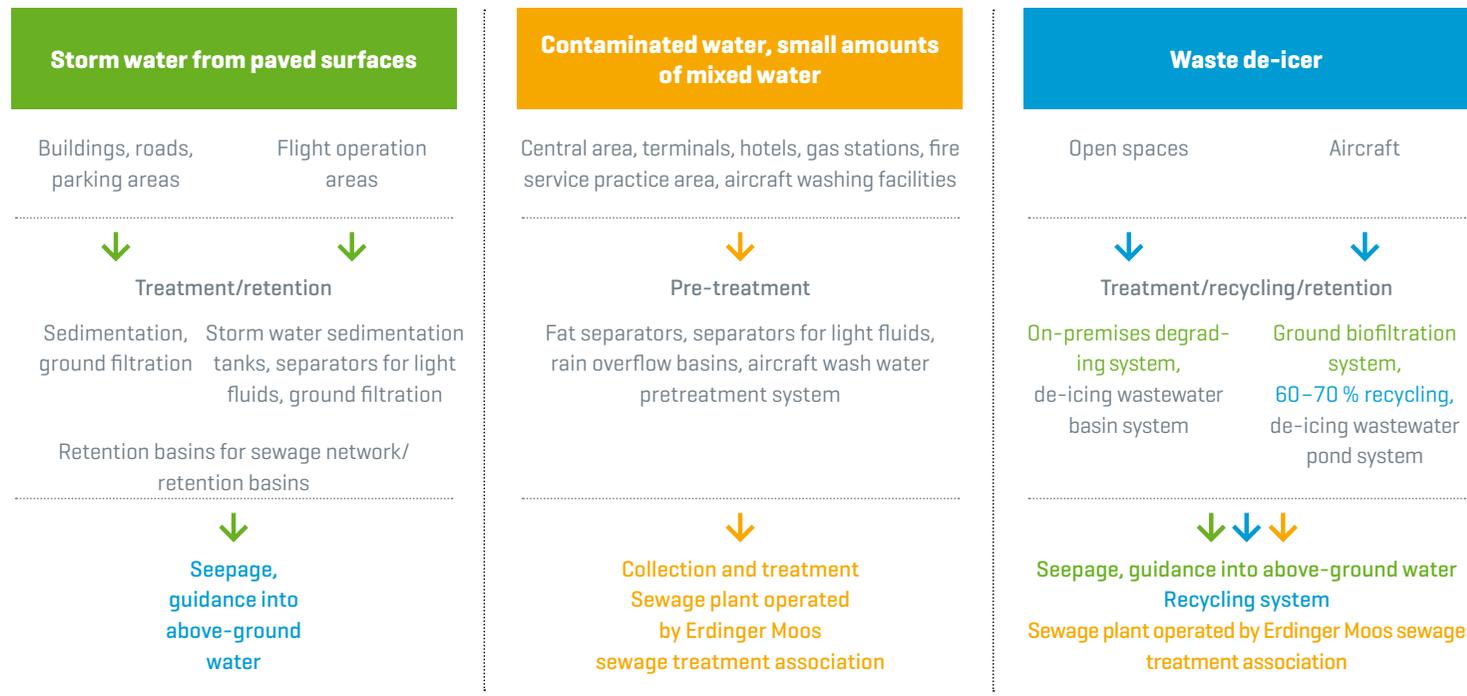
300
kilometers
of sewers collect
wastewater

Ground biofiltration system meets expectations

In contrast to other years, regular testing of the ground-water at the north-west runway head shows that the groundwater has not been affected by organic matter from the de-icing process. Looking at the ground biofiltration system completed at the north-east runway head in 2015, a similarly positive outcome is also expected from calculations following the winter of 2015/2016. Further ground biofiltration systems are due to be installed in the areas around the southern runway.



Wastewater disposal concept: various wastewater sources, their treatment, and disposal



Noise protection

Regulations regarding noise protection

Aircraft are required to adhere to strict noise limits

The main standards and regulations for the global aviation industry are defined on an international level because aircraft tend to travel across borders. Under the umbrella organization that is the United Nations, the ICAO [International Civil Aviation Organization] deals with the issue of reducing aircraft noise. For example, it requires new aircraft to obtain a certificate for both prototype and operational approval. However, airport operators themselves can also ban particularly loud aircraft. Munich Airport does not allow aircraft without certificates according to ICAO Annex 16 to take off or land on its premises. For the planned third runway, the same will also apply to aircraft assigned to **Chapter 2** or to marginal **Chapter 3** aircraft. Other organizations and projects have set similar goals: Under its vision for 2020, the EU's ACARE advisory council [Advisory Council for Aviation Research in Europe] is aiming to halve perceptible noise, while the EU's «Flightpath 2050» project hopes to reduce noise emissions by 65 percent by 2050.

Night flight regulations at Munich Airport

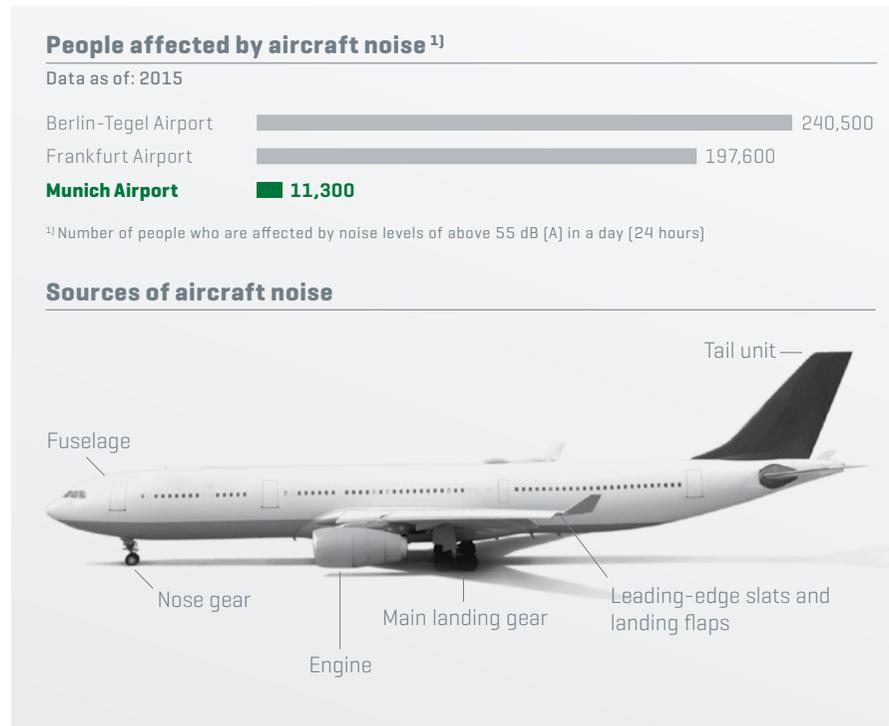
- At night (10 p.m. to 6 a.m.), Munich Airport allows only a limited number of aircraft to take off and land and requires all of these aircraft to have extra low noise emissions. No aircraft are permitted to move during the core hours of midnight and 5 a.m., apart from night mail and survey flights by German air traffic control.
- The night-flight curfew in force includes a noise quota, which is based on aircraft types and sizes, and the number of aircraft movements. During 2015, only 62 percent of the permissible noise volume was used at Munich Airport. In 2015, the mean night-time continuous sound level at the borders to the control zone did not exceed the permitted value of 50 dB [A].

- The current night-flight curfew, introduced in 2001, will also apply for the planned third runway. The third runway may only be used at night in exceptional circumstances, such as an emergency or closure of one of the other runways. This means that the current noise quota will remain the same.

Noise reduction measures provide relief for residents

According to the latest analyses by the German Federal Environment Agency, road noise inflicted mean continu-

ous sound levels of above 55 dB [A] on 10.2 million people across Germany, railway noise of the same level affected 6.2 million people, while aircraft noise affected 738,000 people. In contrast to other major airports, Munich Airport has performed very well thanks to the excellent conditions at the site: At Munich Airport, the proportion of people who live in the area around the airport and are affected by aircraft noise is around five percent of the comparable group at Frankfurt Airport and as little as one percent of those near London-Heathrow Airport.



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

➔ Glossary

➔ Web <http://www.acare4europe.com/munich-airport.com/night-flight>
[munich-airport.com/aircraft-noise](http://www.munich-airport.com/aircraft-noise)

➔ Glossary



Locations of Flughafen München GmbH fixed measurement points/ combined daytime and night-time control zone



Airbus A350 XWB spotted regularly in Munich

The first Airbus A350-type wide-bodied aircraft to land at Munich Airport arrived in February. This modern jet is equipped with engines that consume significantly less fuel and generate much less noise than comparable models from the past. Qatar Airways has been the first customer in the world to use the cutting-edge model for flights from Munich, doing so since fall 2015. The stationing of Deutsche Lufthansa's A350 planes at Munich Airport is expected to have a positive effect on the noise situation according to the current measurement values.

➤ Web: a350xwb.com

Tracking up-to-date aircraft noise data online

Since May 2014, the 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 surrounding region. This online service allows users to access noise measurement data, including flight routes, flying height, and aircraft type, at any time. The mobile aircraft noise measurement points were also added for the first time this year. The tool also features tables and graphics showing the various acoustic measurements and parameters from previous years.

➤ Web: munich-airport.de/en/company/umwelt/laerm/fl-online

Despite the comparatively low number of people affected, Flughafen München GmbH wants to do more to improve the noise situation 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 in the area around the airport or spread its impact more favorably.

Engines running idle during final approach

Munich Airport currently gives a few airlines the chance to land according to an optimized descent profile. With these continuous descent operations (CDO), the aircraft's engines are set to minimal power (they should be idling, ideally) during the descent and any horizontal flight phases are avoided if at all possible. This reduces fuel consumption and CO₂ emissions. This approach also reduces noise levels by up to 6 dB [A] due to the higher crossing height in contrast to standard operations. The number of aircraft using continuous descent operations per day depends on the direction of the runway. The CDO approach is due to be published in the aviation handbook in 2016 and will apply to arrivals on the northern runway to begin with. It will then be made available to all airlines and offer positive effects for airlines and the environment: It will help to save kerosene on the one hand, while reducing noise and CO₂ emissions on the other.

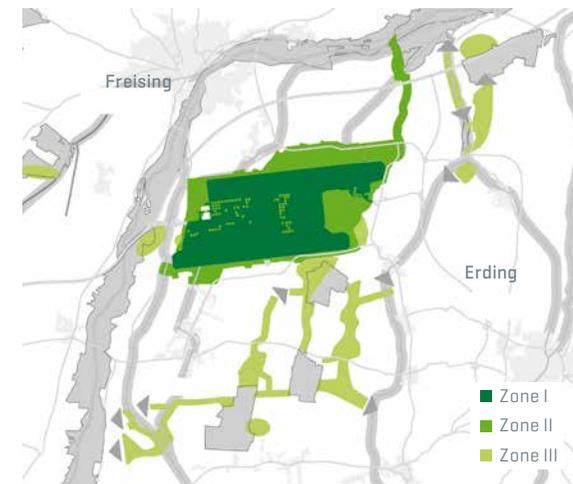
Landing charges: quiet equals cheap

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.

Aircraft noise monitoring

Using 16 fixed measurement points, FMG continuously monitors aircraft noise within a radius of about 20 kilometers around Munich Airport. It also performs mobile measurements on request, which is a voluntary service available to municipalities that are not covered in the stationary measurement network. In 2015, eight mobile aircraft noise measuring systems recorded values on a total of 246 days, including – for the first time – in Langenpreising/Pottenau, Zieglberg, and Forsten/Tading. Repeat mobile measurements were taken in Tünzhausen, Rudelzhofen, Eitting-Süd, Grünbach, and Haimhausen. The values measured can be accessed in the monthly impact reports and on the airport website. The online report has also been available for mobile aircraft noise measurements since 2015. The quantity and level of the individual and continuous sound level measurements are broken down into day and night and presented in both table and graph form.

Zone model



→ GRI G4-27

➤ Web
munich-airport.com/impacts

Biodiversity

Airport meadows providing a high-quality habitat

Green areas and ecologically significant meadows make up almost two thirds (943 hectares) of the current airport premises. The high-quality airport conservation meadows adjoining both 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 a host of 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 management method is in harmony with both the bird protection strategy and the requirements of bird strike prevention on the airport premises as a whole.



**We take responsibility for the future
development of our airport.**

Corporate division for Legal Affairs, Committees, Compliance, and Environment





Conservation concept and landscape design

The idea of integrating Munich Airport into its environment in the best possible way has been a major part of the planning concept right from the start. This is why FMG has created structures to upgrade the environment in the wider area and link the areas together. The concept divides the areas in Erdinger and Freisinger Moos into three zones:

- **Zone I: airport premises with take-off and landing runway system, buildings, and roads**

All areas on the airport premises that have not been developed or sealed have been designed as high-quality green areas, featuring over 6,000 planted trees. Specialist care and maintenance has led to varied species of vegetation growing on large areas of the airport, with some areas even filled with valuable low-nutrient grassland. The green areas around the

runway system are important parts of the «Nördliches Erdinger Moos» bird sanctuary.

- **Zone II: wooded green belt with structural diversity around the airport premises**

This acts as a buffer for settlements and agricultural premises and integrates the airport's buildings into the surrounding landscape.

- **Zone III: planning space for ecological compensation measures**

Compensation and replacement areas are planned, developed, and maintained on the basis of current legislation set out in the German impact regulations under nature protection law, species protection law, the European conservation zone for the **Natura 2000** network, and forestry laws. As well as fulfilling a compensatory role for

conservation and the landscape, these individual measures also improve existing vegetation in need of protection. For instance, they create biotope corridors, that also link conservation areas to flowing bodies of water. Furthermore, FMG has the measures checked by the relevant authorities to make sure they comply with requirements.

In winter 2015, FMG designed a multi-functional compensation area to the west of the airport. The space was designed so that an open gravelled area featuring several flat ponds provides the ideal breeding habitat for little ringed plovers. According to the plans, a border of low-nutrient green space filled with various species will grow around the edge. To make sure it provides the ideal habitat for the endangered Idas Blue butterfly, for instance, the airport is already growing the plants that the butterflies need to lay their eggs and feed their caterpillars.

Bavarian Environmental Pact

FMG is continuing its commitment to the «Bavarian Environmental Pact» and extending its membership of this voluntary initiative for environmental protection at companies and sustainable business. To be specific, it hopes to protect rare breeds of moor-based butterflies on Freisinger Moos and identify, design, and maintain areas suitable for this purpose.

The airport inside a bird sanctuary

The 4,525-hectare «Nördliches Erdinger Moos» European bird sanctuary also includes 658 hectares of airport meadows around the take-off and landing runways, as well as parts of the Erdinger Moos [moor] where this adjoins the airport premises in the north and the east. Regular verifications of the range of species and the breeding successes achieved underline its optimum biotope and habitat quality for rare meadow breeders. For example, the airport premises are home to one of Bavaria's largest populations of the Eurasian curlew – a species threatened with extinction. In total, the «Nördliches Erdinger Moos» reserve protects 40 particularly endangered bird species, such as the lapwing, corn bunting, and corncrake, and is consequently an important stepping stone in the «Natura 2000» ecological network spread throughout Europe.

Air traffic and a habitat for birds: a harmonious pairing

The practical experience of previous years has demonstrated that the «coexistence» of safe air travel and sustainable bird protection is possible in spite of their apparent incompatibility and that both can be developed responsibly in a spirit of cooperation. Here, FMG pays attention to the preservation and promotion of species diversity and biodiversity for flora and fauna. For example, any upkeep the meadows may need and any construc-

tion and maintenance work are performed outside breeding periods wherever possible. The existing and planned compensation and replacement zones within the two bird sanctuaries «Nördliches Erdinger Moos» and «Freisinger Moos» not only contain various species of birds, they are also home to rare plants, reptiles, dragonflies, and butterflies, such as creeping marsh-wort, sand lizards, ornate bluets, and dusky large blue butterflies.

Hunting as practical nature protection

Compared with other areas, hunting near an airport places emphasis on nature and species protection, and bird strike prevention. 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. FMG is also involved in species preservation for red deer. The company owns land in the Isar floodplains, one of Bavaria's eleven designated areas for red deer. Over the past few years, it has succeeded in safeguarding population areas, ensuring deer are able to move safely, and achieving a compromise between nature protection and hunting interests.



Top five measures in the sustainability program [Detailed program online: munich-airport.de/en/NHprogramm](http://munich-airport.de/en/NHprogramm)

Material topics	Initiatives	Measures	Status 2015	Measure ends
CO ₂ and air pollutant emissions	Taking responsibility for effects of air travel	Launching pre-conditioned air systems	80%	2016
	Energy-efficient campus mobility	FMG-internal use of electric vehicles and thus testing the infrastructure, measurement, and billing	75%	2016
	Energy concept 2030	Completing the first stage of the energy concept [replacing and increasing the capacity of the block heat and power plant; East Power Plant]	95%	2016
Noise emissions and noise protection	Taking responsibility for effects of air travel	Designing and enhancing a noise protection strategy [active noise protection, flying procedures e.g. CDO, flight paths, landing fees, passive noise protection, noise protection programmes]	Ongoing	Ongoing
Infrastructure development and sustainable building	Implementing energy-efficient and sustainable building	Certifying selected buildings according to the standards of the German Sustainable Building Council [DGNB]	Ongoing	Ongoing

FINANCIAL REPORT



Solid financials have laid the foundations for the sustained growth of Munich Airport. Despite the major investment of the «Terminal 2 satellite» Munich Airport Group reported positive free cash flow after investments of just under € 200 million in 2015. The equity ratio of 38 percent indicates a healthy capital structure.

81	Group management report
106	Consolidated annual financial statements
106	Consolidated income statement
107	Consolidated statement of comprehensive income
108	Consolidated balance sheet
110	Consolidated statement of changes in equity
111	Consolidated cash flow statement
112	Notes to the consolidated financial statements
154	Supervisory Board report
155	Independent auditor's report



Group management report

Basis of the Group

Activities

Flughafen München GmbH (FMG) is headquartered in Munich. As the parent company of the Munich Airport Group [Munich Airport] it is the operator of Munich's commercial airport.

Munich Airport operates in the aviation, commercial activities, and real estate business areas. The service portfolio offered by the Group covers virtually all the services available at the airport campus – from air travel including passenger and cargo handling through to retailing, hotels, and catering services. This integrated business model and depth of added value distinguish Munich Airport from its European competitors.

Munich Airport is committed to a corporate policy of sustainability. The orientation on economic, environmental, and social goals aims to ensure public acceptance of Munich Airport and consequently the viability of its business model.

Executive Board and Supervisory Board

The owners of Munich Airport are the Free State of Bavaria with 51.0 percent, the Federal Republic of Germany with 26.0 percent, and the City of Munich with 23.0 percent.

The shareholders' general meeting is the highest monitoring and decision-making body. It decides unanimously on the Group's business fundamentals such as airport expansion, long-term borrowing, and the use of innovative financial instruments for hedging purposes. All other decisions require a simple majority.

Governance Structure



Supervisory Board

The airport 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 mem-

bers of the Executive Board and determines their remuneration. Transactions exceeding certain thresholds and terms require Supervisory Board approval. 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. Their term in office 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, 2015, the members of the Supervisory Board are as follows: FIG: 1

The Supervisory Board has appointed a proposals committee, a working committee, and an HR committee. The committees were entrusted with the following tasks: FIG: 2

The Executive Board's term of office is normally five years; reappointment or extension of the term in office is permissible. It is responsible for the Group's corporate policy and strategic focus. It determines the budget and monitors business developments. As at December 31, 2015, the members of the Executive Board are as follows: FIG: 3

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

Female quota

Women account for 25.0 percent of the Supervisory Board. This quota is set to be maintained up to June 30, 2017. In the event of a replacement, the Supervisory Board will work to ensure women are adequately represented.

By June 30, 2017 the proportion of women on the Executive Board is due to be increased to one third due to the planned appointment of another member of the Executive Board.

By June 30, 2017 the proportion of female managers in the highest management tier of the Group parent company FMG is due to be raised to 13.0 percent and to 29.0 percent in the second-highest management tier.

Members of the Supervisory Board

FIG: 1

Director-General Wolfgang Lazik	Free State of Bavaria	Bavarian State Ministry of Finance, Regional Development and Regional Identity
Director-General Dr. Bernhard Schwab	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
Minister of State Dr. Markus Söder (Chairman)	Free State of Bavaria	Bavarian State Ministry of Finance, Regional Development and Regional Identity
Director-General Dr. Martina Hinricher	Federal Republic of Germany	Federal Ministry of Transport and Digital Infrastructure
Government Director Christiane Wietgrefe-Peckmann	Federal Republic of Germany	Federal Ministry of Finance
Dieter Reiter	City of Munich	Lord Mayor
Josef Schmid	City of Munich	Mayor
Thomas Bihler	Trade union representative	Clerical employee
Heinrich Birner (Vice Chairman)	Trade union representative	Director of the ver.di labor union Munich region
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
Hans-Joachim Bues	Executive employees' representative	Senior Vice President Corporate Communications

Committees

FIG: 2

Proposals committee	<ul style="list-style-type: none"> Right to propose appointments of members of the Executive Board if the Supervisory Board cannot agree by simple majority on the member to be appointed to the Executive Board.
Working committee	<ul style="list-style-type: none"> Statement on the resolutions proposed by the Executive Board Approval of certain legal transactions that exceed set maximum monetary values and terms
HR committee	<ul style="list-style-type: none"> 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

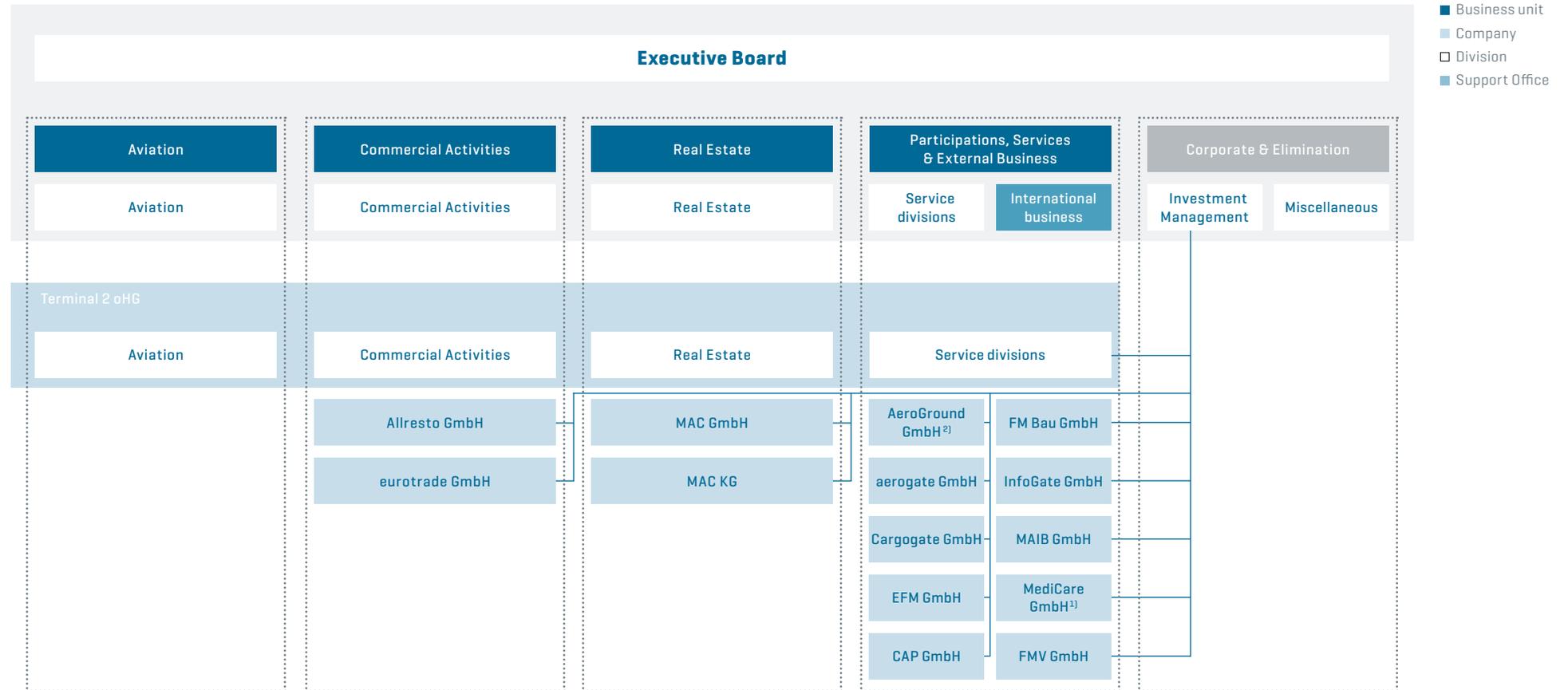
Executive Board

FIG: 3

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

Group structure and organization

Munich Airport's Group structure and organization is based on FMG's business, service, and central divisions.



¹⁾ MediCare Flughafen München Medizinisches Zentrum GmbH has a 20 percent equity interest in Radiologisches Diagnostikzentrum München Airport GmbH.

²⁾ AeroGround Flughafen München GmbH has a 100 percent equity interest in AeroGround Berlin GmbH. Group structure of Munich Airport (as of December 31, 2015)

→ GRI G4-17

In total, the Group comprises twelve fully consolidated companies, one associate, and four investment companies:

Fully consolidated companies:

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

Associate:

- EFM – Gesellschaft für Enteisung 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 May 2015 AeroGround was awarded the contract for one of three handling licenses for Berlin-Schönefeld Airport and transferred it to AeroGround Berlin by means of a spin-off. AeroGround Berlin initially appointed Acciona Airport Services, Berlin GmbH, the current license holder, to provide ground handling services as a subcontractor.

With effect from January 18, 2016 AeroGround Berlin acquired Acciona Airport Services, Berlin GmbH (Acciona Berlin) and HSD Flughafen Berlin GmbH (HSD Flughafen Berlin). Acciona Berlin has a handling license for Berlin-Tegel Airport. HSD Flughafen Berlin is a handling service provider for Acciona Berlin. Acciona Berlin is due to be merged with AeroGround Berlin GmbH on January 1, 2016.

Compliance

- Compliance monitors accordance with laws and regulations
- It identifies and minimizes compliance risks
- Guidelines and transparent processes prevent corruption
- Regular training sessions raise awareness
- Electronic whistle-blower system ensures anonymity
- A data protection officers monitors compliance with requirements

Compliance management system

Compliance covers abidance by all airport-related laws, specifications and regulations, national and international rules and standards and in-house rules and guidelines. Munich Airport has established a Group-wide compliance management system, which encompasses all organizational provisions ensuring compliance with the aforementioned rules.

The Compliance Department 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.

Risk analysis

The Compliance Department prepares the compliance risk analysis with input from the divisions and combines it with the subsidiaries' compliance risk analyses.

Compliance risks are evaluated on the basis of the qualitative assessment by the Risk Officers. This takes account of a number of aspects, including financial losses and reputational damage. The risks are then classified in a matrix based on the probability of occurrence and gross loss potential (i.e. before countermeasures are taken) and net loss potential (i.e. after countermeasures are taken). Once the compliance risk analysis has been carried out, the Executive Board is notified of the results in a report.

The annual Compliance report to the Supervisory Board of FMG also includes the results of the compliance risk report. If there is an elevated loss potential and concomitant high probability of occurrence despite all the countermeasures taken, a detailed description is provided in the report.

In respect of 2015, there were no elevated compliance risks after the countermeasures taken were considered.

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. The guidelines also reference other guidelines with which employees must comply, ensuring for example, compliance with public procurement law with regard to 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.

The position of anti-corruption officer is exercised by the head of the Compliance Department. There were no confirmed cases of corruption in 2015.



Compliance

Communication and training

A key task of the Compliance Department is to train and advise employees and managers in compliance matters as a preventative measure to stop compliance breaches from occurring.

Group compliance regularly provides training and publishes information to ensure that all employees and managers are familiar with the guidelines and any updates or amendments to them. Every year they must provide their signature to confirm that they have read the compliance documentation.

In 2015, some 154 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 Munich Airport Group's specific guidelines on compliance and the prevention of corruption.

Besides the training for managers, employees are offered web-based training on compliance matters. More than 2,000 employees successfully took part in this program in 2015. Employees with no access to a company PC are given compliance training in face-to-face events.

Participation in the compliance training sessions is recorded and also entered in the employee's own qualification profile.

The Executive Board and Supervisory Board deal with compliance issues at regular intervals.

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.

There were no known instances of complaints regarding breaches of customer privacy and losses of customer data.

Business units

- Infrastructure operations at the limit of capacity
- Wide variety of services and offerings along passenger routes
- Highly attractive real estate location
- Full service provider for the airlines
- Energy and telecommunications for all airport tenants
- Munich Airport in demand as a consultant

Aviation

The Aviation business unit covers the operation of Munich Airport's air traffic infrastructure.

In its current stage of development, Munich Airport has two runways with a maximum capacity of 90 aircraft movements per hour during daytime operations. At peak times

this capacity is almost fully utilized. Between 10:00 p.m. and 6:00 a.m., flights are limited and confined to exceptionally quiet aircraft. In the core time, between midnight and 5:00 a.m., only mail and survey flights by the German air traffic control authorities are permitted. Scheduled and charter traffic is restricted to 28 planned aircraft movements per night.

Munich Airport can process a total of 43.0 million passengers a year. In particular the Star Alliance Network in Terminal 2 is now at the limits of its capacity. From April 2016, the satellite building for Terminal 2 will provide relief. The freight terminal has a capacity of around 604,000 to 668,000 tonnes per year. The freight-forwarding facility with a gross floor area of around 36,000 square meters has 103 docking bays for trucks.

Given its favorable geographic location in one of the most economically successful regions in Europe, Munich Airport benefits from high demand for passenger and cargo services. However, the peripheral zone of its catchment area overlaps with the catchment areas of the airports in Frankfurt, Vienna, and Zurich. Compared to these competitors in densely populated conurbations, Munich Airport has extensive strategic surface area in reserve for expanding the runway system. Munich Airport's existing connections to regional and inter-city rail transport services put it at a disadvantage to competitors.

Collaborative work with Deutsche Lufthansa AG [DLH] has helped Munich Airport become a major international air traffic hub. Joint extension projects, such as Terminal 2 and the T2 satellite building, form the basis for a sustainable partnership that not only allows capacities to be exploited, but also ensures long-term growth.



Business units

Air traffic charges

FIG: 4

	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 (for each 24 hours, from the fourth hour)
Security charge	Number of passengers and/or workload units on take-off
Charges for passengers with reduced mobility (PRM charges)	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

The following airport charges are levied for the provision and operation of the air traffic facilities: FIG: 4

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

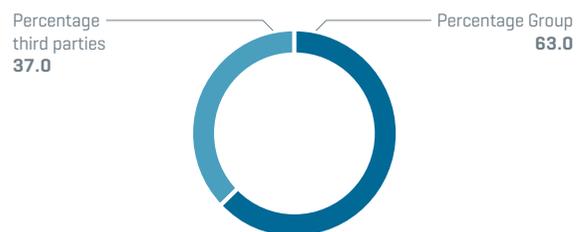
Commercial Activities

The catering and retail concept for the entire airport is defined in the Commercial Activities business unit. It markets all space available for catering and retail through leases and concessions granted to Group companies and third parties.

Space ratio

In percent

FIG: 5



Munich Airport boasts over 18,397 square meters of food and beverage space and 21,377 square meters of retail space. FMG's subsidiaries operate their own retail or catering businesses on around 63.0 percent of the total area. FIG: 5, 6

High numbers of business and private travelers, extended opening hours, and the availability of duty-free shopping make Munich Airport an attractive location for catering and retail.

Commercial Activities also include the management of the hotel in the airport's central area by the Hilton Corporation on the business unit's behalf. The 5-star hotel currently has 389 rooms and ten conference rooms.

The business unit is also responsible for marketing parking at Munich Airport, comprising around 36,000 parking spaces, of which 23,000 are multi-story car parks and garages and around 13,000 are on paved and unpaved car parks.

Commercial Activities also markets the advertising media and spaces at the airport. Out-of-home advertising at Munich Airport features advertising spaces with little waste-age tailored to clients' requirements.

Commercial space

In sqm

FIG: 6



The business unit's service portfolio also includes the events business.

Real Estate

The Real Estate business unit develops, operates, and markets all real estate and property owned by Munich Airport.

The airport has a lot to offer as a real estate location: an attractive environment, good road connections, very good parking, and a comprehensive range of goods and services for daily needs. The connections to regional and inter-city rail transport services, which are in need of improvement, and limited availability of space in existing buildings are the drawbacks of its location. New real estate projects are restricted by current planning approvals.

Participations, Services & External Business Participations

The Group's other companies complete the airport's business. The most significant subsidiaries are:

AeroGround: The company provides landside and airside handling services for airline passengers, including ground handling services, cargo handling and passenger care, at the Munich and Berlin locations.

aerogate: 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: The company supplies airfreight handling-related services.

Services

Besides the business units and subsidiaries, Munich Airport's service divisions are also involved in external sales. The largest contribution comes from the following service divisions:

Technology: This service division provides all of Munich Airport's tenants with electricity, heating and cooling energy, drinking and extinguishing water, wastewater removal, and a full waste management service.

IT: Munich Airport's IT provides all airport tenants with telecommunication and network services.

External business

Munich Airport is active in business outside the campus. Teams of experts provide consultation services worldwide in respect of commissioning and operating airports.

Individual business units and subsidiaries also take part in tenders of other airport operators in Germany and abroad. In winning one of three handling licenses at Berlin-Schönefeld Airport and carrying out the preparatory work for acquiring Acciona Berlin and HSD Flughafen Berlin, Munich Airport took an important step in fiscal year 2015 to expanding outside its headquarters in Munich.

Off-campus business is currently being developed, so this business unit has not yet made any significant contribution to the overall business success.

Report on economic position

Macroeconomic and sector-specific environment

- Strong domestic consumption stabilizes growth
- German air traffic registers growth – but falls short compared with other countries
- Retail trade – is undergoing structural change and is exposed to geopolitical tensions
- Catering – in an upturn
- Hotel sector – further strong recovery posted
- Advertising sector – sentiment remains cautiously optimistic
- Real estate marketing – registers high demand with a further fall in supply

Macroeconomic environment

Both national and international economic growth are crucial for an international air traffic hub such as Munich Airport.

Growth in the global economy in 2015 failed to meet expectations once again. Current projections suggest global gross domestic product (GDP) of between 2.4 percent (World Bank, Global Economic Prospects, January 2016) and 3.1 percent (International Monetary Fund, World Economic Outlook, October 2015). These figures are up to 0.4 percentage points lower than those in forecast published up to the middle of the year.

The reasons for this include political uncertainty, as has been occurring in Brazil, national conflicts, for example in Ukraine, and the weak performance of commodities-exporting emerging markets, such as Russia. Overproduction (for example in oil extraction) and falling demand (particularly for metals) hit the economic growth of these countries unexpectedly heavily.

The huge level of investment between 2009 and 2013 resulted in overcapacity and high indebtedness within Chinese industry and the real estate sector. The low contribution of these sectors to overall economic growth was partially offset by the expansion of the services sector. Rising levels of employment and real salaries helped fuel growth in private consumption.

It was a completely different picture in industrialized countries. Owing to an improvement in the situation on employment markets and increasingly favorable credit conditions, private consumption expanded, supporting growth.

The following individual growth rates have been forecast:

FIG: 7

For the eurozone, total growth of 1.5 percent (2014: 0.8 percent) is expected in 2015. The European Central Bank's bond buyback program has stabilized exports, encouraged investment, and supported domestic demand. The low oil price, better credit conditions and the stimulation of bank lending has boosted private consumption and investment. With the exception of Greece, the economic situation in South European countries has significantly stabilized. The impact of the Greek sovereign debt crisis is still being felt in the peripheral locations of the eurozone. FIG: 8

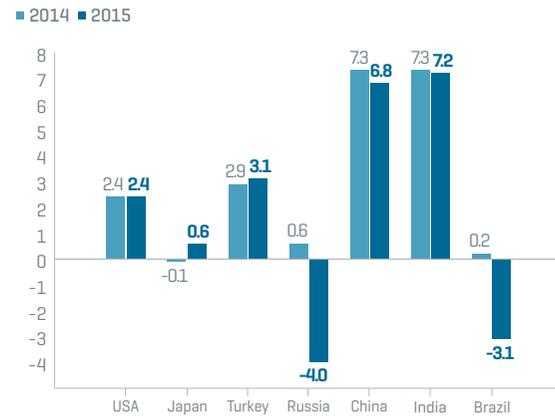
Germany's gross domestic product grew again in 2015, rising by 1.7 percent (2014: 1.6 percent). The main reason for this was consumers' willingness to spend. Rising employment and favorable collective wage settlements significantly increased the household income of a large section of the population. Low petrol and heating oil prices also drove up consumption. Price-adjusted consumption rose 1.9 percent year-on-year. The impact of the European Central Bank's monetary policy could also be



Selected destinations' growth

In percent

FIG: 7



Source: OECD Economic Outlook, November 2015

felt in Germany. The depreciation of the euro and low interest rates accelerated price-adjusted export growth from 3.7 percent in the previous year to 5.4 percent in 2015.

Sector-specific environment for Aviation

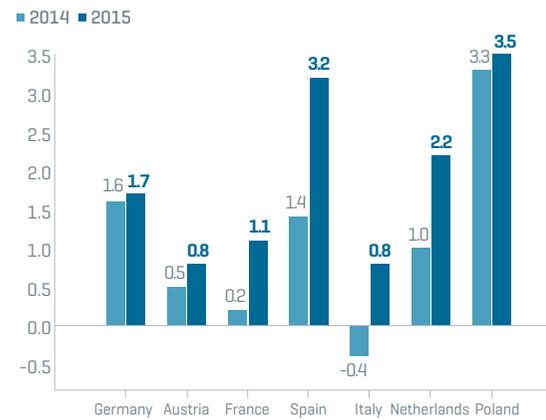
Global air traffic grew significantly again in fiscal year 2015. According to the IATA, passenger traffic, measured in passenger-kilometers sold, grew by 6.5 percent. Freight traffic, measured in freight tonne-kilometers, rose by 2.2 percent.

According to the German Aviation Association, international competition has become much fiercer. Despite significant efforts at consolidation and more marked pricing and

Selected European countries' economic growth

In percent

FIG: 8



Source: OECD Economic Outlook, November 2015

quality differentiation in their offering, German airlines have lost further ground against their international peers. With growth rates of 1.9 percent in passenger traffic and the fall of 0.1 percent in freight traffic, German airlines are still at the bottom of air traffic statistics. Airline companies from the Middle East performed particularly strongly, with growth rates of 10.0 percent and 11.3 percent in passenger traffic and freight traffic respectively, while airlines from the Asian-Pacific region reported increases of 8.6 percent in passenger traffic and 2.3 percent in freight traffic.

The increasing loss of market share of German air traffic was also felt at German commercial airports. Between 2010 and 2015 take-offs by German airlines fell steadily by -6.2 per-

cent, while those of European network carriers rose by 19.8 percent. The main reason for the growth at German airports in 2015 was once again foreign airlines. Lufthansa, Air Berlin, TUIfly and Condor remain, however, the largest clients of German airports.

Fast-growing competition in the Middle East has put German aviation hubs under a lot of pressure. With the growth rates of between 63.0 percent and 98.0 percent between 2010 and 2015, these airports have completely decoupled from the European market.

Year-on-year the number of passengers at Germany's 22 international commercial airports rose by 3.8 percent to 216.5 million passengers. Intracontinental traffic grew by 4.5 percent, while intercontinental traffic grew more sharply at 4.3 percent. German domestic traffic also increased slightly by 1.7 percent. FIG: 9

Commercial aircraft movements expanded once again in the past fiscal year. It is clear that the growth in passenger traffic cannot be met simply by increasing the seat load factor and using larger aircraft. FIG: 10

Airfreight growth stagnated at 4,528,081 tonnes of airfreight and airmail (including transit). FIG: 11

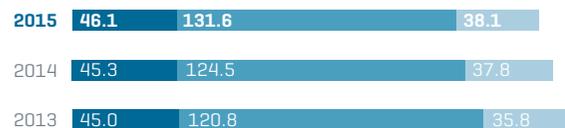
Sector-specific environment for Commercial Activities

With growth of 3.1 percent in fiscal year 2015, German retail posted its strongest performance for 20 years. The increase in the rates of employment, favorable collective wage agreements, and low inflation made consumers more willing to spend. The consumer index rose from 8.7 points in December 2014 to 9.3 points in December 2015.

Passenger numbers at German commercial airports

In millions

FIG: 9



■ National ■ Continental ■ Intercontinental

Aircraft movements at German commercial airports

In thousands

FIG: 10



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

In tonnes

FIG: 11



Online trade was a particularly strong beneficiary, with growth of 12.0 percent. But also shop-based retail had an excellent fiscal year, with sales up by 2.3 percent.

Sales of cosmetics posted particularly strong growth again, rising 7.9 percent. After slight falls in the previous year, sales of watches and jewelry rose by 1.0 percent. Sales in the fashion business, however, stagnated. Clothing sales dropped by 0.1 percent year-on-year.

According to Global Blue Intelligence, the trend in the retail trade with travelers from abroad remained intact from the previous year. Russia, China, and the countries of the Middle East were the customer groups in Germany with the highest sales. The appetite for spending of Chinese and Arab customers remains high. However, there was once again a large drop in sales in business with Russian travelers.

The German catering sector had a very successful fiscal year, with price-adjusted sales growth of around 1.7 percent. This was also true of restaurants, eateries, and diners, which reported price-adjusted growth of 1.2 percent (2014: 0.7 percent).

The German hotel sector continued to see a further recovery in business in fiscal year 2015. After sales growth of 0.8 percent in the previous year, it reported growth of 2.1 percent in the year under review. The number of overnight stays rose by 3.4 percent (2014: 3.3 percent) and average occupancy increased by 1.1 percentage point to 60.2 percent.

According to projections by the Central Association of the German Advertising Industry, total investment by advertisers also rose by 0.8 percent to around € 25,470.0 million in fiscal year 2015. Sentiment in the sector is cautiously optimistic. Some market segments again posted substantial growth, including the Out-of-home advertising segment primarily used by Munich Airport, which grew by 9.7 percent.

Sector-specific environment for Real Estate

The Munich area remains an attractive market for office property. According to the market report of Colliers International Deutschland Holding GmbH, the Munich office market in 2015 posted a 22.0 percent increase in floor-space turnover on the previous year. Office vacancy rates fell again. With a rate of 3.8 percent (December 31, 2014: 5.1 percent) Munich has one of the lowest void rates of large European cities. Depending on location, average rents varied between € 8.88 and € 23.83/square meter.

Course of business

- New passenger record and increase in aircraft movements
- Retail trade – facing major challenges
- Catering – on path to success
- Hotel – high occupancy rates once again
- Parking – demand increases with passenger volume
- Advertising – business on par with previous year
- Real estate – stagnation at high level
- Service quality – first 5-star airport in Europe
- CO₂ reductions – power saving program continued
- Employee retention – issues captured from the employee survey expedited



Aviation course of business

Munich Airport breached the 40 million mark in 2015 for the first time, setting a new passenger record. With just under 41 million travelers, this equated to an increase of 3.2 percent since 2014. FIG: 12

Munich Airport traffic numbers

FIG: 12

	2015	2014	Change	
			Absolute	Relative
Aircraft movements	379,911	376,678	3,233	0.9 %
Passengers in millions	41.0	39.7	1.3	3.2 %
Cargo handling in tonnes	336,162	309,361	26,801	8.7 %

Traffic figures for 2015 as a comparison

FIG: 13

In percent	ADV	Munich
Movements (total traffic)	1.2	0.9
Passengers (commercial traffic)	3.8	3.2
Airfreight and airmail	0.1	8.7

With 53.7 million seats offered, the previous year's record was beaten by 2.7 percent. Seating capacity utilization also exceeded the previous year by 0.7 percentage points, rising to 76.6 percent. On average around 116 passengers were transported per flight.

The increase in the average figures per flight lay in the continuing trend towards replacing smaller aircraft with larger ones. The average maximum take-off mass (MTOM) increased by a further 1.9 tonnes to 84.4 tonnes. Intercontinental traffic, which is mainly served by large aircraft, has proved, once again, to be the motor driving traffic trends.

After three years of falling figures, take-offs and landings rose. Overall the number of aircraft movements was up 0.9 percent. FIG: 14

Point-to-point traffic from and to Munich increased again in 2015. Originating traffic, as it is known, i.e. the passenger category that uses the Munich Airport catchment area as the point of departure or destination of their journey, increased by 4.8 percent. Accordingly, the proportion of transfer passengers fell by 1 percentage point to 36.7 percent.

→ Glossary

Despite the reduced range of destinations on offer, demand for domestic destinations remained stable while utilization of aircraft capacity increased. 9.6 million passengers were transported on 85,115 flights within Germany. Continental Europe posted average growth. 24.8 million passengers took 241,212 flights. Intercontinental traffic has proved, once again, to be the motor driving traffic trends at Munich Airport. All in all, the numbers of long-haul passengers increased to 6.5 million and 29,238 flights were flown. FIG: 15

Airfreight was the most successful traffic segment in 2015, posting the highest rate of growth. With 337,564 tonnes and an increase of 10.6 percent, a new record figure was set.

261,719 tonnes of belly-hold cargo on passenger flights provided the basis for the outstanding growth in freight. New destinations and an hike in the frequency of intercontinental traffic ensured there was sufficient additional load capacity. With an increase of close to one third to 55,668 tonnes, cargo-only also made a substantial contribution to the new record. FIG: 16

At 18,775 tonnes, the amount of airmail transported per aircraft slightly exceeded 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 slightly below average, while freight traffic achieved far higher growth rates. FIG: 13

Munich Airport was ranked 7th among Europe's busiest passenger airports in terms of passenger numbers and movements.

Commercial Activities course of business

As in the previous year, Munich Airport's retail trade could not match the buoyant figures of previous fiscal periods.

Aircraft movements at Munich Airport

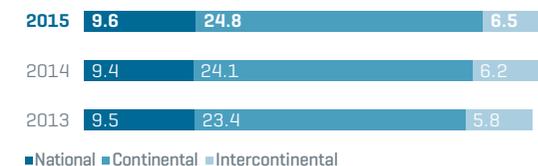
In thousands

FIG: 14

**Passenger numbers at Munich Airport**

In millions

FIG: 15

**Airfreight and airmail (including transit items) at Munich Airport**

In tonnes

FIG: 16



There were significant falls in business with Russian passengers. Russian consumers were hit by trade sanctions, the dramatic collapse in commodities prices, and huge foreign exchange losses. The impact of this was felt in travel patterns and consumer behavior. In 2015, the number of passengers registered under Russian traffic at Munich Airport fell by a fifth. Average sales achieved were also down on the previous year. As a result, the passenger category that was previously the strongest in terms of sales fell to third place.

The trend in passenger numbers and market presence of the airport's own retail trade once again diverged. In Terminal 1, there are only limited shopping options available near the boarding gangways despite the high growth rates. Munich Airport only caught around one tenth of the additional passenger volume in Terminal 1 as customers. In Terminal 2, footfall at the much larger retail offering fell, while passenger numbers rose slightly. This was most likely due to the impact of the relocation of airlines in the previous year and the significantly subdued sales potential from Russian passengers.

However, the drop in sales could be partly offset by innovative shopping concepts. Since the middle of the fiscal year, shopping assistants with strong language skills guide travelers from China through the retail offering. This concept has proven to be very successful. The average sales achieved with the shopping assistants were more than triple that of standard sales.

Against a backdrop of rising passenger numbers, Munich Airport's restaurants and bars enjoyed a strong fiscal year. In contrast to the retail trade, passenger growth here is exactly where it should be. In Terminal 1 the airport operates the entire catering offering itself. At peak times, for example, when handling large Emirates' aircraft, the bars there are at the limits of their capacity.

In Terminal 2, very good growth was achieved in respect of passenger number trends, despite new competitors in the central area. This was principally due to the huge success of the 4URBS restaurant opened in the previous year.

Immediately after switching operator to Hilton Corporation, Munich Airport started work on the extension to the airport hotel. Under new management, with an occupancy rate of 88.3 percent, the hotel smoothly replicated the business success of previous fiscal years.

Parking areas benefited from growth in originating traffic (4.8 percent). Sales grew once again despite a decline in parking transactions [-0.38 percent].

Munich Airport has not yet felt the impact of the increasing pace of the recovery in the advertising sector. Despite an outstanding offering, no increase in advertising revenues was achieved again.

Real Estate course of business

Munich Airport's real estate business stagnated at a high level. In fiscal year 2015, there were no new revenue generating properties. The difficult competitive situation facing airlines, in particular, meant that the Group was unable to increase rental income on existing properties over and above indexing.

Course of business in relation to non-financial key performance indicators

In 2015, Munich Airport was once again awarded the distinction of best airport in Europe by Skytrax, the London-based aviation research institute. As in 2014, the airport was given an excellent third placing in the world rankings. In addition, a commission of experts at Skytrax singled out Munich Airport as the first 5-star airport in Europe. As such, Munich Airport is one of only five airports in the world with this premium label.

To determine if this premium label was met, various fields of actions along the passenger chain were assessed. The focus was on a first-class atmosphere and high levels of comfort, a varied range of services, efficient processes, simple navigation and clear routing, and the exceptional hospitality of the airport employees.

Munich Airport continued its power saving program in fiscal year 2015, thereby saving CO₂ emissions once again. The measures affected both energy generation and energy consumption.

In 2015, the Group looked at the Quick Check carried out at the end of 2014 as a follow-up to the 2013 employee survey. The Quick Check revealed a mixed picture. Many measures to improve employee satisfaction were already or in the process of being implemented. In some fields of action, the Group was, however, still unable to achieve satisfactory results. In these cases, the managers responsible were instructed to take part in the follow-up process and tighten already defined measures or agree a new plan for action.

One analysis carried out as part of the follow-up process to the 2013 employee survey showed that uniform social benefits were not being granted across the Group. Consequently, canteen subsidies, access to subsidized travel offers and staff discounts in shops and restaurants within Munich Airport were harmonized.

In parallel, intensive work was carried out to establish brand values. Managers and a brand team have been working through employee suggestions to raise brand awareness within the Group.

Net assets, financial position, and results of operations

 Net assets, financial position, and results of operations



- Indicator system ensures sustainable business
- Airport expands liquidity reserves
- Reserves built up with moderate levels of new borrowing
- Operating cash flow is basis of outstanding liquidity
- Earnings after taxes rise again

Financial and non-financial key performance indicators

Munich Airport measures the performance of its managers using financial and non-financial indicators. The focus is on indicators measuring corporate sustainability and quality. Accordingly earnings after taxes [EAT] includes the economical, CO₂ reductions the ecological, and the employee retention index the social perspective of traditional sustainability management. The Airport Service Quality [ASQ] Overall Index identifies if the quality objectives have been achieved. FMG surveys these internal and external interest groups to determine and affirm the relevance of the performance indicators for stakeholders.

Earnings after taxes [EAT] – from 2016 earnings before taxes [EBT]

Up to fiscal year 2015, the earnings targets of management were formulated on the basis of earnings after taxes [EAT]. In December 2015, Munich Airport adjusted management's incentives in line with those of the Executive Board. Earnings before taxes [EBT] is being used as a target input for fiscal year 2016.

EBT is the input factor for determining profitability. It relates to income before income taxes, calculated by applying the International Accounting Standards in full and without restriction in the version adopted into European law by the European Commission.

Airport Service Quality [ASQ] Overall Index

The ASQ Overall Index is a globally recognized benchmark ratio for determining the quality of the range of services and products at airports. The ratio is not calculated by airports themselves, but by the Airports Council International (ACI), a leading international umbrella organization of airport operators. This organization conducts passenger satisfaction surveys at more than 250 airports in over 50 countries every month. At the end of the year, an overall benchmark, the so-called ASQ Overall Index, is determined for every participating airport.

CO₂ reductions

CO₂ 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 CO₂-neutral growth with 2005 as the base year. In addition to the emissions caused by energy generation and consumption at Munich Airport itself [Scope 1] and the emissions from energy procurement [Scope 2], the emissions from the landing and take-off cycle of the aircraft using the airport [Scope 3a] are observed.

Employee retention index

Munich Airport surveys its staff every three years to determine the level of employee satisfaction. The employee retention index represents the percentage of employees indicating their loyalty to the company in the employee survey.

Year on year, these performance indicators have trended as follows: [FIG: 17](#)

Earnings after taxes [EAT]

At T€ 35,360, Munich Airport's EAT for fiscal year 2015 was 35.3 percent higher, beating expectations somewhat.

Traffic trends have exceeded expectations, with passenger and movement growth up by 1.2 percentage points and 0.4 percentage points respectively. In particular the Aviation business unit posted significantly better performance than had been anticipated, allowing it to offset missed targets in the other business units.

Airport Service Quality [ASQ] Overall Index

In fiscal year 2015, Munich Airport exceeded the ASQ value achieved in the prior year by 0.74 percent thanks to a range of measures to improve quality. This was largely due to the above-mentioned measures. The implementation of new safety regulations resulted in process-related bottlenecks, which hindered a greater improvement in passenger satisfaction. As waiting times are the critical factor in passenger satisfaction, the changes had a major impact on the overall levels of passenger satisfaction. As a result forecast improvement in passenger satisfaction of +1.5 percent in 2015 was not achieved.

CO₂ reductions

Thanks to comprehensive measures relating to energy generation and energy consumption, Munich Airport met the targets set for reducing CO₂ emissions for fiscal year 2015. The Group reduced emissions caused by operation of the airport by 957 tonnes in total.

Employee retention

Employee retention was not measured in fiscal year 2015.

Net assets FIG: 18

To fund future investment and expected debt repayments, Munich Airport increased its liquidity reserves by a total of T€ 119,000. The cash is held at a number of banks as time deposits and money market transactions with a time of less than one year. They are held under current assets.

The increase in non-current assets is due to the construction of the satellite terminal.

The company paid out T€ 30,000 from the previous year's consolidated net profit of T€ 100,052. The remaining amount was retained.

The changes in other liabilities were mainly due to funding.

In fiscal year 2016, a syndicated loan of T€ 400,000 will become due for repayment. This led to a marked shift in borrowings from the non-current to the current segment. Adjusted for this maturity-related shift, non-current debt rose by 6.0 percent to T€ 2,494,529, with current debt falling by 9.6 percent to T€ 883,203.

Most of the increase in non-current liabilities was due to the drawdown of loans to finance the T2 satellite. The main reason for the drop in non-current liabilities was loan repayments.

Financial position

Capital structure FIG: 19

The improvement in the equity ratio was largely due to the increase in the net income and partial reinvestment of the previous year's income. The raising of net loans of T€ 65,146 had a negative impact on the ratio.

The main terms of Munich Airport's non-current financial liabilities can be found in the table below: FIG: 20

The loans bear customary 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.

Forecast/actual comparison

FIG: 17

	2014		2015		2015	
	Actual		Forecast		Actual	
			from	to		
			%	%		
EAT in T€	100,052	Increase	28.0	34.0	135,412	Exceeded
CO ₂ reductions in tonnes	4,919	Decrease	-80.5	-82.5	957	Achieved
ASQ Overall Index	4.04	Increase	1.5	2.7	4.07	Not achieved
Employee retention index ¹⁾	73	Unchanged			73	

¹⁾The employee retention index is assessed every three years, the next survey will take place in 2017.

Net assets

FIG: 18

T€	2015	2014	Change	
			Absolute	Relative in %
Non-current assets	5,068,932	5,026,742	42,190	0.8
Current assets ¹⁾	335,476	210,120	125,356	59.7
thereof cash and cash equivalents	5,323	8,530	-3,207	-37.6
Assets	5,404,408	5,236,862	167,546	3.2
Equity	2,026,676	1,906,972	119,704	6.3
Other non-current liabilities ²⁾	2,094,529	2,352,502	-257,973	-11.0
Other current liabilities ²⁾	1,283,203	977,388	305,815	31.3
Liabilities	5,404,408	5,236,862	167,546	3.2

¹⁾Including assets classified as held for sale

²⁾Including financial liabilities resulting from partnerships

Capital structure

FIG: 19

T€	2015	2014	Change	
			Absolute	Relative in %
Issued capital	306,776	306,776	0	0.0
Reserves	127,546	96,625	30,921	32.0
Other equity	1,597,223	1,506,083	91,140	6.1
of which net profit	137,769	100,246	37,523	37.4
Non-controlling interests	-4,869	-2,511	-2,358	93.9
of which net profit	-2,357	-194	-2,163	1114.9
Equity	2,026,676	1,906,973	119,703	6.3
Financial liabilities resulting from interests in partnerships	56,680	67,875	-11,195	-16.5
Shareholder loans	491,913	491,913	0	0.0
Fixed-rate loans	604,822	563,368	41,454	7.4
Floating-rate loans	1,290,879	1,254,030	36,849	2.9
Loans	1,895,701	1,817,398	78,303	4.3
Derivatives	84,194	102,358	-18,164	-17.7
Other liabilities	849,244	850,345	-1,101	-0.1
Financial liabilities	3,377,732	3,329,889	47,843	1.4
Equity ratio	38 %	36 %	-	-

→ Glossary

FMG uses interest payer swaps and currency forwards to hedge against risks arising from interest payer swaps and exchange rate fluctuations. The transactions are in most cases accounted for as a valuation unit. FIG: 21

Liquidity FIG: 22

Sufficient funds were available from the net cash flow from operating activities in 2015 to ensure the liquidity of the Group in operations. Cash outflows from investing activities mainly arose from the acquisition and production of property, plant, and equipment and non-current time deposits. A negative cash flow arose from financing activities due to distributions to shareholders, loan repayments, and interest repayments.

Investments

In 2015, with 27.1 million passengers, Terminal 2 had significantly exceeded its theoretical capacity limits. The new satellite building for Terminal 2 is due to go into operation in April 2016. This will increase the airport's nominal capacity by 11 million passengers a year. The number of handling points for Terminal 2 positioned close to the building will have more than doubled. The T2 satellite will have no public transport connection, making it the first terminal of its kind at a German airport: Passengers check in in Terminal 2 and after going through security reach the satellite building via an underground public transport system in less than a minute. More than T€ 650,000 was budgeted for the construction project. In fiscal year 2015, T€ 176,722 was invested in invoiced services and payments on account. The investment in the T2 satellite was funded by a syndicated loan raised in December 2011 with a nominal value totaling T€ 725,000, which was valued at T€ 640,000 as of December 31, 2015.

Non-current loans conditions (as of December 31, 2015)

FIG: 20

Method of funding	Currency	Interest rate	Residual debt T€	Interest rate in %	
				from	to
Financial liabilities resulting from interests in partnerships	EUR	Earnings-based	156,648	-	-
Shareholder loans	EUR	Variable/earnings-based	491,913	Base rate plus margin	
Loans	EUR	Floating-rate	1,299,600	3M/6M EURIBOR plus margin	
Loans	EUR	Fixed-rate	626,863	0.88	4.05

Hedging transaction conditions (as of December 31, 2015)

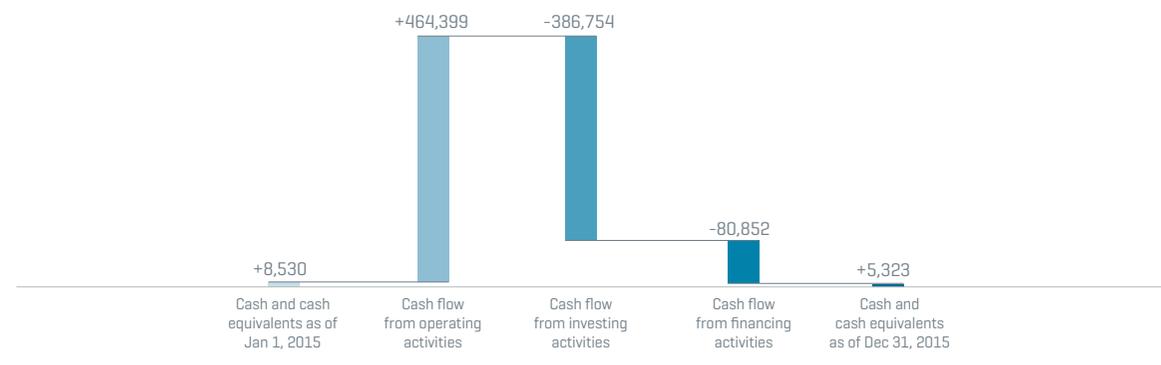
FIG: 21

Hedge transactions	Notional amount	Currency		Fixed rate in %		Forward rate in EUR/USD		Underlying transactions
				from	to	from	to	
Interest payer swaps	1,072,000	T€		0.28	4.24	-	-	Syndicated loans
Foreign currency forwards ¹⁾	3,428	T\$		-	-	1.08	1.12	Expected transactions

¹⁾These hedges are not recognized.**Cash flow statement**

T€

FIG: 22



On October 8, 2015 Munich Airport held a topping-out ceremony for the extension to the Hilton Munich Airport. From 2017 the hotel will provide its guests with a new conference center and around 160 additional rooms. The new East Wing has seven floors and a total area of over 8,800 square meters. The new building is connected to the existing hotel with passageways. Munich Airport plans to invest a total of around T€ 35,700 in the new construction. In fiscal year 2015, T€ 9,287 was capitalized on the new building. The airport covered the expenditure from its own funds.

In November 2015 the block heat and power plant was put into operation. The plant currently generates around 120 mil-

lion kWh. Six large combustion engines powered by natural gas each drive a power generator. The heat produced is used for heating in cooler seasons and is converted into cooling energy in summer using an absorption chiller. With an output of 24 megawatts, 60.0 percent of the energy needs and over 85.0 percent of the heating needs at Munich Airport are covered. Overall around T€ 60,500 was budgeted for expanding and upgrading the power station. In fiscal year 2015, a total of T€ 8,603 of this amount was capitalized. The funding was also carried out using own funds.

To ensure the necessary upward thrust for safe take-off and flight, aeroplanes are de-iced in de-icing areas. When the

wind conditions are appropriate, aircraft de-icing materials are also supplied to green areas alongside the paved flight operation areas. To prevent them from damaging the groundwater, ground biofiltration systems are being built near the heads of the runways. The ground biofiltration system at the north eastern head of the runway is currently in construction. The airport has invested T€ 2,836 in fiscal year 2015 from its own funds.

In addition, a large number of investment projects underway in fiscal year 2015 were implemented and continued. This includes investment in converting and upgrading Terminal 1, planning construction measures in the multi-story car parks, and a large amount of replacement work relating to IT and technology.

As of December 31, 2015, Munich Airport placed orders for investments totaling T€ 223,446. Of this, T€ 102,368 relates to the satellite building.

Results of operations

In fiscal year 2015, Munich Airport's EAT rose by T€ 35,360 to T€ 135,412. The causes of this increase are explained in detail below. FIG: 23

In 2015, the airport increased revenues by 4.1 percent to T€ 1,249,306. Over two-thirds of this growth was generated by the Aviation division (including ground traffic). The Commercial Activities business unit contributed T€ 18,287 to revenue growth. The Real Estate business unit posted revenues losses of T€ 5,135, with the other business units recording growth of T€ 1,080.

The increase in Aviation revenues is due to positive traffic trends over the fiscal year. In 2015, the airport once again declined to substantially increase air traffic charges. The growth in revenues from movement and passenger-dependent charges reflects the trends in total take-off mass and passenger numbers. FIG: 24



Of the remaining air-traffic charges, PRM charges (passengers with reduced mobility) rose the most. In 2015, they were 74.4 percent higher than in the previous year.

Due to the rise in traffic numbers, new customers, and higher orders from existing customers, sales rose significantly in ground traffic and passenger and freight handling, increasing to T€ 10,034.

Revenues from commercial activities rose marginally across all fields of activity. FIG: 25

However, the Real Estate business unit registered a small fall in sales. Income from feed-in charges for aviation craft fueling was slightly higher than the previous year due to traffic growth. Rental income was down, however.

A larger volume of self-rendered services was capitalized as a result of the widescale construction activity at Munich Airport (in particular the T2 satellite, hotel extension and

the de-icing areas). The airport also posted higher profit from the sale of land in 2015. This was the main reason for the increase in other income to T€ 60,262.

After 23 years of being in operation, there is an ever pressing need to upgrade real estate at Munich Airport. Raw materials and consumables used rose to T€ 326,599.

In fiscal year 2015, Munich Airport expanded employee capacity (excluding apprentices, interns, and workers in minor employment) by 193.3. The collective payment under the collective pay scale agreement for public sector employees was increased by 2.4 percent with effect from March 2015. Employee benefit expense rose to T€ 400,342.

Non-recurring expenses for consulting services arose as a result of the preparatory work for the acquisition of Acciona Airport Services, Berlin GmbH and HSD Flughafen GmbH. The provisions made as a result of the restructur-

ing of the ground handling services business were significantly increased. As of the reporting date, negotiations to extend important long-term handling contracts had not yet been concluded. Other expenses rose to T€ 93,509.

Year-on-year depreciation rose by 1.0 percent to T€ 214,278 due to the commissioning of technical facilities such as the block heat and power plant and PCA equipment.

The interest result improved by T€ 22,791 to T€ -83,624. Of these savings, only T€ 3,208 related to actual interest savings from repayments and a fall in reference interest rates.

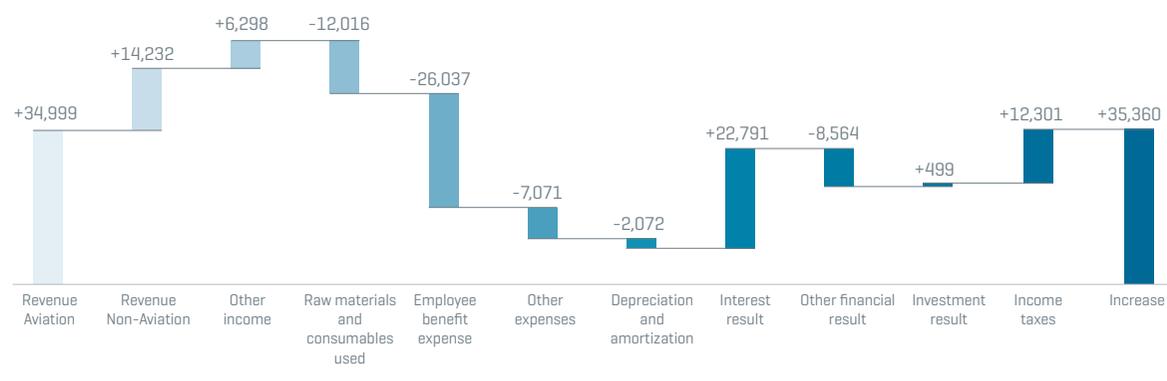
Around 86.3 percent of the improvement in the interest result is attributable to measurement effects not affecting cash flow. Due to a sharp fall in interest rates, Munich Airport's long-term provisions had to be significantly raised in the previous year's financial statements. In 2015, no significant interest-related additions to Munich Airport's provisions were required. This had a positive impact on the interest rate result in the total amount of T€ 8,538. The production costs related to the satellite terminal included interest expenses totaling T€ 12,934, thus T€ 5,426 more than in the previous year. Terminal 2 oHG closed fiscal year 2015 with a year-on-year drop in income of T€ 13,543. The causes are chargebacks due to revenue offsetting methods used within the Group and an increase in expenses for upgrading and conversion measures to preserve the attractiveness of the Terminal. The interest expense recognized for interests of third parties in partnerships fell by T€ 5,709 in total.

In the other financial result, losses from the remeasurement of loans due to early repayments and income in connection with the reinvestment of the previous year's income of Terminal 2 oHG resulted in an overall charge of T€ 3,270.

Analysis of the results of operations

T€

FIG: 23



Revenue and volume growth Passenger and movement charges

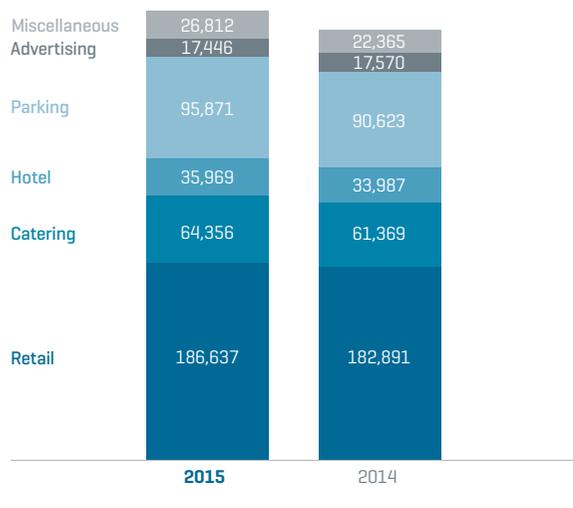
In percent FIG: 24

■ Revenue growth ■ Volume growth



Revenue Non-Aviation

T€ FIG: 25



Despite the increase in the previous year's result, tax expenses were markedly lower in 2015 than in the previous year. This is mainly due to changes relating to the deferred taxes. In the

AeroGround equity interests

FIG: 26

T€	Seat	Date of acquisition	Share in %	Costs
Acciona Airport Services, Berlin GmbH	Charlottenburg	January 18, 2016	100	1,400
HSD Flughafen GmbH	Charlottenburg	January 18, 2016	100	100

Expected developments

FIG: 27

	2015	Forecast 2016		
	Actual		from in %	to in %
EBT in T€	189,081	Decrease	-6.0	-4.0
CO ₂ reductions in tonnes	957	Increase	385.0	390.0
ASQ Overall Index	4.07	Increase	0.8	1.5
Employee retention index ¹⁾	73	Unchanged		

¹⁾ The employee retention index is assessed every three years, the next survey will take place in 2017.

previous year a significant volume of deferred tax expenses had to be recognized for the repurchase of several buildings from real estate management companies. The income tax ratio therefore rose to 39.7 percent. In fiscal year 2015, the ratio fell to 28.4 percent.

Events after the balance sheet date

With effect from January 18, 2016, AeroGround Berlin acquired 100 percent of the voting shares in Acciona Berlin and 100 percent of the voting shares in HSD Flughafen. The companies provide ground handling services to Berlin-Tegel and Berlin-Schönefeld airports. FIG: 26

The purchase price was paid in cash.

In an announcement on March 10, 2016, FMG GmbH said it had exercised an option to repurchase a leasehold right granted to MAC Grundstücksgesellschaft mbH & Co. KG.

Report on expected developments and on risks and opportunities

- Fixed-step costs weigh on Group profit in the year of the opening of the satellite building
- Risk situation remains unchanged
- Few opportunities in sight

Outlook ABB: 27

In calendar year 2016, the pace of global economic growth is set to remain virtually intact. Current forecasts range from 2.9 percent [World Bank, Global Economic Prospects, January 2016] to 3.4 percent [International Monetary Fund, World Economic Outlook, October 2015], marginally above the projections for 2015.

The economic recovery is likely to continue in leading industrial nations. In developing and emerging markets, the economic situation will probably gradually ease. The International Monetary Fund is forecasting a further moderate

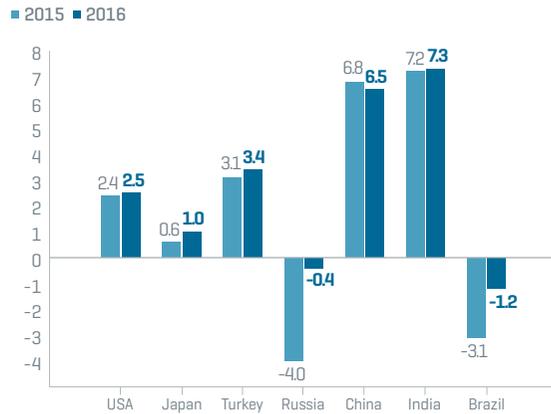


Report on expected developments and on risks and opportunities

Selected countries' growth

In percent

FIG: 28



Source: OECD Economic Outlook, November 2015

cooldown in Chinese growth, stabilization of commodities prices, and a small increase in global interest rates.

The removal of the economic embargo against Iran will put the oil price under more pressure. This will improve the situation for oil-importing countries, but will worsen it for oil exporters. The following growth rates have been forecast:

FIG: 28

For the eurozone, total growth of 1.7 percent is expected in 2016. This forecast is mainly based on stable domestic demand and stable investment by industry. This is because the low oil price is boosting the incomes of consumers and industry profits.

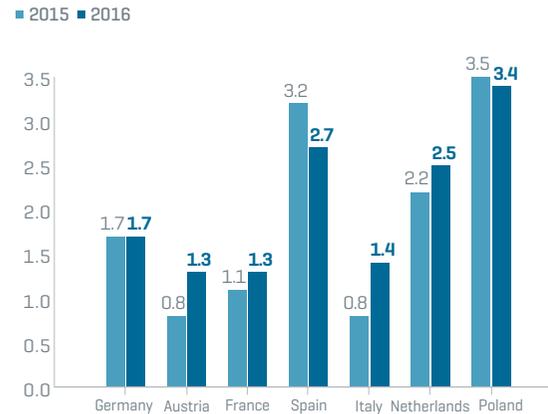
The following growth rates have been forecast: FIG: 29

The early indicators for economic growth in the Federal Republic improved slightly once again in the last few months

Economic growth in Europe

In percent

FIG: 29



Source: OECD Economic Outlook, November 2015

of calendar year 2015. The Ifo Business Expectations Index stands at 104.7 and the ZEW Economic Sentiment Index at 16.1 points.

The growth in consumption is likely to be the biggest growth driver in 2016. Economists are forecasting modest employment and wage growth. Consumption is also set to be lifted by a strong increase in pensions and rising social benefits for accommodating and providing for asylum seekers. Given these conditions, disposable incomes and consumption are expected to grow by up to 4.0 percent and 2.0 percent respectively. In light of consumer sentiment, dynamic growth in consumption could be on the cards. The GfK is forecasting the Consumer Climate Index will reach 9.4 in January 2016.

Falling demand for imports to emerging and developing markets (above all, China) dampened global trade considerably in 2015. This trend will probably continue through 2016 with the corresponding effects on German exports. For example

export growth is likely to be less buoyant than in 2015 in spite of the depreciation of the euro.

Global demand for air travel will continue to increase in 2016. The IATA is forecasting further global growth of 6.9 percent for 2016. The indications for freight are also positive with an increase of 3.0 percent. The German Airports Association (ADV) is also optimistic about the future. With expected passenger growth of 3.1 percent, an increase in flight movements of 0.9 percent, and an increase in cargo handled of 1.7 percent, it is set to be another successful fiscal year for German commercial airports.

Munich Airport predicts it will see significantly stronger traffic growth in fiscal year 2016 than Germany's other aviation locations. Passenger numbers are expected to increase by 5.8 percent to more than 43.0 million, with the number of take-offs and landings rising by 5.2 percent, thereby exceeding the 400,000 aircraft movements barrier.

The largest contribution to growth is expected to come from expansion in connections offered by Transavia Airlines. Since September 2015, the low-cost airline and Air France-KLM subsidiary has connected Munich Airport with Paris-Orly with five flights per week. The company wants to open its new air traffic hub at Munich Airport in March 2016. Four Boeing 737-800 aircraft will then be permanently based there.

Besides dynamic traffic growth, the commissioning of the T2 satellite building will boost the revenues of the Aviation division. After two years without any significant increase, the master agreement on charges will result in a major jump in charges in fiscal year 2016 due to the opening of the T2 satellite building. Coupled with traffic growth, these price rises will lead to a marked increase in Aviation revenues in fiscal year 2016.

The commissioning of the new T2 satellite building will also have a large impact on the other business units.

Additional advertising spaces and new commercial spaces leased to third parties will push up advertising revenues and income from the center management.

The Group's own retail trade, however, is not expecting any significant growth initially as a result of the commissioning of the new building. As a result of the relocation of passenger flows to the satellite terminal, the division is, however, faced with the challenge of maintaining sales with the new sector mix.

The situation regarding expected sales from catering will be very different. Munich Airport only operates 36.4 percent of the bars and restaurants in Terminal 2 itself, but the share of Group's own catering providers in the new T2 satellite building is around 72.2 percent. The business outlook here is considerably better as a result of the relocation of passenger flows.

Due to the increase in origin and destination traffic and the optimization of pricing and product portfolios, Munich Airport is expecting the parking and rental car business to grow further.

With the opening of the T2 satellite, an important infrastructure project at the airport has entered the marketing phase on time. The Real Estate business unit is expecting corresponding growth stimulus for rental revenues. The transit charges for the provision of aviation craft fueling will also increase further thanks to the jump in traffic.

Once the T2 satellite building comes into operation, work performed and capitalized along with other operating income will drop sharply.

The trend toward higher costs of materials due to the increasing need for upgrading, converting, and optimizing existing real estate will continue in fiscal year 2016. Retail and catering should see a marked rise in the material use due

to the opening of new shops, bars, and restaurants in the satellite terminal.

In line with economic forecasts, Munich Airport is also expecting collective pay rates to increase in the collective pay scale agreement for public sector employees. New jobs will be created, particularly in relation to the commissioning of the satellite and to improve the quality of passenger handling services. Employee benefit expense will therefore increase above the level of fiscal year 2015.

Conversely, other expenses will fall. For example, payments of premiums for construction insurance for the satellite site will no longer apply.

The commissioning of the T2 satellite will result in a marked increase in depreciation across all business units.

The interest result should not significantly change. It has taken account of follow-up financing for an existing syndicated loan.

Despite a significant growth stimulus from the traffic captured, Munich Airport expects EBT to fall to between 4.0 percent and 6.0 percent. The opening of the satellite will cause a jump in depreciation, and material and personnel expenses. Group revenue is, however, expected to increase only gradually.

A range of measures from the continuation of the 5-star initiative is likely to continue to contribute to growth in the ASQ value. By analyzing processes and instituting optimization measures in a targeted manner, the aim is to improve satisfaction with perceived waiting times. The opening of the Terminal 2 satellite, which as one of the most modern airport buildings in the world offers passengers a new travel experience and increased comfort, will also increase passenger satisfaction levels. It will be difficult in the short term to iron out the existing differences in the assessment of the quality

of Terminal 1 compared with Terminal 2, which will limit the increase in the ASQ value despite all the attempts to do so. Overall, Munich Airport expects an increase of between 0.8 percent and 1.5 percent.

With the commissioning of additional PCA equipment in stages, CO₂ reductions will probably jump to more than 3.85-3.9 times the current level.

In 2016 a full assessment will be conducted Group-wide to measure how firmly the brand is embedded in the Group and to identify other starting points for its future development. To avoid an overlapping of issues, but especially overstimulating the Group with major surveys, the airport decided to postpone the employee survey due for 2016 by one year to 2017. The focus in 2016 will then be on further driving forward measures that have already been identified and initiated and ensuring that they have a positive outcome.

Risks

Munich Airport's risk management records events and developments that might have a negative impact on the achievement of strategic and operational targets and supports the development of suitable countermeasures. It takes account of all aspects of entrepreneurial activity – both economic as well as environmental and social.

FMG's Executive Board is responsible for the existence and functionality of the Group's risk management system. It formulates specifications for its risk management process and organizational structure. The Executive Board is informed of key risks in the quarterly risk report. Risks that jeopardize the Group's existence that have been identified for the first time must be reported on an ad hoc basis. Internal Audit monitors and from time to time assesses the functioning of risk management and reporting.

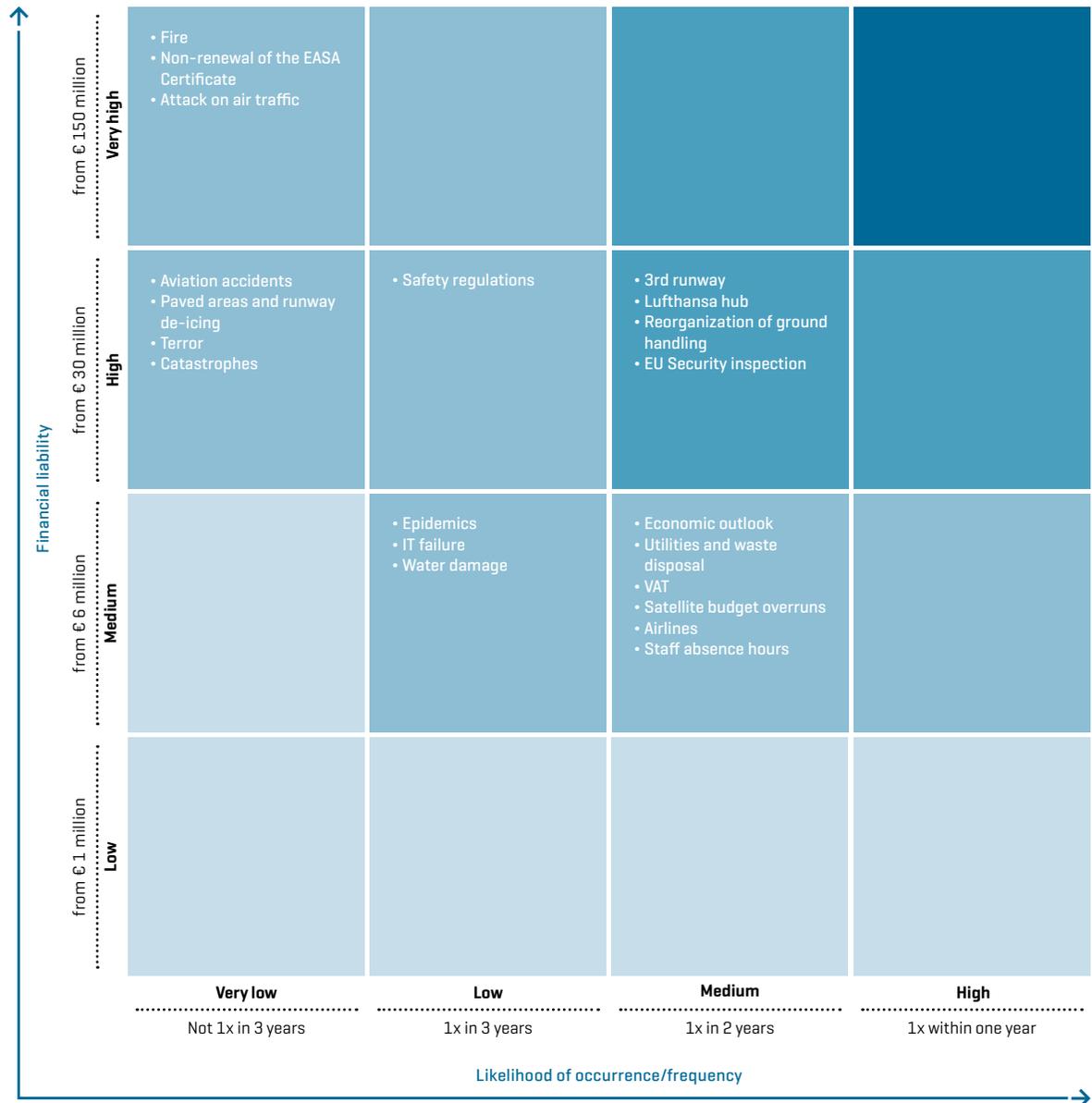


All the Group’s functional areas and subsidiaries are included in the risk management process. Risks are identified, assessed and managed on a decentralized basis by risk officers in the functional areas and subsidiaries. A risk management officer coordinates the activities of the risk officers. He checks 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.

As of December 31, 2015, Munich Airport identified the following material gross risks: FIG: 30, 31, 32

Overview of gross risks

FIG: 30



Risks resulting from force majeure

FIG: 31

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.
Attack on air traffic	The risk of terrorist attacks on air traffic remains high. Such events would, at least temporarily, result in a decrease in the number of aircraft movements and passengers.	Maintain high standards of security through the provision of adequate and well-trained personnel resources and modern and approved security technology and the corresponding infrastructure. Interruptions of operations are insured.
Terror	Acts of terror on the airport campus can result in bodily injury and property damage. Such events can, at least temporarily, also result in a decrease in the number of aircraft movements and passengers.	Maintain high standards of security through the provision of adequate and well-trained personnel resources and modern and approved security technology and the corresponding infrastructure. Interruptions of operations are insured.
Epidemics	Epidemic outbreaks 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 the risk, Munich Airport maintains an Airport Rescue and Firefighting service, a medical service, and a counseling team.

Market risks

FIG: 32

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.
Airlines	The European air traffic industry is in a difficult competitive situation. The airlines operating from Munich Airport are also affected by this.	Steady acquisitions of new customers 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.	Short-term reductions in the budget to safeguard earnings should alleviate the consequences of an economic downturn.

Operating risks

FIG: 33

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 given time-scale.
IT failure	Damage to the IT system can result from fire, water ingress, 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 emergency shut-offs and additional protective devices in the pipeline connections limit the possible damage. Property damage and interruptions of operations are insured.
Safety regulations	The European regulations on aviation security require the rules governing checks on persons and luggage at airports to be extended in phases. Depending on the structure, the conversion work causes the loss of leasable space.	Munich Airport is introducing optimization measures to minimize the loss of space.
Security inspection	The EU's aviation authorities are conducting safety inspections at airports. If an inspection results in a high number of complaints, Munich Airport will lose its security status. The outcome would be a loss of image and put the airport at a competitive disadvantage.	Munich Airport conducts thorough and strict quality controls to manage the quality of all safety aspects at the airport.
Utilities and waste disposal	The inadequate availability of substances necessary for operating activities, such as electricity, heat, cooling energy, drinking and extinguishing water, waste water, and waste, may result in 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	The successful reorganization of the former Ground Handling business unit could be put in jeopardy by the following uncertain events and circumstances: handling contracts are not extended, order volumes from existing customers decrease, competitors engage in aggressive pricing resulting in loss of orders.	The profitability and competitiveness of AeroGround are being improved continuously.
Staff absence hours	Staff absence hours at CAP Flughafen München Sicherheits-GmbH could impair the quality of checks on persons and luggage.	To plug staff absence hours, checks on persons and luggage may be temporarily suspended. Munich Airport is looking at pointing additional security service providers to plug shortfalls in capacity at CAP.

Investment risks

FIG: 34

Risk	Description and analysis	Countermeasure(s)
Satellite budget overruns	Changes to schedules and rising costs could result in cost overruns.	Intensive monitoring ensures adherence to the schedule and the approved budget.

Legal risks

FIG: 35

Risk	Description and analysis	Countermeasure(s)
3rd runway	In the event of the third runway project being suspended or postponed for a significant period of time, 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 in July 2015 was an important milestone in limiting the legal risks for project implementation. Munich Airport is also making a case to politicians for the expansion.
Paved areas 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. As all the alternative de-icing products are much more damaging to the environment, the airport would, in the event of a ban on the environmentally friendly de-icing agents, be forced to make significant additional investments in waste water systems to comply with the requirements of water management legislation.	Together with other airports, Munich Airport is arguing against these de-icers being banned.
External audit	Preliminary findings from an operational audit of eurotrade could result in the loss of earnings and therefore a fall in the investment result.	Munich Airport and its tax consulting firm are working on countermeasures.

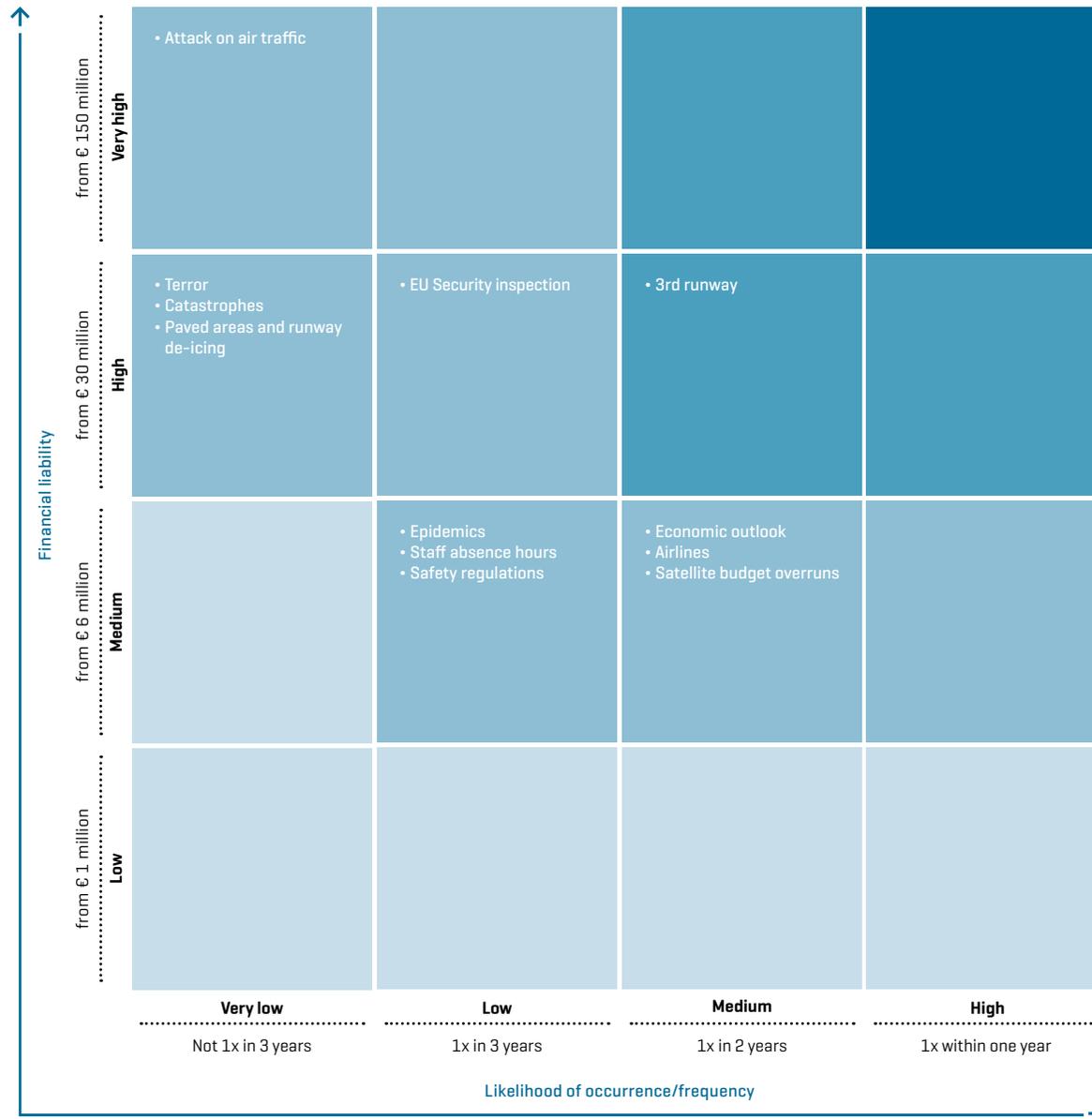
Financial risks

FIG: 36

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 interest 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 hedges currency risks using currency forwards.
Credit and reliability risks	Credit and credit rating risks primarily arise from short-term deposits as well as trade receivables.	In general, deposits are only made with German banks with deposit protection. The management of risks of default 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 collateral in the form of bank guarantees.

Overview of net risks

FIG: 37



After considering countermeasures, the following net risks remain: FIG: 37

Financial risks

As of December 31, 2015, the expected financial liability from gross financial risks fell short of the reporting limit.

Munich Airport is exposed to financial risks from interest rate and currency fluctuations and from credit and credit rating risks. FIG: 36

Overall assessment of the risk situation

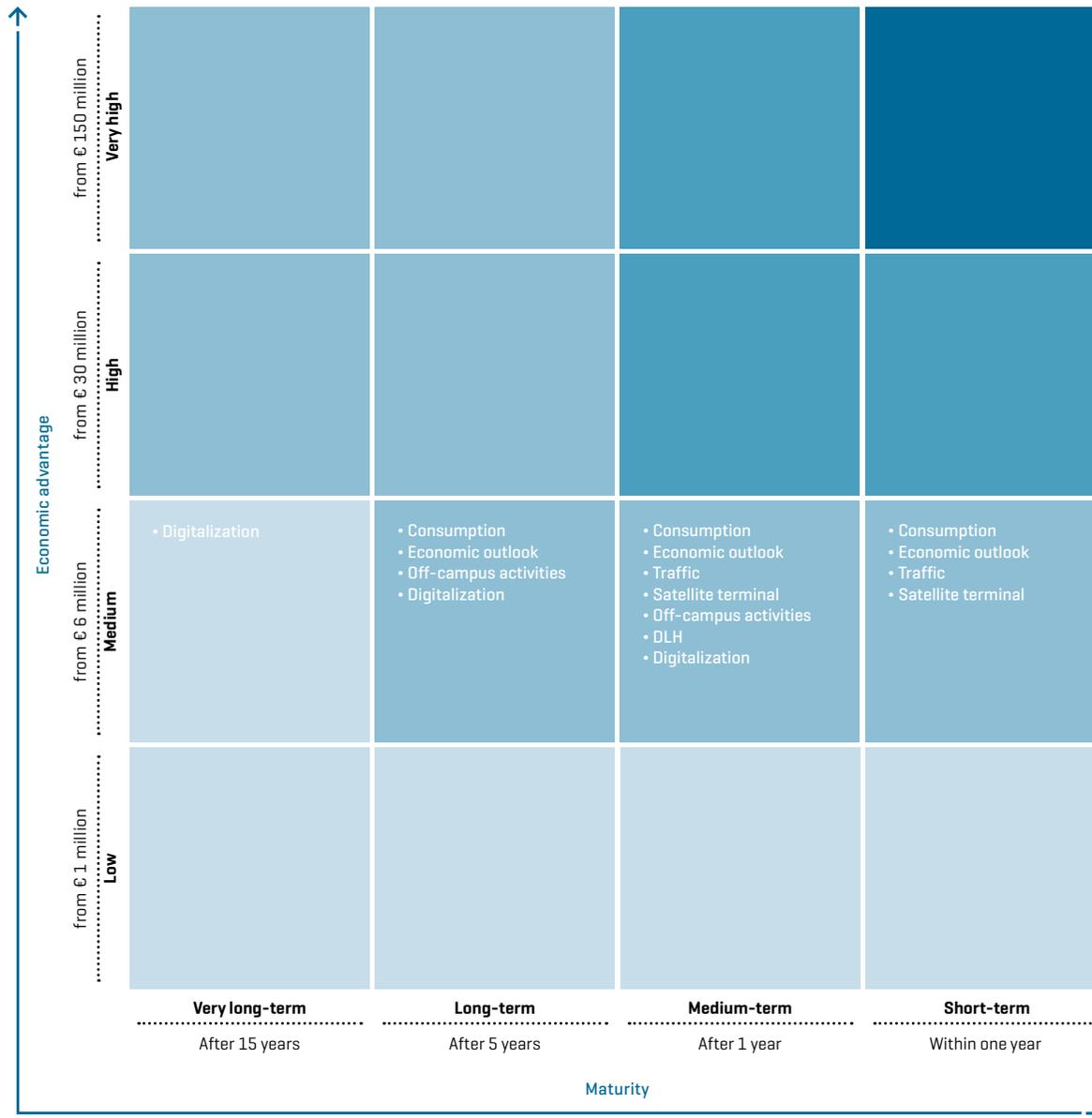
The overall assessment of the risk situation found that the assets and continuity of Munich Airport are not in jeopardy. There are no risks that could threaten its status as a going concern.

Opportunities

The divisions and investments identify, assess, and manage opportunities on a decentralized basis with support from Corporate Development, Group Controlling, and Investment Management. The report shows below the developments and events that could lead to a positive deviation from planning. The presentation is based on 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. FIG: 38, 39

Overview of opportunities

FIG: 38



Opportunities

FIG: 39

Opportunities	Description and analysis
Consumption	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	Global economic growth above planned levels could boost revenues further.
Traffic	An increase in air traffic growth above the expected level could increase revenues in all corporate divisions.
Satellite terminal	The opening of the T2 satellite terminal will cause fixed costs to rise significantly. This will temporarily dampen earnings. The drop in earnings could be smaller than expected.
Off-campus activities	The off-campus business of subsidiaries could develop better than expected, with corresponding growth in the investment result.
DLH	The consolidation strategy of the key partner airline DLH is currently leading to growth 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 trends increasing beyond the level taken into account.
Digitalization	Munich Airport is working on the strategy to adjust the airport's business model more closely to the structural change resulting from digitalization. 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	2015	2014
Revenue	VI.1	1,249,306	1,200,075
Changes in inventories and work in progress		-225	-572
Work performed and capitalized	VI.2	21,722	17,332
Other income	VI.3	38,764	37,205
Total income		1,309,567	1,254,040
Raw materials and consumables used	VI.4	-326,599	-314,584
Employee benefit expense	VI.5	-400,342	-374,304
Other expenses	VI.6	-93,509	-86,439
Operating profit before depreciation and amortization (EBITDA)		489,117	478,713
Depreciation and amortization expense	VI.7	-214,278	-212,206
Operating profit (EBIT)		274,839	266,507
Interest result	VI.8	-83,624	-106,415
Other financial result	VI.8	-3,270	5,294
Financial result		-86,894	-101,121
Result from companies valued using the equity method	VII.4	1,136	637
Earnings before taxes (EBT)		189,081	166,023
Income tax expense	VI.9	-53,669	-65,971
Consolidated profit (EAT)		135,412	100,052
of which attributable to the owners of the parent		137,769	100,246
of which attributable to non-controlling interests		-2,357	-194

Consolidated statement of comprehensive income

T€	Disclosure	2015	2014
Consolidated profit (EAT)		135,412	100,052
Cashflow hedges	VII.16	19,650	-36,150
Income tax relating to items that may be reclassified	VII.6	-4,738	6,690
Items that may be subsequently reclassified to profit or loss		14,912	-29,460
Actuarial gains or losses	VII.17	-851	-4,682
Income tax relating to items that will not be reclassified	VII.6	231	1,301
Items that will not be reclassified to profit or loss		-620	-3,381
Other comprehensive income after taxes		14,292	-32,841
Total comprehensive income		149,704	67,211
of which attributable to the owners of the parent		152,061	67,405
of which attributable to non-controlling interests		-2,357	-194

Consolidated balance sheet

Assets

T€	Disclosure	Dec. 31, 2015	Dec. 31, 2014
Intangible assets	VII.1	12,316	11,912
Property, plant, and equipment for own use	VII.2	4,858,657	4,778,221
Investment property	VII.3	177,562	190,352
Investments in associates	VII.4	3,157	2,339
Trade and other receivables	VII.5	119	156
Other financial assets	VII.5	1,244	204
Deferred tax assets	VII.6	12,103	37,663
Other assets	VII.9	3,774	5,895
Non-current assets		5,068,932	5,026,742
Inventories	VII.7	39,821	38,342
Trade and other receivables	VII.8	59,435	56,640
Other financial assets	VII.8	5	0
Current income tax assets		3,682	1,227
Other assets	VII.9	11,812	7,167
Short-term deposits	VII.10	212,000	93,000
Cash and cash equivalents	VII.10	5,323	8,530
Current assets		332,078	204,906
Assets held for sale	VII.11	3,398	5,214
Assets		5,404,408	5,236,862

Liabilities

T€	Disclosure	Dec. 31, 2015	Dec. 31, 2014
Share capital	VII.12	306,776	306,776
Reserves	VII.12	127,546	96,625
Other equity	VII.12	1,597,223	1,506,083
Non-controlling interests	VII.12	-4,869	-2,512
Equity		2,026,676	1,906,972
Financial liabilities resulting from interests in partnerships	VII.14	56,680	67,875
Payables	VII.15	22,753	16,229
Other financial liabilities	VII.15	1,390,497	1,629,727
Employee benefits	VII.17	42,356	40,857
Other provisions	VII.18	103,810	103,320
Deferred tax liabilities	VII.6	459,862	502,480
Other liabilities	VII.20	18,571	19,035
Non-current liabilities		2,037,849	2,311,648
Payables	VII.19	102,052	93,735
Other financial liabilities	VII.19	1,092,429	794,202
Employee benefits	VII.17	23,229	20,801
Other provisions	VII.18	17,694	13,377
Current income tax liabilities		15,885	10,419
Other liabilities	VII.20	31,914	17,833
Current liabilities		1,283,203	950,367
Liabilities associated with assets classified as held for sale	VII.11	0	0
Liabilities		5,404,408	5,236,862

Consolidated statement of changes in equity

	Disclosure	Issued capital	Reserves		Other equity	Non-controlling interests	Equity
			Capital reserve	Revenue reserve			
T€							
As of Dec. 31, 2013	VII.12	306,776	102,258	-2,252	1,435,297	-2,318	1,839,761
Net profit		0	0	0	100,246	-194	100,052
Other comprehensive income		0	0	-3,381	-29,460	0	-32,841
Total comprehensive income		0	0	-3,381	70,786	-194	67,211
Distributions		0	0	0	0	0	0
Contributions		0	0	0	0	0	0
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
Net profit		0	0	0	137,769	-2,357	135,412
Other comprehensive income		0	0	-620	14,912	0	14,292
Total comprehensive income		0	0	-620	152,681	-2,357	149,704
Distributions		0	0	0	-30,000	0	-30,000
Contributions		0	0	0	0	0	0
Transactions with shareholders		0	0	0	-30,000	0	-30,000
Allocation to reserves		0	0	31,541	-31,541	0	0
Withdrawal from reserves		0	0	0	0	0	0
Change of reserves		0	0	31,541	-31,541	0	0
As of Dec. 31, 2015	VII.12	306,776	102,258	25,288	1,597,223	-4,869	2,026,676

Consolidated cash flow statement

T€	Disclosure	2015	2014
Cash and cash equivalents at the beginning of the year		8,530	7,853
Cash flows from operating activities	IX.	464,399	429,569
Proceeds from the disposition of self-used property, plant, and equipment		2,579	4,435
Proceeds from the disposition of intangible assets		439	3
Proceeds from the disposition of investment property		7	29
Proceeds from distributions collected from associates		318	948
Payments for investments in self-used property, plant, and equipment for one use		-265,595	-269,961
Payments for investments in intangible assets		-3,813	-3,810
Payments for investments in investment property		-2,721	-1,769
Interest received		1,032	2,613
Changes in financial investments		-119,000	223,000
Cash flow from investing activities		-386,754	-44,512
Payments for distributions to shareholders		-30,000	0
Proceeds from borrowings		96,211	242,188
Repayments of borrowings		-31,065	-347,647
Cash flows from Group-wide cash management with associates and investments		778	-1,789
Repayments of financial liabilities arising from interests in partnerships		0	-159,197
Interest paid [excluding construction period interest]		-98,882	-105,451
Payments from construction period interest		-17,894	-12,484
Cash flow from financing activities		-80,852	-384,380
Exchange gains or losses on cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year		5,323	8,530

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.

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

As of December 31, 2015, 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 20, 2016, the Executive Board of FMG authorized the accompanying consolidated financial statements to be submitted to the Supervisory Board. The Supervisory Board is responsible for examination and approval of the consolidated financial statements.

→ Glossary

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.

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 **International 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

In fiscal year 2015 Munich Airport did not apply any new accounting regulations for the first time.

b) New regulations not yet applied

A number of new IFRS and IFRIC and changes and amendments to existing standards and interpretations were published up to the date of the preparation of these financial statements whose first time application is not required or permitted until after the reporting date. Munich Airport believes that the first-time application of these regulations will not have any significant impact on the consolidated financial statements, except for the following:

Overview of new and revised accounting regulations

Regulation	Brief description	Effects	Initial application in the EU	Premature 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: <ul style="list-style-type: none"> • Change to the classification of financial instruments • Accounting for impairments of financial assets • Accounting for hedge relationships 	<p>No effects on the consolidated financial statements are expected.</p> <p>Munich Airport will amend the method used for impairment tests.</p> <p>Munich Airport will also restart hedge accounting for expected foreign currency transactions, if applicable.</p>	Not yet determined	Not yet determined
IFRS 16	IFRS 16 provides guidance on how leases are to be accounted for. The standard provides for a uniform accounting model for lessees under which in future all leases with few exceptions must be recognized on the balance sheet. The accounting rules for lessors are not significantly different from the previous rules under IAS 17.	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

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 variable returns from its investment in the investee.

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

The accounting policies 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 dates 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 profit or loss.

At each reporting date following the time of acquisition, an assessment is carried out to determine if the carrying amount has fallen below the recoverable amount and an impairment or reversal of an impairment is necessary.

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 policies 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:

Subsidiaries

Name	Seat	Activities	Basis of consolidation	Share of capital in %	
				Dec. 31, 2015	Dec. 31, 2014
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
AeroGround Berlin GmbH ¹⁾	Schönefeld	Ground handling	Voting majority	100	0
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 ²⁾	60	60
Terminal 2 Gesellschaft mbH & Co oHG ¹⁾	Oberding	Terminal operations	Contract ²⁾	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 ²⁾	0	0

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

²⁾ The basis of consolidation will be explained in greater detail in Section V.1.

b) Associates

The following companies are associates. They are recognized using the equity method:

Associates

Name	Seat	Activities	Share of capital in %	
			Dec. 31, 2015	Dec. 31, 2014
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 net assets, financial position and results of operations:

Subsidiaries and joint ventures, which are not included in the group of consolidated companies

Name	Seat	Activities	Type	Share of capital in %	
				Dec. 31, 2015	Dec. 31, 2014
FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH	Freising	Insurance agents	SU ¹⁾	100	100
Munich Airport International Beteiligungs-GmbH	Munich	Investment	SU ¹⁾	100	100
MediCare Flughafen München Medizinisches Zentrum GmbH	Oberding	Medical services	JV ²⁾	51	51
Radiologisches Diagnostikzentrum München Airport GmbH	Oberding	Medical services	JV ²⁾	20	20

¹⁾SU = subsidiary

²⁾JV = joint venture

As a result of non-inclusion, consolidated revenue is reported 0.42 percent lower (2014: 0.43 percent). The carrying amount of Munich Airport's investment in MediCare Flughafen München Medizinisches Zentrum GmbH (MediCare) amounts to T€ 153 (2014: T€ 153). The airport participates as follows in the assets and liabilities and net profit of MediCare:

Investment in MediCare Flughafen München Medizinisches Zentrum GmbH

T€	Dec. 31, 2015		Dec. 31, 2014	
	Total	Pro-rata	Total	Pro-rata
Investments in joint ventures	153		153	
FMG share in %	51		51	
Current assets	1,283	654	1,178	601
Non-current assets	898	458	613	313
Current liabilities	1,407	718	780	398
Non-current liabilities	19	10	19	10
Revenue	7,568	3,860	7,204	3,674
Earnings before taxes	276	141	246	125
Net profit (EAT)	237	121	177	90
Other comprehensive income	0	0	0	0
Total comprehensive income	237	121	177	90
Distributions		0		0

c) Corporate acquisitions

Global air traffic is forecast to grow significantly over the next 20 years. Expanding exposure outside the airport campus should give Munich Airport more options to participate in international growth and become more independent from local market trends. As from January 18, 2016, AeroGround Berlin GmbH acquired 100 percent of the voting shares in Acciona Airport Services, Berlin GmbH and 100 percent of the voting shares in HSD Flughafen GmbH. The companies provide ground handling services to Berlin-Tegel and Berlin-Schönefeld airports.

Corporate acquisitions

Name	Seat	Activities	Date of acquisition	Proportion	Costs
				In %	T€
Acciona Airport Services, Berlin GmbH	Charlottenburg	Ground handling services	Jan. 18, 2016	100	1,400
HSD Flughafen GmbH	Charlottenburg	Ground handling services	Jan. 18, 2016	100	100

The purchase price was paid in cash.

At the time these consolidated financial statements were authorized by the Executive Board, the initial consolidation of the companies had not yet been completed. Munich Airport is not therefore making any disclosures relating to IFRS 3pB64 and IFRS 3pB65.

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, comprising 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 and property 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 accumulated cost of the building is disaggregated into components of different useful lives and depreciated separately. The components determined for the Group's buildings are shell and facade, roofs, interior fittings, and mechanicals.

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

Useful lives

Buildings	
Shell and facade	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 waste disposal systems	15-35 years
Other machinery and equipment	15-20 years
Operating fixtures and equipment	
Mobile equipment, operations, and ground handling	9-10 years
Furnishings and fixtures	10-14 years
Vehicle pool	10 years
Other 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 render the asset ready for operation 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 bring to completion
- suitability for utilization
- documentation concerning the probability of future economic benefits in the form of revenues or cost savings
- availability of resources
- reliable measurement of project expenditures

The 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, Munich Airport 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 only generate cash flows in conjunction with other assets or groups of assets are combined into cash-generating units. The combination process ends as soon as units are reached that generate cash flows which are largely independent from those of other assets or units.

5. Non-current assets held for sale

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

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

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

6. Investment property

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

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

Initial recognition of investment property is at cost which includes all costs directly attributable to the acquisition. Subsequent valuation is at cost less accumulated depreciation and impairment losses. The useful lives and methods of depreciation correspond to the useful lives and methods of depreciation for owner-occupied real estate.

As soon as investment property comes into operational utilization, it is reclassified as property, plant, and equipment for own use. 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 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 an finance charge and the reduction of the outstanding liability. The repayments reduce the lease liability, and the interest portion is recognized as an expense.

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 to simplify matters.

Gains and losses from subsequent measurement at fair value are recognized in other financial result under other income [net] or other losses [net]. Effects from the accrual of interest are not reflected in the other financial result.

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 through profit or loss. All other fees are treated as transaction costs (recognized at the entry carrying amount and distributed using the effective interest method to fixed-rate financial instruments or distributed over the term in the case of floating-rate financial instruments), 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 since

initial recognition that has reliably measurable 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 residual carrying amount and the present value of the cash flows taking into consideration the loss event and the retention of the original effective interest rate 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 in the consolidated income statement.

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 pre-

sented 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 reported in the hedging reserve under equity in other comprehensive income while the ineffective portion is recognized through profit or loss in the other financial result under other income (net) or other losses (net).

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 are reclassified to profit or loss in the periods where the hedged item affects profit or loss. The fair value of the hedging instrument is subsequently recognized in the other financial result under other income (net) or other losses (net).

Each hedge relationship is documented at designation. The documentation contains a description of the underlying transaction, the hedging transaction, the hedge relation, risk management objectives and methods of measuring effectiveness. Munich Airport monitors the effectiveness of the hedge from the inception to the expiry of the hedge.

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 cost or net realizable value, where cost is determined using 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 an original term of up to three months. 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 on the liability side that are not debt are classified as 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 distinguishing financial liabilities from equity applied in these consolidated financial statements under the mandatory regulations of the IFRS deviate from those 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 between the carrying amounts of the assets and liabilities under applicable IFRS and the tax valuations on the basis of a two-stage comparison of the balance sheet.

Recognition of deferred taxes on deductible temporary differences and loss carryforwards is limited to the amount which can be utilized from sufficient future taxable income, taxable temporary differences or tax planning opportunities. 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 are not recognized.

Deferred tax assets and liabilities are measured at the tax rates that apply at the time when temporary differences reverse or tax loss carryforwards are used. Tax rate changes or changes in tax law are taken into account as soon as they are substantively enacted. 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 to be netted off if Munich Airport has acquired a legal claim to offset current 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 in the present consolidated financial statements. 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 exists where an entity pays fixed contributions into a separate fund and has no other obligations (in particular no legal or constructive obligation to pay further contributions if there is a shortfall in the fund). 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 carried as expenses in the period in which 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 provisions for **liabilities** from defined benefit plans. 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 actuarial 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 and recorded directly to equity with no impact on profit or loss.

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.

Top-up payments made 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, provisions for phased retirement agreements (payment arrears and top-up amounts), and other funded salary conversions.

The principles and methods for measurement of the liabilities 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 utilization by the third parties is an overwhelming probability. Recognition of provisions for expenses is generally not permitted. 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 similar obligations, 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. Another 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 it is probable that the inflow of economic benefits to the Group and the amount of earnings can be measured reliably.

Interest income is recognized if it is likely that the economic benefits will flow to the Group 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 that are hedged in fair value hedges at fair value on an ongoing basis.

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 to simplify matters.

All non-financial assets are measured at amortized cost.

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

Calculation of fair value for measurement purposes

T€	Fair value		Measurement method	Parameter	Hierarchy ⁴⁾	Disclosure
	Dec. 31, 2015	Dec. 31, 2014				
Interest rate swaps	1,040	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.a)
Currency futures	5	0	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)
Assets	1,045	0				
Interest rate swaps	84,194	102,261	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	0	98	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)
Liabilities	84,194	102,359				

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:

Calculation of fair value for disclosure purposes

T€	Measurement method	Parameter	Hierarchy ⁴⁾	Disclosure
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
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 to simplify matters. 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. Control without a majority of the voting rights

FMG holds 60 percent of the voting rights in Flughafen München Baugesellschaft mbH. A significant number of decisions on important business activities are made in the shareholder's general meeting only with a 2/3 majority. The company operates exclusively for Terminal 2 Gesellschaft mbH & Co oHG. Control is exercised through an agency agreement.

FMG holds 60 percent of the voting rights of Terminal 2 Gesellschaft mbH & Co oHG. However, a significant number of decisions on important business activities are made in the shareholder's general meeting only 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.

FMG does not hold an interest under company law in München Airport Center Betriebsgesellschaft MAC mbH. Control is exercised from the long-term agreements on the implementation of the company's business activity.

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.

Munich Airport assumes that the third runway will be commissioned by 2021. The investment in expanding the airport (totaling T€ 178,733, 2014: T€ 178,586) 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 also remain in place. A total of T€ 91,663 (2014: T€ 93,021) was provided for this purpose.

VI. Notes to the consolidated income statement

1. Revenue

Revenues result from the following activities and transactions:

Revenue

T€	2015	2014
Leases, royalties, and licenses	732,760	703,771
Services	262,432	245,597
Sale of goods	186,637	182,891
Miscellaneous	67,477	67,816
Total	1,249,306	1,200,075

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 seven 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 five years' prior written notice, however. Only few agreements include a definite lease term. The remaining life of those leases amounts to up to 14 years. Lease extensions, provided they have been included in lease agreements, are possible for up to 16 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€ 17,017 (2014: T€ 14,240).

In future fiscal years the Group expects the following lease payments from non-cancelable operating leases:

Expected revenue from non-cancelable operating leases

T€	Dec. 31, 2015	Dec. 31, 2014
In one year	70,132	67,465
In 2 to 5 years	187,816	171,452
After 5 years	97,407	152,080
Total	355,355	390,997

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:

Other income

T€	2015	2014
Income from marketing of advertising space	9,118	8,735
Income from the derecognition of liabilities	6,493	4,384
Income from the disposal of assets	5,401	942
Income from the reversal of other liabilities	4,673	3,557
Income from the reversal and consumption of other provisions	3,126	9,636
Income in connection with damage and compensation	2,343	2,039
Contractual charges from ground rent	1,601	1,705
Income from write-ups on fixed assets	0	1,206
Miscellaneous	6,009	5,001
Total	38,764	37,205

Exchange rate gains amount to T€ 1,079 [2014: T€ 555].

4. Raw materials and consumables used

Raw materials and consumables used include the following amounts:

Raw materials and consumables used

T€	2015	2014
Expenditures for raw materials and supplies	-164,748	-162,288
Expenditures for purchased services	-161,851	-152,296
Total	-326,599	-314,584

5. Employee benefit expense

The employee benefit expense includes the following amounts:

Employee benefit expense

T€	2015	2014
Wages and salaries	-326,813	-305,448
Social security and support benefits	-58,043	-53,061
Expenses for defined benefit plans	-533	-416
Expenses for defined contribution plans	-14,953	-15,379
Expenses for post-employment benefits	-15,486	-15,795
Total	-400,342	-374,304

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

Number of employees

	2015	2014
Employees (permanent/temporary, trainees)	8,091	7,806
Apprentices	256	242
Total	8,347	8,048

6. Other expenses

Other expenses include the following amounts:

Other expenses

T€	2015	2014
Expenses for audit, consulting, and project services	-13,499	-11,145
Expenses for advertising and PR	-11,334	-10,030
Other employee benefit expenses	-9,812	-15,231
Contributions and fees for public utilities and other fees	-9,508	-9,420
Lease expenses	-8,334	-7,161
Insurance	-7,028	-7,216
Additions to provisions	-6,350	-1,972
Other taxes	-5,172	-1,926
Losses from the disposal of non-current assets	-4,376	-3,991
Additional leasing costs and office communication	-4,196	-4,721
Other expenses for repair and maintenance	-2,789	-2,777
Other expenses in connection with damages	-2,505	-3,025
Bank charges	-392	-361
Miscellaneous	-8,214	-7,463
Total	-93,509	-86,439

Exchange rate losses amount to T€ 351 [2014: T€ 143].

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:

Composition of expenses from impairment of financial assets

T€	2015	2014
Loans and receivables	-413	-140
Total	-413	-140

Charges paid to the auditor are presented among miscellaneous other expenses, as well. They include audit fees at an amount of T€ 159 (2014: T€ 141) and fees for other services amounting to T€ 25 (2014: T€ 5).

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:

Expected expenses from non-cancellable operating leases

T€	Dec. 31, 2015	Dec. 31, 2014
In one year	5,935	3,946
In 2 to 5 years	12,027	11,198
After 5 years	0	2,178
Total	17,962	17,322

7. Depreciation and amortization

Depreciation includes the following amounts:

Depreciation and amortization

T€	2015	2014
Amortization and depreciation	-214,278	-212,027
Impairment losses	0	-179
Total	-214,278	-212,206

In the fiscal year there were no impairment losses. In the previous year they were largely attributable to investment property.

8. Financial result

The interest result is as follows:

Financial result

T€	2015	2014
Interest income from short-term deposits and other receivables	1,187	2,947
Interest expenses from loans	-54,506	-72,513
Interest expenses from derivatives	-28,106	-25,506
Interest result from financial instruments	-81,425	-95,072
Other interest income	606	0
Other interest expenses	-2,805	-11,343
Other interest result	-2,199	-11,343
Total	-83,624	-106,415

Other interest income and expenses essentially result from the measurement of other non-current provisions and obligations from employee benefits at present value.

The components of the other financial result are as follows:

Other financial result

T€	2015	2014
Income from the transfer of profit from non-consolidated entities	458	498
Net gains from financial instruments	10,778	5,121
Other financial income	11,236	5,619
Expenses from profit/loss transfer	0	0
Net losses from financial instruments	-14,506	-325
Other financial expense	-14,506	-325
Total	-3,270	5,294

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

Composition of net gains from financial instruments

T€	2015	2014
At fair value through profit or loss	5	0
Financial assets	5	0
At fair value, designated	13	556
At fair value through profit or loss	196	735
Derivative financial liabilities	209	1,291
At amortized cost	10,564	3,830
Non-derivative financial liabilities	10,564	3,830
Financial liabilities	10,773	5,121
Total	10,778	5,121

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

Composition of net losses from financial instruments

T€	2015	2014
At fair value, designated	-3	0
Financial assets	-3	0
At fair value, designated	-12	-144
At fair value, through profit or loss	-183	0
Derivative financial liabilities	-195	-144
At amortized cost	-14,308	-181
Non-derivative financial liabilities	-14,308	-181
Financial liabilities	-14,503	-325
Total	-14,506	-325

9. Income tax expense

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

Composition of income tax expense

T€	2015	2014
Commercial tax	-34,919	-27,636
Corporate income tax	-40,314	-33,456
Actual taxes	-75,233	-61,092
Deferred taxes	21,564	-4,879
Tax expenditure	-53,669	-65,971

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 financial statements are based on the following tax rates:

Composition of group tax rate

	2015	
In %	from	to
Commercial tax	8.40	11.92
Corporate income tax and reunification tax	15.83	15.83
Total tax rate	24.23	27.75
	2014	
In %	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€ 52,470 (2014: T€ 46,146) would be expected for the current fiscal year. 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:

Tax reconciliation

T€	Dec. 31, 2015	Dec. 31, 2014
Earnings before taxes [EBT]	189,081	166,023
Tax rate in %	27.75	27.80
Expected income tax expense/income	-52,470	-46,146
Non-deductible losses and expenses [commercial tax]	-1,653	-2,155
Non-taxable income and revenues [commercial tax]	4,576	1,957
Deviations from group tax rate	9,301	3,137
Change in deferred taxes due to changes in tax rates	745	0
Effects from the utilization of tax losses without recognition of deferred tax assets in prior periods	-537	292
Deferred tax effect from the purchase of leased properties	0	-14,005
Non-deductible losses and expenses [corporate income tax]	-392	-327
Non-taxable income and revenues [corporate income tax]	88	296
Current taxes relating to other periods	63	-429
Deferred taxes relating to other periods	1,270	-123
Tax effect from German partnerships	-14,868	-9,539
Miscellaneous other effects	208	1,071
Reported tax expense	-53,669	-65,971

VII. Notes to the balance sheet

1. Intangible assets

The carrying amounts of intangible assets developed as follows:

Changes in the carrying amounts of intangible assets

T€	Intangible assets				Total
	Purchased		Self-produced		
	Miscellaneous	Advance payments	of which completed	of which incomplete	
Cost					
As of Jan. 1, 2015	39,420	2,447	976	0	42,843
Additions	2,153	1,206	387	67	3,813
Disposals	-10,449	-82	0	0	-10,531
Reclassifications	1,828	-2,244	463	0	47
As of Dec. 31, 2015	32,952	1,327	1,826	67	36,172
Accumulated depreciation and amortization					
As of Jan. 1, 2015	30,492	0	439	0	30,931
Scheduled	2,783	0	235	0	3,018
Disposals	-10,093	0	0	0	-10,093
As of Dec. 31, 2015	23,182	0	674	0	23,856
Carrying amount as of Jan. 1, 2015	8,928	2,447	537	0	11,912
Carrying amount as of Dec. 31, 2015	9,770	1,327	1,152	67	12,316

Impairment losses are presented in the consolidated income statement among depreciation and amortization. Income from the reversal of impairments is presented among other income.

Emission rights with a carrying amount of T€ 2,229 (Dec. 31, 2014: T€ 2,581) are presented among acquired intangible assets. Emission rights are intangible assets with indefinite useful lives.

There are no obligations for the acquisition of intangible assets (Dec. 31, 2014: T€ 18).

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.

T€	Intangible assets				Total
	Purchased		Self-produced		
	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

2. Property, plant, and equipment for own use

The carrying amounts of property, plant, and equipment for own use developed as follows:

Changes in the carrying amounts of property, plant, and equipment for own use

T€	Land and property	Buildings	Machinery and equipment	Fixtures and fittings	Advance payments and property under construction	Total
Cost						
As of Jan. 1, 2015	1,858,205	3,484,586	1,577,355	300,425	640,876	7,861,447
Additions	1,543	8,037	16,061	14,233	243,615	283,489
Disposals	-2	-10,465	-6,954	-25,091	-1,877	-44,389
Reclassifications	289	20,780	72,411	1,604	-95,420	-336
As of Dec. 31, 2015	1,860,035	3,502,938	1,658,873	291,171	787,194	8,100,211
Accumulated depreciation and amortization						
As of Jan. 1, 2015	15,035	1,815,749	1,008,554	243,888	0	3,083,226
Scheduled	0	133,130	48,662	14,149	0	195,941
Disposals	0	-9,459	-3,183	-24,971	0	-37,613
Reclassifications	0	14	-32	18	0	0
As of Dec. 31, 2015	15,035	1,939,434	1,054,001	233,084	0	3,241,554
Carrying amount as of Jan. 1, 2015	1,843,170	1,668,837	568,801	56,537	640,876	4,778,221
Carrying amount as of Dec. 31, 2015	1,845,000	1,563,504	604,872	58,087	787,194	4,858,657

T€	Land and property	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

Reclassifications contain transfers into assets classified as held for sale in the amount of T€ 55 (2014: T€ 401).

Impairment losses are presented in the consolidated income statement among depreciation and amortization. Income from the reversal of impairments is presented among other income.

Land is partially burdened with leasehold rights, usufructs, and similar rights. The carrying amount of this land is T€ 5,669 (Dec. 31, 2014: T€ 5,669).

Bank borrowings are secured on buildings at an amount of T€ 602,462 (Dec. 31, 2014: T€ 635,359) and on machinery and equipment at an amount of T€ 254,717 (Dec. 31, 2014: T€ 221,266) as collateral for long-term loans. 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€ 136,878 (Dec. 31, 2014: T€ 348,214).

Munich Airport has received compensation for the damage to, or loss of, property, plant, and equipment in the amount of T€ 950, T€ 200 of which was recognized through profit or loss.

The effects of changes of estimates on the measurement of property, plant, and equipment are not significant.

Additions to the costs of property under construction comprise general borrowing costs at an amount of T€ 4,960 (Dec. 31, 2014: T€ 4,976) and borrowing costs resulting from direct project financing at an amount of T€ 12,934 (Dec. 31, 2014: T€ 7,508). Capitalization of general borrowing costs in the reporting year is based on a capitalization rate of 2.80 percent (2014: 3.55 percent).

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

Changes in the carrying amounts of fixtures and fittings from finance leases

T€	Fixtures and fittings	T€	Fixtures and fittings
Cost		Cost	
As of Jan. 1, 2015	2,429	As of Jan. 1, 2014	5,992
Additions	0	Additions	0
Disposals	-1,320	Disposals	-3,563
As of Dec. 31, 2015	1,109	As of Dec. 31, 2014	2,429
Accumulated depreciation and amortization		Accumulated depreciation and amortization	
As of Jan. 1, 2015	1,761	As of Jan. 1, 2014	4,963
Scheduled	202	Scheduled	328
Disposals	-1,320	Disposals	-3,530
As of Dec. 31, 2015	643	As of Dec. 31, 2014	1,761
Carrying amount as of Jan. 1, 2015	668	Carrying amount as of Jan. 1, 2014	1,029
Carrying amount as of Dec. 31, 2015	466	Carrying amount as of Dec. 31, 2014	668

Further disclosures on finance leases can be found in Section VII.15.d).

Owner-occupied land and buildings is partially leased out. The leases are all operating leases. The carrying amounts of land and building leased out changed as follows:

Change in the carrying amounts of land and buildings leased out

T€	Land and property	Buildings	T€	Land and property	Buildings
Cost			Cost		
As of Jan. 1, 2015	106,649	572,304	As of Jan. 1, 2014	111,360	500,224
Additions	0	868	Additions	0	80,049
Disposals	0	-3,245	Disposals	-4,711	-8,126
Reclassifications	0	668	Reclassifications	0	157
As of Dec. 31, 2015	106,649	570,595	As of Dec. 31, 2014	106,649	572,304
Accumulated depreciation and amortization			Accumulated depreciation and amortization		
As of Jan. 1, 2015	0	250,062	As of Jan. 1, 2014	0	190,295
Scheduled	0	33,231	Scheduled	0	62,470
Disposals	0	-2,100	Disposals	0	-2,723
Reclassifications	0	0	Reclassifications	0	20
As of Dec. 31, 2015	0	281,193	As of Dec. 31, 2014	0	250,062
Carrying amount as of Jan. 1, 2015	106,649	322,242	Carrying amount as of Jan. 1, 2014	111,360	309,929
Carrying amount as of Dec. 31, 2015	106,649	289,402	Carrying amount as of Dec. 31, 2014	106,649	322,242

3. Investment property

The carrying amounts of investment property developed as follows:

Change in the fair value of investment property

T€	Land and property	Buildings	Total	T€	Land and property	Buildings	Total
Cost				Cost			
As of Jan. 1, 2015	76,411	185,082	261,493	As of Jan. 1, 2014	59,875	183,566	243,441
Additions	2,268	453	2,721	Additions	219	1,550	1,769
Disposals	-5	-1,238	-1,243	Disposals	-1,799	-35	-1,834
Reclassifications	-190	5	-185	Reclassifications	18,116	1	18,117
As of Dec. 31, 2015	78,484	184,302	262,786	As of Dec. 31, 2014	76,411	185,082	261,493
Accumulated depreciation and amortization				Accumulated depreciation and amortization			
As of Jan. 1, 2015	690	70,451	71,141	As of Jan. 1, 2014	2,310	55,167	57,477
Scheduled	0	15,319	15,319	Scheduled	0	15,290	15,290
Impairments	0	0	0	Impairments	179	0	179
Disposals	0	-1,236	-1,236	Disposals	-1,799	-6	-1,805
As of Dec. 31, 2015	690	84,534	85,224	As of Dec. 31, 2014	690	70,451	71,141
Carrying amount as of Jan. 1, 2015	75,721	114,631	190,352	Carrying amount as of Jan. 1, 2014	57,565	128,399	185,964
Carrying amount as of Dec. 31, 2015	77,794	99,768	177,562	Carrying amount as of Dec. 31, 2014	75,721	114,631	190,352

Reclassifications contain transfers into assets classified as held for sale in the amount of T€ 419 [2014: T€ 4,813].

Impairment losses are presented in the consolidated income statement among depreciation and amortization. Income from the reversal of impairments is presented among other income.

Munich Airport realized revenues from the lease of investment property at an amount of T€ 14,174 [2014: T€ 14,450]. Operating expenses [including repairs and maintenance] were T€ 2,284 [2014: T€ 2,026].

There are obligations for the purchase and construction of investment property amounting to T€ 70,464 [Dec. 31, 2014: T€ 61,675].

Investment property is partially burdened with leasehold rights, usufructs, and similar rights. The carrying amount of this land is T€ 7,641 [Dec. 31, 2014: T€ 7,675].

Bank borrowings are secured on buildings of subsidiaries of FMG at an amount of T€ 42,345 [Dec. 31, 2014: T€ 45,544] as collateral for long-term loans. 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€ 251,539 [Dec 31, 2014: T€ 245,860]. All investment properties are put to their highest and best use. The company calculates fair value itself. Information on the measurement methods and parameters can be found in Section IV.19.b).

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 comprised as follows:

Investment in EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH

T€	Dec. 31, 2015		Dec. 31, 2014	
Investments in associates		3,157		2,339
FMG share in %		49		49
	Total	Pro-rata	Total	Pro-rata
Current assets	1,485	728	837	410
Non-current assets	11,339	5,556	11,660	5,713
Current liabilities	4,264	2,089	5,722	2,804
Non-current liabilities	2,118	1,038	2,001	980
Revenue	26,686	13,076	21,084	10,331
Earnings before taxes	3,243	1,589	1,842	903
Net profit (EAT)	2,318	1,136	1,299	637
Other comprehensive income	0	0	0	0
Total comprehensive income	2,318	1,136	1,299	637
Distributions		319		948

The fiscal year of the associate begins on October 1 and ends on September 30 of the following year. 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:

Carrying amounts and fair values of non-current financial assets

T€	Held for trading purposes		Available for sale		Loans and receivables		Total	
	Dec. 31, 2015		Dec. 31, 2015		Dec. 31, 2015		Dec. 31, 2015	
	CA ¹⁾	FV ²⁾	CA ¹⁾	FV ²⁾	CA ¹⁾	FV ²⁾	CA ¹⁾	FV ²⁾
Other receivables	0	0	0	0	119	119	119	119
Receivables	0	0	0	0	119	119	119	119
Primary financial assets	0	0	204	204	0	0	204	204
Derivatives	1,040	1,040	0	0	0	0	1,040	1,040
Other financial assets	1,040	1,040	204	204	0	0	1,244	1,244
Non-current financial assets	1,040	1,040	204	204	119	119	1,363	1,363

¹⁾CA = carrying amount

²⁾FV = fair value

T€	Held for trading purposes		Available for sale		Loans and receivables		Total	
	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
Receivables	0	0	0	0	156	156	156	156
Primary 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

All counterparties for non-current financial assets enjoy high levels of creditworthiness. The Group did not detect 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:

Allocation of deferred tax assets and liabilities to balance sheet items

T€	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Intangible assets	122	1	-1,348	-786
Property, plant, and equipment for own use	10,688	9,764	-462,404	-472,577
Investment property	0	0	-17,634	-20,472
Financial assets	0	0	-208	0
thereof derivatives in cash flow hedges	0	0	208	0
Inventories	184	0	-435	-636
Miscellaneous other assets	1,530	1,514	-1,154	-1,191
Assets	12,524	11,279	-483,183	-495,662
Financial liabilities	20,486	57,795	-10,939	-47,214
thereof derivatives in cash flow hedges	17,047	22,063	0	0
Provisions	9,827	8,926	-334	-830
Employee benefits	6,797	6,123	0	-33
thereof post-employment benefits and other long-term employee benefits	6,405	6,080	0	0
Other liabilities	4,493	2,431	-4,629	-4,806
Liabilities	41,603	75,275	-15,902	-52,883
Consolidation	1,204	1,428	-4,822	-4,849
Tax loss carryforwards	3,135	2,376	0	0
Accumulated impairment losses on tax loss carryforwards	-2,318	-1,781	0	0
Tax loss carryforwards	817	595	0	0
Total	56,148	88,577	-503,907	-553,394
Offsetting	-44,045	-50,914	44,045	50,914
Amount recognized	12,103	37,663	-459,862	-502,480

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

Effects of the change in deferred tax assets and liabilities on consolidated profit and other comprehensive income

T€	2015	2014
As of Jan. 1	-464,817	-467,929
Derivatives in cash flow hedges	-486	-2,784
Post-employment benefits and other long-term employee benefits	94	542
Miscellaneous other temporary differences	21,735	-2,691
Unused tax losses	222	54
Deferred taxes recognized in profit or loss	21,565	-4,879
Derivatives in cash flow hedges	-4,738	6,690
Post-employment benefits and other long-term employee benefits	231	1,301
Deferred taxes not recognized through profit or loss	-4,507	7,991
As of Dec. 31	-447,759	-464,817

Commercial tax loss carryforwards amounting to T€ 6,510 [Dec. 31, 2014: T€ 5,455] and corporate income tax loss carryforwards amounting to T€ 9,982 [Dec. 31, 2014: T€ 7,394] were not recognized. Tax loss carryforwards do not expire.

The carrying amount of deferred tax assets includes tax loss carryforwards of companies with tax losses in the financial or the prior year at an amount of T€ 817 [Dec. 31, 2014: T€ 595]. Deferred tax assets for the carryforward of unused tax losses are recognized above the amount of the offsettable deferred tax liabilities only to the extent that there is sufficient future taxable profit against which the tax loss carryforwards can be utilized.

T€ 5,901 [Dec. 31, 2014: T€ 3,960] of deferred tax assets and T€ 459,715 [Dec. 31, 2014: T€ 502,480] 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 by and large of minor significance for the present consolidated financial statements. 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 comprised as follows:

Composition of the carrying amounts of inventories

T€	Dec. 31, 2015	Dec. 31, 2014
Raw materials	7,819	8,460
Finished goods and work in progress	24	241
Merchandise	31,978	29,641
Carrying amount of inventories	39,821	38,342

The carrying amount of merchandise that are recognized at fair value less cost to sell is T€ 602 [Dec. 31, 2014: T€ 3,516].

Raw materials and consumables used includes expenses resulting from impairment losses on inventories at an amount of T€ 70 [2014: T€ 52]. In the reporting year, no reversals of impairments [2014: T€ 1,216] were netted off against raw materials and consumables used. The reversals of the previous year related mainly to raw materials. The amount of goods and materials used is T€ 121,561 [2014: T€ 113,343].

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:

Composition of the carrying amounts of current financial assets

T€	Held for trading purposes		Loans and receivables		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Trade receivables	0	0	47,376	46,645	47,376	46,645
Other receivables	0	0	12,059	9,995	12,059	9,995
Receivables	0	0	59,435	56,640	59,435	56,640
Derivatives	5	0	0	0	5	0
Other financial assets	5	0	0	0	5	0
Current financial assets	5	0	59,435	56,640	59,440	56,640

a) Current trade receivables

Trade receivables are impaired to take account of significant risks of default 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:

Change in the impairment account

T€	Jan. 1, 2015	Addition	Utilization	Reversal	Dec. 31, 2015
	1,382	413	-91	-137	1,567

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

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

Maturity analysis of trade receivables

Dec. 31, 2015	Carrying amount	of which not due	of which due and impaired	of which due and not impaired by age in days			
T€				under 30	30 to 180	180 to 360	over 360
Trade receivables	47,376	42,214	213	3,242	1,115	161	431

Dec. 31, 2014	Carrying amount	of which not due	of which due and impaired	of which due and not impaired 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

Receivables not due for payment relate to debtors of varying creditworthiness. The Group did not detect any specific credit risks. The analysis of impairment risks of financial assets 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€ 975 [Dec. 31, 2014: T€ 2,297] of receivables arising from lease agreements are covered by deposits of T€ 1,502 [Dec. 31, 2014: T€ 1,238] and by guar-

antees of T€ 8,619 [Dec. 31, 2014: T€ 8,329]. T€ 4,308 [Dec. 31, 2014: T€ 5,190] of receivables arising from ground handling services are covered by cash collateral, bank guarantees, and other collateral at an amount of T€ 9,007 [Dec. 31, 2014: T€ 9,140].

T€ 651 [Dec. 31, 2014: T€ 1,728] 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 carrying amount of current other receivables is comprised as follows:

Composition of the carrying amounts of current other receivables

T€	Dec. 31, 2015	Dec. 31, 2014
Supplier rebates	3,106	3,225
Receivables from associates and investments	1,968	2,913
Receivables from consulting	1,733	791
Debit balances in accounts payable	1,555	1,177
Receivables from banks	531	259
Receivables from personnel	518	1,011
Miscellaneous	2,648	619
Total	12,059	9,995

Significant risks of default in relation to non-current other receivables are recognized using impairments provided a loss event has occurred [see Section IV.8.d]. Impairments of current other receivables are directly charged to the carrying amount. In the fiscal and previous year, no impairments or impairments of minor significance were recognized.

The current other receivables are generally not to be considered as due. The receivables relate to debtors of varying creditworthiness. The Group did not detect any specific credit risks.

c) Current other financial assets

Current other financial assets mainly relate to current derivative financial instruments.

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

9. Other assets

The carrying amount of other assets is comprised as follows:

Composition of the carrying amounts of other financial assets

T€	Dec. 31, 2015	Dec. 31, 2014
Receivables from taxes and other levies	9,127	4,773
Other non-financial receivables	0	8
Non-financial receivables	9,127	4,781
Costs in connection with aviation	4,571	5,660
Prepaid transaction costs	161	1,439
Prepayments for maintenance services	925	602
Prepaid insurance premiums	24	180
Miscellaneous other prepaid expenses	778	400
Prepaid expenses	6,459	8,281
Other assets	15,586	13,062
of which current	11,812	7,167
of which non-current	3,774	5,895

10. Cash and cash equivalents

The carrying amount of cash and cash equivalents is comprised as follows:

Composition of the carrying amounts of cash and cash equivalents

T€	Dec. 31, 2015	Dec. 31, 2014
Financial investments	212,000	93,000
Deposits at banks	4,052	7,183
Cash on hand	1,271	1,347
Cash and cash equivalents	5,323	8,530
Total	217,323	101,530

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

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 largely of land that is held as an object of exchange in connection with the acquisition of areas for the airport's expansion. Other developed and undeveloped land is intended for sale. Disposals at market rates are expected for both exchange transactions and sale transactions in the following fiscal year.

12. Equity

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

The notional value per share is:

Composition of the carrying amounts of share capital

T€	Dec. 31, 2015	Dec. 31, 2014
Free State of Bavaria	156,456	156,456
Federal Republic of Germany	79,762	79,762
City of Munich	70,558	70,558
Total	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 carrying amount of reserves is comprised as follows:

Composition of the carrying amounts of the reserves

T€	Dec. 31, 2015	Dec. 31, 2014
Capital reserve	102,258	102,258
Actuarial gains and losses	-11,401	-10,550
Deferred taxes	3,164	2,933
Miscellaneous other revenue reserves	33,525	1,984
Revenue reserves	25,288	-5,633
Reserves	127,546	96,625

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.

The other revenue reserves are used to fund investment projects at subsidiaries (AeroGround Flughafen München GmbH, CAP Flughafen München Sicherheits-GmbH) and meet the requirements of loan agreements (Terminal 2 Gesellschaft mbH & Co oHG). The respective shareholders' general meetings decide upon the formation and withdrawal of these reserves.

The main components of the carrying amount of other equity are:

Composition of the carrying amounts of other equity

T€	Dec. 31, 2015	Dec. 31, 2014
Hedge reserve	-79,964	-99,614
Deferred taxes	16,730	21,470
Measurement through other comprehensive income	-63,234	-78,144
Initial adoption of IFRS	1,194,886	1,194,886
Miscellaneous other retained earnings	465,571	389,341
Retained earnings	1,660,457	1,584,227
Other equity	1,597,223	1,506,083

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 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:

Capital structure

T€	2015	2014
Financial liabilities resulting from interests in partnerships	56,680	67,875
Other financial liabilities	2,482,926	2,423,929
Cash and cash equivalents	-217,323	-101,530
Net debt	2,322,283	2,390,274
EBITDA for the fiscal year	489,117	478,713
Extraordinary and non-recurring effects	0	0
Adjusted EBITDA	489,117	478,713
Net debt/adjusted EBITDA	4.7	5.0

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 at least corresponds to 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:

Profitability

T€	2015	2014
Equity	2,026,676	1,906,972
Net debt	2,322,283	2,390,274
Long-term employee benefits	42,356	40,857
Capital employed	4,391,315	4,338,103
EBIT	274,839	266,507
Extraordinary and non-recurring effects	0	0
Adjusted EBIT	274,839	266,507
ROCE:		
Adjusted EBIT/capital employed in %	6.3	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 interests among shareholder's equity. The economic content and the measurement of financial liabilities resulting from interests in partnerships are described in Section IV.13.b). Initial measurement is at fair value, subsequent measurement at amortized costs using the effective interest method. The carrying amount is a reasonable approximation of fair value.

Under the accounting principles applied in these financial statements, the carrying amount is broken down by maturity in accordance with Articles 122, 132 et. seqq HGB. It does therefore not correspond to the actually expected maturities.

Composition of the carrying amounts of the financial liabilities from interests in partnerships

T€	Dec. 31, 2015	Dec. 31, 2014
Carrying amount	56,680	67,875
of which non-current	56,680	40,854
of which current	0	27,021

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:

Carrying amounts and fair values of non-current financial liabilities

T€	Held for trading purposes		At amortized cost		Total	
	Dec. 31, 2015		Dec. 31, 2015		Dec. 31, 2015	
	CA ¹⁾	FV ²⁾	CA ¹⁾	FV ²⁾	CA ¹⁾	FV ²⁾
Trade accounts payable	0	0	15,990	16,170	15,990	16,170
Other payables	0	0	6,763	6,763	6,763	6,763
Payables	0	0	22,753	22,933	22,753	22,933
Borrowings	0	0	1,316,494	1,373,091	1,316,494	1,373,091
Financial liabilities from finance leases ³⁾	0	0	253	260	253	260
Non-derivative financial liabilities	0	0	1,316,747	1,373,351	1,316,747	1,373,351
Derivative financial liabilities	73,750	73,750	0	0	73,750	73,750
Other financial liabilities	73,750	73,750	1,316,747	1,373,351	1,390,497	1,447,101
Non-current financial liabilities	73,750	73,750	1,339,500	1,396,284	1,413,250	1,470,034

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.

T€	Held for trading purposes		At amortized cost		Total	
	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
Non-derivative financial liabilities	0	0	1,529,345	1,632,720	1,529,345	1,632,720
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
Non-current financial liabilities	100,382	100,382	1,545,574	1,648,979	1,645,956	1,749,361

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.

a) Non-current trade accounts payable

Non-current trade payables mainly relate to warranty retentions.

b) Non-current other payables

The carrying amount of non-current other payables mainly comprises 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 and pari passu 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:

Key conditions of fixed-rate loans

Dec. 31, 2015	Carrying amount	Residual debt	Interest	
	T€	T€	from in %	to in %
Currency				
EUR	604,822	626,863	0.88	4.05

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

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

Key conditions of variable-rate loans

Dec. 31, 2015	Carrying amount	Residual debt	Base interest
	T€	T€	
Currency			
EUR	1,290,879	1,299,600	3M and 6M EURIBOR

Dec. 31, 2014	Carrying amount	Residual debt	Base interest
	T€	T€	
Currency			
EUR	1,254,030	1,261,500	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:

Total and present value of payments on finance leases to be made in the future fiscal periods

	Dec. 31, 2015			Dec. 31, 2014		
	Expected payment	Discount	Carrying amount	Expected payment	Discount	Carrying amount
T€						
≤ 1 year	208	-2	206	416	-5	411
Current	208	-2	206	416	-5	411
1 to 5 years	260	-7	253	477	-26	451
≥ 5 years	0	0	0	0	0	0
Non-current	260	-7	253	477	-26	451
Total	468	-9	459	893	-31	862

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 amount of the derivatives is comprised as follows:

Composition of the carrying amounts of derivative financial instruments

T€	Assets		Liabilities	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Recognized hedges				
Cash flow hedging				
Interest rate swaps	1,040	0	84,194	102,261
Off-balance sheet hedges				
Cash flow hedging				0
Foreign currency forwards	5	0	0	98
Total	1,045	0	84,194	102,359

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 portfolio of hedges is composed as follows:

Key conditions of interest hedges

Dec. 31, 2015	Notional amount	FMG pays		FMG receives
Currency	T€	from in %	to in %	
Swaps	1,062,000	0.28	4.24	3M and 6M EURIBOR
Forward starting swaps	10,000	0.60	0.60	3M and 6M EURIBOR
Dec. 31, 2014	Notional amount	FMG pays		FMG receives
Currency	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

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. The carrying amount of the transactions is recognized under off-balance sheet hedges.

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

Change in the carrying amount of derivatives designated into cash flow hedges

T€	Interest hedge	Total
Effective portion		
As of Jan. 1, 2015	99,614	99,614
Reclassification	-27,721	-27,721
Revaluation	8,071	8,071
As of Dec. 31, 2015	79,964	79,964
Ineffective portion		
As of Jan. 1, 2015	50	50
Revaluation	15	15
As of Dec. 31, 2015	65	65
Non-designated portion		
As of Jan. 1, 2015	2,597	2,597
Net change	528	528
As of Dec. 31, 2015	3,125	3,125
Carrying amount		
As of Jan. 1, 2015	102,261	
As of Dec. 31, 2015	83,154	
	Asset	Liability
	1,040	84,194

Change in the carrying amount of derivatives designated into cash flow hedges

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

The effective portion of the interest rate hedges is reclassified to financial expenses upon occurrence of the hedged interest payment, offsetting the expenses from interest payments for the hedged underlying transaction. Reclassification is expected to take place in the following fiscal periods:

Expected reclassification from the hedging reserve to the consolidated income statement

Dec. 31, 2015	2016	2017 to 2020	After 2020
T€			
Expected reclassification to interest expenses	9,869	21,397	48,698
Dec. 31, 2014	2015	2016 to 2019	After 2019
T€			
Expected reclassification to interest expenses	1,757	27,049	70,808

b) 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 main terms of these foreign currency forwards are:

Key conditions of currency hedges

Dec. 31, 2015	Notional amount	FMG pays	FMG receives	Exchange rate from	Exchange rate to
Type	T€			EUR/USD	EUR/USD
Foreign currency forwards	3,137	USD	EUR	1.08	1.12
Dec. 31, 2014	Notional amount	FMG pays	FMG receives	Exchange rate from	Exchange rate to
Type	T€			EUR/USD	EUR/USD
Foreign currency forwards	2,460	USD	EUR	1.25	1.31

17. Employee benefits

Provisions for employee benefits contain:

Composition of the carrying amounts of provisions for employee benefits

T€	Dec. 31, 2015	Dec. 31, 2014
Post-employment pension benefits	28,809	28,413
Post-employment medical benefits	3,157	2,863
Post-employment benefits	31,966	31,276
Jubilee benefits	1,450	1,434
Phased retirement arrangements	6,276	5,417
Other long-term employee benefits	7,726	6,851
Termination benefits	3,516	2,730
Bonus payments	3,750	2,693
Overtime accounts	13,782	10,827
Unpaid wages and salaries	3,031	2,268
Miscellaneous other benefits	1,814	5,013
Other short-term employee benefits	22,377	20,801
Employee benefits	65,585	61,658
of which non-current	42,356	40,857
of which current	23,229	20,801

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, 2014: 30] are entitled to the plan, of whom four [Dec. 31, 2014: 4] are

active employees and 26 [Dec. 31, 2014: 26] are retired persons, surviving dependents, and other entitled persons. 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 changed as follows:

Change in the carrying amount of the provisions for post-employment pension benefits

T€	2015	2014
Obligation as of Jan. 1	28,413	24,372
Current service costs	533	416
Interest expense	554	779
Pension payments	-1,353	-1,349
Actuarial gains and losses	662	4,195
Obligation as of Dec. 31	28,809	28,413
Expected pension expense	1,138	1,086
Expected pension payments	-1,369	-1,353
Expected obligation as of Dec. 31 of the following year	28,578	28,146

The change of actuarial losses is attributable to the following:

Reasons for the change in the carrying amount of actuarial gains or losses from provisions for post-employment pension benefits

T€	2015	2014
As of Jan. 1	9,629	5,434
Change in financial assumptions	0	4,345
Experience-based changes	662	-150
As of Dec. 31	10,291	9,629

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

Assumptions for the measurement of provisions for post-employment pension benefits

%	Dec. 31, 2015	Dec. 31, 2014
Discount rate	2.0	2.0
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 Prof. Klaus Heubeck based on monthly payments made in advance.

The average duration of the entitlements is eleven years [Dec. 31, 2014: 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:

Sensitivity analysis on the carrying amount of the provisions for post-employment pension benefits

Dec. 31, 2015	Change in assumption	Change in obligation	
%		+	-
Discount rate	1.0	-12.0	14.9
Salary trend	1.0	1.7	-1.6
Pension trend	1.0	12.1	-10.2

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

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 that used to subsequently measure pension liabilities (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, 2014: 44) are entitled to the plan, of whom 19 (Dec. 31, 2014: 20) are active employees and 25 (Dec. 31, 2014: 24) are retired persons and surviving dependents. 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 changed as follows:

Change in the carrying amount of the provisions for post-employment medical benefits

T€	2015	2014
Obligation as of Jan. 1	2,863	2,332
Current service costs	187	82
Interest expense	56	75
Aid payments	-138	-113
Actuarial gains and losses	189	487
Obligation as of Dec. 31	3,157	2,863
Expected addition	238	243
Expected benefit payments	-144	-138
Expected obligation as of Dec. 31 of the following year	3,251	2,968

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

Reasons for the change in the actuarial gains or losses from provisions for post-employment medical benefits

T€	2015	2014
As of Jan. 1	921	434
Change in financial assumptions	0	457
Experience-based changes	189	30
As of Dec. 31	1,110	921

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

Assumptions for the measurement of provisions for post-employment medical benefits

	Dec. 31, 2015	Dec. 31, 2014
%		
Discount rate	2.0	2.0
Fluctuation	0.0	0.0
Cost trend	3.0	3.0
Average insurance premiums in T€	7.9	6.6

Life expectancy is derived from the 2005 G guideline tables by Prof. Klaus Heubeck based on monthly payments in advance.

The average duration is 14 years [Dec. 31, 2014: 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:

Sensitivity analysis on the carrying amount of the provisions for post-employment medical benefits

Dec. 31, 2015	Change in assumption	Change in obligation	
%			+ -
Discount rate	1.0	-12.7	16.1
Cost trend	1.0	14.8	-12.0

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

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 that used to subsequently measure medical benefit liabilities [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 4.0 percent. The fund also levies an additional contribution to build up a capital stock, which currently stands at 3.75 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 joint pension commitment by several companies. 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 commitment. 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€ 15,719 for fiscal year 2016. In fiscal year 2015 contribution payments of T€ 15,743 were made.

18. Other provisions

The carrying amount of other provisions changed as follows:

Composition of the carrying amounts of other provisions

T€	Onerous contracts	Regional fund	Restoration	Miscellaneous	Total
As of Jan. 1, 2015	3,679	93,021	10,714	9,283	116,697
Additions	2,421	0	5,516	4,564	12,501
Utilization	0	-1,836	-2,541	-682	-5,059
Reversals	-1,630	0	0	-1,496	-3,126
Unwinding of discount	0	190	3	4	197
Changes in interest rates	0	288	1	5	294
As of Dec. 31, 2015	4,470	91,663	13,693	11,678	121,504
of which current	2,100	1,000	4,740	9,854	17,694
of which non-current	2,370	90,663	8,953	1,824	103,810

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€ 6,204 of the fund have already been drawn up to fiscal year 2015. The remainder is expected to be paid by 2018. In addition, a further T€ 40,000 for traffic infrastructure projects and T€ 50,000 for other infrastructure projects

and to mitigate individual hardship has been made available to the surrounding municipalities. The funds may be drawn in maximum 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 towards third parties. It is not certain when and to what extent restoration expenses will be incurred.

Payments for other provisions are expected in the following intervals:

Expected payments due to other provisions

Dec. 31, 2015	In one year	In 2 to 5 years	After 5 years
T€			
Onerous contracts	2,100	2,370	0
Regional fund	1,000	32,800	59,995
Restoration	4,739	8,953	0
Miscellaneous	9,855	827	1,025
Total	17,694	44,950	61,020
Dec. 31, 2014	In one 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

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. Due to their short-term nature, their carrying amount is a reasonable approximation of fair value:

Composition of the carrying amounts of current financial liabilities

T€	Held for trading purposes		At amortized cost		Total	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Trade accounts payable	0	0	54,838	49,718	54,838	49,718
Other payables	0	0	47,214	44,017	47,214	44,017
Payables	0	0	102,052	93,735	102,052	93,735
Borrowings from shareholders	0	0	502,573	503,310	502,573	503,310
Borrowings	0	0	579,207	288,504	579,207	288,504
Financial liabilities from finance leases ¹⁾	0	0	206	411	206	411
Non-derivative financial liabilities	0	0	1,081,986	792,225	1,081,986	792,225
Derivative other financial liabilities	10,443	1,977	0	0	10,443	1,977
Other financial liabilities	10,443	1,977	1,081,986	792,225	1,092,429	794,202
Current financial liabilities	10,443	1,977	1,184,038	885,960	1,194,481	887,937

¹⁾ 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.

a) Other current payables

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

Composition of the carrying amounts of current other liabilities

T€	Dec. 31, 2015	Dec. 31, 2014
Outstanding invoices	28,209	25,004
Payables from marketing activities	10,834	12,926
Payables to associates and investments	1,370	1,187
Miscellaneous other payables	6,801	4,900
Total	47,214	44,017

b) Borrowings from shareholders

T€ 130,482 [Dec. 31, 2014: T€ 130,674] of the borrowings from shareholders are owed to the Federal Republic of Germany, T€ 255,947 [Dec. 31, 2014: T€ 256,322] to the Free State of Bavaria, and T€ 116,144 [Dec. 31, 2014: T€ 116,314] 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€ 10,660 [2014: T€ 11,398].

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:

Composition of the carrying amounts of other liabilities

T€	Dec. 31, 2015	Dec. 31, 2014
Liabilities from taxes and other levies	8,153	6,290
Other miscellaneous financial liabilities	1,231	665
Other non-financial liabilities	9,384	6,955
Liabilities in connection with aviation	12,875	13,229
Advance payments on leases	3,977	4,094
Advance payments on heritable building rights	16,000	8,000
Other deferred income	8,249	4,590
Deferred income	41,101	29,913
Total	50,485	36,868
of which current	31,914	17,833
of which non-current	18,571	19,035

21. Contingent liabilities

As in the prior year, there were no contingent liabilities as of December 31, 2015.

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 are incorporated into 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. Hedging transactions 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 currency futures. 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 or minus 25 basis points.

It is based on the following assumptions and restrictions:

- The interest expense from fixed-rate borrowings measured at amortized cost with rates fixed for more than a year 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 with rates fixed for more than a year. 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 independently of whether such instruments have been designated into cash flow hedges as underlying transactions. 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. Secondary effects from the parallel yield curve shift, such as on forward exchange rates, are not taken into account in determining the sensitivity to changes in interest rates.
- Provided derivatives have been designated into cash flow hedges, the ineffective portion of the changes in fair value affects net profit. The effective portion of the changes in fair value affects other comprehensive income.

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:

Interest sensitivity analysis

T€	Dec. 31, 2015		Dec. 31, 2014	
	+100 BP	-25 BP	+100 BP	-25 BP
Total comprehensive income	27,710	-38,403	42,428	-10,593
thereof other comprehensive income	38,429	-41,083	40,096	-10,023
thereof net profit	-10,719	2,680	2,332	-570

The sensitivity analysis uses the same assumptions and methods as in the previous year.

Substantial exchange rate risks arise from fluctuations of the euro against the Omani rial (OMR) and the US dollar (USD). Preparation of a currency sensitivity analysis was waived for reasons of materiality.

2. Credit risk

Munich Airport's 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 outside 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 of retail stores and restaurants are predominantly made against cash or by credit card.

Defaults of individual financial assets are addressed in the periodic impairment test.

Without taking account of any collateral held, the maximum exposure to credit risk corresponds with the total carrying amount of all financial assets amounting to T€ 276,143 [Dec. 31, 2014: T€ 158,530].

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 at banks. In the reporting year, cash flow from operating activities amounted to T€ 464,399 [2014: T€ 429,569]. Munich Airport had access to credit lines of T€ 213,786 [Dec. 31, 2014: T€ 257,285].

The following table shows an analysis of the remaining contractual maturities for all financial liabilities:

Liquidity analysis

Dec. 31, 2015	Total	2016		2017 to 2020		After 2020	
		Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
T€							
Financial liabilities from interests in partnerships	156,677	0	29	0	0	0	156,648
Shareholders	502,573	10,660	491,913	0	0	0	0
Credit institutions	2,143,195	24,847	562,083	112,042	485,170	82,399	876,654
Lease agreements	468	0	208	0	260	0	0
Trade payables	72,852	0	54,838	0	18,014	0	0
Other financial liabilities	54,376	0	47,614	0	6,762	0	0
Non-derivative financial liabilities	2,930,141	35,507	1,156,685	112,042	510,206	82,399	1,033,302
Derivatives	86,054	27,639	0	51,820	0	6,595	0
Derivative financial liabilities	86,054	27,639	0	51,820	0	6,595	0

Dec. 31, 2014	Total	2015		2016 to 2019		After 2019	
		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
Credit institutions	2,113,704	32,993	260,278	141,026	638,782	77,492	963,133
Lease agreements	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

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:

Cash flows from operating activities

T€	2015	2014
Total comprehensive income	149,704	67,211
Deferred taxes not recognized through profit or loss	4,507	-7,991
Actuarial gains and losses	851	4,682
Cash flow hedging	-19,650	36,150
Net profit (EAT)	135,412	100,052
Result from associated companies	-1,136	-637
Income tax expense	53,669	65,971
Financial result	86,894	101,121
Operating profit (EBIT)	274,839	266,507
Depreciation and amortization	214,278	212,206
Write-ups	0	-1,206
Net profit/loss from disposal of non-current assets ¹⁾	4,670	8,813
Increase/decrease in inventories	-1,479	-1,577
Increase/decrease in current receivables	-2,795	25,635
Increase/decrease in liabilities	14,841	6,218
Increase/decrease in obligations resulting from employee benefits	2,252	748
Increase/decrease in other provisions	4,316	-8,336
Increase/decrease in other working capital	25,698	17,780
Gross cash flow from operating activities	536,620	526,788
Net income taxes paid/received	-72,221	-97,219
Net cash flow from operating activities	464,399	429,569

¹⁾ Thereof reclassifications into assets classified as held for sale T€ 5,222 (2014: T€ 5,214).

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. Miscellaneous other assets decreased by T€ 1,480 and miscellaneous other liabilities by T€ 1,474. Consolidated net assets decreased by T€ 6,757 in total.

Munich Airport acquires some real estate through exchange transactions. Fiscal year 2015 land and buildings with a residual carrying amount of T€ 0 (2014: T€ 975) were put forward as exchange property for the acquisition of land and buildings with an entry carrying amount of T€ 0 (2014: T€ 147). The difference in value was settled in cash.

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 result from the lease of offices and other operational areas to police and customs with indefinite lease terms. The prices charged to public agencies may not exceed refundable expenses. They are subject to audits on a regular basis. The revenues and expenses resulting from business relationships with authorities are not material for the consolidated financial statements. 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 also related parties.

Among these are credit institutions with direct shareholding of governmental bodies (for example, Bayerische Landesbank Anstalt des öffentlichen Rechts, Kreditanstalt für Wiederaufbau, and LfA Förderbank Bayern) and credit institutes with indirect shareholding through public assets such as the financial market stabilization funds SoFFin (including Commerzbank AG). Transactions with these credit institutions result from financial liabilities (loans) and derivatives (interest swaps).

Transactions with credit institutions classified as related parties

T€	2015	2014
Non-derivative financial liabilities		
Interest payments	-32,789	-30,903
Repayments	-31,064	-114,720
Proceeds	84,100	108,357
Derivative financial liabilities		
Interest payments	-20,341	-10,862

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.

Munich Airport does business with entities whose financial and business policies are at least materially influenced by the state. These include all companies included into the consolidated group of Deutsche Post AG, Telekom Deutschland GmbH, and Deutsche Bahn AG. There are mutual supply and service agreements between Munich Airport and these groups. Revenues and expenses from these transactions, however, are not substantial.

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:

Transactions with authorities classified as related parties

T€	Dec. 31, 2015	Dec. 31, 2014
Receivables	1,968	2,913
Payables	1,370	1,187
Lease revenues	5,847	5,526
Miscellaneous other revenues	3,762	3,384
Other income	24	79
Total income	9,633	8,989
Raw materials and consumables used	8,945	8,804
Other expenses	394	362
Expenses	9,339	9,166

The other revenues relate primarily to IT services and maintenance. The raw materials and consumables used primarily result 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 comprises a fixed salary and variable, performance-based bonus.

Remuneration of the members of the Executive Board

2015	Salary	Bonus	Total
T€			
Dr. Michael Kerkloh	319	170	489
Thomas Weyer	261	142	403
Total	580	312	892

The fixed salary of Dr. Michael Kerkloh includes a T€ 8 additional payment and T€ 5 additional payment bonus for 2014.

In addition, the members of the Executive Board received benefits in kind, other contractual benefits, and a one-off payment totaling T€ 19 [2014: T€ 16].

Executive officers are entitled to post-employment pension benefits. The provisions for post-employment pension benefits to executive officers amount to T€ 4,719 [Dec. 31, 2014: T€ 3,910].

Provisions for post-employment pension benefits of former members of the Executive Board and surviving dependents are recognized at T€ 10,741 [Dec. 31, 2014: T€ 11,093]. Pension payments amounted to T€ 753 [2014: T€ 746].

The total remuneration paid to the members of the Supervisory Board was T€ 24 [2014: T€ 16].

Munich, April 20, 2016

Dr. Michael Kerkloh

Thomas Weyer

Supervisory Board 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, 2015, and the Management Report of Flughafen München GmbH and of the Group presented by the Executive Board have been audited and issued with an unqualified opinion 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 FMG and the consolidated financial statements. The Supervisory Board proposes that the shareholders endorse the financial statements of FMG 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 2015.

Munich, June 2016
For the Supervisory Board



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, 2015. 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 20, 2016

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft

Dorn
Wirtschaftsprüfer

ppa. Hehl
Wirtschaftsprüfer

SUSTAINABLE DEVELOPMENT



Thinking for the long term, acting responsibly, creating transparency in communications: Munich Airport reports on its efforts in the field of sustainability in accordance with the highest standards.

- 157** Sustainability indicators
- 170** GRI G4 content index
- 178** Report profile
- 180** Independent assurance report

➤ [Download sustainability program
munich-airport.de/en/NHprogramm](https://www.munich-airport.de/en/NHprogramm)



Sustainability indicators

G4-EC1 / Value generated

Group in € million	2015	2014	2013
Revenue	1,249.3	1,200.1	1,184.4
Other income	61.4	54.6	46.7
Total revenue	1,310.7	1,254.7	1,231.1
Minus non-personnel expenses	-420.1	-401.0	-413.1
Minus depreciation and amortization	-214.3	-212.2	-208.9
= Value generated	676.3	641.5	609.1

G4-EC1 / Value distributed

Group in € million	2015	2014	2013
Employees	400.3	374.3	348.4
Lenders [netted]	86.9	101.1	107.1
Public sector	53.7	66.0	55.0
Munich Airport Group	135.4	100.1	98.6
= Value distributed	676.3	641.5	609.1

The value generated calculation according to IFRSs represents the difference between the service provided by the company and the value of the advance services required.

The distribution statement shows the proportions distributed to those involved in the value creation process – employees, the public sector, and lenders. The payments provided by the Group to the public sector include taxes. The interest on the loans from shareholders is included under the «Lenders» recipient group. «Other income» includes income from companies valued using the equity method. The «nonpersonnel expenses» include the cost of materials and other expenses.

➔ Web
[munich-airport.com/
statistics](http://munich-airport.com/statistics)

A01, A02, A03 / Air traffic indicators

	2015	2014	2013
Total passenger volume	40,998,553	39,716,877	38,689,954
Total commercial traffic ¹⁾	40,981,522	39,700,515	38,672,644
Scheduled and charter traffic	40,961,424	39,679,338	38,650,732
Other commercial traffic ¹⁾	20,098	21,177	21,912
Non-commercial traffic ¹⁾	17,031	16,362	17,310
Total aircraft movements	379,911	376,678	381,951
Total commercial traffic ¹⁾	370,348	367,599	372,010
Scheduled and charter traffic	360,009	357,295	361,779
Other commercial traffic ¹⁾	10,339	10,304	10,231
General air traffic (non-commercial traffic) ¹⁾	9,563	9,079	9,941
Seating capacity utilization in %	76.6	75.9	75.2
Cargo throughput			
Cargo and airmail carried in t	336,162	309,361	287,809
Traffic units [TU] of commercial traffic	44,234,684	42,686,633	41,432,238

¹⁾ For terminology see the Annual Statistics Report 2015, p.41/42

➔ Glossary

A01 / Passenger indicators [commercial traffic only]

	2015			2014			2013		
	Total	Domestic	International	Total	Domestic	International	Total	Domestic	International
Total commercial traffic	40,981,522	9,585,642	31,395,880	39,700,515	9,356,210	30,344,305	38,672,644	9,379,605	29,293,039
Arrivals	20,474,755	4,771,295	15,703,460	19,832,302	4,660,409	15,171,893	19,296,481	4,659,092	14,637,389
Departures	20,398,313	4,805,150	15,593,163	19,760,723	4,684,878	15,075,845	19,257,666	4,706,653	14,551,013
Transit passengers ¹⁾	108,454	9,197	99,257	107,490	10,923	96,567	118,497	13,860	104,637
Number of O&D passengers ²⁾ in millions	26.2	-	-	25.0	-	-	23.5	-	-
Number of transfer passengers in millions	14.8	-	-	14.7	-	-	15.0	-	-
Proportion of transfer passengers in % ³⁾	36.0	-	-	37	-	-	39	-	-

¹⁾ Transit passengers are passengers who arrive at 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.

➤ Web

Detailed information on night-time aircraft movements can be found in the monthly impact reports: munich-airport.de/en/company/umwelt/laerm/fi-online

Detailed information on night flight regulations is available at: munich-airport.com/night-flight

A02 / Aircraft movements¹⁾

	2015			2014			2013		
	Total	Arrivals	Departures	Total	Arrivals	Departures	Total	Arrivals	Departures
Passenger flights, scheduled/charter	355,565	177,689	177,876	353,326	176,548	176,778	358,019	178,859	179,160
Domestic	85,115	42,571	42,544	85,934	42,957	42,977	88,634	44,227	44,407
International	270,450	135,118	135,332	267,392	133,591	133,801	269,385	134,632	134,753
Cargo flights, scheduled/charter	4,001	1,990	2,011	3,507	1,734	1,773	3,298	1,639	1,659
Domestic	1,475	772	703	1,426	761	665	1,309	754	555
International	2,526	1,218	1,308	2,081	973	1,108	1,989	885	1,104
Airmail flights, scheduled/charter	443	222	221	462	230	232	462	231	231
Domestic	443	222	221	462	230	232	462	231	231
International	-	-	-	-	-	-	-	-	-
General air traffic	19,902	10,062	9,840	19,383	9,826	9,557	20,172	10,244	9,928
Domestic	8,669	4,395	4,274	8,381	4,219	4,162	9,085	4,694	4,391
International	11,233	5,667	5,566	11,002	5,607	5,395	11,087	5,550	5,537
Total	379,911	189,963	189,948	376,678	188,338	188,340	381,951	190,973	190,978

¹⁾ Military flights are not included.

A03 / Cargo tonnage [commercial handling]

In t	2015			2014			2013		
	Cargo handled	Incoming cargo	Outgoing cargo	Cargo handled	Incoming cargo	Outgoing cargo	Cargo handled	Incoming cargo	Outgoing cargo
Cargo-only flights	55,668	16,922	38,746	42,264	15,179	27,085	34,459	14,408	20,051
Bellyhold cargo on passenger flights	261,719	108,863	152,856	249,211	103,763	145,447	235,521	99,526	135,995
Total on all flights	317,387	125,785	191,602	291,475	118,942	172,533	269,980	113,934	156,046

In contrast to 2014, the number of reasons for complaint rose from 1,802 to 1,807. In light of the growth in passenger indicators by over 1.2 million, the measures taken are seen to have had a positive effect. While 45.38 complaints were received for each one million passengers in 2014, this ratio dropped to 44.09 [-2.8 percent] in 2015. As a result of the improvement measures developed from the dialog management process, the amount of critical feedback on recurring issues fell in 2015. The area of parking, in particular, has seen some very positive developments. Following the creation of a separate service center for parking, the number of complaints fell by 36 percent. Fields of action for future improvement still exist in the areas of waiting times, and identity and document checks as a result of above-average growth in traffic in Terminal 1. Short- and long-term expansion projects, such as additional security checkpoints and expansions to the terminal, are expected to reduce problems in these areas.

G4-PR5 / Dialog management

Number of entries	2015	2014	2013
Total complaints	1,677	1,450	1,418
Number of reasons for complaint ¹⁾	1,807	1,802	1,723
Number of complaints on key issues			
Airline-related issues	290	383	351
Waiting times	274	234	209
Identity checks	236	187	167
Staff friendliness	196	190	154
Baggage	194	187	176
Parking	172	269	290

¹⁾ One complaint (= one complainant) often covers several reasons for complaint. The number of reasons for complaint is therefore higher than the number of complaints.

G4-PR3 / Airport rescue and firefighting service deployments

	2015	2014	2013
Total alarms	3,891	3,587	3,514
False alarms	658	648	754
Number of deployments	3,233	2,939	2,760
Technical support jobs	1,970	1,839	1,754
Safety monitoring jobs ¹⁾	1,149	977	902
Firefighting jobs	114	123	104
First-responder deployments ²⁾	123	859	483

¹⁾ On-call service where the Airport Rescue and Firefighting service attends certain situations with particularly high risk levels in order to provide immediate support should a risk occur.

²⁾ Initial assistance until the arrival of the public rescue service

G4-S01 / Donations and sponsorship¹⁾

Proportion of total budget in %	2015	2014	2013
Sport	36	36	33
Social welfare	30	31	35
Education	17	13	15
Culture	17	20	17

¹⁾ The annual sponsoring budget is linked to FMG's external sales.

➤ [Web
munich-airport.com/
sponsoring](http://munich-airport.com/sponsoring)

G4-11 / Employees covered by collective bargaining agreements

	2015		2014		2013	
	Group	FMG	Group	FMG	Group	FMG
Total number of employees covered by collective bargaining agreements	8,139	4,191	7,673	4,147	7,430	4,090
Proportion of total employees in % ¹⁾	91.40	96.81	89.31	96.89	89.09	96.83

¹⁾All percentages are based on the total number of employees including apprentices, workers in minor employment, temporary workers, and interns.

G4-LA12 / Age structure of employees

Group	2015						2014		2013	
	Women	Proportion in % ²⁾	Men	Proportion in % ²⁾	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾
Age structure of employees¹⁾										
Under 30 years	582	7.26	677	8.45	1,259	15.71	1,126	14.83	1,167	15.86
30 to 50 years	1,577	19.67	2,845	35.49	4,422	55.16	4,168	54.88	4,200	57.08
Over 50 years	544	6.79	1,791	22.34	2,335	29.13	2,301	30.30	1,991	27.06
Total	2,703	33.72	5,313	66.28	8,016	100	7,595	100	7,358	100

FMG	2015						2014		2013	
	Women	Proportion in % ²⁾	Men	Proportion in % ²⁾	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾
Age structure of employees¹⁾										
Under 30 years	192	4.67	191	4.64	383	9.31	357	8.78	330	8.24
30 to 50 years	521	12.66	1,710	41.56	2,231	54.22	2,308	56.78	2,344	58.56
Over 50 years	160	3.89	1,341	32.59	1,501	36.48	1,400	34.44	1,329	33.20
Total	873	21.22	3,242	78.78	4,115	100	4,065	100	4,003	100

¹⁾ Reporting date: December 31: Figures exclude 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	2015		2014		2013	
	Proportion in %		Proportion in %		Proportion in %	
Total managers	674	8.41¹⁾	637	8.39¹⁾	621	8.44¹⁾
Women	169	2.11 ¹⁾	158	2.08 ¹⁾	149	2.03 ¹⁾
Men	505	6.30 ¹⁾	479	6.31 ¹⁾	472	6.41 ¹⁾
Age structure of managers						
Under 30 years	26	3.86 ²⁾	28	4.40 ²⁾	26	4.19 ²⁾
30 to 50 years	376	55.79 ²⁾	351	55.10 ²⁾	349	56.20 ²⁾
Over 50 years	272	40.36 ²⁾	258	40.50 ²⁾	246	39.61 ²⁾
FMG						
FMG	2015		2014		2013	
	Proportion in %		Proportion in %		Proportion in %	
Total managers	395	9.60¹⁾	391	9.62¹⁾	377	9.42¹⁾
Women	55	1.34 ¹⁾	54	1.33 ¹⁾	44	1.10 ¹⁾
Men	340	8.26 ¹⁾	337	8.29 ¹⁾	333	8.32 ¹⁾
Age structure of managers						
Under 30 years	6	1.52 ²⁾	5	1.28 ²⁾	7	1.86 ²⁾
30 to 50 years	195	49.37 ²⁾	201	51.41 ²⁾	196	51.99 ²⁾
Over 50 years	194	49.11 ²⁾	185	47.31 ²⁾	174	46.15 ²⁾

¹⁾ Reporting date: 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 managers

G4-LA3 / Parental leave taken¹⁾

Group	2015			2014	2013	FMG	2015			2014	2013
	Women	Men	Total	Total	Total		Women	Men	Total	Total	Total
Parental leave taken	89	90	179	140	147	Parental leave taken	33	55	88	69	54
Part-time parental leave taken	26	9	35	10	28	Part-time parental leave taken	24	8	32	6	21

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: starters and leavers¹⁾

Group	2015				2014		2013		FMG	2015				2014		2013	
	Starters	Proportion in % ²⁾	Leavers	Proportion in % ²⁾	Starters	Leavers	Starters	Leavers		Starters	Proportion in % ²⁾	Leavers	Proportion in % ²⁾	Starters	Leavers	Starters	Leavers
Starters and leavers by age group								Starters and leavers by age group									
Under 30 years	650	52.38	414	47.15	478	303	468	300	Under 30 years	117	56.52	50	28.74	85	43	89	53
30 to 50 years	491	39.56	302	34.40	370	284	322	240	30 to 50 years	82	39.61	46	26.44	92	45	69	55
Over 50 years	100	8.06	162	18.45	81	189	69	128	Over 50 years	8	3.86	78	44.83	9	104	9	74
Total	1,241	100	878	100	929	776	859	668	Total	207	100	174	100	186	192	167	182
Starters and leavers by gender								Starters and leavers by gender									
Male	790	63.66	490	55.81	499	433	459	373	Male	152	73.43	126	72.41	118	155	109	139
Female	451	36.34	388	44.19	430	343	400	295	Female	55	26.57	48	27.59	68	37	58	43

¹⁾ Including apprentices, excluding workers in minor employment, temporary workers, and interns

²⁾ All percentages are based on the total number of starters/leavers among the employees as per ¹⁾.

G4-LA1 / Turnover rate¹⁾

In %	2015		2014		2013	
	Group	FMG	Group	FMG	Group	FMG
Turnover rate	10.70	4.14	9.86	4.61	9.15	4.41

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 training¹⁾

	2015		2014		2013	
	Group	FMG	Group	FMG	Group	FMG
Average hours of training per employee	15.01	11.21	13.97	10.20	12.45	7.93
Per male employee	16.48	12.62	15.01	11.00	12.85	8.56
Per female employee	12.08	5.99	12.15	7.26	9.59	5.41
Per manager ²⁾	17.67	7.58	10.59	8.03	15.15	11.7
Per employee (without managerial responsibilities)	18.47	11.59	18.09	10.47	15.58	7.54

¹⁾ Average number of hours spent on professional development, training, and seminars (excluding aviation security courses) per employee (excluding apprentices, employees in minor employment, temporary workers, and interns) as at December 31, excluding Terminal 2 oHG.

²⁾ Managers at the 2nd through 4th levels

G4-LA6, G4-LA7 / Occupational health and safety

Group ¹⁾	2015	2014	2013
Accident statistics²⁾			
Reportable occupational accidents	235	177	231
Resulting days of absence	4,778	4,443	4,703
Fatal occupational accidents	0	0	0
Rate per 1,000 workers ³⁾	31.44	24.82	33.19
Workers in ground handling⁴⁾			
Accident statistics²⁾			
Reportable occupational accidents	106	89	113
Resulting days of absence	2,688	2,791	2,900
Fatal occupational accidents	0	0	0
Rate per 1,000 workers ³⁾	52.49	49.88	62.71

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⁾Reportable occupational accidents * 1,000 / annual average actual employee capacity [EC]

⁴⁾Ground handling employees working for FMG and employees and temporary workers at AeroGround

FMG ¹⁾	2015	2014	2013
Accident statistics²⁾			
Reportable occupational accidents	84	78	105
Resulting days of absence	2,492	2,533	2,455
Fatal occupational accidents	0	0	0
Rate per 1,000 workers ³⁾	21.98	20.73	28.55

Aircraft handling on the ground is a critical area for occupational health and safety measures at Munich Airport. This is why FMG publishes additional accident statistics for employees who work in aircraft handling.

G4-LA6 / Sick leave¹⁾

Group ²⁾	2015			2014	2013
In %	Women	Men	Total	Total	Total
Illness rate ³⁾	6.89	8.05	7.71	6.74	5.51

FMG	2015			2014	2013
In %	Women	Men	Total	Total	Total
Illness rate ³⁾	5.62	8.83	8.22	7.03	7.42

¹⁾Including apprentices, excluding workers in minor employment, temporary workers, and interns

²⁾Data to 2014 excluding CAP Flughafen München Sicherheits-GmbH

³⁾Hours off sick in relation to planned working hours, including rehabilitation, therapy programs, treatment, and so on. Relates to total workforce as per ¹⁾.

G4-LA6, G4-LA7 / Occupational illnesses^{1), 2)}

In %	2015		2014		2013	
	Group	FMG	Group	FMG	Group	FMG
Reported occupational illnesses	5	5	7	6	9	7

¹⁾Including apprentices, excluding workers in minor employment, temporary workers, and interns

²⁾Data to 2014 excluding CAP Flughafen München Sicherheits-GmbH

G4-LA12 / Employees with disabilities

Group	2015	2014	2013	FMG	2015	2014	2013
Number of employees with limiting disabilities ¹⁾	644	634	585	Number of employees with limiting disabilities ¹⁾	483	481	467
Employees with severe disabilities in % ²⁾	7.06	8.35	7.96	Employees with severe disabilities in % ²⁾	11.39	11.83	11.67

¹⁾Degree of disability of at least 30 within the meaning of equality under Book IX of the Social Security Code

²⁾Proportion of employees with disabilities as per ¹⁾ based on the average total employees, including apprentices and workers in minor employment and excluding temporary workers and interns

G4-LA12 / Nationalities¹⁾

Group	2015				2014		2013		FMG	2015				2014		2013	
	Women	Men	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾		Women	Men	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾	Total	Proportion in % ²⁾
Employee nationalities, overall picture	8,285				7,861		7,624			4,261				4,209		4,153	
German nationals	2,349	4,426	6,775	81.77	6,539	83.18	6,406	84.02		891	2,915	3,806	89.32	3,755	89.21	3,689	88.83
Foreign nationals	498	1,012	1,510	18.23	1,322	16.82	1,218	15.98		50	405	455	10.68	454	10.79	464	11.17
Most represented groups of foreign nationals																	
Turkey	38	394	432	5.21	412	5.24	415	5.44		1	269	270	6.34	272	6.46	287	6.91
Italy	30	78	108	1.30	91	1.16	84	1.10		7	24	31	0.73	28	0.67	29	0.70
Romania	40	37	77	0.93	53	0.67	33	0.43		7	22	29	0.68	29	0.69	30	0.72
Greece	20	46	66	0.80	49	0.62	48	0.63		3	14	17	0.40	16	0.38	15	0.36
Austria	21	44	65	0.78	58	0.74	57	0.75		0	11	11	0.26	11	0.26	10	0.24

¹⁾ Reporting date: December 31; Total workforce 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⁾.

G4-10, G4-LA1 / Employees' areas of residence¹⁾

Administrative districts	2015				2014		2013			
	Group	Proportion in % ²⁾		FMG	Proportion in % ²⁾		Group	FMG	Group	FMG
Freising	2,077	25.07		845	19.83		1,892	809	1,857	798
Erding	1,809	21.83		1,052	24.69		1,716	1,035	1,696	1,044
Munich	1,702	20.54		716	16.80		1,605	717	1,486	687
Landshut	1,168	14.10		649	15.23		1,120	656	1,056	635
Pfaffenhofen	141	1.70		87	2.04		175	87	126	83
Other districts	1,388	16.75		912	21.40		1,353	905	1,403	906
Total	8,285	100		4,261	100		7,861	4,209	7,624	4,153

¹⁾ Total workforce including apprentices, excluding workers in minor employment, temporary workers, and interns, who lived in each administrative district as at the reporting date of December 31.

²⁾ All percentages are based on the total number of employees as per ¹⁾.

G4-EN1, G4-EN2, A06 / De-icers used¹⁾

	2014/2015	2013/2014	2012/2013
Apron de-icer in t ²⁾	3,067	1,097	5,251
Aircraft de-icer [Safewing Type I] in m ³	4,107	1,959	7,762
Aircraft de-icer [Safewing Type IV] in m ³	919	391	2,215
Recycling rate of Type I de-icer used in %	68	59	71
Number of days of winter operations	57	38	72

¹⁾ Seasonal database/fluctuations in year-on-year comparisons are linked to winter weather conditions.

²⁾ Liquid potassium formate and sodium formate granules

The company responsible for de-icing operations at Munich Airport, Gesellschaft für Enteisung und Flugzeugschleppen am Flughafen München mbH (EFM), uses glycol-based de-icer that is sprayed onto aircraft by de-icing vehicles. The low-viscosity Type I de-icer is mixed with water in the ratio 55:45, 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.

G4-EN1, G4-EN3, G4-EN4, G4-EN6, G4-EN15, G4-EN16, G4-EN17, G4-EN30 / Energy consumption and emissions¹⁾

	2015			2014			2013		
	GJ	MWh	CO ₂ [t]	GJ	MWh	CO ₂ [t]	GJ	MWh	CO ₂ [t]
Scope 1: direct energy consumption/emissions									
Natural gas gas/diesel generating sets CHPP	601,146	166,985	33,352	706,119	196,144	39,168	717,271	199,242	39,665
Natural gas gas/gasoline generating sets CHPP	608,234	168,954	33,745	466,906	129,696	25,899	440,250	122,292	24,346
Natural gas boiler plant	11,956	3,321	663	11,059	3,072	613	8,491	2,359	470
Fuel oil gas/diesel gensets	62,086	17,246	4,601	75,841	21,067	5,620	78,416	21,782	5,811
Fuel oil boiler plant	140	39	11	113	31	8	105	29	8
LPG	3,956	1,099	256	4,041	1,123	262	4,039	1,122	261
Fuel oil emergency gensets	1,958	544	145	1,582	439	117	1,359	377	101
Natural gas consumption EFM ²⁾	9,943	2,762	552	3,702	1,028	205	14,437	4,010	798
Diesel and gasoline	154,764	42,990	11,503	141,296	39,249	10,446	160,690	44,636	11,894
Total scope 1	1,454,184	403,940	84,826	1,410,660	391,850	82,339	1,425,057	395,849	83,353
Scope 2: indirect energy consumption/emissions³⁾									
Purchased power ⁴⁾	292,421	81,228	49,468	299,600	83,222	49,517	319,796	88,832	53,388
Purchased district heat ⁵⁾	128,527	35,702	3,802	86,458	24,016	2,558	129,899	36,083	3,843
Purchased natural gas ⁶⁾	34,160	9,489	1,895	6,070	1,686	337	8,485	2,357	469
Power supplied to outside companies ⁷⁾	-207,407	-57,613	-35,086	-209,260	-58,128	-34,586	-214,316	-59,532	-35,779
Heat supplied to outside companies	-139,057	-38,627	-7,054	-138,630	-38,508	-7,311	-159,796	-44,388	-8,232
Cooling supplied to outside companies	-21,380	-5,939	-725	-17,821	-4,950	-589	-10,869	-3,019	-362
Natural gas supplied to outside companies	-34,160	-9,489	-1,895	-6,070	-1,686	-337	-8,485	-2,357	-469
Purchased power transmitted ⁸⁾	37,865	10,518	6,406	38,415	10,671	6,349	23,747	6,596	3,964
Total scope 2⁹⁾	9)	9)	16,811	9)	9)	15,938	9)	9)	16,822
Scope 3: other indirect energy consumption/emissions (by third parties)	10)	10)		10)	10)		10)	10)	
Electrical energy purchases of outside companies	-	-	35,086	-	-	34,586	-	-	35,779
Heat purchases of outside companies	-	-	7,054	-	-	7,311	-	-	8,232
Cooling purchases of outside companies	-	-	725	-	-	589	-	-	362
Natural gas purchases of outside companies	-	-	1,895	-	-	337	-	-	469
Fuel for outside companies	-	-	6,806	-	-	7,135	-	-	7,458
Subtotal	9)	9)	51,565			49,958			52,301
Total annual CO₂ emissions open to influence¹¹⁾			153,202			148,234			152,476
Air traffic (LTO cycle)	-	-	-	-	-	-	-	-	-
Take-off	-	-	52,614	-	-	51,052	-	-	48,838
Climb out	-	-	89,241	-	-	87,605	-	-	85,020
Idle (traveling on the apron)	-	-	152,431	-	-	145,124	-	-	150,354
Approach	-	-	108,362	-	-	105,430	-	-	101,901
APU	-	-	42,256	-	-	41,592	-	-	40,129
Engine test runs	-	-	640	-	-	997	-	-	1,400
Feeder traffic ¹²⁾	-	-	40,176	-	-	39,247	-	-	39,732
Total scope 3			537,285			521,005			519,675

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 publication from the German Federal Environment Agency (UBA).

²⁾EFM: Gesellschaft für Enteisung und Flugzeugschleppen am Flughafen München (company responsible for de-icing at Munich Airport); associated company

³⁾Scope 2 emissions reported using the GHG Protocol Scope 2 Guidance (2015) in accordance with the «location-based» method based on emission factors for domestic consumption in Germany, electricity mix, and district heating mix. Net scope 2 emissions with specific emission factors are 0.609 kg/kWh for electricity and 0.213 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.

⁴⁾27.8 % electricity from renewable energy sources (as of 2014 according to section 42 of the German Energy Act [EnWG])

⁵⁾50 % of district heat is purchased from biomass directly from the biomass thermal power plant in Zolling.

⁶⁾Solely natural gas purchased (baseline year 2015); no renewable energy sources

⁷⁾Including the quantity transmitted to outside companies

⁸⁾Total power transmitted to outside companies and subsidiaries. The specific emission factor used for purchased power was also used here.

⁹⁾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.

¹⁰⁾No information as values cannot be specified for all items.

¹¹⁾Sum of scope 1, scope 2, and the subtotal of scope 3a; this is the comparative value for the reference value taken from the baseline year of 2005 at 162,046 tonnes. The CO₂ reference value must not be exceeded in spite of expansion plans and the expected growth.

¹²⁾Feeder traffic includes the road traffic caused by passengers, visitors, and employees. The value was calculated using the LASPORT system, applying the LTO cycle.

¹³⁾Scope 2 emissions calculated using the GHG Protocol Scope 2 Guidance (2015) in accordance with the «market-based» method results in a figure of 11,608 t of CO₂. This is based on an emission factor of 0.451 kg/kWh for the Munich Airport network. The other emission factors stated in footnote 3 remain unchanged.

**G4-EN7, G4-EN15, G4-EN16, G4-EN19 /
Generated and purchased power**

Munich Airport produces around 80 percent of its annual heat energy requirements in the Group's own 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 18 gigawatt hours [GWh] – has been generated by a biomass thermal power plant in Zolling. The 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 CO₂ emissions by around 3,800 t per year.

→ Glossary

→ Glossary

G4-EN5 / Energy intensity coefficient¹⁾

In kWh/passenger	2015	2014	2013
Power consumption	5.42	5.59	5.95

¹⁾Power consumption is responsible for more than 2/3 of the total CO₂ emissions produced by energy-induced processes at the airport [excluding emissions generated by airlines]. Furthermore, it is only very slightly linked to weather conditions. For this reason, the power consumption per passenger is the most useful indicator for energy consumption at Munich Airport. The power consumption is made up of total power consumption of all buildings and installations on the campus, including hosted electricity. It includes power consumption by FMG and its subsidiaries, consumption by external companies, and all losses at the low-voltage level.

G4-EN18 / Greenhouse gas emissions intensity²⁾

In kg/passenger	2015	2014	2013
CO ₂ emissions	3.74	3.73	3.94

²⁾The calculation of CO₂ emissions per passenger enables the physically meaningful addition of the various forms of primary and secondary energy used at the airport in relation to passenger figures. The CO₂ emissions from scope 1 and 2 are added, as well as power, heat, cooling energy, natural gas, and fuel consumption by external companies. The figure therefore includes all emissions that must not exceed the targets for carbon-neutral growth.

G4-EN17, G4-EN20, G4-EN30 / Other greenhouse gas emissions¹⁾

SF ₆ , CH ₄ , N ₂ O in CO ₂ equivalent [t]	2015	2014	2013
LTO cycle	4,061	3,849	3,818
Feeder traffic ²⁾	389	383	331
APU ³⁾	426	412	397
Engine test runs ³⁾	6	10	13
Small appliances in buildings	409	189	78
Mobile systems [vehicles]	149	42	62

¹⁾ Damage to a substation resulted in leakage of 1.1 kg of sulfur hexafluoride, which had been either partially or completely combusted.

²⁾Feeder traffic includes the traffic caused by passengers, visitors, and commuters in the area around the airport.

³⁾ Estimated figures

G4-EN21, A05 / Measured pollutant concentrations

In µg/m³	Current legal annual limit value	2015	2014	2013
NO ₂ concentration [nitrogen dioxide]	40	20	22	24
SO ₂ concentration [sulfur dioxide] ¹⁾	20	2	2	3
PM ₁₀ concentration [particulate matter]	40	15	15	16
PM _{2.5} concentration	25	11	11	13

¹⁾ There is no legal annual limit for SO₂ for protecting human health. The pollutant value specified by the administrative regulation TA Luft for protecting human health is 50µg/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 transport 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.

G4-EN21, G4-EN30, A05 / Air pollutant emissions

In t	2015	2014	2013
NO _x – air traffic [LTO cycle]	1,450.3	1,401.0	1,326.2
NO _x – feeder traffic ¹⁾	91.3	92.0	107.9
SO _x – air traffic [LTO cycle]	102.1	99.0	97.9
SO _x – feeder traffic ¹⁾	0.2	0.2	0.2
PM ₁₀ – air traffic [LTO cycle]	11.8	11.5	12.0
PM _{2.5} – feeder traffic ¹⁾	1.5	1.5	2.3

¹⁾ Feeder traffic includes the traffic caused by passengers, visitors, and commuters in the area around the airport.

G4-EN8 / Total freshwater consumption^{1),2)}

	2015	2014	2013
Water purchased from utility in m³	1,042,166	991,575	1,000,558
Water consumption per 1,000 traffic units in l	23.6	23.2	24.1

¹⁾ Includes all companies on the campus.

²⁾ Values are derived as follows: water metering in m³ measured at the drinking water feed points [transfer points] from the water utility company to Munich Airport

G4-EN22 / Total wastewater discharge^{1),2)}

	2015	2014	2013
Total wastewater discharged from Munich Airport into sewage plant in m³	2,344,085	1,963,719	2,464,802
Wastewater consumption per 1,000 traffic units in l	53.0	46.0	59.5

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-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 seven 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-EN26, A04 / Water samples

Under the provisions of the planning approval notice Munich Airport is required to test the water surrounding the airport. Securing evidence regarding the quantity [water level] and quality [water quality] of groundwater is particularly important. FMG measures the water levels of more than 300 groundwater and 17 surface water measurement points on an ongoing basis. Water quality is determined at 18 groundwater and eleven surface water measurement points. All implemented measures are summarized in a report, evaluated, and presented to the water authorities.

G4-EN23, G4-EN28 / Waste¹⁾

In t	2015	2014	2013	Point of 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	1,653	1,673	1,589	
Mixed reclaimed materials/waste for recycling from buildings	2,993	3,003	2,981	
Mixed glass	165	168	169	
Wood	294	241	267	Sorting facilities, recycling firms in Eitting, Schwaig, Moosburg, and Munich
Bulk waste	407	489	400	
Scrap metal containing electronic waste	279	282	286	
Other recyclables ³⁾	189	180	111	
Total recycling	5,980	6,036	5,803	
Other form of reuse [reuse of materials/energy]				
Food waste ⁴⁾	843	872	836	Biogas plant (energy recovery)
Waste from cleaning of aircraft cabin ⁵⁾	-	-	-	
Waste for disposal/prohibited liquids (terminal areas)	167	171	179	Munich North power plant (energy recovery)
Waste for disposal from buildings	513	553	533	
Building waste/rubble	703	810	1,026	Recycling/disposal firms (material recycling/pit filling)
Hazardous waste (FMG fraction only, excluding mineral wool)	276	278	305	Recycling/disposal firms (material recycling) or hazardous waste specialists in Munich and Ebenhausen (energy recovery, secondary fuels)
Of which are subject to ADR (hazardous goods) rules ⁶⁾	186	190	254	
Other waste ⁷⁾	429	275	260	
Total material recycling	2,931	2,959	3,139	
Landfill waste				
Insulators (mineral wool) ⁸⁾	186	23	5	Spitzlberg, Landshut landfill
Total landfill	186	23	5	
Total amount	9,097	9,018	8,947	

¹⁾All quantities refer exclusively to the disposal processes organized by FMG waste management. This refers to the total figure reported (2015: 9,097 t).

²⁾Disposal is no longer conducted by FMG waste management. Disposal and transport services were outsourced to a disposal company in April 2011.

³⁾For example foil, lightweight packaging

⁴⁾Excluding Allresto (exception: Terminal 2)

⁵⁾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. 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.

⁶⁾ADR (Accord européen relatif au transport international des marchandises dangereuses par route): European Agreement concerning the International Carriage of Dangerous Goods by Road

⁷⁾For example runway wear, refuse, old tires. Figure has increased in contrast to previous years due to renovation/roof repair work (glass construction elements, asphalt)

⁸⁾Insulators that are collected at a disposal specialist contracted on behalf of the district of Freising and sent away for proper disposal (landfill). Figure has increased due to renovation/roof repair work (mineral wool)

G4-EN25 / Hazardous goods: checks and training courses

Operations at Munich Airport involve a number of substances that are harmful to the environment and water; these must be declared as hazardous goods and transported off site. 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. In the year under review, 2015, a total of 186 tonnes of waste (previous year: 190 tonnes) declared as hazardous goods were transported away for disposal.

A07, G4-EN30 / Measured noise¹⁾

In dB[A] Measurement point (nearest municipality)	2015		2014		2013	
	Night ²⁾	Day	Night ²⁾	Day	Night ²⁾	Day
Brandstadi (municipality of Hallbergmoos)	49	58	49	58	49	58
Pallhausen (town of Freising)	44	55	44	55	43	55
Reisen (municipality of Eitting)	48	56	49	56	49	55
Viehlaßmoos (municipality of Berglern)	45	55	46	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

²⁾ Hours from 10 p.m. to 6 a.m.

G4-S011 / Noise complaints

	2015	2014	2013
Noise complaints received via telephone	174	338	442
Complainants	94	110	97

A07 / Population growth in neighboring communities¹⁾

Number of residents	2014	2013	2012
Freising (district of Freising)	45,857	45,806	45,227
Marzling (district of Freising)	3,142	3,094	3,031
Oberding (district of Erding)	5,975	5,838	5,695
Hallbergmoos (district of Freising)	10,364	10,084	9,765

¹⁾ At December 31.

Source: Bayerisches Landesamt für Statistik und Datenverarbeitung (Bavarian State Office for Statistics and Data Processing) – Statistikatlas Bayern (statistical atlas of Bavaria). Figures for 2015 were not available at the time of printing

G4-9, G4-EN11, G4-EN13 / «Green spaces»¹⁾ belonging to the airport but outside the airport fence

In ha	2015	2014	2013
Additional «organic areas» in total	746	745	728
Compensatory mitigation areas, zone III	374	370	353
Airport periphery, zone II	250	250	250
Ecological land reserve for future expansion measures	122	125	125

¹⁾ Green areas in Zone II and III that Flughafen München GmbH maintains as natural conservation areas (in contrast to rented farmland or other real estate).

→ Noise measurement points page 76

G4-PR3 / Distribution of operations directions between west and east

	Westward 2015		Eastward 2015	
	Take-offs	Landings	Take-offs	Landings
Total aircraft movements¹⁾, absolute	242,200		134,670	
Total aircraft movements¹⁾, as a %	64		36	
North runway	53,489	66,270	32,391	35,004
South runway	67,443	54,998	35,106	32,169

¹⁾ Excluding helicopters

Source: Impact reports from January to December 2015

The distribution of operations directions, in other words the decision as to whether the aircraft take off and land to the east or west, depends on the wind. Aircraft always take off and land in the opposite direction to the prevailing wind. Furthermore, FMG also tries to ensure that the north and south runways are used equally when organizing the runway system.

GRI G4 content index



Key

External audit

- ✓ KPMG: limited assurance of selected information and figures from the sustainability program by KPMG AG Wirtschaftsprüfungsgesellschaft
- ✓ Intechnica Cert: audit by Intechnica Cert GmbH in relation to the validation of the environmental statement

GSC

Part of the German Sustainability Code

General standard disclosures		Page references	Comments and links to further details	External audit
Strategy and analysis				
G4-1	CEO statement	8-9		-
G4-2	Key impacts, risks, and opportunities	24-25, 28, 97-105		-
Organization profile				
G4-3	Name of the organization		Flughafen München GmbH (FMG), Munich Airport Group	-
G4-4	Most important brands, products, and services	11, 34-45, 85-87		-
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	81		-
G4-8	Markets	34-45	Information on aircraft movements can also be found in the annual statistics report at: munich-airport.com/statistics	-
G4-9	Scale of the organization	2, 4-5, 36, 51, 94, 165	Details of destination airports and the carriers serving Munich Airport in the year under review are published in the 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 Information on minimum connecting time: munich-airport.de/en/consumer/fluginfo/transit/easyOrient	-
G4-10	Employee structure	160, 164		✓
G4-11	Employees covered by collective bargaining agreements	57-58, 161		✓
G4-12	Description of the supply and service relationships	52-54		-
G4-13	Significant changes in the organization's size, structure, and ownership	53, 83-84		-
G4-14	Explanation of how the precautionary principle is addressed	37-38, 84-85, 99-104		-
G4-15	Externally developed charters, principles, and initiatives	10, 69-70, 178-179, 182-183		-
G4-16	Memberships	27, 47-51	munich-airport.de/en/company/dialog/partner/mitgliedschaften	-

General standard disclosures		Page references	Comments and links to further details	External audit
Materiality and boundaries of the report				
G4-17	List of consolidated entities	84		-
G4-18	Process for defining the report content	28-29, 47, 178		✓ 180-181
G4-19	Material aspects	28, 178		✓ 180-181
G4-20	Material aspects within the organization	178		✓ 180-181
G4-21	Material aspects outside of the organization	178		✓ 180-181
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports	179		-
G4-23	Changes in reporting scope, boundary, or measurement methods	179		-
Dialog and stakeholder groups				
G4-24	List of stakeholder groups	47	munich-airport.com/stakeholders	-
G4-25	Identification of stakeholder groups	47	munich-airport.com/stakeholders	-
G4-26	Engagement of stakeholder groups	28, 46-47, 57	munich-airport.com/stakeholders	✓ 180-181
G4-27 GSC	Response to key concerns raised by stakeholder groups	27, 77	munich-airport.com/stakeholders	✓ 180-181
Report parameters				
G4-28	Reporting period		Calendar year 2015	-
G4-29	Date of most recent previous report		August 2015	-
G4-30	Reporting cycle		Annual	-
G4-31	Contact point	185		-
G4-32	GRI G4 content index	170-177, 178		-
G4-33	External audit	155, 180-181	munich-airport.de/en/company/umwelt/management/emas/index.jsp	-
Governance				
G4-34	Governance structure of the organization	81-82, 99-100		-
G4-35	Process for delegating authority for sustainability issues	24-25, 27-29, 81-82	munich-airport.de/en/NHprogramm	-
G4-36	Position responsible for sustainability issues	27-29	munich-airport.de/en/NHprogramm	-
G4-37	Report processes for consultation between stakeholders/employees and the highest governance body	27-28, 47, 57, 81-82		-
G4-38	Composition of the highest governance body	81-82		-
G4-39	Independence of Supervisory Board chairman	81-82		-

General standard disclosures		Page references	Comments and links to further details	External audit
G4-40	Procedure for selecting members of the highest governance body	81-82	The composition of the FMG Supervisory Board is based on the provisions of the German Co-Determination Act [Mitbestimmungsgesetz – MitbestG]. Half of the Supervisory Board are shareholder representatives while the other half are employee representatives. The shareholders nominate their representatives under consideration of their responsibility and relevance, and in accordance with the legal provisions under the German Stock Corporations Act (AktG), the Co-Determination Act, and FMG's Articles of Association. The employee representatives are selected in a procedure that complies with the provisions of the Co-Determination Act. The Members of the Executive Board are selected by the Supervisory Board in a transparent process based on objective criteria and professional competence.	-
G4-41	Mechanisms for avoiding conflicts of interest	153	All Members of the Supervisory Board and employees at management level at FMG are regularly asked about their transactions with related parties. Conflicts of interest are resolved should they become apparent.	-
G4-42	Role of managerial staff in the sustainability strategy, guidelines, and targets	24-25, 27-29		-
G4-43	Mechanisms for improving knowledge of sustainability issues		In accordance with section 90 of the German Stock Corporations Act, the Supervisory Board receives regular reports on planned business policies, basic corporate planning issues, current specialist and legal developments within the air traffic industry, and the company's measures and efforts in relation to sustainability and responsibility.	-
G4-44	Procedure for evaluating the sustainability performance of the highest governance body	81-82, 92		-
G4-45	Procedures followed by the highest governance body for monitoring sustainability performance	25, 27-28, 92	The Executive Board regularly consults the divisional managers who are responsible for issues relevant to sustainability. munich-airport.de/en/NHprogramm	-
G4-46	Assessment of the effectiveness of risk management	99-104		-
G4-47	Frequency of assessments of sustainability performance	27-28	FMG conducts an annual materiality analysis. munich-airport.de/en/NHprogramm	-
G4-48	Formal inspection of the sustainability report	179		-
G4-49	Notification procedure for critical concerns	84-85		-
G4-50	Critical concerns	84-85	According to the FMG Articles of Association, in addition to the legally prescribed circumstances, legal acts, and measures are also presented to the Supervisory Board for approval that are of particular importance from a business policy standpoint (for example, construction projects, infrastructure investments, strategic alignments) or an economic one (contractual objects, volumes, duration). In addition, the Supervisory Board receives the 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.	-
G4-51	Remuneration policy	25, 81-82, 92, 139, 153		-
G4-52	Determining remuneration	57-58, 81-82		-
G4-53	Expressing opinions on remuneration	58, 81-82		-
G4-54	Remuneration ratio	57-58		-
G4-55	Ratio of remuneration increase		Information on salaries is treated as confidential. It is not published to any extent further than that required by law.	-
Ethics and integrity				
G4-56	Mission statements, codes of conduct, and principles	84	Brand values: munich-airport.de/en/company/konzern/marke	-
G4-57	Advisory mechanisms for compliance issues	84-85		-
G4-58	Reporting compliance breaches	84-85		-

Specific standard disclosures		Page references	Comments and links to further details	External audit
Management approaches				
G4-DMA	General management approach	24-25, 28, 178	munich-airport.de/en/NHprogramm	-
Management approaches for material aspects				
G4-DMA	Energy and emissions	24-25, 28, 64-67, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Employment	24-25, 28, 56-57, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Occupational health and safety	24-25, 28, 62, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Education and training	24-25, 28, 59-60, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Diversity and equal opportunities	24-25, 28, 61, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Product and service labeling	24-28, 39, 159, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Air traffic figures/material use	24-25, 28, 34-37, 73, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Biodiversity	24-25, 28, 77-79, 169, 178	munich-airport.de/en/NHprogramm	✓
G4-DMA	Noise	24-25, 28, 75-77, 169, 178	munich-airport.de/en/NHprogramm	✓
Economic performance indicators				
G4-EC1 GSC	Direct economic value generated and distributed	11, 51-54, 106, 157		-
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	126, 144-146		-
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	57-58, 161	The company is based in Munich. 89 percent of its workforce is under collective bargaining contracts.	-
G4-EC6	Hiring of local staff		Not material	-
A01	Passenger numbers	35-37, 157-158		✓
A02	Aircraft movements	35-36, 157-158		✓
A03	Cargo tonnage	35, 157, 159		✓
G4-EC7	Infrastructure investments and services provided primarily for local benefit	29-32, 40-42, 50-51, 55		-
G4-EC8	Significant indirect economic impacts	29-33, 51-53		-
G4-EC9	Selection of locally based suppliers	52-54		-
Environmental performance indicators				
G4-EN1 GSC	Materials used by weight or volume	71-73, 164-165		-

Specific standard disclosures		Page references	Comments and links to further details	External audit
G4-EN2	Percentage of materials used that are recycled input materials	71-74, 164		-
G4-EN3	Energy consumption within the organization	66-67, 165		✓
GSC				
G4-EN4	Energy consumption outside the organization	66-67, 165		✓
G4-EN5	Energy intensity	166		✓
G4-EN6	Reduction of energy consumption	64-67, 165		✓
GSC				
G4-EN7	Reduction in energy requirements of products and services	64-67, 166		✓
G4-EN8	Total water withdrawal by source	71, 73, 167		✓
GSC				
A04	Quality of storm water	71, 73, 167		-
G4-EN9	Water sources affected by withdrawal of water	71, 73, 167		-
G4-EN10	Percentage volume of water recycled and reused	71, 73-74		-
G4-EN11	Land in or adjacent to protected areas	77-79, 169		✓
G4-EN12	Impacts on biodiversity in protected areas	77-79		✓
G4-EN13	Habitats protected or restored	77-79, 169		✓
G4-EN14	Impacts on threatened species	77-79		✓
G4-EN15	Direct greenhouse gas emissions, scope 1	66-67, 165, 166		✓
GSC				
G4-EN16	Indirect greenhouse gas emissions, scope 2	66-67, 165, 166		✓
GSC				
G4-EN17	Other indirect greenhouse gas emissions, scope 3	66-67, 165, 166		✓
GSC				
G4-EN18	Greenhouse gas emissions intensity	166		✓
G4-EN19	Reduction of greenhouse gas emissions	64-67, 166		✓
GSC				
A05	Air quality	68-70, 167		✓
G4-EN20	Ozone-depleting substances	68-70, 166		✓
G4-EN21	NO _x , SO _x , and other air emissions	68-70, 167		✓
G4-EN22	Total water discharge	71, 73-74, 167		✓
G4-EN23	Quantity of waste	71-72, 168		✓
GSC				
A06	De-icers used	73, 164		✓
G4-EN24	Significant spills		In the reporting period, no spills of hazardous materials that could be attributed to the Munich Airport Group were reported. 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	168	FMG waste management is not responsible for transporting, importing, exporting, or handling hazardous waste.	-
G4-EN26	Significant impact of water discharges on bodies of water	71, 73-74, 164		-
G4-EN27	Initiatives to mitigate environmental impacts	30-31, 64-79		-
G4-EN28	Reuse of packaging materials	71-72, 168		✓
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.	-

Specific standard disclosures		Page references	Comments and links to further details	External audit
G4-EN30	Significant environmental impacts of transporting products, goods, and materials, and transporting members of the workforce	65-67, 165-166, 169		✓
A07	Number and percentage change of people residing in the direct vicinity of the airport	169		✓
G4-EN31	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	52-54	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	52-54	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	31-33	Grievances about environmental impacts are divided into complaints formally filed by interested associations (for example, 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	162		✓
G4-LA2	Benefits provided to full-time employees	61-63	Benefits are also available to part-time employees.	-
G4-LA3	Parental leave	162		✓
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.	-
G4-LA5	Workforce representation in health and safety committees	58, 62	Members of the works council are permanent representatives on the health and safety committee.	-
G4-LA6 GSC	Injuries, occupational diseases, and work-related accidents	44, 62-63, 163	When managing occupational illnesses, FMG does not break figures down by gender. Occupational illnesses are therefore not reported separately by gender.	✓
G4-LA7	Workers with high risk of diseases	62, 163		✓
G4-LA8 GSC	Health and safety topics covered in formal agreements with trade unions	62	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	Education and training	59-60, 162		✓
G4-LA10	Skills management and lifelong learning	59-62		-
G4-LA11	Performance and career development reviews	57	Employee reviews are held on a regular basis to assess staff performance.	-
G4-LA12 GSC	Composition of governance bodies and breakdown of employees	160-161, 163-164		✓
G4-LA13	Wage differences by gender	57	Since there are pay scale agreements within almost all companies across the Munich Airport Group, there are no pay differences between men and women involved in comparable activities.	-
G4-LA14	Screening of new suppliers using labor practices criteria	52-54	As early as the call for tenders, it is ensured that all suppliers comply with the key criteria for each contract.	-
G4-LA15	Impacts on labor practices in the supply chain	52-54	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	58, 85	Complaints relating to labor practices are processed and resolved by the works council.	-

Specific standard disclosures		Page references	Comments and links to further details	External audit
Human rights				
G4-HR1 GSC	Investment agreements and contracts that undergo 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	61, 84-85	At FMG, information that must be available on an ongoing basis according to the German General Equal Treatment Act is published on the Intranet and issued through management. Managers, in particular, receive regular training related to this matter.	-
G4-HR3 GSC	Incidents of discrimination and actions taken	61, 63	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	58	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. The underlying principles are set out in the German Works Constitution Act (BetrVG) among other things.	-
G4-HR5	Principles and measures to eliminate child labor	52-54	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	52-54	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 attend 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.	-
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	52-54	As early as the call for tenders, it is ensured that all suppliers comply with the key criteria for each contract.	-
G4-HR11 GSC	Human rights impacts in the supply chain	52-54	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-S01	Measures to incorporate local communities	28, 33, 47, 49-50, 75-79, 159		-
A08	Number of persons to receive compensation due to the airport expansion	29-33		-
G4-S02	Operations with a negative impact on local communities	29-33, 68-70, 75-77	munich-airport.de/en/company/umwelt/laerm	-

Specific standard disclosures		Page references	Comments and links to further details	External audit
G4-S03 GSC	Business units analyzed for risks related to corruption	84-85		-
G4-S04	Percentage of employees trained in anti-corruption policies and procedures	84-85		-
G4-S05 GSC	Actions taken in response to incidents of corruption	84-85		-
G4-S06 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-S07	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 year under review. ¹⁾	-
G4-S08 GSC	Penalties for non-compliance with laws and regulations		At the time of going to print, there were no known cases of penalties for non-compliance with laws and regulations for the reporting period. ¹⁾	-
G4-S09	Screening of new suppliers in relation to impacts on society	52-54	As early as the call for tenders, it is ensured that all suppliers comply with the key criteria for each contract.	-
G4-S010	Impacts on society in the supply chain	52-54	There are no known cases of significant negative impacts on society in the supply chain for the year under review.	-
G4-S011	Grievances related to impacts on society	75-79, 169		✓
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 product and service information and labeling. ¹⁾	-
A09	Total annual number of bird strikes	38		-
G4-PR3	Type of product and service information required by procedures	37-38, 159, 169	Rules for Airport Use available at: munich-airport.com/aviation	-
G4-PR4	Incidents of non-compliance with obligations 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, 159		✓
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⁾ Munich Airport Group complies with statutory regulations and provisions. This is 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.

- GRI G4-18
- GRI G4-19
- GRI G4-20
- GRI G4-21

Report profile

- Integrated reporting page 10

- Sustainability program munich-airport.de/en/NHprogramm

- Materiality process, materiality matrix, and sustainability management pages 28 and 29

Content of the report

«More winners» is Flughafen München GmbH (FMG)'s sixth integrated report. As well as containing the annual financial statements, which the Group is legally required to submit, the integrated report also covers information on sustainability. A materiality analysis was used to identify the most important sustainability issues. Its sustainability

report is based on the principles and standard disclosures from the G4 guidelines on sustainability reporting published by the Global Reporting Initiative (GRI). The material issues for the reporting process are also important for strategic sustainability management. The table highlights the areas affected by these issues and the approach used

by FMG to manage them. 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 sustainability program outlines FMG's initiatives and measures for managing the material issues.

Material issues (G4-19, G4-20, G4-21)

Issues from the materiality matrix	Material issue for business units				Material outside the organization	Issues from the materiality matrix	Material issue for business units				Material outside the organization
	AV	CA	RE	PA	AV		CA	RE	PA		
Training and employee recruitment	✓	✓	✓	✓		Noise emissions and noise protection	✓				✓
Biodiversity	✓		✓		✓	Air traffic development	✓				✓
Equal opportunities and cultural diversity	✓	✓		✓	✓	Employee satisfaction	✓	✓	✓	✓	
Reduction of CO ₂ and air pollutant emissions	✓		✓		✓	Sustainable procurement	✓	✓	✓		✓
Compliance and corporate governance	✓	✓	✓	✓		Off-campus growth				✓	✓
Digitalization	✓	✓			✓	Sustainable use of resources	✓	✓	✓		✓
Health management and occupational health and safety	✓			✓		Air traffic safety and security	✓			✓	✓
Infrastructure development and sustainable building	✓	✓	✓		✓	Responsible corporate leadership	✓	✓	✓	✓	✓
Communicating with social stakeholder groups	✓	✓	✓	✓	✓	Linking-up transportation operators (seamless travel)	✓	✓			✓
Customer orientation	✓	✓	✓	✓		Training and skills management	✓	✓	✓	✓	
Landside access and traffic development					✓	Cooperation with regional partners					✓

- Key**
 AV = Aviation
 CA = Commercial Activities
 RE = Real Estate
 PA = Participations, Services & External Business

Reporting principles

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. The report is based on the IIRC's «guiding principles» and the necessary «content elements».

Sustainability data: The FMG has been involved in the Global Reporting Initiative (GRI) for several years and takes part in several of its working groups. This report was prepared «in accordance» with the GRI G4 guidelines' «comprehensive» option, including the sector disclosures for airport operators. «More winners» is Munich Airport's second report to be prepared using the G4 guidelines. The report contains

responses to all general and specific standard disclosures from the G4 guidelines, where applicable and material. The GRI G4 content index makes reference to the parts of the report that contain relevant information and explains if and how these are assessed. As a signatory of the German Sustainability Code (GSC), FMG also refers to the transparency criteria required under the GSC in the GRI G4 content index.

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 2015 Group management report was created in accordance with the requirements of German Accounting Standard GAS 20.

Report parameters

The integrated report is produced annually. The last integrated report was published on August 4, 2015. The reporting period covers the 2015 fiscal year, which runs from January 1 to December 31.

The heads of the Corporate Communications and Corporate Development divisions are responsible for the integrated report. The Executive Board inspects and approves it.

In general, the data collected refers to the period described above 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. Explanations are provided should the scope of consolidation differ.

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. 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. Greenhouse gas emissions are calculated as per the specifications of the Greenhouse Gas (GHG) Protocol. Heat values and emission 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.

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.

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.

External audit and certification

The Group management report and financial statements are audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft in accordance with section 317 of the 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 20, 2016, and no objections were raised.

KPMG AG Wirtschaftsprüfungsgesellschaft has provided limited assurance on selected information and figures related to the sustainability performance that are of material relevance to FMG. The «International Standard on Assurance Engagements» (ISAE) 3000 was used as a basis for the engagement. Information and figures audited as part of this process are marked in the «External audit» column of the GRI G4 content index with the following symbol: ✓

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. The data additionally checked by Intechnica Cert GmbH is marked in the «External audit» column of the GRI G4 content index with the following symbol: ✓

The report was submitted for the GRI Materiality Disclosures Service and GRI confirmed the correctness of the position of the G4 Materiality Disclosures (G4-17 – G4-27).

→ GRI G4-22
GRI G4-23

→ Independent auditor's
report
page 155

→ GRI G4 content index
page 170

→ Web
[munich-airport.de/en/
company/umwelt/
management/emas](http://munich-airport.de/en/company/umwelt/management/emas)

theirc.org

[deutscher-
nachhaltigkeitskodex.de/
en](http://deutscher-nachhaltigkeitskodex.de/en)

cdp.net

[munich-airport.com/
publications](http://munich-airport.com/publications)

Independent assurance report¹⁾

To the Executive Board of Flughafen München GmbH,
Munich

We have been engaged to perform an independent limited assurance engagement on selected sustainability information such as Materiality and boundaries of the report, Dialog with stakeholder groups, Disclosures on management approaches for selected material aspects (Energy & emissions; Employment; Occupational health and safety; Education and training; Diversity and equal opportunities; Product and service labelling; Air traffic figures/material use; Noise; Biodiversity) including performance indicators and other information in relation to these material aspects, as well as the information and performance indicators on Workforce structure and Employees covered by collective bargaining agreements, for the business year 2015 of Flughafen München GmbH [further «FMG»], published in the Integrated report 2015 [further «the Report»].

The selected sustainability information included in the scope of the assurance engagement is marked with the following symbol in the GRI G4 Content Index: ✓

Management's Responsibility for the Report

The legal representatives of FMG are responsible for the preparation of the Report in accordance with the Reporting Criteria. FMG applies the principles and standard disclosures of the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative and the Corporate Accounting and Reporting Standard (Scope 1 and 2) of World Resources Institute/World Business Council for Sustainable Development, supported by internal guidelines, as Reporting Criteria.

This responsibility includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual qualitative and quantitative sustainability disclosures which are reasonable under the circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Independence and quality assurance on the part of the auditing firm

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants [IESBA-Code], which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The quality assurance system of the KPMG AG Wirtschaftsprüfungsgesellschaft is based on the International Standard on Quality Control 1 «Quality Control for Audit, Assurance and Related Service Practices» [ISQC 1] and, in addition on national statutory requirements and professional standards, especially the Professional Code for Certified Accountants as well as the joint statement of WPK [Chamber of Public Accountants] and IDW [Institute of Public Auditors in Germany]: Requirements for quality assurance in the auditing practice [VO 1/2006].

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed and the evidences obtained on the selected sustainability information marked with the following symbol in the GRI G4 Content Index: ✓

Nature and extent of the assurance engagement

We conducted our work in accordance with the International Standard on Assurance Engagements [ISAE] 3000 [Revised]: «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» of the International Auditing and Assurance Standards Board [IAASB]. These standards require that we comply with our professional duties and plan and perform the assurance engagement to obtain a limited level of assurance to preclude that the above mentioned selected sustainability information is not prepared, in all material respects, in accordance with the aforementioned Reporting Criteria. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement. This includes the assessment of the risk of material misstatement in the Report under consideration of the Reporting Criteria.

¹⁾ Translation of the independent assurance report, authoritative in German language.

Within the scope of our engagement, we performed amongst others the following procedures when conducting the limited assurance:

- An evaluation of the process for determining material aspects and respective boundaries, including results of FMG's stakeholder engagement.
- A risk analysis, including a media search, to identify relevant information on FMG's sustainability performance in the reporting period.
- Interviews with management and relevant staff at Group level who are responsible for the management of material topics.
- An evaluation of the design and implementation of the systems and processes for the collection, processing and control of selected sustainability 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.
- Evaluating internal and external documentation to determine whether selected qualitative and quantitative sustainability information is supported by sufficient evidence and presented in an accurate and balanced manner.

- Analytical assessment of data and trends which were consolidated on Group level and reported by subsidiaries.
- An evaluation of the overall presentation of the selected sustainability information included in our scope.

FMG has in place Class 1 Sound Level Meters for aircraft noise measurements, which are calibrated and assessed on a regular basis. The calculations for consolidating measured noise volumes into the externally disclosed continuous sound levels are made using the TsReporting system of Topsonic Systemhaus GmbH, Würselen, which is a commonly used software in the industry, appropriate for this application. Calculations of the various acoustical parameters basically follow DIN 45643:2011 «Measurement and assessment of aircraft sound». The software company has a valid ISO DIN 9001:2008 certificate. Auditing the applied software's underlying conversion and computation processes has not been part of this assurance engagement.

Conclusion

Based on the procedures performed and evidences received to obtain limited assurance, nothing has come to our attention that causes us to believe that the selected sustainability information for the business year 2015 and marked with the symbol ✓ in the GRI Content Index, are, in all material respects, not prepared in accordance with the Reporting Criteria.

Recommendations

Without affecting the conclusion above, we recommend to further develop methods and processes for systematic stakeholder dialogue.

This assurance report is issued based on an assurance engagement agreed upon with FMG. The assurance engagement to obtain limited assurance is issued on purpose of FMG and the assurance report is solely for information purposes of FMG on the results of the assurance engagement. This assurance report must not be used as basis for [financial] decision-making by third parties of any kind. We have responsibility only towards FMG. We do not assume any responsibility for third parties.

Munich, May 25, 2016

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 Units (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.

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 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. (night-time Leq3). The six busiest months of the year are taken as the reference baseline.

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.

Earnings Before Interest and Taxes (EBIT)

Earnings before interest and taxes [and extraordinary profit/loss, where applicable] is commonly also referred to as operating result or pre-tax profit.

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

European Aviation Safety Agency (EASA)

The European Aviation Safety Agency is the European Union's flight safety body for civil aviation and is based in Cologne.

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 Corporate Governance Code (GCGC)

Regulations for listed companies; the Code promotes good and responsible corporate governance and contains nationally and internationally recognized standards in the form of recommendations and suggestions.

German Sustainability Code (GSC)

The GSC'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, prepares 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 latest GRI guidelines, G4, must be applied to all reports published after December 31, 2015.

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.

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)

The landing and take-off cycle refers to an aircraft's CO₂ 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 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.

The LTO cycle is made up of four phases:

- Airport approach (up to landing)
- Taxi-in from the runway to the aircraft stand and taxi-in from the aircraft stand to the runway
- Take-off
- Climbout

MTOM

Maximum take-off mass for 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). 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 PM₁₀ (particulate matter < 10 µm) describes the proportion of particulate matter with a particle diameter of up to 10 µm. As a subset of PM₁₀, PM_{2.5} contains even smaller particles.

Return on Capital Employed (ROCE)

Business management indicator for showing the profitability of the capital used. It is calculated by dividing the operating profit before or after tax by the total capital minus current liabilities and liquid assets.

Schengen/non-Schengen

Departures and arrivals areas for passengers from member states that have signed up to the Schengen Agreement; these passengers have either arrived directly from one of these states or want to travel to one. No border or

passport controls are needed. Non-Schengen refers to areas for passengers who have arrived from countries that are not party to the Schengen Agreement. Passports and customs checks are required in this case.

Single European Sky ATM Research (SESAR)

Established by the European Commission and EUROCONTROL, SESAR is a pan-European initiative for standardizing, harmonizing, and synchronizing services related to European air traffic management.

Traffic unit (TU)

A measurement unit used to track all commercial passenger and cargo traffic. One TU is equivalent to one passenger who has arrived at or departed from an airport with hand luggage (a total of 100 kilograms) or 100 kilograms of airfreight or airmail turned over or a combination of passenger volumes (arrivals and departures) and the local airfreight and airmail volumes (unloaded and loaded).

Imprint





Published by

Flughafen München GmbH
P.O. Box 23 17 55
85326 Munich
Germany

Responsible for content

Hans-Joachim Bues

Head of Corporate Communications

Jörg Ebbighausen

Head of Corporate Development

Professional management

Petra Röhlein

Head of Corporate Media

Dr. Monica Streck

Head of Strategic Sustainability Management

Editorial team

Helene Hergt, Johannes Endler

Corporate Media

Claudia Scharf, Vera Stelkens

Strategic Sustainability Management

Photos

Flughafen München GmbH
Armin Brosch Fotografie

Page 78, top [butterfly]: OhWeh, Wikimedia Commons, licensed under: Creative Commons License by-sa 2.5, <https://creativecommons.org/licenses/by-sa/2.5/legalcode>

The models in the photos are mainly employees of the Munich Airport Group.

Graphics

Flughafen München GmbH
Publicis Pixelpark, Munich [page 2]

Consulting and design

Kirchhoff Consult AG, Hamburg

Printing

Druckerei Vogl GmbH Co. KG, Zorneding

Paper

MultiOffset
FSC certified

Get in touch

Our editorial team would be happy to answer any questions related to the integrated report:

Johannes Endler

Telephone: +49 89 975 413 50

Claudia Scharf

Telephone: +49 89 975 340 52

E-mail: bericht@munich-airport.de

Further information

Further information on the company is also available on the website:

➤ munich-airport.com/company



For a PDF version of the report, please visit:

➤ munich-airport.com/report



Facebook: facebook.com/flughafenmuenchen

Twitter: twitter.com/muc_airport

App for iPhone and Android: MUC Airport

The German version of this report is legally binding. The Company cannot be held liable for any misunderstandings or misinterpretations arising from this translation.

