Munich Airport

Perspectives

Annual Report 2012

Perspectives

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

M Markets

As a hub, Munich Airport plays an important role for German and international aviation. We meet the needs of our varied customers with a comprehensive range of services and products. In the aviation segment, we handle the air traffic – including passenger services and all air-side and land-side services concerning aircraft handling. With Retail and Hospitality, as well as the Consumer Activities and Real Estate divisions, we also provide a broad portfolio of products and services in the non-aviation segment. Both markets make an almost balanced contribution to our consolidated revenue. Our corporate policy is systematically aligned toward sustainability. The quality and variety of our services make us one of the most attractive airports in the world.


Economy


Environment


Company and Employees

Perspectives 2012

	Motivation	**Markets**	Message
Economy	Our goal is to sharpen our customer focus and enhance the appeal of the products and services we offer air travelers and visitors.	A balanced contribution by all divisions to revenue and value creation levels out cyclical fluctuations and contributes to a sustainable development of earnings.	
Environment	We work to conserve resources and reduce our environmental impacts out of respect for the environment and future generations.	Reduction of environmental impacts resulting from operation of the airport and a conservation-minded approach to dealing with the resources employed are applicable for the entire value-creation chain of our portfolio of services and products.	
Company and Employees	We believe in supporting and empowering our employees, creating value for our customers, and partnering with our region to promote growth.	We promote cooperative development with the region, assume responsibility for our employees, and create added value for our customers.	

The focus of the 2012 report will be our markets.

Contents

Executive board

Thomas Weyer
Vice President and Chief Financial Officer
Chief Infrastructure Officer

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

CEO's letter

Dear Reader,

Twenty years after the opening of the new Munich Airport, despite difficult economic conditions and much turbulence in the aviation industry, passenger volume at Bavaria's gateway to the world has climbed to a new record of 38.4 million. This tops last year's figure by around 600,000 passengers or just two percent. With this rate of growth, Munich is clearly above the trend for Germany as a whole.

In the period between 1992 and 2012, the number of passengers has more than tripled in Munich. The airlines were able to absorb the increased passenger demand last year on the basis of the long-planned fleet upgrades through the use of larger aircraft. Despite the record in passenger numbers, aircraft movements in Munich dropped slightly during the past twelve months, and at around 400,000, was just at three percent below the prior year's level. But compared with the year of the inauguration of the airport, this still is more than double. At an average capacity utilization of the aircraft of just 75 percent, a new record was set – in 1992 this value was only around 62 percent.

With the financial statements for 2012, Flughafen München GmbH converted its financial reporting from the requirements of the German Commercial Code to the International Financial Reporting Standards, or IFRS. The purpose of this conversion is to make our financial statements comparable on an international level, and thus to also increase the ability of our Company to access the capital markets. We achieved a new record high in revenue of almost €1.2 billion. This represents an increase of around five percent over 2011. Profit (EAT) rose to around €95 million. As was the case in past years, we succeeded again in 2012 in raising the yield of our Company. This is evident from the increase again this year in the EBITDA margin, which rose by one percentage point to around 44 percent.

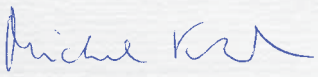
Despite the slight drop in the total number of takeoffs and landings, the existing two-runway system continues to be overburdened. For most of the operating hours of the day, Munich Airport is "booked out." Especially airlines that wish to operate for the first time in Munich or to offer a new destination need a coherent deployment plan for their aircraft rotations with short ground times and up to eight slots per day. Already today, the development of the aircraft movement volume at Munich Airport is also being retarded by the existing bottleneck situation. Therefore, in the coming years only moderate growth will be possible in takeoffs and landings. If this situation should continue to exist in the medium to long term, there would be a migration of airlines and passengers to other airports. Thus, the Free State of Bavaria would lose important competitive and employment effects.

In the meantime, the terminal satellite building has taken on clear contours on the eastern apron. The next milestone will be the topping-out ceremony, which is planned for September 2013. The new passenger building will increase the handling capacity of Munich Airport by eleven million. Thus the airport and Deutsche Lufthansa, which are carrying out this expansion jointly on the model of their joint venture for Terminal 2, are creating a foundation for further increasing the recognized high level of quality in passenger handling and assuring it for the future.

In 2012, Flughafen München GmbH became the first German airport to adopt the German Sustainability Code. In the framework of our corporate strategy characterized by the principle of sustainability, we again in the past year took further measures for avoiding emissions and for achieving carbon-neutral growth. The satellite, which in comparison with the existing buildings is significantly more energy efficient and lower in emissions, is as exemplary for these efforts as the review of existing buildings for energy-saving potentials or the conversion of exterior lighting to electricity-saving, long-life LED technology.

We view with concern the fact that aviation companies domiciled in EU countries must accept an entire series of glaring competitive disadvantages – from strict statutory requirements and regulations all the way to taxes and levies. The restriction of emissions trade to flights within Europe, in view of its lack of competitive neutrality, will be a special burden for European aviation. And the insistence of the German federal government on the national aviation tax in the meantime is driving millions of passengers to airports abroad close to the borders.

Unfortunately, the economic significance of the aviation industry continues to be underestimated politically and by the public. This industry employs more than 800,000 people and creates an efficient connection to a worldwide network of routes for our native enterprises. It is a stimulus for many other industries and plays a key role for our economy. Thus our task as an industry will be to work in social and political dialogue toward making this eminently important catalyst function clear so that aviation can continue in the future to contribute to prosperity and employment in our country. Nationwide night-flight prohibitions or additional taxes on the German aviation industry – such as a national kerosene tax – would lead to a further weakening of our key industry, which cannot be in the interest of our common good.



Dr. Michael Kerkloh

Management team

Johann Bernhard [1]
Director, Senior Vice President
Engineering and Facilities

Carsten Wilmsen [2]
Senior Vice President
Real Estate

Dr. Robert Scharpf [3]
Director, Senior Vice President
Human Resources

Siegfried Pasler [4]
Chief Executive Officer, AeroGround
Flughafen München GmbH

Michael Roth [5]
Senior Vice President
Corporate Services

Hans-Joachim Bues [6]
Senior Vice President
Corporate Communications

Gerhard Wirth [7]
Senior Vice President Security

Michael Zaddach [8]
Senior Vice President IT

Frank Neumann [9]
Senior Vice President
Corporate Development (Acting)

Josef-Heinz Loichinger [10]
Director, Senior Vice President
Finance and Controlling

Michael Richter [11]
Chief Executive Officer, AeroGround
Flughafen München GmbH

Rainer Beeck [12]
Director, Senior Vice President
Consumer Activities

Andreas von Puttkamer [13]
Director, Senior Vice President
Aviation

Dr. Josef Schwendner [14]
Director, Senior Vice President
Legal Affairs, Compliance and
Environment

Celebrating 20 years of Munich Airport

1992: The opening celebration
On May 11, six days before its actual commissioning, the opening celebration of the airport at the new location in Erdinger Moos took place. Two thousand guests of honor, including Queen Silvia of Sweden, follow the release of the first takeoff of an Airbus A340.

1992: The move
From May 16 to the early Sunday morning on May 17, a total of 1,600 trucks and other special vehicles transported the "inventory" of the airport to the new location. On that morning, the organizers and around 5,000 moving helpers breathe a sigh of relief: The marathon move planned in great detail for years takes place punctually and smoothly.

1992: The official launch
A Boeing 747 of Deutsche Lufthansa lifts off at 5:55 a.m. on May 17 with invited guests for the initial flight from the new airport. Around 1,200 journalists from around the world reported on the move and commissioning of the new airport.

1993: 1.7 million visitors
On May 17, the new airport celebrates its first birthday. In its first year more than 12.4 million passengers took off or landed, and 1.7 million came as visitors.

1994: Kempinski Hotel opens
On April 1, the Munich Airport Kempinski Hotel begins operations. The five-star hotel has almost 400 rooms and suites, conference rooms, restaurants, bars, and a sport and fitness center.

1996: 50 million passengers
On January 24, the 50 millionth passenger lands in a Lufthansa Airbus A340 from Chicago. He is received by the Bavarian State Minister of Finance, Erwin Huber, and Willi Hermsen, CEO of FMG.

1997: The airport turns five
FMG celebrates the fifth anniversary of the airport with 50 children from all over Bavaria who also have a birthday on this day. In the first five years of its existence, more than 70 million passengers were handled at the Munich Airport, and takeoffs and landings numbered more than a million.

1998: Joint venture for Terminal 2
On April 30. FMG and Lufthansa announce that they will jointly finance and operate Terminal 2. Lufthansa is thus integrated into the entrepreneurial responsibility for the further development of Munich Airport.

1999: MAC opens
On September 14, Munich Airport Center (MAC) opens with a gala evening. Fittingly for the international flair of the new Business and Service Center, the celebration is dramatized as a musical world tour with around 550 artists from four continents.

2001: Topping-off celebration for the new terminal
On November 26, the topping-off celebration was held for Terminal 2. The new terminal building has a total capacity of 20 to 25 million passengers. Lufthansa and its airline partners will receive an exclusive right to use Terminal 2.

2002: MUC turns ten years old
From May 17 through 20, FMG, together with around 400 guests, celebrates the tenth anniversary of the opening of Munich Airport at the new location. The anniversary is the occasion for a series of festivities and a big party in the MAC.

2003: Opening of Terminal 2
On June 27, the new Terminal 2 is officially opened. On its first day of operation, June 29, out of just under 900 aircraft movements around 600 flights are handled through the new building. On this day, 50,000 passengers use Terminal 2 with its modern terminal facilities.

2004: Approval for the A380
In April, Munich Airport is officially approved as the first European airport for traffic with aircraft of the type Airbus A380. Thus it meets the high requirements of the International Civil Aviation Organization (ICAO).

2005: First time best airport in Europe
In a survey of more than five million travelers from 90 countries, Munich Airport for the first time places as best airport in Europe. It takes fourth place in the rankings. The "World Airport Award" is based on the world's largest survey on airport standards.

2005: Commencement of planning for a third runway
The annual general meeting on July 26 gives FMG approval to begin plans for the construction of a third takeoff and landing runway. Through this expansion, FMG will lay the foundation for further growth.

2006: Day care center opens
On November 28, a day care center opens at Munich Airport, the first at a German airport. The facility of Flughafen München GmbH unites the functions of nursery, kindergarten, and after-school care.

2007: A380 lands in Munich
On March 28, the Airbus A380, the most modern and largest commercial aircraft, lands for the first time on Bavarian soil. At 12:35 p.m. it touches down on the south runway of Munich Airport before the eyes of more than ten thousand interested aviation fans.

2008: 100 million passengers in five years
On June 10, just a little less than five years after the opening of Terminal 2, FMG and Lufthansa welcome the 100 millionth guest, who lands with a Lufthansa Airbus A330-300 out of New York. The fifth anniversary of the building is celebrated on June 29.

2009: FMG turns 60
On October 12, FMG, the operator of Munich Airport, celebrates its 60th anniversary. In 1949, "Flughafen München-Riem Gesellschaft mbH" employed 134 employees. Today, around 30,000 employees work on the campus in 550 companies. Around 7,400 are employed in the FMG Group.

2010: Second hotel at the airport
On April 20, the Hotel chain Accor opens the Novotel Munich Airport at Munich Airport. This upper midscale hotel with its 257 standard and executive rooms offers a restaurant, lounges, meeting rooms, and a wellness area with fitness room.

2011: Emirates Airline flies with the A380
On November 25, the Emirates Airline uses the Airbus A380, the largest passenger aircraft in the world, for the first time for one of its two daily flights from Munich to Dubai. The Emirates Airline is the first foreign airline that regularly flies an Airbus A380 to Germany.

Highlights 2012

Certificate renewed
The "Level 3" certificate, which Munich Airport received in the framework of the climate protection initiative "Airport Carbon Accreditation" in March 2011, as the first German airport, is renewed on January 31 by the Airport Council International Europe, the umbrella organization of European airports.

Daily flights to Beijing
During the summer timetable season, which extends from March 25 through October 27, a total of 216 destinations are served worldwide on a regular basis.

Number six worldwide
In the "World Airport Awards," the worldwide survey by Skytrax, Munich Airport takes sixth place in April following Seoul, Singapore, Hong Kong, Amsterdam, and Beijing. Both in entertainment and in dining services, Munich came in at number 3 among the total of almost 400 airports assessed.

Laying of the cornerstone for the satellite
On April 23, the cornerstone was laid for the terminal satellite on the east apron. The new building, which is scheduled to be completed in 2015, will create the capacity to handle an additional eleven million passengers a year.

Munich Airport turns 20
From May 17 through 20, Munich Airport celebrates the 20th anniversary of its opening at the new location. The high points are a reception, an interdenominational worship service, evening events with well-known artists, a benefit concert, and a program for small guests.

Referendum on the third runway
Even following the negative outcome of the referendum concerning the third runway in the state capital on June 17, Flughafen München GmbH continues to hold to the demand-driven expansion of Munich Airport.

500 millionth passenger
On July 24, Munich Airport greets its 500 millionth passenger. He arrives with an Airbus A320 of Lufthansa from Moscow and is received by FMG supervisory board chairman Dr. Markus Söder, airport CEO Dr. Michael Kerkloh, and the head of Station and Infrastructure of Deutsche Lufthansa, Burkhard Feuge.

Freight-forwarder facility
On September 13, the second freight-forwarder building with an area of 16,000 square meters was placed in service at the airport. The capital investment for the new freight complex, for the construction of which FMG followed the specifications of the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB), comes to €12.5 million.

LH: Nonstop to Cape Town
During the winter timetable season, which extends from October 28, 2012 through March 30, 2013, 77 airlines fly on a regular basis to 185 destinations in 63 countries.

New post for airport CEO
Dr. Michael Kerkloh, who for ten years has been the CEO of Flughafen München GmbH, is elected as the new president of the German Airports Association (ADV), the umbrella association of German airports.

Topping-off celebration for the day care center
On November 30, the new day care center at Munich Airport, which can be used by the employees of FMG and its subsidiaries as well as other companies located at the airport, holds its topping-off celebration. The number of children cared for in the new day care center is increased from currently 27 to 48.

Premier of the "Dreamliner"
On December 14, LOT Polish Airlines utilizes as the first European operator the Dreamliner, today's most modern and quietest intercontinental aircraft in the world, in scheduled service from Warsaw to Munich. The fuselage of the Boeing 787-8 consists for the most part of carbon-fiber-reinforced plastic.

1.6%
passenger growth above the German average

7th place
among the top ten airports of Europe

51:49
split of consolidated revenue between Aviation and Non-Aviation

Flight operations


45:55
split between business and non-business travelers
39%
transfer passengers
Passengers

MAC-Forum

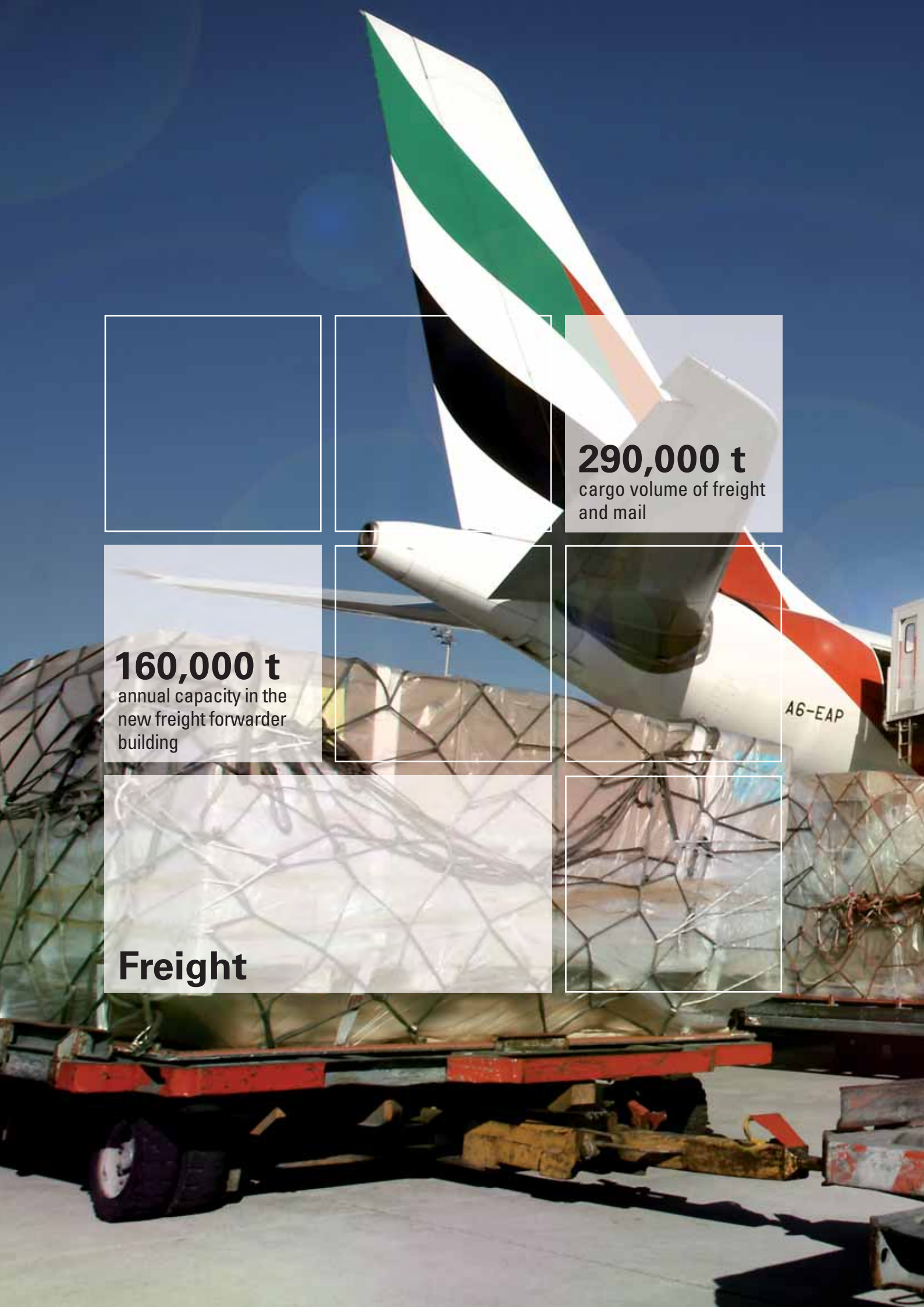
Europe's largest covered open-air space

10,000 m²

space for events of all kinds

Events


randstad
EDEKA
EDEKA
EDEKA
EDEKA
EDEKA



290,000 t
cargo volume of freight and mail

160,000 t
annual capacity in the new freight forwarder building

Freight


B 737

"Best Airport Staff in Europe"
award for Munich Airport in customer satisfaction

37,000 m²
of broad mix of shops, service establishments and dining

Retail

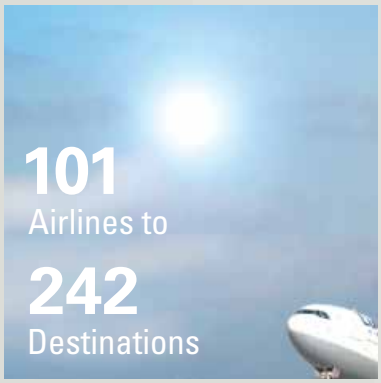
90%
of foodstuffs from the local area

48
numerous dining establishments – from Asian to Bavarian to 100% organic

Airbräu
world's only brewery at an airport

Dining

Adoption of the German Sustainability Code



A satellite for Terminal 2

20 years at the new location

Company profile and strategy

Company profile

→ munich-airport.com/portrait

Corporate structure and overview

Flughafen München GmbH (FMG), founded in 1949, operates Munich Airport. The Company is headquartered in Munich. Since 1973, the Company has been co-owned by the Free State of Bavaria (51 percent), the Federal Republic of Germany (26 percent), and the City of Munich (23 percent). The Group, which has around 7,443 employees,[1] is active at Munich Airport. With the exception of consulting services provided to other international airports, the Group's activities are confined to Munich Airport.

→ Movie: munich-airport.de/de/micro/newsroom/mediathek/filme/filmimagefilm2013/index.jsp

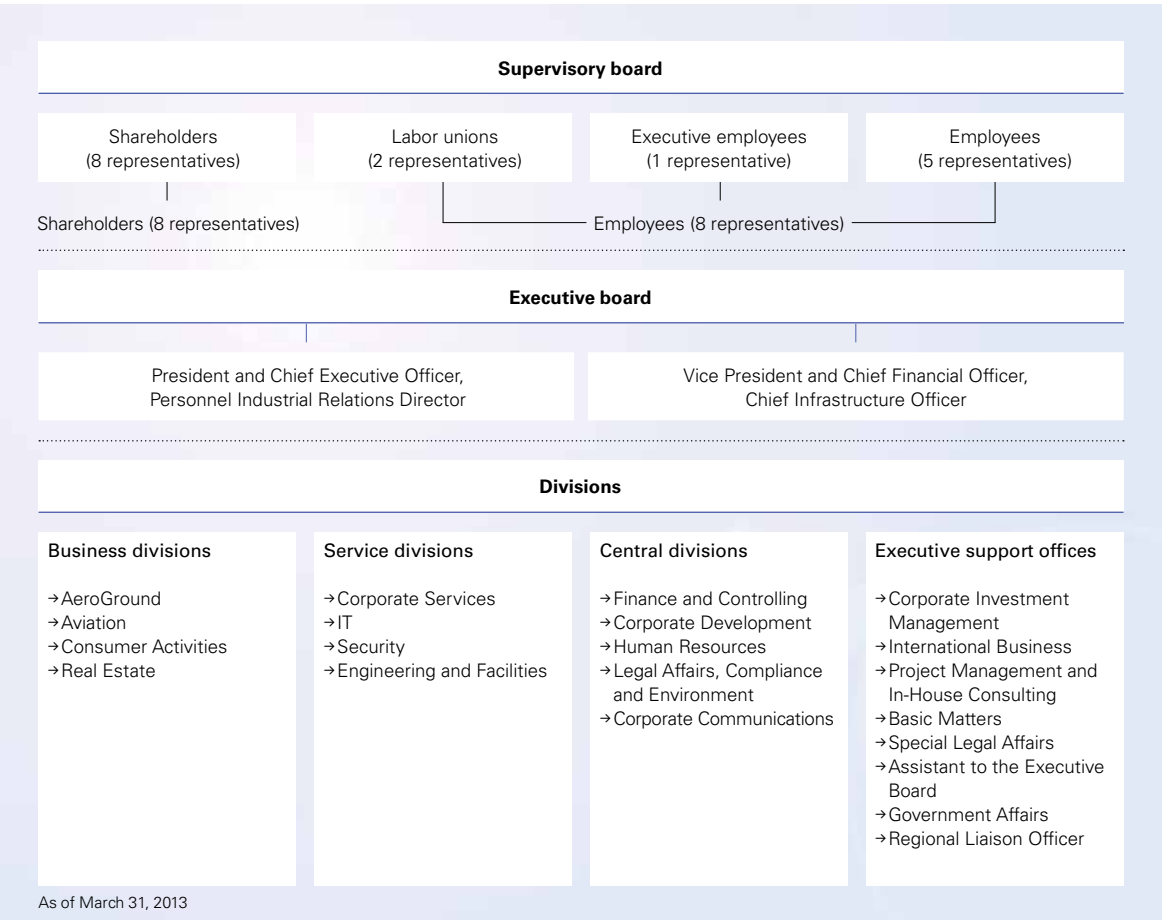
Structurally, all essential corporate functions of FMG are divided into business divisions, service divisions, and central divisions. While the business divisions operate independently in their markets, the support divisions primarily work internally and support the business divisions. The central divisions are responsible for overall management and control of the airport. The four business divisions of the Company are Aviation, Consumer Activities, Real Estate, and the wholly owned subsidiary AeroGround. The organizational merger of the business division Real Estate Management and Development with the support division Planning and Construction was implemented in the first quarter of 2013.

The four business divisions of FMG

AeroGround

AeroGround Flughafen München GmbH, a wholly owned subsidiary of FMG, is firmly anchored as a division in the organizational structure of the parent company. Through its close cooperation with its sister companies aerogate and Cargogate, it covers the complete service spectrum for land-side and air-side aviation services and as a full-service provider offers customers individual services packages from one source.

Organizational structure and governing bodies of Flughafen München GmbH



As of March 31, 2013

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

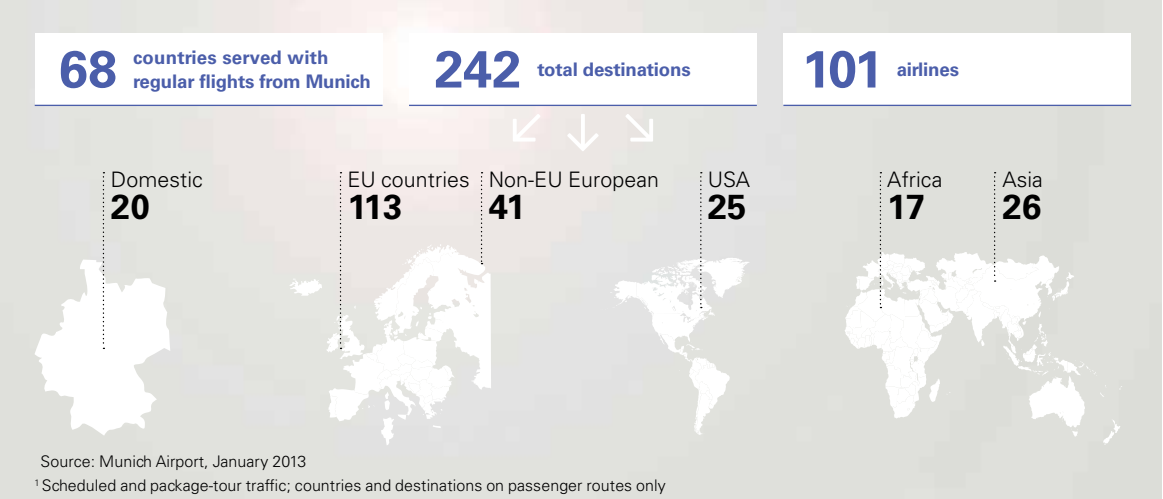
Aviation

The primary mission of the Aviation division is the orderly handling of air traffic at Munich Airport. Its areas of responsibility include the runway system, apron areas, terminal and passenger services, and central infrastructure (for example, air bridges and baggage transportation system). This division is also responsible, for example, for the airport's firefighting service, processing aviation data, preparing traffic forecasts, marketing the airport, developing traffic, and managing the airport's lounge and service center operations for passengers.

Consumer Activities

Consumer Activities is responsible for the conception and design of end-customer business at Munich Airport. Its activities include developing, marketing, and managing retail, hospitality, shops, and advertising in line with consumer demand. In addition, it is responsible for the business unit Parking and Services.

Destinations regularly served [1]



Source: Munich Airport, January 2013
[1] Scheduled and package-tour traffic; countries and destinations on passenger routes only

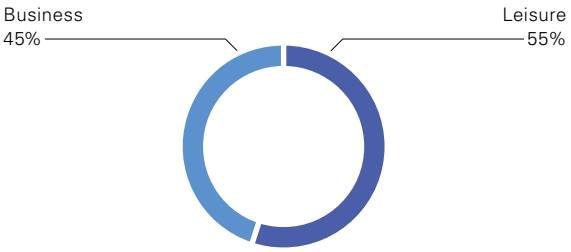
Real Estate

The new Real Estate division was created at the beginning of the year 2013 from the merger of the Real Estate Management and Development and the Planning and Construction units. Its services comprise essentially the retention or enhancement of the value of real estate holdings and the development of new real estate projects. The portfolio of properties comprises primarily infrastructure facilities at the airport itself, but also properties outside of the airport as well as land acquired for future expansion. Focal points of its work in the year 2012, alongside the reorganization, were on the development of a long-term real estate strategy 2025.

20 years at the new location

On May 17, 1992, the airport commenced operation at the new location in Erdinger Moos, 28.5 kilometers northeast of the center of the Bavarian capital Munich. In its entirety, the airport campus is 1,575 hectares in area. Two runways are available for handling flights, which can operate independently of each other. Both the north and the south runways are 4,000 meters long and 60 meters wide. They are situated parallel to each other 2,300 meters apart and offset by 1,500 meters.

Passengers' reasons for travel in Terminals 1 and 2
Total passengers: 38.4 million



Source: Flughafen München GmbH, passenger survey 2012

Best brand among the passengers

In 2012, 38.4 million passengers used Munich Airport, just at two percent more than in the prior year. This corresponds to an average volume of 104,810 passengers per day (2011: 103,462). In addition, aircraft movements in commercial traffic came to 398,039, representing an average of 1,060 takeoffs and landings per day, and thus 35 fewer than in the year before. Transportation services in the area of airfreight and airmail were at more than 290,000 tons, and thus four percent lower than in 2011. The volume of cargo was 793 tons per day (2011: 832 tons).

Location for many sectors and industries

The two largest employers on the airport campus are the FMG Group with around 7,400 employees and the Lufthansa Group with almost 10,000. In total, almost 30,000 people work at the airport, including more than 25,300 employees and around 1,700 public

servants, in ten different sectors and industries. The majority of airport workers (almost 10,300) are employed by airlines or in the general aviation and handling sectors; a further 7,700 or so work in airport operations and security; 2,800 are involved in general services; and 2,500 work in the hospitality, restaurant, and catering industry. Besides the various public and government agencies and offices, there are organizations in a number of other sectors at the airport – including banking and commerce, freight warehousing and forwarding, engineering, servicing and maintenance, car hire, bus and transfer services, and travel and tourism – which together employ a further 6,300 people.[1]

4.6 percent more revenue

The increase in passenger numbers at Munich Airport had a positive effect on the development of sales and earnings. In 2012, the FMG Group realized sales of €1,186.8 million, which represents an increase over the prior year of 4.6 percent. The increase in revenue is greater than the rise in passenger figures (+1.6 percent). The Aviation and the Non-Aviation areas both contributed to this disproportionately large increase in revenue. As in the prior years, the Non-Aviation areas contributed around 49 percent to consolidated revenue.

Operating and total earnings up sharply

The revenue increase and Company's active cost management led to significantly improved earnings in 2012. Adjusted operating result (EBIT) rose by €39.2 million or +16 percent to €278.4 million. Adjusted Group earnings after taxes (EAT) increased by more than 50 percent to €95.3 million (prior year: €60.9 million).

Distribution of operating directions west and east

Takeoffs Landings

[1] Data based on our 2009 workplace survey. The data from the 2012 survey was not available at the editorial deadline.

Corporate strategy

What we mean by sustainability

Focuses of sustainability management

Company and management

Environmental and climate protection

Dialogue and social responsibility

Workforce and work environment

Materiality matrix fields

- → Sustainable value creation
- → Location development (expansion at the location)
- → Sustainable construction (energy-efficient construction)
- → Product and services portfolio in line with demand
- → Compliance (legal certainty and anticorruption)
- → Sustainability in the corporate value creation chain

- → Environmental management
- → Reduction of greenhouse gas emissions
- → Reduction of emissions and other impacts
- → Resource conservation and efficiency increase

- → Regional dialogue
- → Regional value creation
- → Regional sponsoring
- → Communications with social stakeholder groups [1]

- → Process optimization
- → Health management
- → Skills management
- → Employee satisfaction
- → Employee recruitment and training
- → Knowledge sharing and innovation

Overview of sustainability targets

- → Sustain value creation through a yield-driven business model and continued investment in our location
- → Improve customer focus and product and service portfolio
- → Establish management structures to foster responsible corporate leadership

- → Expand environmental management system company-wide
- → Increase resource efficiency and reduce emissions and other impacts

- → Develop in partnership with the region
- → Embrace social responsibility
- → Maintain well-directed communications with social stakeholder groups

- → Increase efficiency through collective and in-house general conditions and employable employees
- → Establish and continually further develop excellent leadership in the Group
- → Increase attractiveness as an employer and strengthen employee loyalty
- → Strategically develop the Group with employees in sufficient number and facilitate the necessary skills
- → Promote employee skills and strengthen performance orientation

Sustainability program

Sustainability program with specific measures beginning on page 202

[1] Field was added in 2012 and is not yet depicted in the matrix.

Goal: Sustainable development

Munich Airport is well on the way to achieving its goal of becoming one of the world's most sustainable hub airports by 2015. Since 2010, sustainability has been a central element of our corporate mission. In order to fulfill this mission, FMG prepared a strategic mission statement, which brings the central areas of action together and forms the basis for a common understanding of the future development of Munich Airport.

The four central fields of action are derived from the three perspectives of sustainability: economy, ecology, and society. They contain strategic goals that will have to be implemented through being substantively fleshed out. In this way, sustainability will be translated into corporate action through various projects and packages of measures.

The business model of FMG is oriented toward sustainability. Externally this is presented through the publication of an integrated report, which contains both the Company's business activity and its activities in the area of sustainability. FMG is also active in the International Integrated Reporting Council (IIRC) so that it can participate in the development in the area of sustainability.

Strategy and management

The importance of long-term, responsible, and future-oriented thought and action is proving to be greater than ever before in the strategic positioning of the airport. Basically the Company is working to analyze the social challenges arising from the political discussion and, if a need for action is found, to integrate them into the strategic alignment of the Company. In this way, responsible airport development spanning multiple generations is to be ensured. The goal is for the society to accept the operation and expansion of the airport in line with the need.

Our social responsibility is reflected in the ecological, social, and charitable projects and measures, such as our initiatives for CO_2-neutral growth, continual employee development, and the regional dialogue we have institutionalized. In this field, the airport even today is setting standards within the industry and beyond. In the development of its business model, FMG also sees itself as responsible for its employees, the region, and the Free State of Bavaria.

A strategic goal of Munich Airport is its development in the direction of being an international hub airport – in the jargon of the industry, a "primary hub." This alignment has many advantages compared with an origin & destination positioning, the emphasis of which is on point-to-point connections from A to B. The hub model guarantees that Munich Airport will participate not only in local but also in international growth of traffic. This model is stronger in times of crisis than other models and provides a high degree of capacity utilization for the aircraft employed. The most important premise for the retention of this position, however, is that it be possible to create the necessary capacities.

→ munich-airport.com/mission

→ munich-airport.com/program

Alongside the sustainable development of air traffic, the airport is pursuing the goal of maximum utilization of the demand potential for transportation services and thus the achievement of the highest possible value creation. Our employees as well as our public-sector shareholders will benefit from this. The non-aviation activities of the Group in fields such as retail and hospitality as well as the parallel development of airport-related real properties make an important contribution in this regard, strengthening the earnings power of the airport and at the same time reducing its dependence on the aviation market.

→ theiirc.org/

The current strategy developed to the year 2025 pursues the goal of further minimizing the dependence of aviation from location-specific bottlenecks. In the framework of implementing the strategy, the qualitative strategic goals of the airport will have to be fleshed out with the help of quantitative goals. These quantitative goals are assigned in the framework of a "balanced scorecard" to the aspects finance, customer/market, processes, and employees. Under the plan, there will be a further rough implementation plan for achievement of these goals in the form of initiatives, which are broken down in turn into individual measures.

While executive management is responsible for achieving the strategic goals, the division heads (first leadership level) or the business field heads (second leadership level) are responsible for initiatives and measures. Implementation of corporate strategy – from our mission at the topmost level in the organization all the way down to managers' individual annual targets – is also the foundation for performance-based remuneration. The latter helps us to deliver our strategy effectively and achieve sustainability targets in the work carried out by our business units. The attainment of the individual goals is reviewed on a regular basis in the framework of internal management reporting.

→ munich-airport.com/strategy

Sustainability panel makes project decisions

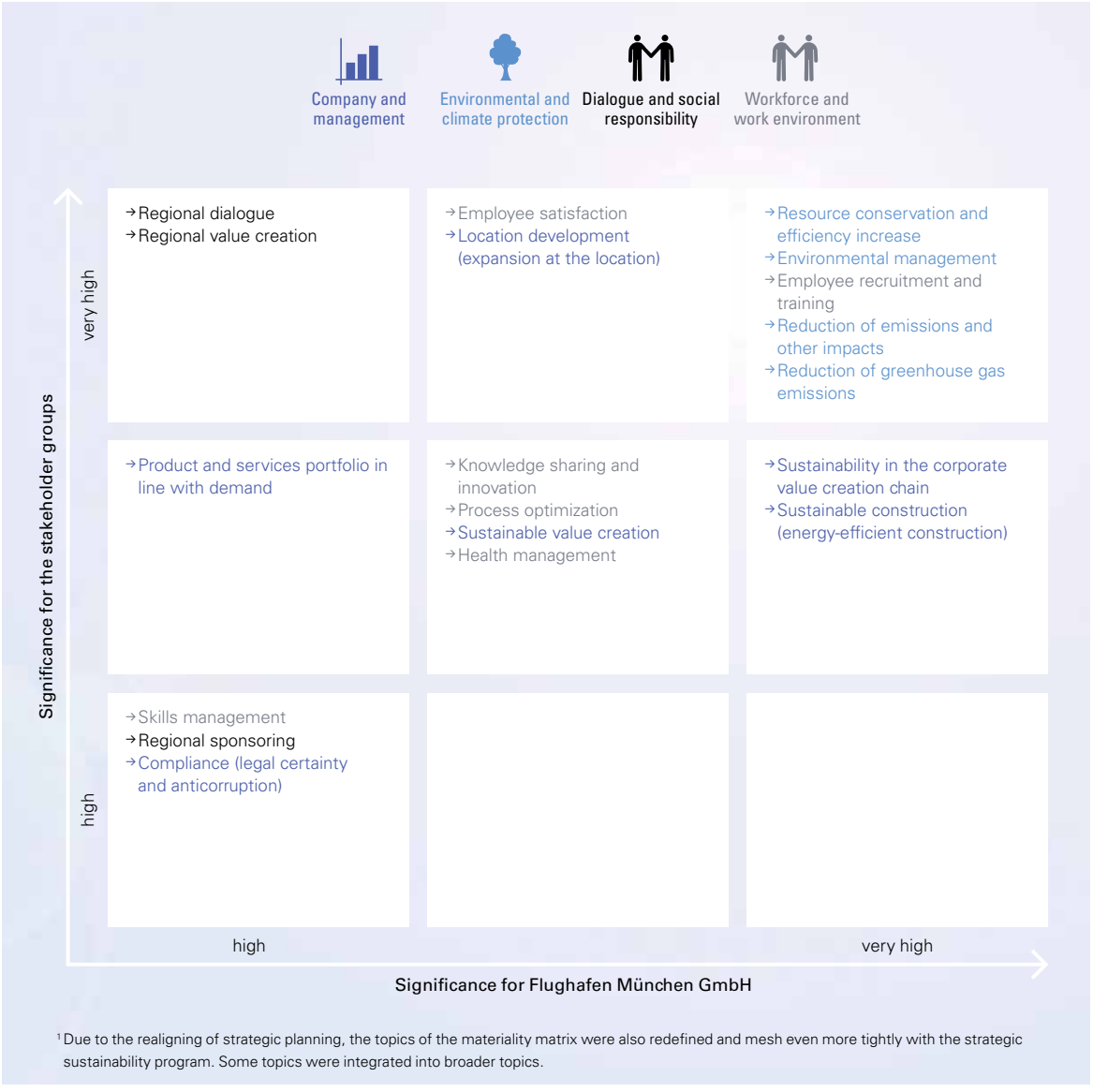
The sustainability panel is composed of the heads of Human Resources, Finance and Controlling, Corporate Communications, Engineering, and Corporate Development. The panel makes fundamental decisions on sustainability-based projects. It reports directly to executive management and meets once every semester.

Materiality matrix

The matrix presented prioritizes topics – both for the stakeholder groups and for FMG itself – and brings them together in one presentation. The relevance of a topic for the stakeholders is assessed through an annual survey of the stakeholder groups. The feedback received affirmed the thematic focuses, resulting only in minor changes. More importance was accorded to "Employee satisfaction," "Resource conservation and efficiency increase," and "Knowledge sharing and innovation," while "Compliance" was seen as less important than previously.

To determine the relevance of the topics for Flughafen München GmbH, the management staff of the Group and its subsidiaries were surveyed. Here, too, there were hardly any deviations from the prior year. The topics "Knowledge sharing and innovation" and "Resource conservation and efficiency increase" gained in significance, while the topics "Compliance" and "Regional dialogue" fell slightly. The changes

Materiality matrix[1]



[1] Due to the realigning of strategic planning, the topics of the materiality matrix were also redefined and mesh even more tightly with the strategic sustainability program. Some topics were integrated into broader topics.

resulting for the stakeholder groups and within the Group were taken into account in the new matrix.

Adoption of the German Sustainability Code

In 2012, Flughafen München GmbH adopted the German Sustainability Code as the first German airport operator. The code was initiated by the German Council for Sustainable Development, which has advised the German government since the year 2001. To date, a total of 41 publicly traded and mid-sized companies from various branches of the economy have adopted the code and have thus committed themselves to take sustainability goals in to account in the scope of their corporate responsibility. Other companies that have joined the code include Allianz, BMW, BASF, Puma, Siemens, and VW.

European initiative for sustainable air transport

Experts from the fields of aviation and air transport, together with the EU Directorate-General for Research and Innovation, were tasked by the European Commission's vice president responsible for transport with developing a new vision for aviation in 2050. "Flightpath 2050" is the logical extension of measures in the area of air transport initially proposed in a European Commission transport whitepaper published on March 28, 2011. Flughafen München GmbH's president and CEO, Dr. Michael Kerkloh, representing European airports, helped shape this long-term strategy. Designed to promote sustainable growth in aviation at the EU level, the strategy focuses on strengthening the competitiveness of Europe's air transport industry, on achieving significant further reductions in air traffic's emissions, and on satisfying the general need for mobility. In addition, all transport modes are to be optimally networked.

In the past two years, the objectives outlined in Flightpath were developed in detail by the Advisory Council for Aviation Research in Europe (ACARE). In an initial step, five working groups with a total of more than 300 specialists are preparing an agenda on research and innovation projects to be implemented through the year 2050. The agenda was adopted in July 2012 and was published at the ILA Berlin Air Show in September 2012. Flughafen München GmbH was actively involved in this process, both as a member of ACARE's governing body, the General Assembly, and as the organization heading one of the five working groups. The Company was particularly keen to encourage greater intermodality by creating more attractive, customer-friendly links between aviation and other modes of transport, to further reduce air traffic's environmental footprint (particularly for communities located close to airports), and to optimize airport facilities, processes, and aviation procedures. Currently, FMG is represented on behalf of the EU Commission as the only European airport operator in a work group that is preparing a "road map" for research topics spanning transport modes in matters of infrastructure.

Deutscher Nachhaltigkeits Kodex

→ nachhaltigkeitsrat.de/projekte/eigene-projekte/deutscher-nachhaltigkeits-kodex/

→ acare4europe.org/sria

Master plan

Further development of the airport campus

Expansion of non-aviation business

Since its opening in 1992, Munich Airport has gone through an impressive change. The rapid growth of passenger and freight traffic made a continuous adaptation and expansion of the airport facility to this demand necessary. This growth was further accelerated in particular by the system partnership with Lufthansa and the airport's development into a hub for the Star Alliance. Since then, more and more transit passengers from all over the world are appreciating its quality of service and special atmosphere.

But Munich Airport is definitely more than "just" a way station for travelers. It is also a workplace for employees and the destination of business partners and visitors. Thus in addition to pure flight operations, the airport offers a wide array of services, extending from hotels, retail, and dining to conventions, events, and a medical center. Already today, non-aviation business accounts for almost half of total revenues, and the trend continues to grow. The opening of the airport for new business fields at the same time levels the way for cooperation with partners from industry and the service sector. The expansion of the palette of services leads to a successive structural change of the airport facility, which takes on more and more city-like structures. In this development, FMG places great value on high architectural quality on its campus and on the special identity of the airport as Bavaria's gateway to the world continuing to apply in the future.

→ munich-airport.com/regional-fund

Consistent design principles

Each structural expansion project at Munich Airport is preceded by a process of careful deliberation weighing economic efficiency, functionality, and design quality. Against this background, FMG already in 1999 established a body with experts from the fields of architecture, urban development, and landscape planning. This Design Council meets four times a year and advises the executive management of Flughafen München GmbH in all basic questions of architecture and design.

→ munich-airport.com/de/micro/gestaltung/index.jsp

The design guidelines form the basis for the Design Council in making its assessments. These guidelines bring together the most important design principles as guidance and recommendation for all new planning projects. Among these principles is the goal of an outstandingly high level of design, the preservation, maintenance, and further development of the airport facilities, resource conservation and efficiency, and involvement of all parties affected. This is to be ensured through transparent communications, consideration of mutual effects between the overall design and its individual parts, and selection among alternatives. The guidelines were first prepared in the year 1991 – shortly before the present location was placed into operation – and since then have been continually expanded. With the assistance of the Design Council, the design guidelines were completely revised and reissued in September 2012.

Improvement of airport access

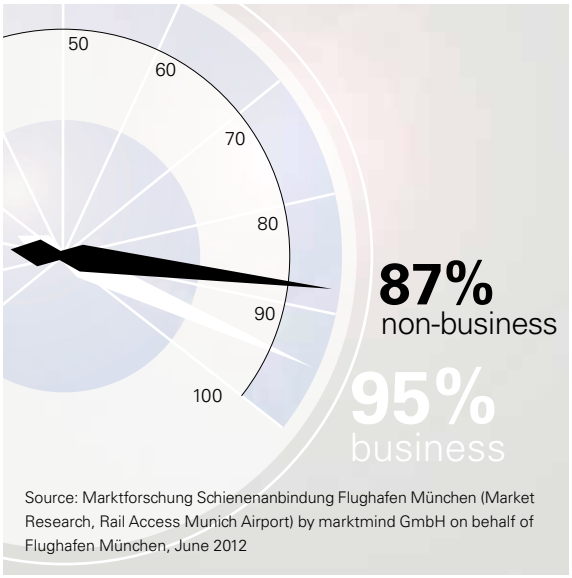
Commitment to land-side transportation projects

In air transport, Munich Airport is one of Europe's important hubs and at the same time one of the largest intermodal transport hubs in Germany. Attractive, customer-oriented access by road and rail is a prerequisite for the state to meet the high standards for service and quality demanded in international competition for ground access as well. Intensified networking of the individual modes of transportation is an absolute requirement for the sustainable configuring of the mobility of the future. In contrast to roads, which currently are being expanded in line with demand, there continues to be a large backlog of demand for rail. Munich Airport is involved in this cause far beyond its actual degree of responsibility.

Seamless travel plays an important role

The market research, begun in 2011 with a qualitative phase on the topic of "Rail Access to Munich Airport," was continued in the first half of 2012. Statements concerning its deficits and the demands of customers for optimal rail access were statistically underpinned in the second, quantitative phase of the market research in 1,700 personal interviews. The results of the survey

Importance of seamless transfer



Source: Marktforschung Schienenanbindung Flughafen München (Market Research, Rail Access Munich Airport) by marktmind GmbH on behalf of Flughafen München, June 2012

were that for 87 percent of non-business travelers and for 95 percent of business travelers, seamless transfer to the airport plays an immensely important role.

Embodied in the "seamless travel" principle are the aspects time efficiency and comfort. A direct rail connection and faster, more convenient transfer are very important to passengers.

Against this background, Munich Airport will work with great commitment for improvement of the rail access in line with customer needs and desires.

Strengthening of rail-air intermodality

In an expert discussion in the BahnTower in Berlin, moderated by the Federal Association of the German Air Transport Industry (Bundesverband der Deutschen Luftverkehrswirtschaft, BDL) in October 2012, Deutsche Bahn AG and Flughafen München GmbH forcefully pointed out the necessity of improving the linking of modes of transport at interfaces such as Munich Airport. The connection of the Munich Airport to the long-distance network of the German railway system is an important concern in this regard.

The occasion for the initial joint push by Deutsche Bahn and Munich Airport was a study initiated by Munich Airport of the benefits of intermodality for transport and for the economy. The study, which was technically assisted by the Federal Ministry for Transport, Building, and Urban Development, quantifies the additional economic benefits resulting from the interconnection of rail and air transport modalities. This benefit results mainly from the shifting of road transport onto rails, the shortening of travel times, employment effects, avoidance of transfers, and the reduction of CO_2 emissions. The positive economic effects of rail-air intermodality, according to the study, come to €268 million annually for the entire country. Up to that point, only a benefit of €106 million was used as a basis in the rail requirements plan.

With the altered valuation of the economic effects, the cost-benefit ratio, which is so critical for the prospects for realization of transportation projects, improved significantly for construction projects that relate to airport commuter transport on rails. In view of the new Federal Transport Infrastructure Plan announced for 2015, the experts are proposing such a modified valuation for the expansion project Munich–Mühldorf–Freilassing. The expansion and electrification of this rail line is a prerequisite for future trains to be able to run from Munich Airport directly to Freilassing and Salzburg over the Erding circular rail link. In a supplemental case study commissioned by Munich Airport, it was demonstrated that the cost-benefit ratio could be increased by 35 percent.

Expansion of Munich Airport

Third takeoff and landing runway

National economic dimensions

For the state of Bavaria and the local region, an efficient hub airport is a significant location factor, not least because access to air transport plays a crucial role for the state's exporting industries. With an export rate of around 50 percent, Bavaria is one of the most economically successful regions, not just in Europe but in the whole world. The state also enjoys an outstanding reputation as a center of research and development, a hotbed of cutting-edge technology, a major banking and trade show location, and a strong logistics center. On top of this, Bavaria is the number-one tourist destination in Germany.

→
muc-ausbau.de

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

To quote the state government's strategy paper for future development, "Action must be taken in the long term to ensure that Munich's commercial airport, an important European aviation hub, can expand in line with demand and operate efficiently." In the current draft of a complete updating of Bavaria's state strategy paper, the principle was established that the commercial airport of Munich as a European hub will ensure Bavaria's intercontinental air connection and the national and international air connection of south Bavaria. The construction of a third takeoff and landing runway is expressly set as a goal of the state development.

The construction of a third runway would lead to the creation of 11,000 new jobs compared to today. Deutsche Lufthansa AG, for instance, is planning to boost the size of its long-haul fleet from currently 24 jets to between 35 and 40. Stationing a single A340-600 long-haul jet will create 220 jobs directly at the airport, plus additional jobs in other companies. In terms of its importance for the labor market it can be compared to the arrival of a substantial mid-sized company. The growth projected for Munich Airport will therefore continue to have a positive impact on employment. The construction of the third runway, for which an investment of around €1.2 billion is expected, also represents an exceptionally important economic stimulus.

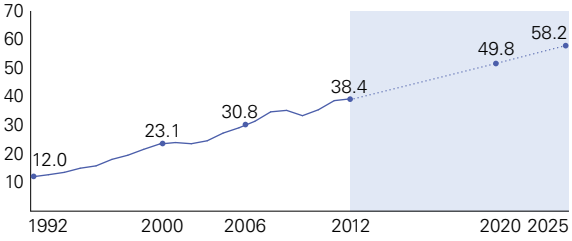
At the limits of capacity

Currently at peak hours there are regularly bottlenecks on both of the takeoff and landing runways, which support a maximum of 90 aircraft movements an hour. During the core operating period from 6:00 a.m. to 10:00 p.m., the capacity of the two-runway system is exhausted for many hours a day. Therefore, it is now hardly possible for the demand of the airlines for slots (scheduled times at which planes can take off and land) to be met. Even during off-peak hours, there are now few options for additional traffic.

This is confirmed by independent studies. Thus, for example, the German Center for Aerospace (DLR) in its Aviation Report 2007 attested that Munich Airport was already utilizing 90 percent of its capacity in 2006 for planned flights – in contrast to assertions to the contrary during the referendum against the third runway. A study for the EU carried by British consultancy

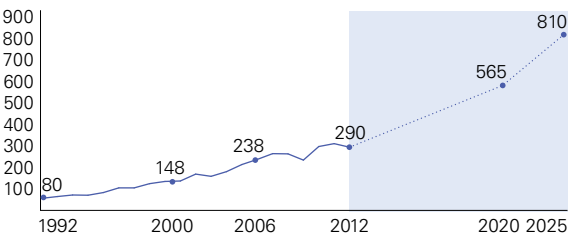
Demand forecast through 2025
Passenger volume – Development and forecast

Commercial passengers in millions



Source: Munich Airport, February 2013, Intraplan Consult GmbH

Demand forecast through 2025
Freight volume – Development and forecast
(incl. mail, excluding trucking)
in thousands of tons



Source: Munich Airport, February 2013, Intraplan Consult GmbH

Steer Davies Gleave, which determined a slot utilization of approximately 92 percent for Munich Airport for 2009, substantiated this finding.

The air traffic forecast for 2025 cannot be handled with the two-runway system. The useful capacity of an airport cannot be determined from a simple addition of slots available. In determining the capacity available in practice, the fluctuation of the demand in the year, in the week, and during the day must also be considered. This means that airlines have no appreciable scope for expanding their route networks out of Munich. The third takeoff and landing runway, with which the capacity would be increased to at least 120 aircraft movements per hour and thus make it possible to handle the forecast traffic volume, would help with the bottlenecks.

Plans for the future

Munich Airport has developed into one of Europe's foremost aviation hubs. It serves equally as an originating and termination airport as well as a hub for international aviation. Its passenger volume has tripled in comparison with 1992, the first year at the new location. For 2025, a further increase to 58.2 million passengers is forecast. The freight volume will also increase further. The goal is to maintain Munich Airport's position in Europe and to continue to meet the growing demand for air transport within our catchment area, comprising southern Germany and neighboring countries. For this reason, the decision was made to expand the airport in line with demand and we applied for zoning approval in 2007 for the construction of a third runway.

On July 26, 2011, the government of Upper Bavaria issued the zoning approval for the construction of a third runway. With this decision, the zoning authority, after the intensive examination and consideration of all ramifications, expressly approved the need presented by Flughafen München GmbH and the plans submitted for the third runway. Also tied to the approval by the government of Upper Bavaria is the prompt completion of the construction project. However, the Company has chosen to follow the advice of Bavaria's Higher Administrative Court and not to proceed until the principal proceedings concerning the project have reached a conclusion. The decision is currently being reviewed by the court.

On June 17, 2012, a relative majority of the citizens of the state capital Munich spoke against the expansion of the airport in a referendum. This vote is legally binding for the capital city Munich with respect to its voting behavior in the annual general meeting for one year. Even following the outcome of the referendum concerning the takeoff and landing runway in the state capital, Flughafen München GmbH continues to hold to the demand-driven expansion of the airport. Majority shareholders the Free State of Bavaria and the Federal Republic of Germany, which hold 77 percent of the shares of the Company, continue to consider the takeoff and landing runway to be indispensable. The airport expansion is exceedingly significant

as the central infrastructure project for the future prospects of the entire state. The majority shareholders have repeatedly made this clear in various public statements and in the governing bodies of the Company. If in 2013 the court should affirm the zoning resolution, the project, following eight years of zoning and approval process and of court review, will lie in the drawer ready and realizable at any time. The building permit associated with the zoning will continue to be valid for up to 15 years.

→ For night-flight regulations, see "Environmental and climate protection"

Noise impact on local residents

Since June 7, 2007, the Air Traffic Noise Act has regulated, legally bindingly and throughout the country, the protection of the area surrounding Munich Airport against air traffic noise. In addition, Flughafen München GmbH is committed to minimizing negative impacts caused by aviation in the surrounding region.

Based on this act, the regional government of Upper Bavaria, the relevant zoning authority, examined the potential noise impact from the third runway as part of a wider assessment conducted during the zoning approval process. During this process, the authority weighed the interests of noise protection against the benefits that would result from the new runway. The definition of noise control areas and decisions on possible entitlement to reimbursement for soundproofing in buildings subject to specific levels of noise during the day or at night must comply with the terms of the Air Traffic Noise Act. Taking into account the act's provisions concerning entitlement to reimbursement and compensation as well as incidental provisions in the zoning approval, the construction of the runway can, according to the zoning authority, be reconciled with the need to protect the general public and neighbors from aviation noise.

→ muc-ausbau.de/satellit

→ munich-airport.com/noise-protection

→ munich-airport.com/aircraft-noise

Key regulations concerning noise

→ Operating regulations

The operation of particularly noisy types of aircraft can, basically in the framework of operation restrictions, be permanently or temporarily restricted or prohibited. Aircraft without an ICAO Annex 16 noise certificate are not allowed to take off or land at Munich Airport. On the airport's third runway, the same applies to Chapter 2 aircraft and to marginal Chapter 3 aircraft.

→ No changes to the current night-flight curfew

The current night-flight curfew, introduced in 2001, will remain unchanged, not least because FMG has not applied for approval to conduct regular night-flight operations on the airport's third runway. The runway may only be used in exceptional circumstances – in the event of an emergency or if one of the two existing runways is closed. This means that the current noise quota will remain the same. The provisions contained in the zoning approval are such that residents around the airport need not be concerned that they could be affected by night flights on the third runway.

Expansion of Terminal 2

A satellite for Terminal 2

In December 2010, FMG's and Lufthansa's supervisory boards gave the go-ahead for the construction of a satellite that will significantly boost capacity at Munich Airport's Terminal 2. With this project, FMG and Lufthansa, who jointly operate Terminal 2, are responding to the swift growth in passenger numbers at the airport. The terminal building, inaugurated in 2003, handled 26.5 million passengers in 2011, and thus has already exceeded its notional annual capacity limit of 25 million. The new building will create the capacity to handle an additional eleven million passengers a year. The satellite will cost around €650 million to build and, as with Terminal 2 previously, the expense will be shared 60:40 by FMG and Lufthansa.

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

Green from the ground up

The ambitious carbon targets will also be applicable for the satellite building, which means we want its carbon emissions to be 40 percent lower than those of our two existing terminals. This will be achieved through many measures, such as a climate facade, advanced air source technology for the air conditioning and lighting utilizing LED technology and dimming.

Animation:
Koch + Partner

Construction work moves forward

Preparatory work on the satellite was carried out in the summer of 2011, and the actual construction work commenced in the spring of 2012: in May, shell construction for the building and in July for the fixed structures of the boarding bridges. Numerous contracts that will appeal to local small and mid-size businesses in the airport's surrounding area were put out to tender. Since the beginning of 2013, the satellite has received its facade, and interior fittings and technical equipment will follow. Completion of the new terminal building is planned for 2015.

Munich Airport has launched a special website as a central contact point where companies can register and describe the construction services they offer.

→
Movie:
munich-airport.de/
de/micro/newsroom/
mediathek/filme/1212_
zeitraffersat/index.jsp

Growth in spite of difficult conditions

Successful establishment as hub airport

Non-Aviation: Expansion of non-aviation business

Highest utilization of aircraft capacity since the opening of the airport

Service portfolio

Aviation

Munich among the top ten

→ munich-airport.com/statistics

The year 2012 was a difficult year for German airports. The euro and debt crises in Europe and weak global economic development resulted in a falling demand for aviation transport services. At the same time, the financial burdens of the airlines increased, for example in the form of the price of oil and the aviation tax.

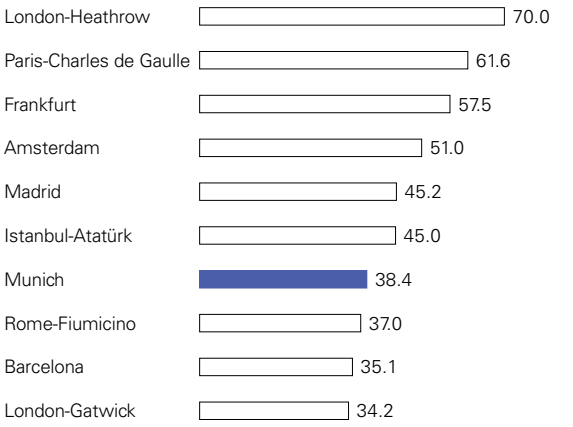
With 38.4 million passengers, Munich Airport was able to build up its position among German airports and held seventh place among European airports. As a result of the growth it achieved of 1.6 percent or 600,000 passengers, Munich was at 30th place in the world. This is attributable, on the one hand, to the continued good competitive position in Germany with a low unemployment rate and thus a very high employment rate. And on the other hand, achieving a new record is an indication of the quality of our flight services. Hub traffic in particular made it possible for the airlines to adjust frequencies, even in weak-demand times, in line with customer needs and desires without restricting the quality for the travelers or the range of destinations served.

With this result, Munich Airport was able to realize slightly above-average growth among German commercial airports. According to the German Airports Association (ADV), passenger figures increased for all of Germany by 1.1 percent. Based on workload units, which combine passenger and goods transport, Munich Airport had a market share of 16.9 percent. In 1992, this share was only 12.1 percent.

Among European airports, Munich achieved average growth. It was not able to hold on to the sixth place that it achieved by a narrow margin in the prior year. The robust economic growth of Turkey and accelerated hub development helped the Istanbul-Atatürk airport achieve a passenger increase of more than 20 percent and thus an improvement in its ranking.

In spite of the increased number of passengers, the number of aircraft movements at Munich Airport decreased by 2.9 percent in 2012, to just under 400,000. This is due, among other things, to the increased size and capacity utilization of the aircraft employed. In Munich, the number of seats per aircraft increased by four to 138 seats. The average number of passengers per aircraft also increased by four to 103. The flights canceled were almost exclusively in the weak-demand times.

Europe's top ten airports
2012 passenger volume in millions



Source: Airports Council International (ACI), as of January 28, 2013

Successful hub function

In spite of increased passenger figures, the share representing transit passengers fell slightly by one percentage point to 39 percent, with the absolute number of transit passengers remaining just under the prior year's level. On the other hand, the airport benefited from increased origin and destination volume in the amount of three percent. Business travel volume also increased. The business share increased in comparison to 2011 by two percentage points to 45 percent. Around 23 percent of travel destinations were in Germany, 56 percent in Europe (not including Germany), and just under 21 percent beyond Europe, where destinations in North America dominated with 7.3 percent, followed by the Asia/Pacific region with 6.9 percent.

These figures confirm the strategic positioning of the airport. Ecologically and economically, the hub concept is the best way to organize intercontinental transportation. While domestic and intra-European destinations are mostly served with nonstop connections, on medium and long-haul routes, the passengers can be consolidated through transfers and concentrated in fewer aircraft, which results in better capacity utilization. At the same time, both the population and the economy in Bavaria as well as that of the bordering states benefit from this successful positioning. Accordingly, the airport was consciously designed with short transfer paths. The minimum connecting time – the amount of time required to enable a passenger to make a connection

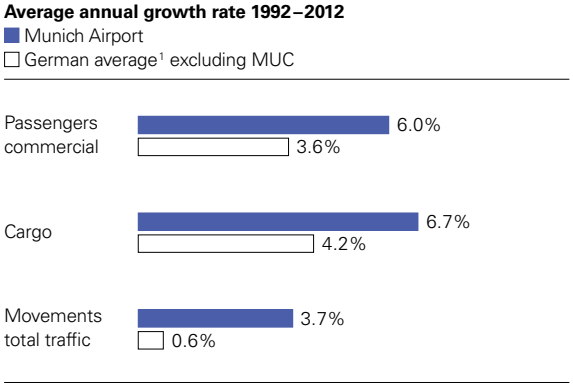
The most important air connections in Europe up to two hours

from an inbound flight to an outbound flight – in Terminal 1 is 35 minutes; in the newer Terminal 2, 30 minutes; and between the terminals, 45 minutes.

Uneven development of passenger figures

The growth in passenger volume weakened increasingly during the course of the year. While the increase in the first quarter of the year was above five percent, it stagnated in the fourth quarter. While the airlines of the Gulf region continued to expand traffic through their hubs and defied the general trend, European airlines found themselves compelled to react to the gloomy economic conditions with cost-cutting programs. This led to a thinning out of their domestic flights and to adjustments in cross-border aviation, with correspondingly lower passenger results.

Average annual growth rate 1992–2012



[1] German Airports Association (ADV)

Intercontinental traffic: Gulf region in demand

In 2012, there was only a slight increase in passengers in intercontinental traffic. Vacation destinations on all continents – from Namibia to Mauritius, from the Maldives to the Caribbean – were impacted by restructuring and reductions by airberlin. While losses were unavoidable, especially for the African continent, the destinations of the Gulf region again posted high increases. The most passengers in intercontinental traffic were on the routes to the United States, to the United Arab Emirates, and to China. The destination in highest demand was – as in 2011 – Dubai with passenger growth of almost 20 percent to 623,000 passengers. Thus Dubai was ahead of Newark (New York) at 312,000 and Chicago at 308,000 passengers.

The long-haul volume recorded higher percentage drops than did continental traffic. The reduction of the long-haul tourist offerings by airberlin alone caused around half of the drop in aircraft movements.

Increases in continental traffic

Continental traffic was the only segment in passenger traffic that realized increases in every month of the year and acted as the guarantor of the positive development of passenger volume for 2012. Continental traffic comprises Europe exclusive of intra-Germany flights and of flights to and from the countries of North Africa and Asia bordering on the Mediterranean. The positive development is based first on the continuing double-digit growth in passenger figures in Eastern Europe and second on the political stabilization in the countries of the "Arab Spring." Vacationers returned to this region, and thus there was a rise in passenger figures. The markets with the highest volume – as in the prior years – were Italy, followed by Spain and Great Britain.

In this traffic segment, the airport was able, in spite of the difficult environment, to win several new customers. Among these are SATA from Portugal, Monarch Air of Great Britain, and Volotea of Spain. In addition, several existing customers expanded their services.

The destination in highest demand in this flight segment again was London-Heathrow with around 1.1 million passengers, followed by Paris-Charles de Gaulle with around a million and Amsterdam with 688,000 passengers (all three airports at the same time are hubs of two large aviation alliances).

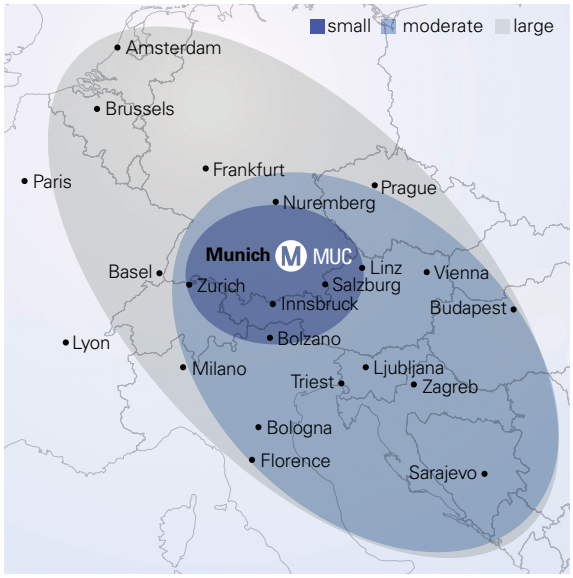
Significant drop in domestic traffic

Domestic traffic in particular recorded drops in the year 2012. Domestic flights were strongly reduced in the framework of the cost-cutting programs of the airlines. Thus scheduled flights are no longer being made to Erfurt Airport.

Importance of bellyhold cargo increases

As a result of the globally flagging economy, the cargo volume from airfreight and mail fell. At around 290,000 tons, the volume was below that of the record year of 2011 by around 10,000 tons or four percent.

Catchment area for airfreight



With an only slight minus, but with its share up three percentage points to 89 percent, bellyhold freight – the quantity of airfreight transported on passenger aircraft – continued to be the largest segment of airfreight volume. One of the causes for the drop was indirectly the drop in aircraft movements in passenger transport.

The percentage of cargo-only volume, freight transport with pure cargo aircraft, on the other hand, dropped to eleven percent. The background for this is the suspension of a scheduled freight connection to China, which could not be offset by new customers. In tonnage transported, there were again new highs in courier and express services.

Charter cargo business continued to fall. Among other things, the Formula 1 armada is no longer handled through Munich, causing cargo-only volume to drop in total by almost a fourth to 31,000 tons.

As a result of the high share of bellyhold freight, the situation regionally is similar to that of passenger volume. Freight volume in the routes to the Gulf region increased strongly. Volume with the largest market, the United States, stagnated. Wherever connections or frequencies fell, cargo tonnage also dropped.

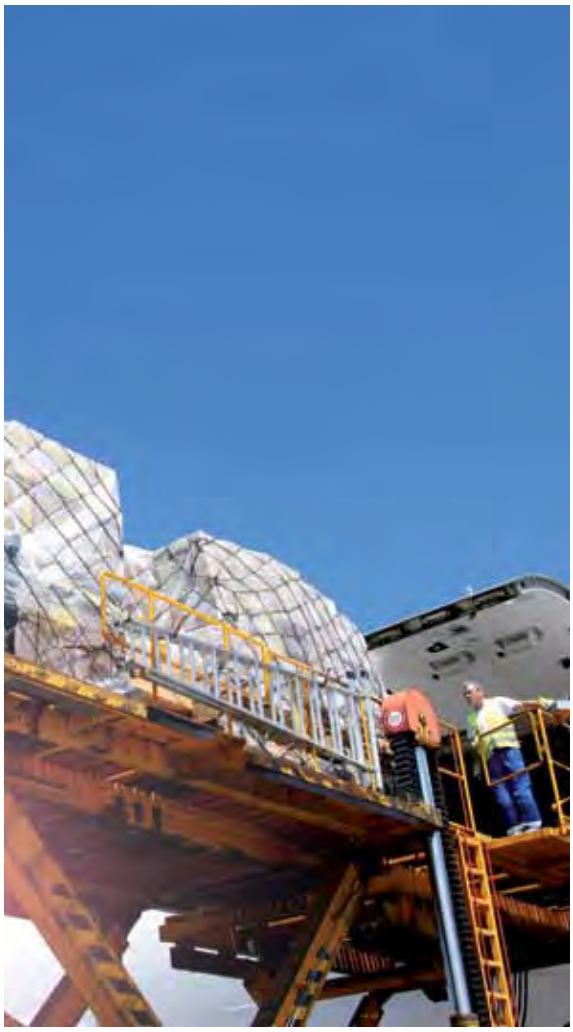
The quantity of transshipped mail in 2012 was 18,099 tons, which represents an increase of three percent. The transport of mail – one third of which is on night mail flights – is of secondary importance for the total quantity of tonnage handled at Munich Airport and is dependent on the changing transport concepts of Deutsche Post.

AeroGround: Market leader in aircraft handling operations

AeroGround Flughafen München GmbH offers a broad spectrum of services and consistently high quality in aircraft handling. Around 2,100 employees perform aircraft handling services for up to 400 aircraft a day, from regional jets all the way to the A380.

In the fiercely competitive market of ground handling services, this FMG subsidiary asserted itself in 2012 as the market leader. The possibility of offering full handling contracts creates an important competitive advantage for AeroGround: Through close cooperation with sister companies aerogate and Cargogate, all air-side and groundside services having to do with aircraft and passenger handling can be rendered across all functions.

Among the biggest successes in 2012 is the recovering of the major customer airberlin. This German airline is the second-largest airline at Munich Airport, following Deutsche Lufthansa. Through conclusion of this long-term contract, it was possible again in 2012 to achieve a market share for AeroGround of around 70 percent. In addition, long-term contracts were entered into in Terminal 1 with Delta Airlines, Rossiya, SATA Internacional, Royal Jordanian, Polet, Astra Airlines, and UPS. In Terminal 2, Air China, Singapore Airlines, South African Airways, US Airways, and United Airlines signed long-term ground handling contracts.



In the medium term as well, the market environment for ground handling services continues to be difficult. But with AeroGround, a sustainable competitive structure was created, which can react flexibly to economic changes and to individual customer needs. AeroGround therefore is confident that it will also be able to assert itself in the long term as the leading quality provider of ground handling services at Munich Airport. In addition, the Company plans to also become active at other locations.

→ aeroground.de

→
aerogate.de

aerogate: Still on a successful course

As a wholly owned subsidiary of FMG, aerogate offers many services at Munich Airport. The range of services comprises passenger handling, a baggage delivery service, operation of lounges, arrival services, and ramp supervision, as well as an International Air Transport Association (IATA) ticket agency.

In the fiercely contested segment of passenger handling, aerogate was able to show a market share in Terminal 1 of just under 60 percent. In 2012, with around 400 employees, more than 33,000 flights and in excess of three million passengers were handled for approximately 60 customers. Among these are scheduled carriers such as airberlin, Iberia, and EL AL, tourist airlines such as TUIfly, and more exclusive long-haul airlines such as Emirates, Etihad Airways, Oman Air, and Delta Airlines. In the area of baggage delivery service, AirFrance/KLM was won over as a new customer in Terminal 1 effective November 1, 2012. In Terminal 2, ticketing and supervision are the primary activities of aerogate. There this FMG subsidiary acts in this capacity for seven airlines of Star Alliance – including Thai Airways, United Airlines, TAP, Qatar, and ANA.

In June 2011, aerogate was certified by the IAT in the framework of an ISAGO audit (IAT Safety Audit for Ground Operators). On the basis of measures in the area of environmental protection and sustainability, aerogate's environmental management system was successfully certified and validated in April 2012 under the standards ISO 14001 and EMAS (Eco Management and Audit Scheme) of the European Union.

aerogate is also making a mark as the largest German trainer in this profession: in 2012, 19 aviation services personnel began their training. This makes a total of 44 trainees. Against the background of its expected stable customer portfolio, aerogate expects a positive result for 2013.

Cargogate: Strong market position in a difficult environment

→
cargogate.de

→
efm.aero

Cargogate, a wholly owned subsidiary of Flughafen München GmbH, has been handling cargo at Munich Airport since 1975. With around 210 employees, Cargogate is responsible for cargo handling and storage, documentation, and customs clearance services.

This Company has more than 75 percent of the air-freight customers that fly to Munich Airport under contract. Thus Cargogate handles more than a third of the cargo that arrives at or departs from the location.

The customer portfolio remained largely unchanged in 2012. Only FedEx will perform handling services on its own in the future. It was possible to only partially offset the loss of revenue through a new service in the form of a ULD (Unit Load Device or air-freight containers and pallets) shuttle between FedEx Hall and the apron. Overall, development since spring 2012 has indicated slower growth. Up to and including October, offloading (import) has fallen by more than eleven percent compared with the prior year. Onloading (export) stagnated on about the level of the prior year. Import and export together experienced a decline of 5.1 percent.

In 2012, Cargogate underwent an audit of environmental management and was successfully certified under the standard ISO 14001 + Cor. 1:2009. A return to significant profits is planned for fiscal year 2013. The goal is to obtain concessions in the coming year for ground handling services from South African Airways, IAG (British Airways/Iberia), and Etihad Airways.

EFM: Strong and efficient

With its around 140 employees, EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH, co-owned by Flughafen München GmbH (49 percent) and GGG Service for Airlines GmbH (51 percent), part of the Lufthansa Group, carries out aircraft pushback and deicing operations and supplies preconditioned air.

In its 2011/2012 fiscal year, EFM conducted around 165,000 pushback and maneuvering operations and deiced roughly 9,100 aircraft. During the prior fiscal year, maneuvering and deicing operations totaled 150,000 and 11,600, respectively. Since responsible environmental practices are a central quality feature of EFM, the Company integrated environmental protection into its quality management system, which has been certified under ISO 9001 since 1997.

Non-Aviation

Non-Aviation: High share of total revenue

The airport is not only a meeting place for passengers and visitors but also a desired location for the operators of shops, restaurants, and service facilities, for hoteliers, and representatives of the advertising industry.

The two FMG divisions Real Estate and Consumer Activities together with the subsidiaries Allresto (dining) and eurotrade (retail) comprise the non-aviation sector. While the Real Estate division fundamentally is involved with the acquisition and strategic development of real properties and land at the location, the Consumer Activities division with its business fields parking, center management, and advertising/media and marketing, is responsible for the leasing and marketing of existing areas. The share of non-aviation business in the total revenue of the FMG Group in 2012 was around 49 percent.

Attractive shopping opportunities and varied dining

→ munich-airport.com/shopping

Retail business with 152 shops and service facilities as well as 48 hospitality units occupying an area of more than 37,000 square meters account for a large share in the non-aviation sector. In both terminals and in the München Airport Center, which together form the commercial heart of Munich Airport, the mix of industries was further optimized through the moving in of new shops and also remodeling projects, modernizations, and adaptations of spaces,

thus increasing its attractiveness. Three additional retail and hospitality establishments can be found on the expanded campus grounds, for example in the Visitors Park.

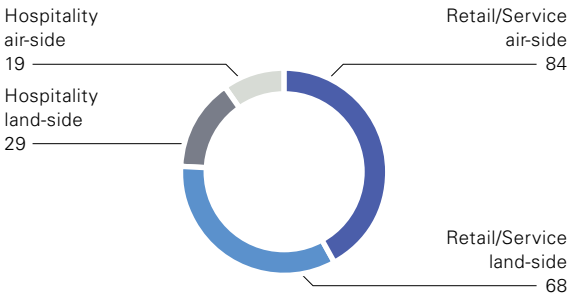
The most important renovation project in 2012 was the expansion of the central Travel Value Shop in Terminal 2. With 1,300 square meters of sales area, this shop is now twice as large as before. In conjunction with the renovation, other optimizations of sales areas were carried out in the plaza area in order to further increase its attractiveness for the guests. In the area of dining, two new, sophisticated restaurants were added: the innovative "Surf & Turf" concept in the München Airport Center and the new "Tante Ju's Speisenwerkstatt" in the Visitors Park. Both are operated by the subsidiary Allresto.

Plans for the retail business in the new satellite for Terminal 2 have continued to move forward. In all, approximately 8,000 square meters of additional space will be created there for retail trade and dining on two new departure levels.

→ airport-media-muc.de

→ munich-airport.com/realestate

Retail units
Total: 200
Retail/Service: Total 152
Hospitality: Total 48



As of December 2012
Excluding Visitors Park, Ringeltaube Nordallee, Sparkasse office, travel offices

MAC-Forum: Global players present themselves

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

Europe's largest covered open-air space – the MAC-Forum – was used multiple times by Audi. With an architectural and staging concept, the Ingolstadt automobile manufacturer created an event landscape in which one could walk about between the two terminals where new models and services were presented. In the form of a larger-than-life 3-D image, which was laboriously created on the floor by hand, the international conglomerate General Electric presented itself artistically in the MAC-Forum. Our location partner Lufthansa used the occasion of the two sporting high points in 2012 – the soccer European Championship and the Olympic Games – to present itself creatively as the airline of sports.

Surfing and a world first

The highlight among the events in 2012 was again the Surf & Style event in the MAC-Forum. Here, Munich Airport presented now for the second time the world's largest stationary wave pool at an airport. Professionals and beginners alike could surf the wave for free. As part of the event, we hosted the second European championship in stationary wave riding, on August 11 and 12, which drew a crowd of around 22,000 spectators.

Precisely on its 20th year anniversary, Munich Airport presented an absolute world first, the MetaTwistTower. The 41-square-meter, foldable LED tower was installed in the MAC-Forum as the central communications medium for news, content, advertising, services, and events, such as public showings or open-air film presentations. As premium partners, Lufthansa, Europcar, Audi, and Süddeutsche Zeitung will have a presence in the coming years with content and advertising on the tower.

Parking and Services: An attractive portfolio

Our Parking and Services subdivision is responsible for operating the parking facilities at Munich Airport, comprising 14 multi-storey garages and several open-air lots, with a total capacity of more than 34,000 parking spaces. The subdivision's customer base includes not just passengers and visitors but also airport building tenants and airport employees who park at the airport. In 2012, a total of around 8.3 million vehicles were parked, representing an increase of 23 percent over the prior year. This was attributable primarily to the incremental restriction of previously freely accessible pick-up and drop-off areas, which now for the first time makes it possible to state the number of vehicles parked there.

"Park in comfort and safety" is part of the service portfolio offered in the P20 parking garage, a parking area that is very popular particularly with frequent flyers, corporate customers, and business people, not least due to its special services. In addition, it offers the possibility of guaranteed online advance reservation and reduced fees on the airport website. As an extra service for electric and hybrid automobiles, four parking places with electric hookup are available where cars can be charged at no cost while they are parked.

Allresto: Certified organic and environment-friendly

Allresto Flughafen München Hotel und Gaststätten GmbH is responsible for running approximately 85 percent of the hospitality operations at Munich Airport. These operations are organized in separate restaurant, canteen, and hotel business units. Restaurants are Allresto's core business and it runs these itself. They include restaurants serving German, Bavarian, Italian, and Asian food, plus several bistros, a fast-food restaurant, cafés, and a variety of bars in the airport's two terminals and the Municon Conference Center. The five employee canteens on campus and the Kempinski Hotel Airport München are managed by caterer Eurest Deutschland GmbH and the Kempinski Group, respectively.

Through its mixed franchise- and license-based model and its own strong brands, Allresto delivers attractive and innovative hospitality to air travelers and visitors to Munich Airport. Due to its high standards of service, it was recognized in the 2012 passenger survey by Skytrax, the English market research firm, as providing the second-best airport dining. Allresto sources around 90 percent of its produce from local suppliers in Bavaria. The Company is certified under the Eco-Management and Audit Scheme and is committed both to conserving resources in the way it handles foodstuffs and to advancing sustainability in areas like logistics and cleaning. Allresto is also certified organic; this means the Company is authorized under EU regulations to produce organic foods, which it serves in the Bistro Organic in Terminal 2.

→ munich-airport.com/parking

→ allresto.de

The declared goal of the Company, which with an average of 650 employees realized revenues in 2012 including other earnings in the amount of €93 million, is to be Europe's most attractive, efficient, and sustainable gastronomy.

eurotrade: The airport shopping experience

→ eurotrade.org

The company eurotrade Flughafen München Handels-GmbH, a wholly owned Flughafen München GmbH subsidiary, is a retail operator at Munich Airport. It has 64 retail stores in the sectors duty-free/travel-value, newsagent and souvenir shops, fashion and textiles, watches, jewelry and accessories, as well as small hospitality units with a large mix of sectors. In addition, eurotrade is responsible for the operation of a duty-free/travel-value shop at Friedrichshafen airport.

In 2012, eurotrade had a workforce of around 1,000 people and generated net sales of €187.5 million – a rise in sales of 8.7 percent, year on year, which significantly exceeds passenger growth of 1.6 percent, giving eurotrade its best profit in the history of the company. In order to continue to achieve a positive development of earnings, eurotrade focuses on a product portfolio oriented toward international customers and, at the same time, is pushing forward further expansion of its selection of globally leading brands.

MediCare: Expert health care

→ medicare-m.de

MediCare Flughafen München Medizinisches Zentrum GmbH offers 24-hour health care services to air travelers, visitors, and employees at Munich Airport. MediCare also provides a portfolio of corporate and aviation medical services to Munich Airport and organizations on campus. In addition, MediCare runs AirportClinic M, a health care center of competency that unites a unique, full-service approach to specialized care in such fields as

orthopedics, gynecology, and urology with easy access for both local and international patients. The company is co-owned by Flughafen München GmbH with 51 percent and by MAHM GmbH, a company operated by a group of physicians, some of whom are based at Munich Airport, with 49 percent. MediCare currently has a workforce of 64 employees, and in 2012 reported sales of around €6 million. Further growth is expected in all areas of MediCare again in 2013.

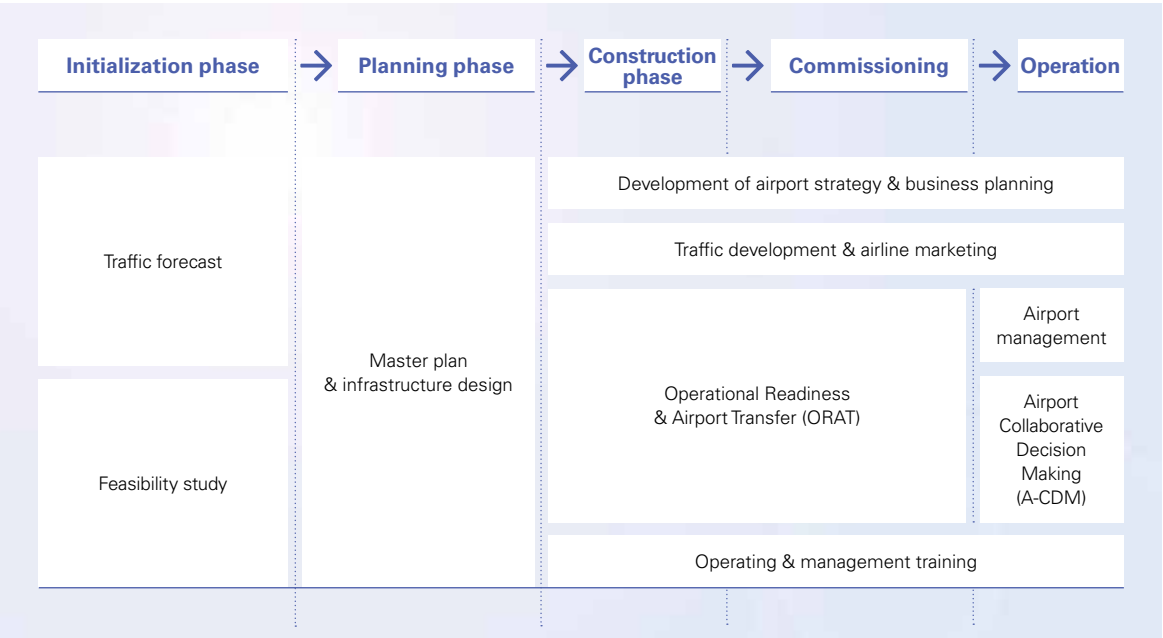
Consulting: Professional knowledge for other airports

In the last two decades, Flughafen München GmbH has built a significant image at the international level. On the one hand, the very successful development of the now 20-year-old Munich Airport has contributed to this. On the other, Flughafen München GmbH has been able to export its knowledge since its successful major move and thus has become the leading specialist worldwide for moving and commissioning. On the basis of this successful development, a separate International Business unit was organized at the beginning of 2010 to develop the international activities of Flughafen München GmbH and to open up new business fields. This globally oriented department serves the three core areas of consulting services, management services, and private equity investment.

As a result of the many facets of Flughafen München GmbH and its associated companies, the Group represents a "full-service operator" with well-grounded professional knowledge. FMG's activity in this area has already been recognized multiple times with prizes. The International Business unit can access professional and expert knowledge of all departments in the FMG Group and can offer individual, tailor-made consulting for the entire life cycle of an airport. Thus, Flughafen München GmbH provides services for all matters concerning airport operation, from the initial feasibility studies all the way to management functions.

In 2012, the approx. 50-head team in international business had revenues of around €9 million. Through consistent sales efforts and the opening of new consulting fields as well as through equity investments, this revenue should be consistently increased in the coming years.

Customer-oriented advisory services



Quality, security, and safety

→ munich-airport.com/feedback

Continuous service optimization

Munich Airport's goal is always to offer its passengers a broad range of services and the highest level of quality. For the optimization of our service quality, the opinions of our customer base – which includes passengers, airlines, and employees of other companies at the airport, visitors, and also airport employees – are exceptionally important to us. This is why we have had a feedback system in place for many years for managing the suggestions and complaints we receive from our customers, and for a long time now, we have also conducted polls at Munich Airport to track customer satisfaction.

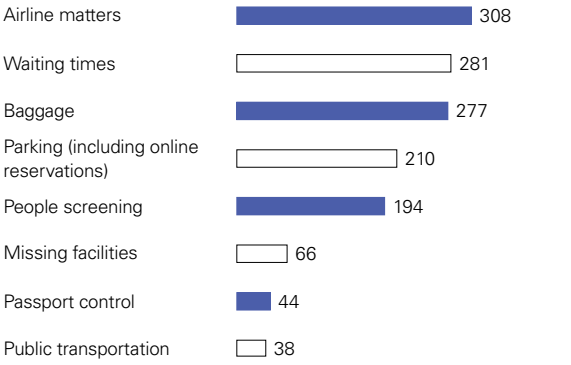
Customer feedback on service quality

Through a central customer management system, the Company ensures that all written suggestions or complaints of the airport users are not only responded to promptly and individually, but also that they contribute to the optimization of the services offered. All customer suggestions are systematically recorded and are evaluated on a regular basis.

The customer management system recorded a total of 1,354 customer suggestions in the year 2012. Despite a 1.6 percent increase in passenger volume, the number of suggestions is about at the level of the prior year. In relation to more than 38 million passengers, the number of suggestions can be classified as very low. Around 40 percent of customer feedback is not in the direct sphere of responsibility of the FMG Group. This includes customer feedback on airline matters (such as cancellations, flight delays, service of airlines), screenings by officials, or public transportation.

FMG has been able to bring about a decrease in critical feedback in the areas of baggage handling (waiting time at baggage claim) and online booking of parking places through well-directed measures. The customer desire for better service quality was taken into consideration through permanent improvements of processing, coordination, and communications procedures and through the optimization of the Munich Airport website with better information presentations and a new web portal for online reservation of parking places.

Complaints by topic
Number of times mentioned



Skytrax & ASQ 2012: Awards for high service quality

The benchmarking program Airport Service Quality (ASQ), operated by the Airports Council International (ACI) in Europe and the annual passenger surveys conducted by London-based independent market researcher Skytrax also provide Munich Airport with regular information on how air travelers score our standards of service.

The ASQ customer satisfaction benchmark program provides the more than 200 airports participating worldwide with data on customer satisfaction on a quarterly basis. Munich Airport in 2012 received a customer satisfaction rating of 4.02, which corresponds to a quality assessment of "very good." Thus, in comparison with similar airports we placed among the top three. A relatively high level of customer satisfaction with our Internet/WLAN service as well as with the price/service relationship in parking and optimized waiting times at check-in and at baggage claim contributed to this result. They are the product of the improvement measures that were implemented in 2012.

New subsidiary "InfoGate"

In March 2012, InfoGate Information Systems GmbH was organized as a wholly owned subsidiary of Flughafen München GmbH. The goal is to market our proprietary "InfoGate" information system in use at Munich Airport since 2011 beyond the airport and to further develop it for other customer segments.

→ munich-airport.com/infogate

The InfoGate product family offers multilingual, video-based customer communications and a broad array of functions in information, reservation, and navigation services. Particularly attractive is the use of the system for companies whose locations are far apart and whose information and customer services need to be centralized to optimize costs. The indoor guidance module allows the user to get an overview even in large buildings and to find the shortest path to his or her destination. The InfoGate solution is geared especially to large infrastructure operators, companies in the transport industry, and trade show sites.

In June 2012, the first installation outside of Munich Airport was placed in service in Ingolstadt. Terminal 2 of the Munich Airport and a hotel were equipped in the summer of 2012 with InfoGate systems. At the beginning of 2013, shopping centers in northern and western Germany followed. Thus, InfoGate was able to obtain customers outside of the travel industry for the first time.

→ airportservicequality.aero

Focus on security and safety

At an international passenger airport like ours, security and safety are issues of top priority. At Munich Airport, general security as well as the safe operation and ground handling of aircraft in accordance with the legal aviation regulations are of utmost importance. Specifically against the background of constantly increasing traffic figures in aviation, the attention of airport safety is on avoiding and minimizing accidents and hazardous situations and recognizing systematic error potential.

→ munich-airport.com/security

FMG, as an airport operator in accordance with Section 8 of Germany's Aviation Security Act, bears the responsibility for the security for structural/technical, HR, and organizational measures. Alongside FMG, CAP Flughafen München Sicherheits-GmbH, a wholly owned subsidiary of FMG, which has a workforce of around 700 people, is also responsible for the operational implementation of this responsibility.

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

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

→ cap-security.de

The four pillars of air safety and security in Germany

Safety of civil aviation

Aviation authorities	Airport operator	Airlines	Regulated agents
Federal ministry of the Interior	**Federal Ministry of the Interior**	**Federal Ministry of Transport, Building, and Urban Development German Federal Aviation Authority**	**Federal Ministry of Transport, Building, and Urban Development German Federal Aviation Authority**
Special powers of the **aviation security authorities**	Security measures of the **airport operator**	Security measures of the **airlines**	Establishment of joint regulations for the **security of civil aviation**
→ Defense against external danger to civil aviation → Utilization of suitable auxiliary bodies for performance of controls on people and baggage → Controlling and rejecting individuals, control of items carried	→ Personnel, employee, and access controls → General security of airport operations → Structural and technical design of the airport → Training of personnel	→ Self-protection of the airline → Security measures with respect to passengers, baggage, mail, and freight → Security of own aircraft → Training of personnel	→ Control of freight … - by hand or - by X-ray device or - in a pressure chamber - with biosensory means … in order to guarantee that the freight does not contain any prohibited objects that were not reported or were not properly subjected to the applicable security measures. → Training of personnel

Onward training for security personnel

Before entering the gate areas, passengers and their hand luggage are screened by employees of Sicherheitsgesellschaft am Flughafen München mbH (SGM). This screening is conducted on behalf of Bavaria's highest aviation security authority, the Ministry for Economic Affairs, Infrastructure, Transport, and Technology, and under the supervision of the South Bavarian Office of Aviation. To make sure that checks are carried out consistently and to the required security and quality standards, each of the 1,200 or more aviation security officers working at the airport completes around 40 hours of onward training every year.

Implementation of security provisions

The European Union has instructed airport operators by directive to control deliveries in security areas more thoroughly. At Munich Airport, the service unit Security was already making plans in 2011 for the construction of an additional control point for such deliveries. Construction was completed on time on April 28, 2012. Similarly as with airfreight, companies can also be certified by airport operators as "known suppliers" for the handling of airport deliveries. This means if the Company agrees to use prescribed procedures for deliveries in the security area, security controls are simplified. In 2012, the service unit Security named 160 companies as "known suppliers."

Safety management system for optimal safety

In accordance with the requirements of the International Civil Aviation Organization ICAO, Annex 14, and of Germany's Aviation Certification and Licensing Regulations, Section 45b, Flughafen München GmbH operates a safety management system, the scope of responsibility of which extends to the entire airport and is detailed in the rules for airport use. This means that we are also responsible for supervising all of the businesses and other organizations involved in safety-related tasks at Munich Airport.

The safety team, which comprises the safety manager and his co-workers, forms the interface with the safety management systems of the airlines,

German air traffic control, and the aviation authorities and/or other organizational units that are active on the apron. Included in its primary functions are assistance in aviation licensing procedures and airport inspections by the authorities as well as the performance of airport-wide safety audits. Further core elements are investigating accidents, loss events and safety-relevant occurrences, and liaising with aviation agencies and airlines in issues of aviation operations safety.

Crisis management – Organizing the unknown

An infrastructure element such as Munich Airport is an essential component of a highly developed, mobile society. Impairment or loss of this important infrastructure in a crisis will have lasting effects for other industries and areas as well and thus far beyond Munich Airport. Causes out of which crises can develop are, for example, natural catastrophes, extreme weather events caused by climate change, pandemics, economic and financial crises, human error, large-scale emergencies, technical breakdowns, and intentional acts with a criminal or terroristic background. The intensification of the hazardous situation causes society, and in particular a large airport such as Munich Airport, to face new challenges.

Crises cannot be planned – but reactions to crises can be. One building block for being one of the most attractive, efficient, and sustainable hub airports in the world through forward-looking, far-sighted action is a crisis management system extending over the entire location. A special crisis staff with authority extending over various departments and under unified management in an emergency will bundle all activities. We created our own development organization, a special infrastructure (crisis staff rooms, independent communication structures, special technological equipment) as well as special procedures (alarm, documentation) for the crisis staff. In addition, the members of the crisis staff were given special training. In staff drills, the crisis staff trains for actual emergencies. In 2013, this special organizational form will be expanded through an assistance team – the crisis staff administration, which will comprise employees from the various areas of the Company.

Airport fire service: On site in 180 seconds

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

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

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

Fire service personnel complete around 150 hours of classroom and field training each year to hone and extend their skills at operating extinguishing systems, handling hazardous materials, working while wearing breathing apparatus, giving first aid and carrying out technical rescue operations in connection with road traffic accidents. In-house EMT instructors conduct first aid classes for all employees at the airport. The fire service has its own training ground and basin where crews can practice controlling major fires. Residue from the kerosene used to create practice fires is collected in underground traps and then disposed of safely.

The airport fire service was called out a total of 3,582 times in 2012, of which 857 were false alarms. The deployments included 1,831 technical support operations, 574 safety-monitoring operations, 118 fire fighting operations and 202 first-response operations in which first aid was performed until arrival of the ambulance service. In 2012, around 11,000 visitors, some in the framework of guided tours, informed themselves of the varied work of the fire service, which at the end of the reporting year numbered 202 employees.

Bird Control: Guarding against bird strike

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

Well-thought-out biotope management

Unlike many other international airports, Munich does much more to prevent bird strikes than just startle the birds. We expend considerable effort on creating and maintaining biotopes that blend in with the local landscape, yet are carefully managed so as not to attract those kinds of birds that pose a threat to aviation (for example, species that are heavy-bodied or have a tendency to swarm) to the airport and its immediate surrounding area in the first place.

Two-thirds of the airport site is covered with greenery, which requires special care and maintenance in connection with bird strike prevention. Since short grass would tend to attract bird species dangerous to aviation, the grassy areas around the runways are mowed as infrequently as possible. Flocking species like starlings and gulls are not attracted to the long grass because they lose sight of each other, and larger, heavier birds like buzzards and herons avoid it because of the difficulty of finding prey. Since heavy waterfowl prefer open water surfaces, there are almost no bodies of water on the grounds. We have installed wires over the necessary groundwater drainage ditches, and we have drained areas where surface water tended to accumulate. The airport's perimeter fence keeps out large mammals like deer and wild boar. As a further safeguard against bird strikes, we also have agreements in place that put certain constraints on tenant farmers who work FMG-owned land. For instance, under the terms of these agreements, farmers are not permitted to use liquid fertilizer or sludge on the fields within 600 meters of the airport perimeter.

FMG works closely with organizations on the issue of bird strike prevention, in particular with airline companies, German air traffic control, regional and national government agencies, and the Deutscher Ausschuss zur Verhütung von Vogelschlägen im Luftverkehr e. V. (DAVVL, German Bird Strike Committee). In addition, the airport operating company has public-agency status and thus a say in connection with bird strike risk when local authorities approve land use in areas outside the airport perimeter.

Low bird strike rate in Munich

Statistically, the likelihood of a bird strike event is lower at Munich than at most other commercial airports. The bird strike figures of the Deutscher Ausschuss zur Verhütung von Vogelschlägen im Luftverkehr e. V. (DAVVL) for 2011 showed a bird strike rate for Munich Airport in the interior area of 1.17 and in the outer area of 0.50. In contrast, the average bird strike rate in Germany for the year 2011 was 1.72 in the interior area and 0.77 in the outer area. The bird strike rate is defined as the number of bird strikes per 10,000 aircraft movements. No comparison values of the other airports are yet available from the DAVVL for 2012.

IT security at a high level

Flughafen München GmbH has released binding information security guidelines governing the treatment of information and the use of information technology,

both within its own organization and at its affiliates. The guidelines detail areas of responsibility and contain fundamental rules designed to protect information. The FMG Group has a chief information security officer whose role is to manage information security across the whole of the organization. He reports directly to FMG's executive management and is supported by other information security officers in the parent company itself and in its various subsidiaries.

Key information security tasks include technical, organizational, and employee-related audits, the creation of guidelines (on using IT systems and on contracting external service businesses, for example), risk management, technical measures to harden computer security, and initiatives to raise employees' awareness of the importance of IT security. New FMG systems are produced in accordance with the FMG project management method, which applies specifically to IT, called MAPIT. This unified approach to project management means that steps are taken during the development phase and thereafter to ensure that systems satisfy FMG quality, security, and reliability requirements.

The secure handling of information stored on IT systems (in particular, customer data) is covered by in-house information classification and handling guidelines.

Our main information security management focuses in 2012 were on conducting a comprehensive awareness campaign for employees, auditing technical solutions such as the Windows 7 clients, and various technical IT security measures such as the renovation of the proxy infrastructure.

Migration to Windows 7

For many years, the Windows XP operation system has been used at the airport. With the announced end of support in the year 2014, including for security updates, the conversion of 2,700 computers and around 4,000 user profiles to the successor product Windows 7 had to take place promptly. With this migration, it was possible to significantly reduce the number of software packages used at the airport and thus the costs for software. Additional savings were achieved through the increased use of freeware and open source software. Overall, the project was completed as scheduled and came in under the budgeted amount by €120,000.

Modern printer technology

Another large IT project was the replacing of all office printers at the airport. The proposals of three suppliers received in requests for bids were subjected to comprehensive long-term and load tests as well as the experiences of users in extensive tests across various departments. At FMG, printers are no longer "owned" by individual departments, but rather are provided at large. Prior to the conversion, 750 printers were needed, and now approximately 430 machines in six classes are sufficient for the same demands. The project "Technology Refreshing Output Services" or TROS lowered costs for leasing and maintenance from €880,000 to just over €320,000. In order to follow the principles of "Green IT," FMG for years has used only recycled paper with 80 percent whiteness for internal documents.

IT increases efficiency

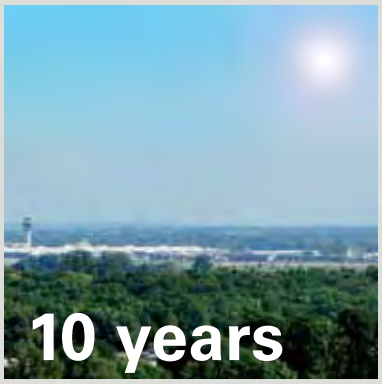
IT service management standard ISO 20000 places considerable emphasis on continuous improvement, as this ensures that procedures are adapted and optimized in step with changing conditions.

For instance, our IT service management (ITSM) tool was identified as needing improvement. This is a software program for coordinating and supporting IT division job processes in areas like the supply or troubleshooting of user equipment. As a result of the accompanying greater degree of automation and service orientation and increased integration, it was possible to design such things as supplier processes such as the equipping of a workstation with PC, notebook, and telephone, and the equipping of end devices more efficiently. The new software shortens reaction times to customer inquiries, reduces personnel costs per process run, improves IT service and the quality of service data, and simplifies the issuance of invoices to customers. The new ITSM tool, which currently is still in the test phase, will be placed in service during 2013.

Revenues in the region

Donations and sponsoring for more than 500 projects

Regional liaison office: Bridge between airport and region



Communication and social responsibility

Stakeholder dialogue

Engaging with airport stakeholders

Flughafen München GmbH and its subsidiaries regularly engage in dialogue with its key stakeholder groups. We have a fair exchange of opinion, based on mutual trust with airlines and partner businesses, as well as passengers and employees. The latter are included by such means as through ongoing surveys. We also work closely with neighboring communities and partner organizations in our immediate local area, as their support is crucial to our current and future success as a business organization. Through our regional liaison office, we maintain intensive contact with local communities, policymakers, and citizens' groups.

→ munich-airport.com/stakeholders

Corporate Communications is both the voice and the ears of FMG. It explains the strategy and interests of the Company to employees, the media, and the public at large. The goal pursued by all activities of Corporate Communications is to make the actions of FMG comprehensible and to create credibility and trust within the public. In return, social trends, sentiments, and opinions are to be recognized and incorporated into the decision-making of the Company.

Analysis of the stakeholder groups

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

Media work

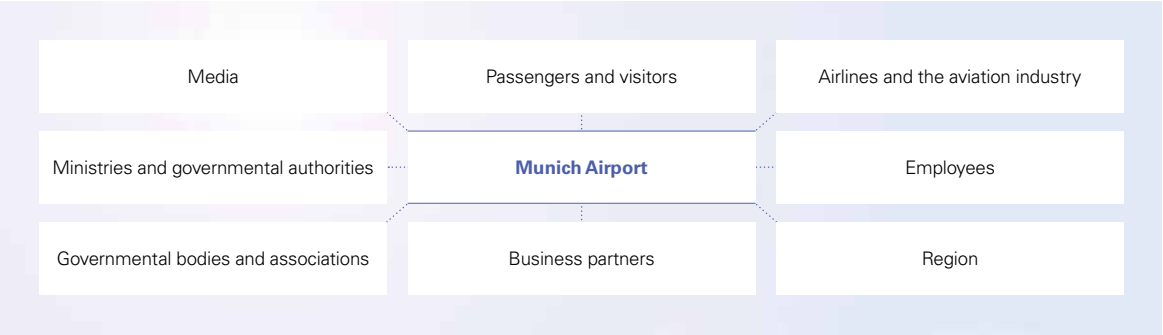
FMG's stakeholder groups also include the media and the public at large, in our home region and beyond. We engage with these groups through press releases and media events, through Internet and intranet sites and newspapers and other publications. The most important media event is the annual press conference where the financial and traffic figures of the Company are presented and important industry trends are discussed. The press office provides information in press releases and photographs on current events and developments at Munich Airport.

Among the most important events in the reporting period were the many extensive activities having to do with the 20-year existence of the airport at the new location and the PR work in connection with the referendum in Munich concerning the issue of a third runway.

Public relations work in the form of dialogue

Public relations work of FMG also makes an important contribution to the open, direct dialogue for which we strive with all stakeholder groups. For the broad regional public and beyond, FMG's visitors service offers the opportunity to learn about FMG and Munich Airport first hand and on site. This offer of an open door is in

Central stakeholders



tune with FMG's aspiration of interacting in a comprehensible, credible way with the public. More than 70,000 participants in visitor tours of the airport grounds make it clear that this offer is welcomed by the broad public.

In addition, an extensive array of public events offers the public an opportunity to interact with FMG. Thus, on the occasion of the 20th anniversary of the airport at the new location, FMG held its own festival week. Here, several thousand citizens had the opportunity to experience at no charge – as an anniversary gift of FMG – appearances of well-known artists.

The interchange with stakeholders takes place outside of the airport grounds as well. At regional fairs and numerous events in the region and beyond, FMG provides first-hand information about current developments and events at Munich Airport.

Social media

Social networks such as Facebook, Twitter, XING, and others are winning greater and greater importance for the dialogue with customers, employees, media, and the interested public. FMG used these platforms particularly intensively as a communication path during the Munich referendum. The Company

has a dedicated social media team, part of Corporate Communications, which works across departments with other areas. In this way the public is to perceive Munich Airport as a modern, engaging corporate group and an attractive employer, and our corporate culture is to be visible for outsiders and open for them to experience. FMG expressly allows its employees to participate in exchanges of opinion in social media. In a pilot project in October 2012, courses for management staff were offered for the first time in the airport training center on the topic of social networks.

FMG concentrates on the most important platforms on the social web:

→ facebook.de/flughafenmuenchen

Facebook

On the company Facebook page, FMG employees provide up-to-date information on campaigns, events, and interesting topics having to do with the airport. Recruiting also takes place there for the campus as an attractive place to work or train. Interactions with users, dialogue concerning important aviation topics, and intra-campus advertising should contribute to increasing its attractiveness and thus also to its reach. Users receive the desired information as quickly as possible. Taking advantage of the large reach thus generated, Corporate Communications, in some cases in cooperation with other departments, also mixes in topics relevant to the Company. The Aviation division, for example, answers general inquiries and posts up-to-date information on traffic operations (delays, traffic jam reports, disturbances in operations, etc.).

YouTube

FMG uses YouTube as its central video platform for promoting the airport as an attractive employer, location for business customers and airlines, as an excursion destination and exciting experience, and as the indispensable partner and economic engine for the region. The newsroom on the corporate website displays a selection of the videos offered there.

→ twitter.com/MUC_Airport

Twitter

Twitter also is used for communicating topics relevant to the Company. The necessary background and detailed information are provided through links to the corporate website. At events such as the annual press conference, live statements are also tweeted. Campaigns, launches, and interesting items concerning the airport are texted briefly through Twitter and then are treated in depth on Facebook, YouTube, and the corporate web page.

XING

On XING, Flughafen München GmbH positions itself as an attractive employer and increases its recognition factor. The HR department uses XING as a recruiting tool, places job advertisements, and promotes employee loyalty to FMG through appropriate campaigns.

App for passengers

Under the name "MUC Airport," Munich Airport is providing a new service to all owners of smartphones with the iOS operating system. This app makes it possible to access information provided by the airport such as current data on arrivals and departures, the entire listing of flights and status changes of flights. Another feature is the parking place reminder function, with the help of which the location of one's parked car can be retained. This new app complements the mobile web page that has been available for some while.

Advocacy at many levels

Our office of political affairs represents the interests of the FMG Group in dealings with EU bodies, the German Federal Government and Parliament, the Bavarian State Government and Parliament, and the City Council of Bavaria's state capital, Munich. The employees of the staff office ensure a reliable exchange of information on the various governmental levels and make the interests of the FMG Group known. To this end, it not only maintains constant contact with various bodies and organizations, it also holds regular events in Brussels, Berlin, and Munich. In addition, FMG publishes policy statements two to three times a year.

By collaborating closely with industry associations, including the German Airports Association (ADV), the Federal Association of the German Air Transport Industry, and the Airports Council International (ACI) Europe, Flughafen München GmbH has access to current information on key aviation topics and participates in assuring that our industry's interests are well represented collectively. In addition, the office has also dedicated itself since mid-2012 to the systematic development of a strategy for subsidies for the FMG Group. This involves research into suitable subsidy programs and advisement of the various departmental units within the Group.

Flughafen München GmbH has a policy of not making financial contributions of any kind to politicians, political parties, or institutions associated with them.

→ munich-airport.com/mobile

Regional growth partnerships

The Communities Council: A forum for dialogue

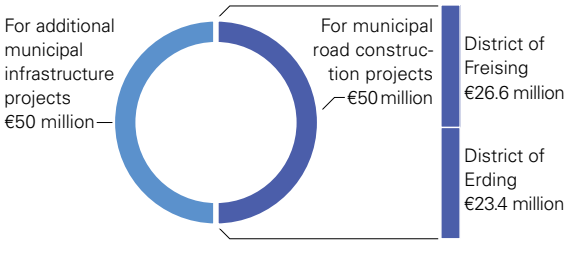
→ nachbarschaftsbeirat.de

For Flughafen München GmbH, an open and constructive exchange with the airport's local region is exceptionally valuable. For this reason, the Communities Council, formed in September 2005 to accompany the planning process for the expansion of Munich Airport, plays an important role by fostering productive dialogue and by providing the airport and its local communities with a forum for information sharing and communication. The council is supplied with timely and current information on the planning progress at its meetings; it also acts as a mouthpiece for the region, voicing local concerns, offering recommendations and suggestions, and helping to achieve consensus on solutions to problems. The council has around 40 members, comprising people representing local towns and communities, administrative districts, the business community, and labor unions, as well as employees from Deutsche Lufthansa AG, Deutsche Flugsicherung GmbH, and Flughafen München GmbH, who represent the aviation sector. The council is headed by the former president of the Bavarian Constitutional Court, Edda Huther.

Support for transport infrastructure projects

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

Regional fund in the amount of €100 million



Independent of that and without further preconditions, €5 million each has been made available for planning services in connection with the Erding north bypass and the Freising west expressway, and for the purchase of land for the Freising west expressway. To date, Erding district council has drawn down around €500,000 in funding to cover planning work for the town's north bypass. Freising, too, has drawn down €500,000, for the purchase of land in preparation for the construction of the town's west expressway. All other funding, however, is on hold until work has begun on building the third runway.

Regional liaison office: Ten years

In the fall of 2002, the office of the regional liaison officer for the airport region was installed by the executive management. The liaison officer along with his team has now been working for over ten years on systematic networking with the region at all levels. The regional liaison office views itself as a coordinating office and bridge between the airport and the region. Its goal is to establish Munich Airport on a continuous basis as an integral part of its home region and as a "regular" neighbor. The regional office carries the messages of Flughafen München GmbH out into the region and brings the needs and wishes of the neighbors back to the airport.

Cooperation with the region

Since 2005, Flughafen München GmbH has committed personnel and finances to the joint working group for regional marketing AirfolgsRegion Erding-Freising with the goal of professionally marketing the location qualities of the region. In September 2012, the partners of AirfolgsRegion Erding-Freising agreed to end their work together in the former organizational form of a communal working group. But all were in agreement to continue to jointly use the positive results achieved in the past for the region and in particular to continue projects such as the theme bicycle routes already planned, primarily independently but in close consultation with each other.

Member of the Lower Bavaria Forum

On July 7, 2011, the Niederbayern-Forum e.V. association was christened. It assumes sponsorship of Lower Bavaria Regional Marketing, going back to an initiative of the Bavarian Ministry for Economic Affairs, Infrastructure, Transport, and Technology. The purpose of the association is to present the qualities of the region of Lower Bavaria as an attractive place to live and as an efficient business location, and to promote the area in its entirety. In addition, it is intended to bring together the social and economic, the individual, and institutional strengths of Lower Bavaria with the goal of jointly and effectively promoting the interests of the area. In July 2012, Munich Airport joined the association as its one-hundredth member since our existing economic interrelationships cover more than just a portion of the administrative district of Upper Bavaria and Munich.

Strengthening tourism

Many communities, institutions, and companies of the Erding district joined together in the registered association Tourismusregion Erding (Erding Tourism Region) for the marketing of its qualities as a tourism location. FMG, as part of the region, joined the association in November 2012. The various members bring in their specific strengths and thus jointly strengthen the entire tourism industry of the district.

Marketing business parks and real estate

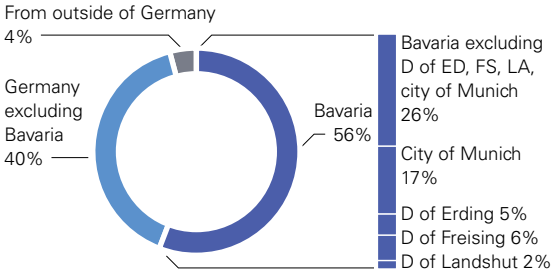
The Munich Airport Area (MAA) working group, set up by the municipalities of Hallbergmoos, Oberding, and Marzling in association with Flughafen München

GmbH, continued its work in 2012 and is continuing to promote the development and marketing of members' business parks and real estate projects. The MAA conducts targeted marketing initiatives and attends all key national and international trade shows in order to engage with potential investors, developers, and real estate project developers and businesses.

Business partners from the region

When calling for bids, we take steps to ensure compliance with national and EU laws and agreements. This requirement is reaffirmed in legally binding form when we conclude contracts with suppliers. Around 93 percent of our supplier businesses are based in Germany. Of these, 59 percent are in Bavaria. Just two percent of our suppliers are registered businesses outside the European Union.

Supply and service relationships of FMG
(excluding subsidiaries)
Percentage distribution of revenues in total and in the region



D = District

Sustainable procurement

→ earthlink.de

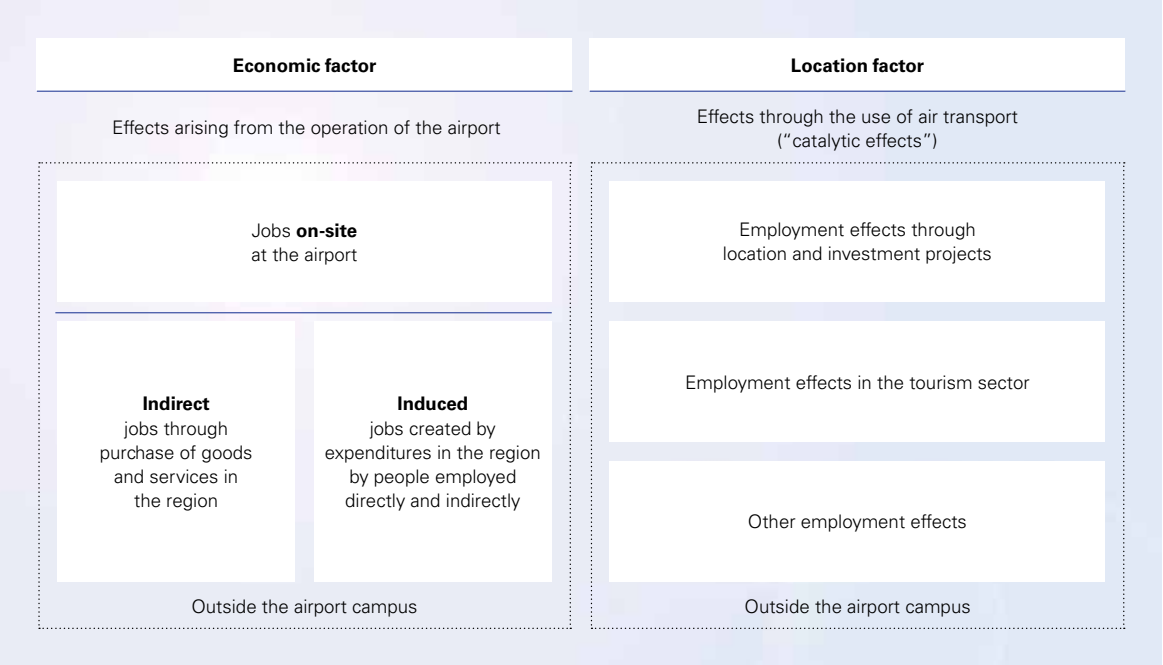
In September 2012, a workshop on the topic "Sustainable procurement – Opportunities and challenges" was held in cooperation with earthlink e.V. in which opportunities were developed for adopting sustainability aspects in calls for bids taking the airport into consideration as a sectoral contracting entity. As the result of the workshop, a pilot project was identified in which the call for bids integrates even more strongly than in the past sustainability aspects in the evaluation criteria.

Evaluation of suppliers

As a part of its supplier management process, since 2004 Flughafen München GmbH has conducted annual evaluations once a year of around 150 suppliers, which achieve a defined minimum sales level per year. Suppliers are scored on such criteria as the quality of their products or work, their reliability, their quality of service, and their pricing, and also the certification of the companies under quality and environmental standards. In the event of weak results, the suppliers have the opportunity to eliminate existing deficiencies in supplier audits.

Economic value

Schematic diagram of effects on regional employment



→ munich-airport.com/economy

Munich Airport has an economic impact at a number of different levels. We differentiate here between the effects resulting from the operation of the airport and the effects from its use.

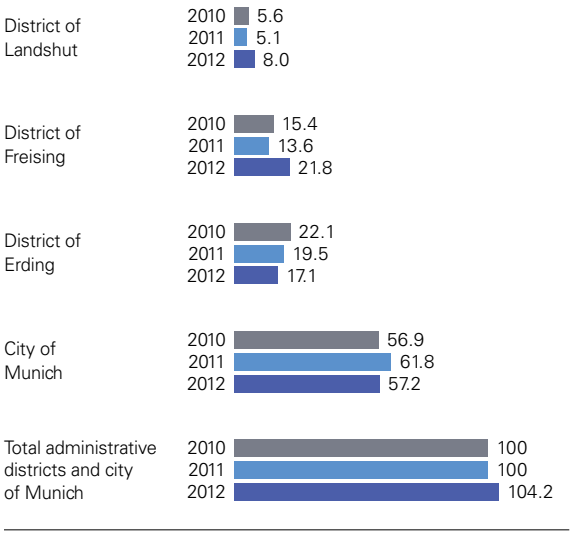
1. Effects arising from the operation of the airport

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

→ Organizations' expenditures at the airport

In 2005, the organizations operating at Munich Airport spent an estimated €3.6 billion on products, services, and capital goods (inputs).[1] Around two-thirds of this spending was with businesses outside the airport, including €1.4 billion annually in the airport's surrounding area.[2] In 2012, Flughafen München GmbH, excluding its subsidiaries, purchased goods and services worth €46.9 million in the Erding, Freising, and Landshut districts and a further €57.2 million in the state capital, Munich.[3]

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



[1] Ernst Basler + Partner AG/BulwienGesa AG (2007), PFV-Gutachten, pp. 54–58
[2] 72 municipalities around the airport including the city of Munich
[3] FMG purchasing, as of March 2013

→ Wages and salaries paid by organizations at the airport

In 2009, the wages and salaries paid by all employers at Munich Airport totaled roughly €1.1 billion. More than €740 million was paid to employees living in the airport's surrounding area. Rates of pay across all 29,560 airport employees, including part-time and marginally employed workers, have increased significantly in recent years. Employees who work on campus now earn €37,089 annually, on average. This figure grew by around 16 percent in the period from 2006 to 2009, or roughly five percent per year. These findings are based on our workplace survey conducted in 2009. The results of the new survey, which took place in a three-year cycle at the end of 2012, will be available and will be published in the course of 2013.

The airport's effects in terms of public budgets, too, are significant. Flughafen München GmbH alone – one of around 550 organizations at the airport – remitted more than €30 million in directly deducted payroll tax in 2012, a sum that clearly underscores the scale of the airport's economic importance.

→ Employment multiplier

The airport has an employment multiplier value of 1.03 within its local region. This means that the 30,000 jobs at the airport generate more than 30,000 additional jobs in the airport's surrounding area. When the effects that extend out beyond the immediate area of the airport are considered, its national multiplier effect is actually 1.64.[1] Just under five percent of people employed in the airport's local region work in jobs related either directly or indirectly to the operation of the airport. Excluding the state capital, Munich, this figure is significantly higher, at 16 percent.[2]

Forecasts indicate that the economy in the airport's local area will grow rapidly through 2025, causing the number of jobs to rise sharply. Studies show that building the airport's third runway could create around 16,700 additional jobs.[3]

2. Effects through the utilization of airport transport

Important effects, referred to as catalytic effects or location effects, in turn arise from the utilization of major transport infrastructure facilities such as Munich Airport. Thus, proximity to the airport and its range of flight connections all over the world are an important criterion for the moving in of companies, especially those operating internationally. In this way, the airport offers a significant location advantage for companies and also for the tourism sector. Its utilization leads to significant national and regional economic effects such as an increase in productivity, capital expenditures, employment in the region, and the level of innovation.[4]

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

→ Attraction of businesses to the area

For international businesses, easy access to efficient air transport services is a highly important factor in their choice of where to locate. According to a recent study by the European Center for Aviation Development (ECAD), proximity to air transport ranks fourth among the most important factors for businesses that choose to set up in the Munich region. More than half of these businesses would have picked a different location in or outside Germany if access to air transport had been inadequate. Companies engaged in international business currently secure around 250,000 jobs in the Munich region.[4]

→ Value creation through tourism

Munich Airport positively influences tourism, too, not just the influx of business. In 2007, for example, overnight visitors from foreign countries who traveled to the Munich region by air spent roughly €1.8 billion there. These expenditures created €978 million in value added in the Munich region, thus securing more than 44,000 jobs.[4]

[1] Ernst Basler + Partner AG (2010), PFV-Gutachten – Aktualisierung der Prognosen mit Zeithorizont 2025 PFV (Zoning Report – Updated forecasts through to 2025), pp. 21 ff

[2] Ernst Basler + Partner AG (2011), Regionaler Strukturwandel im Umland des Flughafens München (Regional structural change in Munich Airport's surrounding area), p. 22

[3] Ernst Basler + Partner AG (2010), PFV-Gutachten – Aktualisierung der Prognosen mit Zeithorizont 2025 (Zoning Report – Updated forecasts through to 2025), pp. 24 ff

[4] Katalytische volks- und regionalwirtschaftliche Effekte des Flughafens München (Munich Airport's catalytic effects on the national and regional economies), ECAD GmbH (European Center for Aviation Development), Darmstadt, 2008

Community engagement

Donations and sponsoring

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

Reception of sponsoring partners at the airport

In July 2012, a reception of the sponsoring partners was held for the first time. On this occasion it was clear that FMG is the partner of many associations and institutions and has made many projects in the airport region possible in the first place through its financial involvement. Many partnerships have been in existence for more than 20 years. The project competition held for this occasion demonstrated that the associations and institutions still have many ideas and room for innovations, and that the community engagement of FMG continues to be in great demand. The best three projects selected by a jury were awarded prizes.

Sport

In 2012, we had agreements in place to support 74 sports clubs in the area influenced by Munich Airport, primarily in the Erding and Freising districts, for the purpose of supporting young people. Alongside new clubs added, many existing agreements were extended, demonstrating our commitment to promoting young athletes and providing the clubs with additional planning security for their youth work.

Social welfare

In 2012, a focus of our sponsoring work in the social area was the support of hospice associations and palliative care teams, primarily in the districts of Dachau, Erding, and Landshut. Here, FMG made a contribution to the professional care of the seriously ill.

Education

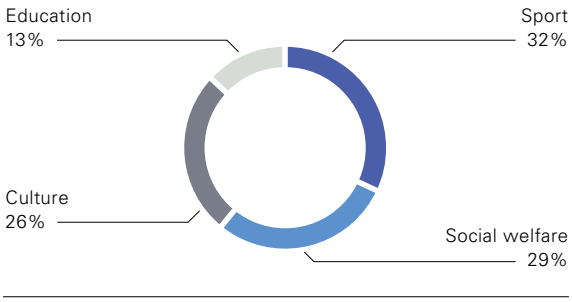
Through the support of FMG, the Dorfen/Taufkirchen school bus working group was able to fund a supplemental bus for 15 weeks. In this exclusively volunteer working group, under the direction of the Förderverein Gymnasium Dorfen, five schools from Dorfen and Taufkirchen have joined together with the parents of the students. The supplemental buses make a big contribution to school bus safety primarily on routes along federal roads. In addition, they reduce the time pressure under which the bus drivers often operate.

Culture

FMG also is engaged in a great variety of ways to bring culture in the region. Alongside many other projects, such as the Freising Summer Theater and the state contest "Jugend musiziert" (Youth Make Music) in Erding, the Freisinger Skulpturtage (Freising Sculpture Days) were supported in July 2012 in Kranzberger Forst for the second time. Thanks to the financial commitment of FMG, students of the master school for wood carving of the state capital Munich had the opportunity to produce three permanent installations on-site in the "Weltwald" arboretum.

→ munich-airport.com/sponsoring

Expenditures for donations and sponsoring
Percentage of total



Donations funded with flextime credit

FMG's executive management, with the approval of the works council, gave assistance of a special kind by donating employees' flextime credit "lost" by not being taken as time off during 2011 at its equivalent value. In January 2012, a check in the amount of €100,000 was presented for the rebuilding of a teacher dormitory destroyed by an earthquake in the city of Van in eastern Turkey. The new dorm will have 75 rooms, which will bear the names of teachers who died in the earthquake.

Voluntary work by airport employees

Many people who work at Munich Airport volunteer their time to help those in need or in difficult circumstances as a result of unexpected life events or a natural disaster. Some of these airport workers are members of aid organizations; others assist people on a purely individual basis. In addition, institutions and associations are supported when official funding is not available. The FMG Group actively supports initiatives of this kind, in part by making the infrastructure of the airport available to employees.

An unusual campaign, which was also reported in the media, benefited an after-school care center in the neighborhood of the airport. Under the title "Schwerer als Luft" (Heavier than air), aircraft ground handlers presented an innovative musical theater project, which tracked mankind's dream of flight across various epochs and cultures. The ensemble requested donations from the public for the after-school care center. In this way a total of €1,050 was collected on three evenings. The Group made suitable rehearsal spaces available for the actors and musicians, all of whom practiced in their free time.

Help in many different areas

"Mit Sicherheit für eine gute Sache" (With safety for a good cause) – Flughafenverein München e. V. again in 2012 was true to its motto. Friends and employees of FMG founded the independent charitable association in 1996 to collect donations for charitable and benevolent purposes in the area around the airport. For the fifth time, by way of example, the traditional Charity Golf Tournament was held. A total of €11,000 was raised for a young man who is paralyzed following a sporting accident. At the beginning of the year, the airport association, together with two Munich initiatives, in view of a cold wave, supported homeless people in the state capital by converting two airport buses into heat buses. In addition, the airport association financed a refrigerated trailer for the "Füreinander Miteinander" (For Each Other, With Each Other) association from the nearby town of Wartenberg so that it will be possible to guarantee that the freshness of the groceries for the meals on wheels will be maintained.

For the fifth year in a row, in 2012 two trucks with the support of the airport association brought relief supplies to Latvia to relieve the distress of a poor community. The initiative goes back to a manager of Swiss International Air Lines at Munich Airport who has family roots in Latvia. This time, a total of 26 tons of used articles and also urgently needed baby food arrived in a small town east of Riga.

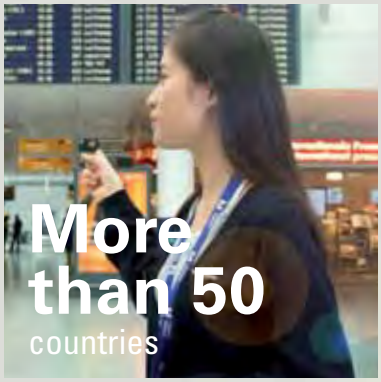
Aid for Tanzania

A customs officer at Munich Airport is working to support the inhabitants of Kitandililo, a poor village in Tanzania. His home community of Ismaning, now twinned with Kitandililo, regularly collects relief supplies. The officer has personally accompanied them to Tanzania several times to make sure they get through to where they are needed. Flughafen München GmbH helped promote a fund raising campaign launched at the airport to benefit the village.

→ flughafenverein.de

Personnel requirements up to the year 2017 in all departments

International staff for international passengers



Focus on healthy employees

Workforce and work environment

Human resources strategy

Important regional employer

With its 7,443 employees [1], the FMG Group is the second-largest employer on campus, with Deutsche Lufthansa AG as the largest. An indicator of the great importance of Munich Airport on the regional labor market is that the Freising district employment agency, which is also responsible for the Erding area, for many years has reported some of the lowest levels of unemployment in Germany. In 2012, the rate averaged around 2.2 percent, which almost corresponds to full employment.

Create attractive workplaces and recruit employees

Creating attractive conditions for existing and for future workplaces at Munich Airport and ensuring sustainable employment are the central challenges of the Human Resources division. Thus a variety of our human resources strategic activities contribute to increasing the attractiveness of FMG as an employer. Against the background of the demographic development, we will, at the same time, improve our position in the competition for additional staff.

→ munich-airport.com/workforce

Setting goals in HR management

In order to continue shaping the development of the Company in the future, successful strategic human resources work is a key factor. Our long-term human resources concept is geared to optimally supporting the corporate strategy as well as the current business situation. In addition, social megatrends such as demographic change, diversity, individualization, health, and education are taken into account. All of these aspects flowed into the HR strategy, which established important goals for HR management and the packages of measures associated with it. A large portion of these measures were implemented in 2012, or were fleshed out to the extent that completion in the year 2013 is assured.

Goals

Cover personnel requirements

To determine our personnel requirements, a qualitative/quantitative five-year personnel plan was created. By 2017, at least 2,500 new employees will be needed in Munich Airport in various functions, especially in the areas of IT, engineering, building management, safety, retail, dining, and security. Since vocational training was realigned as a several-year process, this measure is considered to be successfully completed with the introduction of the trainee career industrial firefighter in 2012, and the advertisement of new IT careers and curricula with commencement of training in the fall of 2013.

While up to now we have viewed ourselves primarily as a regional employer, in the future we will have to successfully position ourselves in a larger labor market. This is because of the demographic shift and the very low jobless rates in the Erding and Freising districts, and the attendant shortage of labor. Therefore marketing and recruiting strategies were developed in 2012 to build up an attractive employer brand with which we will be able to present ourselves beginning in the year 2013 on the regional labor market and beyond.

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

Increase efficiency

In order to increase efficiency, we reviewed employee agreements and Company agreements to identify optimization potential, among other things. In the operations field "Security," this led to new plant agreements with the approval of the works council, which make the more flexible deployment of the employees possible.

An important factor in achieving our goal will be reducing sick days taken. For this reason, packages of measures were defined and implemented, which are intended to establish a sustainable condition of good health. In 2012, occupational medical services were intensified, particularly for the FMG subsidiary AeroGround, for example through the introduction of mandatory examinations for new employees. Already demonstrating a lasting effect are the strengthening of occupational medicine in the FMG subsidiary MediCare and the establishment of the health management office with a large number of activities having to do with the topics integration management for the disabled, company athletics, and prevention.

Increase employer attractiveness

A key step toward successful employer branding was a comprehensive analysis phase. It showed that an increasing portion of the employees feel less loyalty to

the Company. In order to counteract employee turnover that could arise as a result, the attractiveness of FMG as an employer must be improved. This will be successful only if the employer brand and the daily experience of the direct work environment (team, work, and employment conditions, line management) are in harmony.

For this reason, a project was started in 2012 that is intended to lead to an attractive image for Munich Airport as an employer on external personnel markets and also within the Company. Further initiatives to increase employer attractiveness are: payment of a share of profit; the introduction of a family and advisory service in the framework of our "be family!" program; construction of a child care facility; and the discussions started in cooperation with the service sector union ver.di on the campus-wide "Good Work" initiative at Munich Airport.

Since the end of 2012, Flughafen München GmbH has been using a large professional platform, "kununu," for employer evaluations in order to make job seekers aware of the Company. Employees and trainees of FMG can rate their job or training spot online and anonymously. In this way, interested job seekers get an authentic look into the Company and can also evaluate their own job-hunting process. With the Company profile on "kununu," FMG is pursuing the goal of positioning itself even better as an attractive employer and moving more into the focus of qualified job seekers.

The introduction of a talent and succession management system is planned for 2013 in order to identify potential high performers.

Establish excellent leadership

In 2012, the leadership excellence program was again expanded. It is based on the leadership model introduced at the end of 2011 that was defined in the framework of the qualification program. Each manager must complete at least one of the qualifying blocks contained in it. Another measure for establishing excellent leadership is the "employee conference" that will be introduced beginning 2013. Another important milestone was the adoption of the compensation and contract package for non-tariff managers. These measures not only strengthen the loyalty to our Company of existing managers, but also facilitate the search for qualified managers on the external labor market.

Organization adapted

In order to facilitate the systematic implementation of the HR strategy measures, the HR department was partially reorganized. After the creation of the dedicated personnel and management unit and the health management office at the end of 2011, the organizational development was integrated in 2012 into the range of services of the Central division Human Resources. The new Organization office is responsible for reorganization matters, for change management, and for cross-divisional guidelines in the FMG Group.

Training and HR development

Innovative fields of action

As the operator of a steadily growing airport with an extensive retail and services portfolio, we can provide a wide range of jobs in challenging and interesting fields for everyone from students to school leavers to career starters and career advancers. Again in 2012, the FMG Group was one of the region's largest training providers.

In 2012, around 140 school students and 103 university-level students received a first glimpse into our airport world in internships in various corporate divisions. We also offered Bachelor's and Master's dissertation topics in connection with a number of company projects. At December 31, 2012, 246 young people were in FMG training programs, preparing for jobs in fields as diverse as mechatronics, office staff, aviation services personnel, cooking and catering, and real estate. In September 2012, 90 school-leavers embarked on vocational and work-study programs with the FMG Group.

Alongside training for classic career tracks, a number of new and innovative vocational programs are offered, including system gastronomy and industrial firefighting. We also operate popular university level work-study programs in aviation management and business administration (both leading to a Bachelor of Arts degree), plus a Bachelor of Science program in business IT, which offers an interesting alternative to a classic degree program for talented school-leavers with a university entrance qualification in mathematics or the sciences.

→ munich-airport.de/karriere

School and education projects of FMG

As a committed corporate citizen, we engage in a range of initiatives to support school and education projects in our region. A case in point is the *SCHULE* WIRTSCHAFT Freising-Erding-Flughafen working group in which we have been promoting networking between local schools and businesses since 1997.

In the fall of 2012, the largest exhibition for career information, "Vocational Training Night" took place on the airport campus, which Flughafen München GmbH carried out as in the year 2009. Many school students used the opportunity to become acquainted with a total of 26 training enterprises with headquarters or a branch on the airport grounds and having around 60 different training and study programs. In addition, FMG was again a partner in the nationwide "Girls' Day" event at which 70 pupils worked in technical or semi-technical occupations across the campus. For the tenth time, FMG hosted regional rounds of the "Jugend forscht/Schüler experimentieren" youth research competition. Since 2005, FMG has been operating a program aimed at helping young people unable to win a place on a vocational training scheme. A six-month practical training program gives them a chance to enter into the world of work.

→
munich-airport.de/academy

Advanced training in the Munich Airport Academy

Alongside vocational and career training, advanced training for our workforce forms an important element of our HR strategy. Group employees can choose from an extensive array of courses, ranging from specialist seminars in specific aviation industry fields to more general courses in areas like computing, foreign languages, and personal development. In addition, third parties can also book training programs. Given the growing importance of HR development, the number of internal and external participant days in the training programs of Munich Airport Academy and in workshops increased in 2012 in comparison with the prior year by 30.5 percent.

Aviation training – An important partner in the aviation field

Alongside the regular training programs of the Aviation Training department of Munich Airport Academy, the focus in 2012 was on a qualification campaign for AeroGround. The employees are to be prepared for multifunctional service in operations, thus in aircraft handling as well as baggage handling, in order to properly address the requirements of AeroGround and its customers for flexibility. The focus of training was on the operations examination. This is a necessary prerequisite for the independent preparation of aircraft and an important building block for obtaining the Chamber of Industry and Commerce credential "State Examined Aircraft Ground Handler."

Another important mission of the aviation training programs in 2012 was numerous apron driver license training sessions. Due to the construction of the satellite and the new hires by a ground handling service provider, the number of employees working on the apron rose for the first time. In addition to its activities at the Munich location, Aviation Training intensified its consulting activities. Training programs and training coordination services for the expansion of the airports in Muscat and Salalah in Oman were central in 2012.

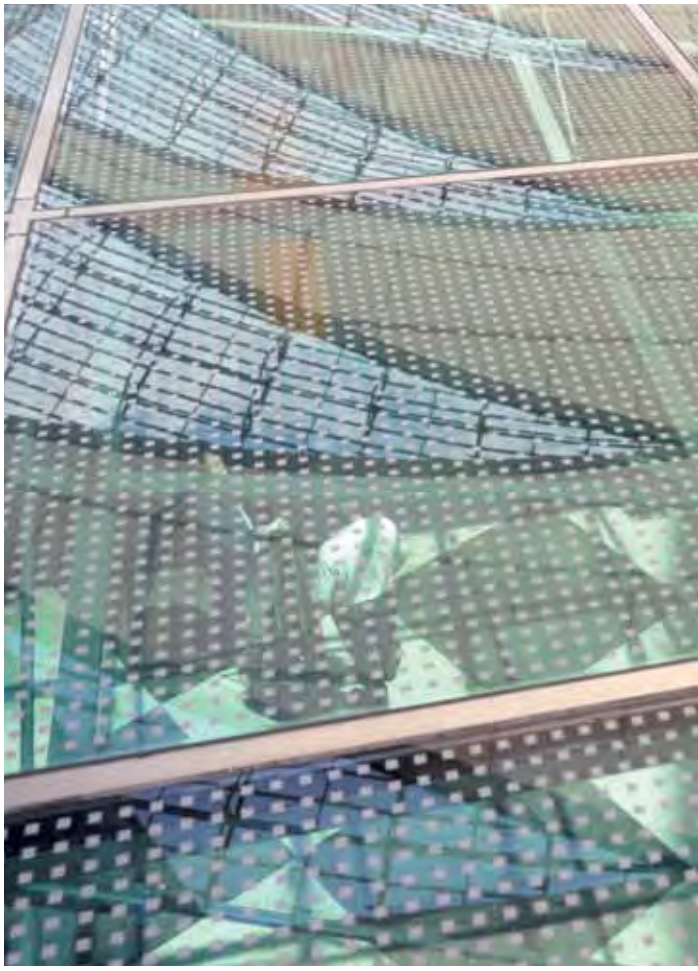
Security training in high demand

The Security Training department of the Munich Airport Academy expanded its service portfolio with the "Curriculum for security officers for airport deliveries." This curriculum is tailored to the training of security officers at the airport subcontractor companies. This is necessary since the airport is obligated on the basis of legal requirements on the part of the EU to submit airport deliveries to a 100 percent control.

Another focus in 2012 was qualification of aviation security staff for screening personnel and goods. The number of basic courses increased by around 14 percent above that of the prior year. As in past years, a number of outside companies also used the training capabilities of the Munich Airport Academy in the area of security training, for example for basic and advanced training on baggage scanning equipment.

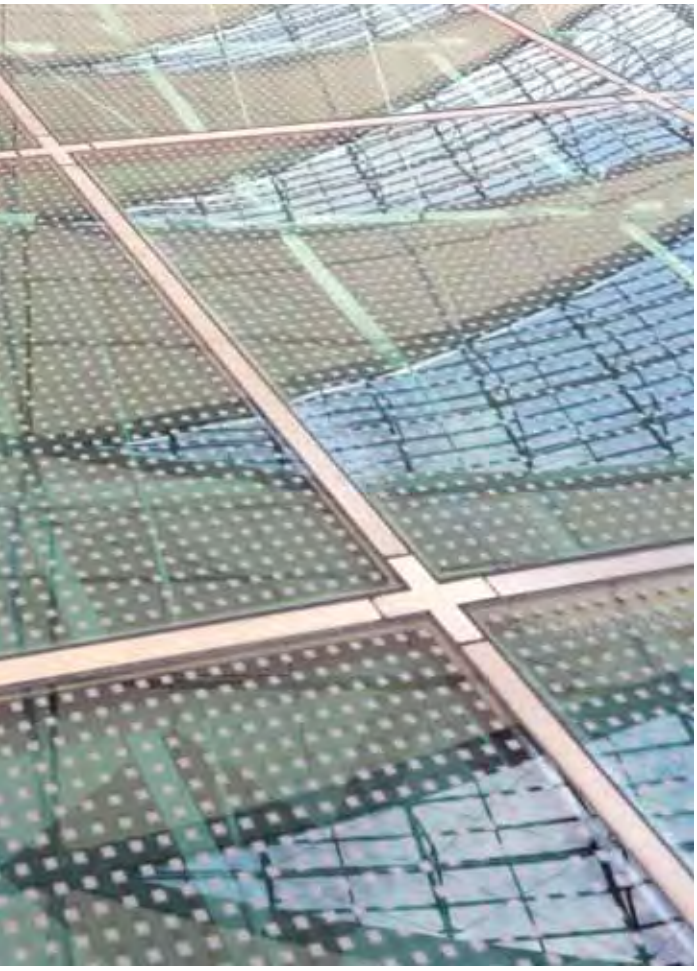
Advanced training at many levels

Alongside the range of seminars and courses available, our vocational trainees, employees, and executives can



also take part in national and international exchange programs to expand their knowledge and develop their cross-cultural soft skills. In the framework of the EU's Leonardo da Vinci education and cultural program, a total of 21 FMG vocational trainees visited partner airports in Vienna, Athens, Lisbon, and Malta.

Technical and management staff gained new ideas for the further development of our airport during stays at one of our five sister airports – Denver International Airport, Central Japan International Airport, Airports of Thailand, Singapore Changi Airport, and Beijing Capital International Airport Co., Ltd. Collaboration with these airports made it possible for selected employees to deepen their technical and professional knowledge at workshops and exchange programs.

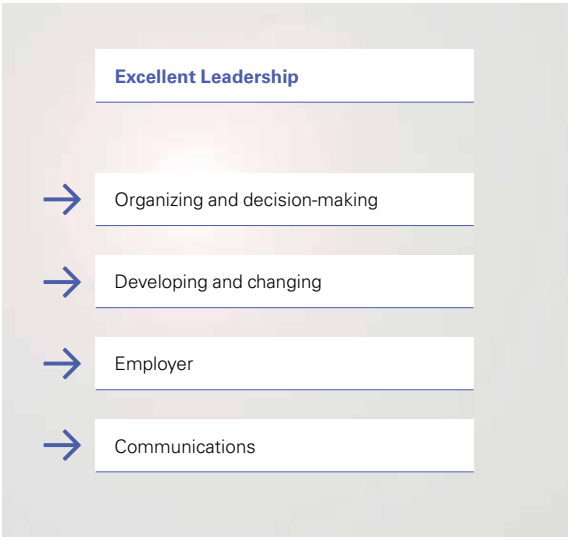


Leadership Excellence

The project "Leadership Excellence – creating a high-performance culture," created at the beginning of 2011, is geared toward the management personnel of Flughafen München GmbH. Alongside its focus on a culture of high performance, it concentrates on collaboration across all tiers of management.

A broadly designed campaign, in the meantime, has presented the excellence criteria (leadership model) and the associated measures and activities to all management personnel of FMG. Since then, the first associated companies have also been integrated into the Leadership Excellence program. The management model has also gone out to all employees in the Group in the form of an educational video. In training seminars, management employees had the opportunity of informing themselves on the three modules "Communications," "Employer," and "Organizing and Decision-Making." Later participation in one of these modules was mandatory.

Four fields of excellence criteria



Diversity

Cultural diversity

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

Of 7,443 employees [1] of the FMG Group, 1,134 come from more than 50 different countries. "Living Diversity" is thus an established part of our corporate culture and the international nature of our business. The protection of human rights is a self-evident principle for the FMG Group within its sphere of influence. During the review period, there were no reported complaints concerning discrimination or the infringement of human rights.

Jobs for the disabled

In 2012, around 459 people with severe disabilities were employed at Flughafen München GmbH – around 11.1 percent of our workforce. This means we offer far more jobs for the disabled than the statutory quota of five percent. Under our current integration policy, we have redesigned numerous work points in the Company to better suit the needs of people with disabilities.

For many years, FMG has also supported a private school operated by the organization Lebenshilfe Freising where young people with mental disabilities are trained. Alongside the tried-and-tested internships and one-day-a-week work experience opportunities, this year the student company "Carwash mit Pfiff" (Car Wash with Pizzazz) was organized. It is among the junior companies operated cooperatively by schools and the Bildungswerk der Bayerischen Wirtschaft (Education Workshop of Bavarian Commerce and Industry). FMG acts as a business sponsor and makes it possible for disabled as well as non-disabled youth to offer car washing for vehicles parked at the airport. This cooperation with Lebenshilfe Freising has been honored at many events and was recommended at the Bavarian Parliament on the "2nd Day of Persons with Disabilities" as an exemplary project for replication.

Opportunities for employees with health limitations

In the framework of our in-house system of integration management, we make use of employees who face limiting health problems and are no longer able to continue in their current area of work, in accordance with their abilities. Through this system, they can find suitable alternatives. Some remain employed in their own departmental units in work that matches their abilities; others are reassigned to roles in internal services – as couriers, messengers, maintenance staff, and quality assessors, for example.

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

Work-life balance and health protection

A family-friendly employer

Flexible working hours are of key importance not only for an optimal balance between work and home life, but also in increasing our attractiveness as an employer. In the FMG Group, 1,387 people are employed in flexible work arrangements: from flextime and part-time working to partial telecommuting and scheduling based on work-time preferences for those engaged in shift work. Other attractive supplementary benefits facilitate both the balance of career and family life and also the personal well-being and thus the health of our employees.

Among these are:

→ A child day care center ("Airport-Hopser") on the airport campus for employees' children up to three years of age
→ Employee hostels close to the airport
→ Vacation programs for employees' children
→ Social counseling and cooperation with "pme Familienservice"
→ Various health promotion programs, including fitness courses, a company sports club, and ergonomics consulting
→ In-house travel office
→ Reduced-rate monthly season tickets for public transport
→ An employee insurance service
→ Free parking on the airport campus

Since 2011, Flughafen München GmbH has given increased support to employees with school-age children. During spring and summer vacations, a one-week vacation program offers employee children a varied mix of physical and creative activities, outings, and times for informal play and rest. On the Day of Repentance and Prayer school holiday, FMG has provided a day camp for children of employees since 2011. In addition, since June 2011 a solution-oriented counseling service in the areas of child care and home care/elder care has been available to all FMG employees, where we also give assistance in the search for child care and elder care personnel.

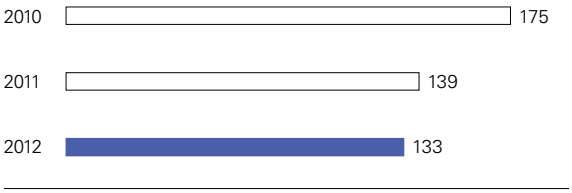
Consistent industrial health and safety

At Flughafen München GmbH, industrial health and safety includes the goal of guaranteeing the physical safety and protection of the health of all employees. FMG therefore pursues a rigorous course of preventive industrial health and safety and takes all necessary steps to avoid accidents and job-related illnesses. Our industrial health and safety team works closely with state oversight agencies and professional associations to ensure that we keep up with changing statutory regulations and implement required changes swiftly.

Quality seal for industrial health and safety

Following recertification in September 2012, the Gesellschaft für Qualität im Arbeitsschutz mbH (GQA) affirmed the high quality of employee safety of Flughafen München GmbH. In addition to the GQA quality seal, our 2012 accident statistics also underscore FMG's commitment in this area. The number of reportable work and commuting accidents at Flughafen München GmbH – following a very significant drop in the prior year – has dropped by an additional 4.3 percent. In 2012, safety experts confirmed in more than 35 on-site inspections that IHS measures were being implemented effectively and adapted correctly in line with changing operating procedures and practices. All measures, whether of a technical or organizational nature, were approved by the works council.

Reportable work and commuting accidents, 2010–2012



Source: FMG – 2012 Industrial Health and Safety Report

An essential component of our industrial health and safety organization is the industrial health and safety committee, which convenes on a quarterly basis and considers the concerns of the entire employee population. Besides the works council, senior executives, middle managers, and safety officers, its members include occupational physicians. Representatives of the IHS unit, the works council, and the airport's medical service meet monthly in a health circle to discuss current topics. One initiative introduced on the advice of this body was to offer free annual flu vaccinations. The employee medical service of MediCare, an FMG-associated company, also provides other vaccinations such as hepatitis and tick-borne encephalitis (TBE). MediCare in addition assesses workplaces with respect to possible health hazards as well as ergonomic aspects and participates in matters of health protection.

Prevention is also part of the program: for example, eye examinations for employees at computer screen workstations and regular hearing tests for employees who work in noisy environments. Safety experts continually update and extend the airport's noise map. When needed, they propose steps for noise protection.

We also place considerable importance on safeguards to protect those employees who work with hazardous substances or biological materials or who work at high elevations. Our IHS initiatives additionally include delivering and documenting mandatory and statutory training and instruction programs on industrial health and safety in our divisions and other units. The breadth of training ranges from introductory programs for new hires or employees switching units within the organization, to instruction on the safe operation of ground handling equipment.

Company health management

In 2012, the company health management system was further developed and was expanded by ergonomics counseling at the workstation. Employee loyalty and the maintaining and improvement of ability to work are explicit goals of our management personnel.

The program for improvement and retention of the ability of firefighters to work was further developed in 2012. The entire course of the day including meal times and breaks was structured according to health aspects. In addition, a qualified athletic trainer trains the employees.

An important milestone in 2012 was the opening of the Health Lounge with a vibratory plate, walking track, and biomechanical massage couches in the IT department. Employees can use the facility with expert instruction at no cost in order to rejuvenate themselves physically and mentally and to actively mobilize their muscles. Web-based virtual coaching with individual vital data provides greater consistency and sustainability of training. In the initial months, already more than 70 percent of IT employees have trained actively. If it continues to be well used, the Health Lounge will also be offered in other divisions of FMG.

The goals for 2013 are the bringing together of the topics of severe disability, employees with limitations, and integration management and the qualitative further development of the company health management system and its establishment in all Group companies.

Remuneration and codetermination

Personnel expenses

Almost all employees of the FMG Group are covered by pay-scale agreements that establish the general terms and conditions for employees. Under these agreements, there is no differentiation between wages paid to men and to women engaged in comparable types of work.

Flughafen München GmbH is a member of the regional public employers' association and, as such, is bound by the TVöD collective pay-scale agreement for public sector employees. In March 2012, the tariff parties entered into a new pay-scale agreement. The term of the pay-scale agreement is two years. It provides a pay increase totaling 6.3 percent, which will take place in three steps. Trainee pay will also rise in two steps by a total of €90. Similar provisions also apply for the employees of our subsidiaries, though they are governed by their own pay-scale agreements.

Airport firefighters have had their own pay-scale agreement, which among other things has a special arrangement concerning partial retirement. In the future, a special account will be set up for younger employees, which will ensure a paid release phase before occurrence of the earliest possible old age retirement. Thus the special physical demands of firefighting personnel will be taken into account. The company agreement opens up the possibility of separating from the firefighting service in the event of disability or restrictions of capacity due to age.

The average salary for the employees of Flughafen München GmbH in 2012 was €43,098, and thus was significantly above the nationwide average in the transportation and logistics industry, which is relevant for FMG. This figure includes all pay-scale and managerial employees, as well as part-time and marginally employed staff. The FMG Group's overall HR expense in 2012 totaled €333.6 million, of which Flughafen München GmbH accounted for €225.9 million. The latter figure comprises €178.5 million in wages, salaries, and travel and meal subsidies, plus €47.4 million in social security levies and retirement and support provisions.

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

Responsible employment practices

Our employee benefits significantly exceed those required by law. Regular and alternating shift work, for instance, may be remunerated either financially or through time supplements. Vacation entitlements, too, are more generous than the statutory 24 business days. In the collective wage agreement, regulation of vacation was also changed, now 29 working days at a five-day week for all employees and after reaching the age of 55, 30 working days. For trainees, in the future there will be 27 vacation days. In other respects existing pay and conditions are preserved. In addition to the monthly remuneration, all employees receive pay-scale

and non-pay-scale supplementary benefits, such as annual bonuses, a company pension, and subsidies for meals and travel.

A culture of codetermination

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

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

A voice for trainees

The Company has a youth and trainee council (JAV) whose role is to represent the interests of young people and vocational trainees. Executive management involves the council in connection with any issues pertaining to young employees and trainees. The council is represented on the works council, where it has a veto right on youth issues to allow decisions to be deferred pending further discussion. It is re-elected once every two years – most recently in 2012 – by all trainees and currently comprises seven members. Employees aged 25 years and under are eligible for election.

Participation and involvement

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

Protecting jobs

As a result of a 1996 EU Directive requiring that third-party ground services providers be allowed to operate at airports in the European Union, we had to admit an outside provider of ground services to Munich Airport. Because of the low wages and low rates for ground handling services of the new provider, we are faced with the risk of having to shed jobs in this sector at some time in the future. Our first step to counter this risk was to form a new wholly owned FMG subsidiary, AeroGround.

Parts of the EU Commission as well as some airlines are now demanding a wider opening of the market. FMG and the works council, jointly with politicians in Berlin and Brussels, are strongly opposing this plan. An additional competitor at Munich Airport would have the result that AeroGround might no longer be able to cover its costs, which ultimately would negatively affect the employees and their jobs. This would result in social dumping at the individual locations.

Therefore FMG, together with the German Airports Association (ADV) and the Frankfurt and Vienna airports, have attempted to block this plan. At the beginning of November 2012, the Transport and Tourism Committee of the European Parliament rejected the draft contract of the EU Commission concerning a further deregulation of ground handling services. In mid-December, the European Parliament voted against the draft agreement and in plenary sent the ground handling service directive of the EU Commission back to the Transport and Tourism Committee. For the time being there will not be a further deregulation of ground handling services. But in 2013, a different decision can be made since a return directly to the EU Commission did not mean an explicit rejection.

In addition, FMG jointly with the service sector union ver.di is pushing for jobs at the airport to comply with a binding standard for "Good Work." This standard focuses on the quality of working terms and conditions and is intended to counter a possible deterioration of work standards. In 2013, there will be further discussions in this regard in order to define jointly with companies on the airport campus uniform quality standards for employment.

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Lower energy consumption thanks to new lighting technology

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Reduction of emissions per passenger since 2005

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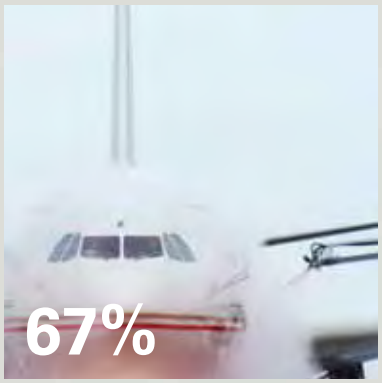
Recycling quota of deicing fluid used



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Fuel consumption of an aircraft per 100 km per passenger

Environmental and climate protection

Climate protection strategy

Climate protection: Joint responsibility

Climate protection is everybody's responsibility. Even if the contribution of the airport operator to global climate protection is limited, Flughafen München GmbH as the operator of a large infrastructure is aware of its responsibility and, within the scope of its possibilities, makes the greatest possible contribution to the reduction of emissions. It is an integral part of our strategy to configure the operation and development of the airport such that negative effects on the environment are effectively limited. We fulfill ordinances and environmental regulations over and above the requirements of the law.

→
die-vier-liter-flieger.de

The energy requirements and the emission of pollutants of a large airport can be compared with the levels of a small town, with only the emissions being attributed to an airport that arise through its operation, feeder traffic, and the taking-off, landing, and taxiing of aircraft. The pollutant output of aircraft is not attributed to the airport at an altitude of 914 meters (3,000 feet) and above since aircraft at this altitude as a rule are further than eight kilometers from the airport.

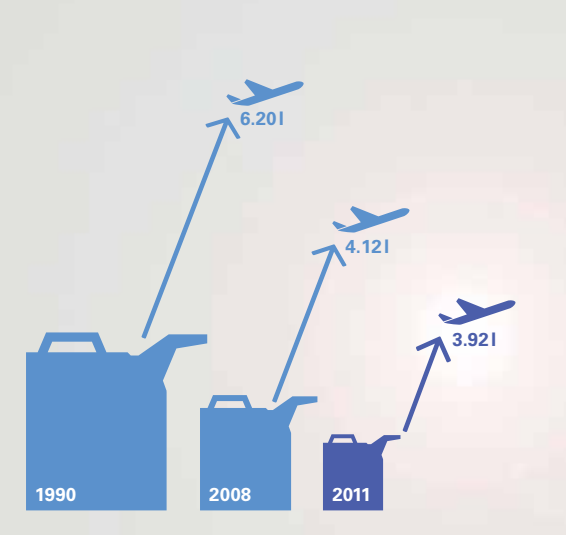
Climate strategy of German commercial airports

In its strategy for comprehensive climate protection at German airports adopted in 2009, the German Airports Association (ADV) laid out a systematic approach. It includes surveying emissions and measures for their reduction. It is based on the principles of avoiding, reducing, and compensating. This approach supplements the four-pillar strategy of the International Air Transport Association (IATA). This strategy describes how technical progress, an efficient infrastructure, optimized operating procedures, and appropriate control instruments can minimize the environmental impacts of air transport and at the same time facilitate the growth and competitiveness of the industry.

Fuel consumption and emissions trading in aviation

Aviation depends on kerosene, a fossil fuel, which upon being burned causes an output of approximately 3.15 tons of CO_2 per ton of fuel. Growth in traffic, kerosene consumption, and greenhouse gas emissions of the sector are closely linked together. The expenditures for fuel currently represent approximately 20 percent of the total costs in the operation of an airline. The airlines therefore are striving, even without governmental limits, on their own initiative to achieve the lowest possible kerosene consumption for their fleets. In recent years, German airlines have managed to reduce their fuel consumption by 37 percent. While in 1990 an aircraft still required about six liters per passenger per 100 kilometers, this value today is below four liters.[1]

Fuel consumption
Liters per passenger per 100 kilometers



As a result of an EU Parliament resolution in 2008 to cap the carbon dioxide emissions of aircraft, European aircraft operators beginning January 2012 have had to surrender one emissions allowance for every ton of carbon dioxide emitted. An exception from emissions trading was initially made for international air transport for one year. The regulations provide that until 2020, airlines will be allotted the majority of the certificates for emissions of carbon dioxide at no cost – initially 85 percent. In 2013, the free portion drops to 82 percent. The operators will have to purchase the remainder on the market or reduce their emissions through climate protection measures of their own. In each year thereafter, the aircraft operators will have to report on their actual emissions and surrender the corresponding certificates.[2]

[1] Source: Bundesverband der Deutschen Luftverkehrswirtschaft (Federal Association of the German Air Transport Industry)
[2] Source: Umweltbundesamt (German Federal Environmental Agency); Deutsche Emissionshandelsstelle (German Emissions Trading Authority)

FMG is a charter member of "aireg"

In 2011, airlines, aircraft and engine manufacturers, aviation research, fuel manufacturers, and Flughafen München GmbH – as the only operator of a major German airport – joined together to form the association "Aviation Initiative for Renewable Energy in Germany – aireg e.V.". The goal of the initiative is to support the development and introduction of renewable fuel for aviation in Germany and to provide information concerning demand, origin, preparation, and utilization. For the voluntary self-obligation of the aviation industry to grow CO_2-neutrally beginning 2020 demands fast, well-directed measures. FMG will contribute its experience and knowledge in the field of utilization of renewable energy in order to make aviation as climate-friendly as possible despite the anticipated increase in civil aviation.

CO_2-neutral growth

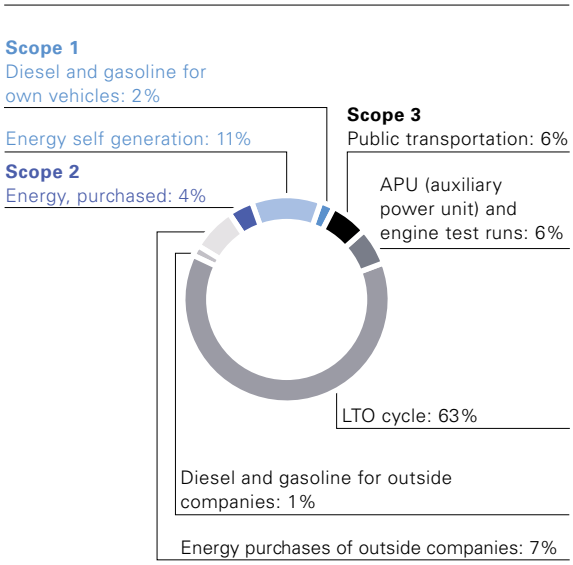
One of our corporate goals is to achieve carbon-neutral growth by the year 2020. Essentially, this means keeping the carbon emissions that we as an organization can directly control to a level of around 160,000 tons a year (the volume in 2005, our baseline year), in spite of our expansion plans and our projected traffic growth. Without systematic efforts to control our carbon footprint, our additional emissions would likely be on the order of between 50,000 and 80,000 tons of carbon dioxide by 2020.

To achieve our goal, we launched a group-wide carbon reduction program with four main thrusts:
→ Sustainable energy provisioning
→ Increasing efficiency in the use of energy
→ Awareness raising among our workforce
→ Sustainable construction

Systematic CO_2 monitoring and footprint analysis

One of the most important components in carbon management is our carbon database, developed in-house at FMG, which provides us with a reporting, control, and tracking tool for all our activities relating to carbon reduction and energy efficiency. The CO_2 footprint was determined in line with the internationally acknowledged Greenhouse Gas Protocol (GHG Protocol), which groups emissions by sources into three "scopes."

CO_2 footprint of Munich Airport



→ munich-airport.com/environmental-management

→ munich-airport.com/climate-protection

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

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

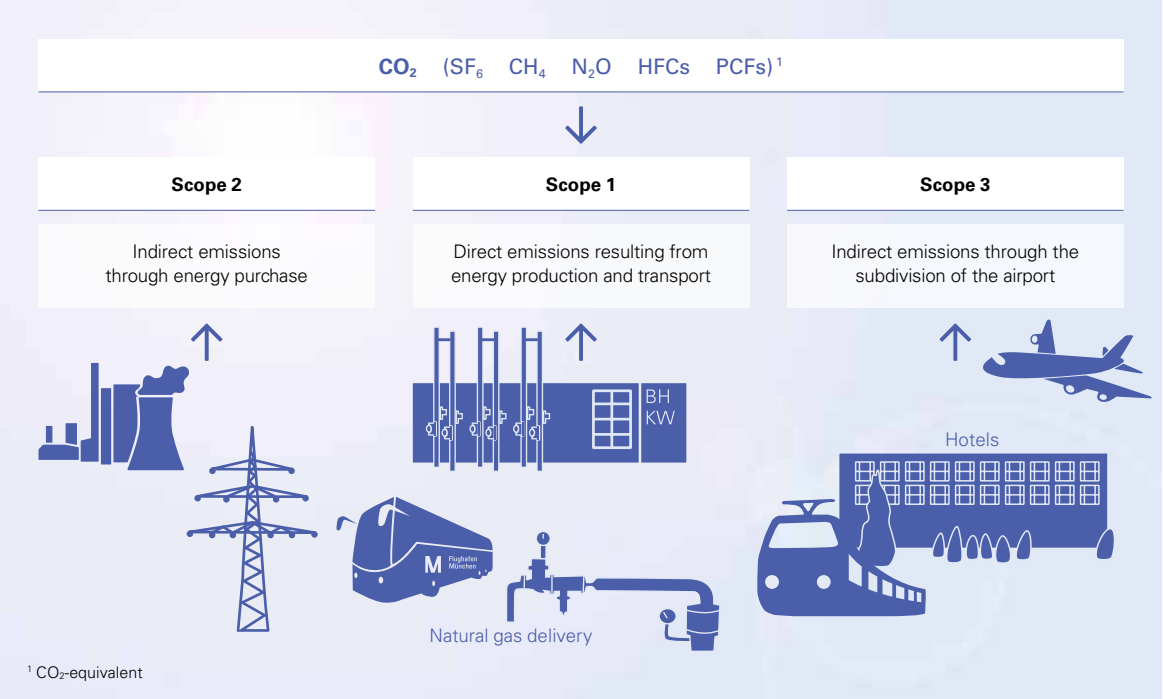
Program for lowering CO_2 emissions

We were not able to further reduce the absolute CO_2 emissions of all facilities, structures, and vehicles over which FMG has direct influence (Scope 1, Scope 2, and 3 excluding LTO cycle, APU, and public transportation), which at 150,553 tons was around one percent more than in the prior year. The causes for this are the expansions of buildings for handling airfreight, commencement of construction of the new satellite terminal and the fact that the year 2012 was colder than 2011.

On the other hand, the specific emissions values per passenger decreased despite the increase in passenger numbers by around 30 percent in comparison with those of the year 2005.

The measures planned and prepared in 2012 will be implemented in 2013. Among these are the optimization of our stock of buildings, measures for conversion to LED lighting on the campus, and increased use of photovoltaics for energy generation at the airport. All of these measures will significantly contribute in the coming years to offsetting the CO_2 emissions of the buildings that are currently under construction such as the satellite building, the new building for the German air traffic control and other expansions.

Greenhouse gas emissions at Munich Airport

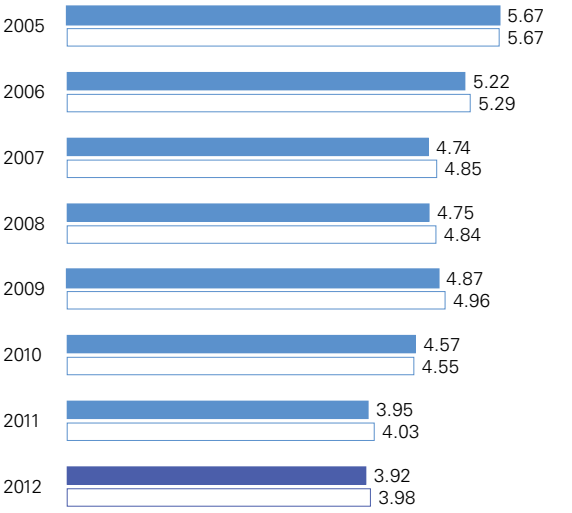


Cooperation in the analysis and in the implementation of potentials and measures for savings were further intensified through information events at the subsidiaries of FMG.

The development of the specific CO_2 emissions related to passenger numbers shows that it has been possible to achieve a continuous improvement. In 2012, each passenger handled at Munich Airport "caused" CO_2 emissions of 3.92 kilograms. Through using climate-adjusted figures, we try to compensate for the varyingly severe winters and to level out the data to a "standard winter" of 2005 (base year).

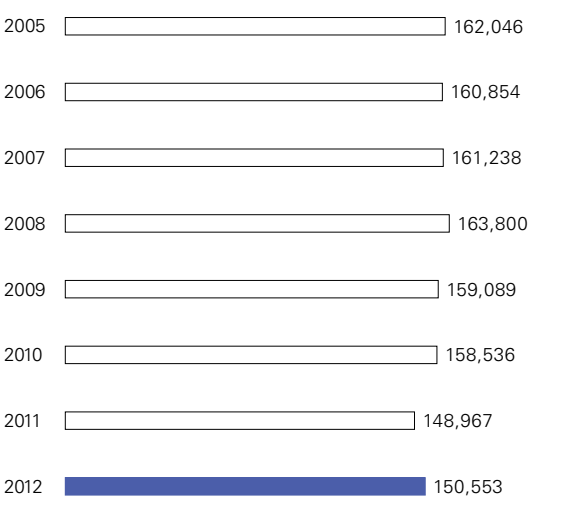
Specific CO_2 emissions

Specific emissions in kg CO_2 per passenger
Specific emissions in kg CO_2 per passenger (adjusted with respect to 2005)



CO_2 emissions at the Munich Airport

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



In recognition of its measures for reducing and eliminating carbon dioxide emissions from flight operations, Munich Airport in May 2013 again earned the "Airport Carbon Accreditation" on the "Optimization" level.

Raising sustainability awareness

In order to heighten their awareness of responsibility for the environment and climate protection, 1,800 employees from all parts of the Group had been trained by the beginning of 2012. Twenty-one employees from a wide variety of departments of the Company acted as trainers. In 2012, the focal point of a sophisticated concept for the awareness training programs was dialogue of all parties concerning the relationship of sustainable corporate development and quality at Munich Airport.

LED technology lowers energy consumption

Munich Airport is gradually replacing its conventional apron and exterior lighting using sodium-vapor bulbs with modern LED technology. Parts of the aprons, several streets, and parking areas have already been retrofitted. The LED lamps require around 50 percent less energy than the conventional lighting and, at around 17 years, have a service life one and a half times as long. The first phase of the conversion will make it possible to save around 122,000 kilowatt hours of electricity annually and thus 70 tons of CO_2. In the long term, the retrofitting of all 3,000 lights on the apron and 10,200 lights for exterior lighting will yield an annual savings of more than 5,000 tons of CO_2.

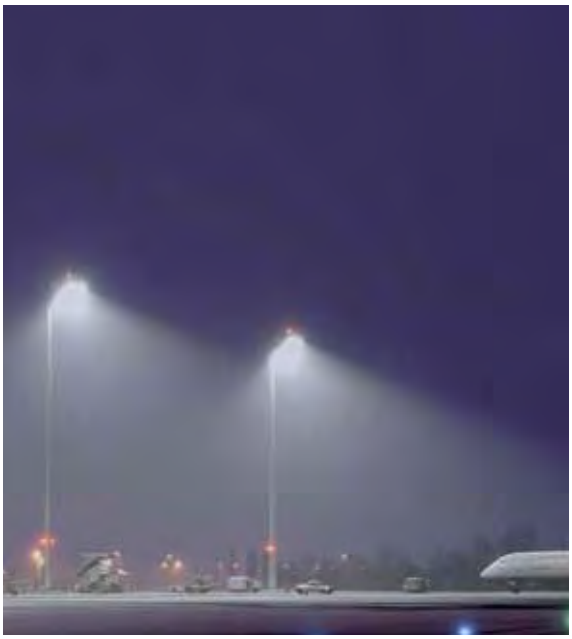
Optimization of airport buildings

Conserving resources, saving energy, and reducing CO_2 emissions – these principles take center stage already in the planning of buildings. Initiated in 2011 in the framework of carbon management, the program for determining savings potentials in high energy-consumption airport buildings was largely completed in 2012. The study has already resulted in savings potentials of more than 7,000 tons of carbon dioxide per year. Implementation of all measures will take at least until 2015. Alongside optimization of lighting technology, improved drive technology of equipment installed in buildings, and the control of the primary and supplemental ventilation systems yielded the greatest savings effect. The swapping out of ventilators and their drives in Terminal 1 alone resulted in a reduction by more than 1,500 tons of CO_2.

Parallel with the analysis of the individual buildings, further progress was made with the reorganization of meter management in order to more easily detect potentials and to be able to monitor measures more reliably through better data recording. Technological innovations such as remote reading through "smart" meters contribute to uncovering savings possibilities and to ensuring savings already achieved for the long term.

Reorganizing energy supply

In energy generation, Flughafen München GmbH puts great stock from the beginning in sustainability and economic efficiency. Thus, for example, the airport's combined heat and power plant (CHP) is operated with natural gas. This achieves not only a significant contribution to the avoidance of CO_2 emissions,



but with a total service life of more than a million operating hours, is also among the most economical and efficient systems of its kind in the world. The reduction of carbon dioxide emissions in comparison with conventional energy generation comes to around 30,000 tons a year. This high degree of efficiency in the production of energy is made possible through the coupling of power and heat: The heat arising in the generation of electricity is not lost but rather is used both for providing heating and for air conditioning.

Rising passenger numbers, expansion projects at Munich Airport, and the climate protection goal of carbon-neutral growth will require an expansion and a realignment of energy supply in the near future. As the "Energiekonzept 2030" study completed in 2011 confirmed, the renovation of the CHP unit operated since 1992 – with simultaneous expansion of capacity in line with demand of up to 32 megawatts of electrical generation capacity – achieved the optimum between efficiency and economy, on the one hand, and realized climate protection and resource conservation, on the other. Considered overall, renewable uncoupled energy generation variants that either produce only heat or only electricity do not keep pace with respect to environmental and economic sustainability with natural gas-driven co-generation.

With the approval of the partners, funding was approved in the spring of 2012 for replacement and expansion of the existing CHP plant and planning was commenced for this purpose. Construction is expected to be begun in the fall of 2013. Energy production through the new plant should begin in the fall of 2015. With the construction of the CHP plant, Munich Airport will have an energy concept that will make sustainable growth possible over the next two decades and beyond. The decentral natural gas-driven co-generation concept in addition represents an indispensable component of the energy concept of the German Federal Government for restructuring of the energy supply of Germany in the framework of the turnaround in energy policy.

Remote heat: Renewable and climate neutral

Munich Airport currently covers around 75 percent of its annual heating energy requirements through its own combined heat and power plant. Except for a minimal amount of energy supplied by peak boilers, the airport meets the remainder of its heating needs by purchasing district heat, supplied by a local utility company in Freising via a pipeline. Since early 2011, 50 percent of our district heat – roughly 15 gigawatt hours (GWh) – is generated by a biomass-fired thermal power plant in the town of Zolling. We have secured a long-term supply option to ensure that we can continue to use energy from this source for the next few years. This heat generated from biomass is renewable and climate-neutral. With this energy policy, emissions of carbon dioxide are sustainably reduced by 3,500 tons a year.

Focus on sustainable building

The commitment of Flughafen München GmbH to sustainable construction is underscored by our membership in the German Sustainable Building Council (DGNB). In addition, we have worked since the middle of 2012 in-house on the creation of planning guidelines for the construction of sustainable airport infrastructure projects. The new brochure, which will appear in 2013, will contain the quality and sustainability requirements for aviation operating areas, water management, navigation lights, lighting, radio and information technology, safety and security technology, conservation, and infrastructure rights of way, and will serve as a reference work or manual for planners.

In the Real Estate division, the goal is to achieve a reduction of CO_2 emissions of 40 percent in comparison with the current portfolio of buildings. This applies both to FMG projects such as the Terminal 1 optimization, child day care center, fire station, freight-forwarder building 2, and freight expansion west, and also for third-party investors on the campus such as the BMW Airport service. The merger of the Real Estate Management and Development and the Planning and Construction units into the Real Estate division is strongly contributing to sustainable planning and construction since all persons involved in the construction project are working together from the beginning.

Several projects were successfully completed in 2012. They reflect the strategy of the new Real Estate division of taking ecology, economy, and social/cultural qualities into consideration on an equal basis. Therefore suitable projects ideally should be certified under German Sustainable Building Council (DGNB) criteria since the topics in this system can be systematically addressed and assessed.

→ Green Satellite see "Company profile and strategy"

→ Expansion of Terminal 1

Water-saving fittings and toilets, energy-saving LED lighting with motion-sensitive control, and fittings with proximity control meet ecological as well as economic criteria.

→ North pedestrian connection

This project completed in 2012 featured the increased use of energy-saving lighting. LED spotlights now switch on or off depending on daylight, with the lighting intensity being dimmable as needed between ten and 100 percent.

→ Child day care center

In the planning of the child day care center, great value was placed on a holistic approach alongside energy efficiency and a high thermal insulation value. Low emissions building products ensure air quality of interior spaces. The compactness and spatial efficiency of the building with a skin surface area to volume ratio of 0.5 not only reduces capital investment costs but also the sealing over of ground surface as well as energy consumption and thus energy costs. The ventilation system is equipped with heat recovery. Rainwater trickles away through an underground storage tank close to the building without putting more load on storm drainage ditches. In addition, the building when considered over its life cycle, is characterized by simplicity of disassembly, separability, and recyclability.

→ Satellite

→ Preconditioned air project

Following completed planning in 2012, ground-based preconditioned air systems (PCAs) are currently being realized for aircraft air conditioning and heating during the ground handling process. They are intended to replace the onboard heating and air conditioning used up to the present. This swap will make an annual saving of CO_2 emissions of up to 24,000 tons possible. The systems will be available at all aircraft positions in Terminals 1 and 2 beginning in the fall of 2014, and at the Satellite building following its completion in 2015.

Green IT: Highly effective measures

The 2,500 or more desktop computers with monitors in operation at Munich Airport, along with several hundred servers, notebook PCs and printers, a number of data centers, and a host of other equipment, including far more than 1,000 displays and information systems and 2,000 surveillance cameras, consume copious quantities of electricity. Against this background FMG's Information Technology division is striving to make its contribution to boosting efficiency and delivering energy savings, for example through the replacement of physical servers with virtual ones.

Storage systems in data centers have now reached a huge scale, not least because data storage is very costly due to the strict security requirements. In spite of exponential growth of storage capacities by 70-fold, several upgrades to the newest equipment generation limited the growth of energy consumption to 300 percent (2003 through 2012), thus with relative consumption per unit of capacity falling significantly. The energy savings in the computer center also have a positive effect on its air conditioning. If the quantity of heat given off falls, less energy is used for cooling. The efficiency of this cooling is continuously further optimized through structural improvements.

Offsetting CO_2 emissions with GoGreen

Again in the year 2012, Flughafen München GmbH took part in the GoGreen project of Deutsche Post. Here, CO_2 emissions from the transport of domestic and international postal shipments are offset through supporting internationally recognized climate protection projects. Participation in the project is made visible through the GoGreen label on each shipment.

Alternative drive concepts in the vehicle pool

Since 2007, Flughafen München GmbH has been using alternative fuels from renewable energies (biofuels) in its vehicle pool on an experimental basis. Currently 115 vehicles are being operated with a diesel/vegetable oil mixture and 39 vehicles with bioethanol. Tests with biogas and electric drives are in preparation. The goal of these comparisons of alternative and traditional fuel use is to cut down CO_2 in procurement and purchasing as well as in infrastructure development at the airport (for example, filling stations) through active climate protection. The Bavarian state government included this project as a flagship project in the "Climate Program for Bavaria 2020."

Environmental management at aerogate and Cargogate

New to the circle of eco-certified companies in the FMG Group are the subsidiaries aerogate and Cargogate. In March 2012, they were audited by an independent environmental expert and were certified under the stringent environmental standards of the European EMAS regulation and the ISO EN DIN 14001 standard. Thus now a total of five companies at the airport operate validated environmental managements systems: FMG, Allresto, Kempinski Hotel Airport München, aerogate, and Cargogate. In the 2012 reporting year, audits were conducted in all of these companies.

Third place in the "Büro & Umwelt" (Office & Environment) competition

In the 2012 "Büro & Umwelt" competition, held by the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M. e.V.) (German Working Group for Environmentally Aware Management), Flughafen München GmbH was awarded third place in the category of companies with more than 500 employees for its outstanding commitment to environmental protection in the office. Judging was based, among other things, on office organization, office equipment and materials, office furniture, and recycling in everyday office life. Thus the "third greenest" offices in Germany are at Munich Airport. The award, which is also signed by Federal Minister of the Environment Peter Altmaier, was made in the framework of Sustainability Day in Cologne on October 24, 2012.

Air pollutants at prior-year levels

The influence of airport operation and of air traffic on the pollution situation in the area around Munich Airport is determined at two measuring stations – one to the west and one to the east of the airport campus. In 2012, as in the preceding years, nitrogen dioxide (NO_2) and particulate matter were largely in the low to moderate range.

At the end of 2011/beginning of 2012, the primary measuring station in the east was moved to a new location at the eastern end of the south runway due to construction activity. The mean level for 2012 of nitrogen dioxide recorded there was around 24 micrograms per cubic meter of air, and thus below the values from the years 2008 through 2011, with values of 29 to 31 micrograms per cubic meter of air. At the measuring station to the west of the airport, which is

also in direct proximity to the airport, an average was measured in 2012 of 24 micrograms per cubic meter of air. In the years 2008 through 2011, the average was 27 to 28 micrograms per cubic meter of air.

→ munich-airport.com/air

Taking into consideration the somewhat altered drawing area as a result of the main measuring station having been moved, the measured values reflect air pollution at the level of the prior years. Based on the applicable emissions protection directive, the legally prescribed limit value for NO_2 (nitrogen dioxide) since 2010 has been around 40 micrograms per cubic meter of air (mean for the year). Nitrogen dioxide levels at the airport are similar to those measured in German towns like Ingolstadt, Bamberg, or Würzburg. Levels in rural towns are typically lower, whereas levels in downtown Munich are significantly higher than at the airport.

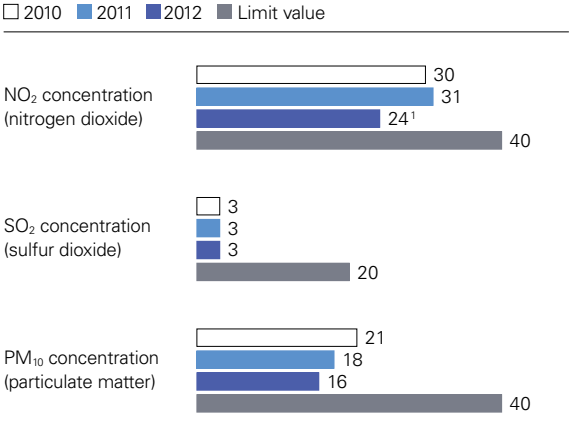
The mean annual level of particulate matter (PM_{10}) measured during 2012 was 16 micrograms per cubic meter (continuous measurement at the main measuring station in the east). Mean levels between 2008 and 2011 were in the range from 18 to 21 micrograms per cubic meter of air.

→ munich-airport.com/impacts

In addition to particulate matter PM_{10} and nitrogen dioxide, the pollutants ozone, nitrogen monoxide, sulfur dioxide, carbon monoxide, benzene, toluene, and dustfall are measured. The applicable statutory limit values for all of these pollutants were complied with.

Measured pollutant concentrations at the main measuring station

Annual average in µg/m³



[1] Moving of east measuring station

→ munich-airport.com/environmental-research

Emissions-based landing charges

Since January 1, 2008, Flughafen München GmbH has levied pollutant-based landing charges in addition to noise-based charges. The goal of this measure is to reduce emissions of nitrogen oxides (NO_X) and the exhaust of unburned carbon compounds from aircraft engines. Thus FMG makes an active contribution to the improvement of air quality in the area around the airport while creating a long-term incentive for engine and aircraft makers to invest more in the development of lower-emission aircraft.

Monitoring: Honey quality high

Since 2008, Flughafen München GmbH has been testing for pollutants in honey produced by bee colonies sited at the perimeter fence. We check the airport colonies' honey as well as wax and pollen from the hives of the airport bees for traces of substances like heavy metals and polycyclic aromatic hydrocarbons (PAHs) that could be caused by air traffic. Wax and pollen are investigated since fat-soluble PAHs can accumulate in wax without actually occurring in measurable quantities in the honey. In addition, the vitality of the bees themselves provides an indication of possible impairments as a result of pollutants. The results of honey monitoring are evaluated using the usual quality criteria for honey and are compared with studies in areas far from the airport. The limit values applicable for other foodstuffs serve as further assessment criteria since there are no limit values specifically for honey in the food industry for the substances investigated.

The honey monitoring for the year 2012 confirmed the results from the previous years: The values for heavy metals and PAHs in honey, wax, and pollen were below the relevant limits and are absolutely comparable with honey from areas far from the airport. Operation of the airport does not have any influence on the quality of the honey.

Resource stewardship

Lower water consumption in buildings

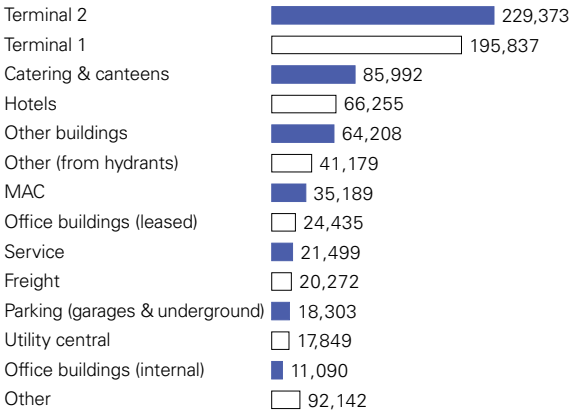
Munich Airport sources its potable water from the Moosrain water utility company, which extracts it from the tertiary strata via six bore holes at depths of between 94 and 160 meters. The bore holes are located in water protection areas at Obere Point and Oberdingermoos in the Oberding municipality. Even from the construction phase – thus prior to commissioning of the airport in 1992 – up to the present, Munich Airport has participated in the infrastructure costs of this utility association with capital investment subsidies of approximately €20 million. The water is subject to strict monitoring and controls and is of the highest quality.

Water distribution at the airport takes place through two separate pipe systems. The drinking water network is comprised of small-diameter pipes in order to avoid stagnation for hygienic reasons, i.e., the water remaining in the pipe for too long a period. The pipes of the firefighting water in contrast are of a larger diameter in order to carry sufficient quantities of firefighting water in the event of a fire. The lines of both systems are approximately one hundred kilometers long.

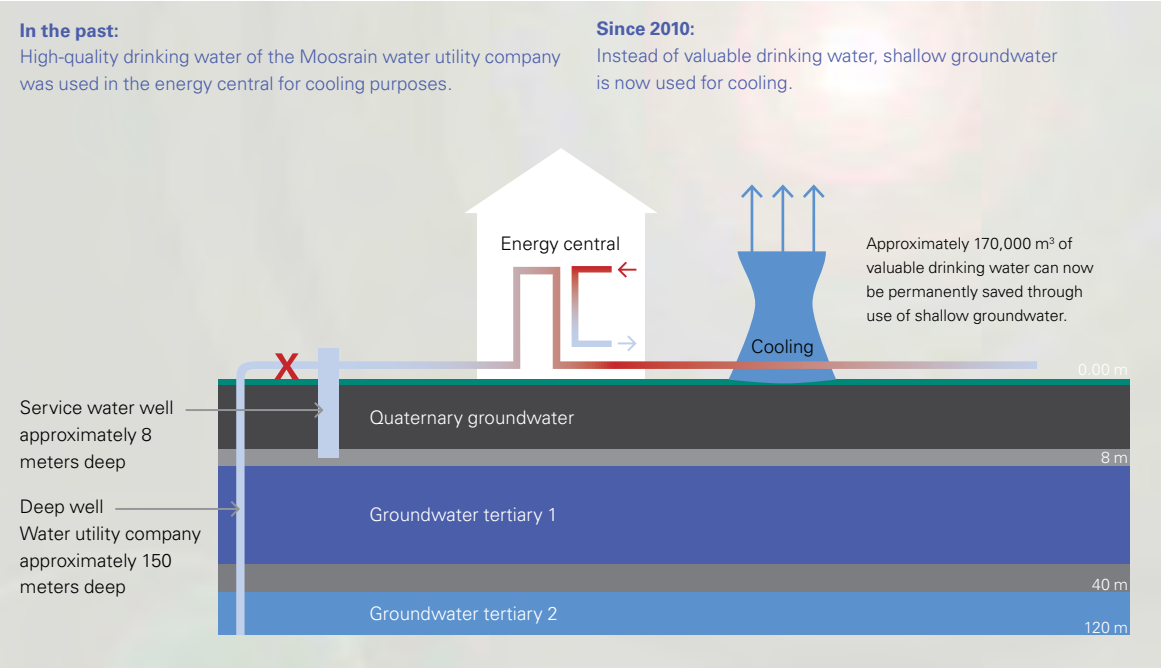
The main cause of the increased water consumption at Munich Airport is the increase in passengers. More passengers also lead to higher consumption quantities in the catering operations and the terminals. Another cause of the consumption increases are the new structures and expansion projects for the existing buildings. As a result of technical optimization measures, however, it was possible for the water consumption in the buildings to be significantly reduced, for example, through the installation of water-saving fixtures and the utilization of service water in the energy central.

→ moosrain.de

Water consumption
Classification by buildings and equipment, in m³



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



Conservation of the resource drinking water

Until recently, around 170,000 cubic meters of potable water a year from tertiary groundwater strata were used to cool its chillers and generator sets of the combined heat and power plant – about as much as 1,100 households use in a year. The currently applicable water management principle, however, demands that valuable tertiary groundwater be replaced by other water sources to the extent drinking water quality is not required. Therefore since December 2010, Flughafen München GmbH has transported quaternary groundwater out of its own approximately eight-meter-deep well bored explicitly for this purpose, which then is fed into the energy central. From the end of 2010 through the beginning of December 2012, 376,000 cubic meters of quaternary well water has been transported in this way. This represents a yearly savings of approximately 20 percent of the total drinking water consumption at Munich Airport.

Wastewater carefully purified

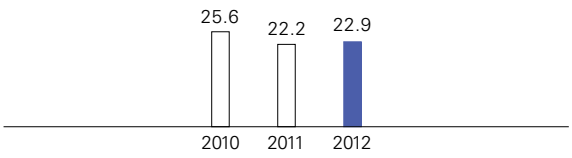
The purification of household wastewater, deicing water, and in some cases also rainwater (mixed system) takes place in the Eitting treatment facility, whereby FMG is a member of the operator of just such a facility, the "Erdinger Moos Abwasserzweckverband" (Wastewater Association). Storm water from paved surfaces is collected separately, trickled away through filter systems, or is fed, following pretreatment in rain purifier tanks, into surface bodies of water.

For safety reasons, aircraft must be washed on a regular basis. Wastewater from aircraft washing can be contaminated with detergent residues, oil, kerosene, and heavy metals. This wastewater is collected, pretreated in an aircraft wash water pretreatment system at the airport, and is then fed into the public sewerage system of the Erdinger Moos wastewater association. Regular quality controls ensure that the monitoring values established by governmental authorities are complied with.

Water samples on a regular basis

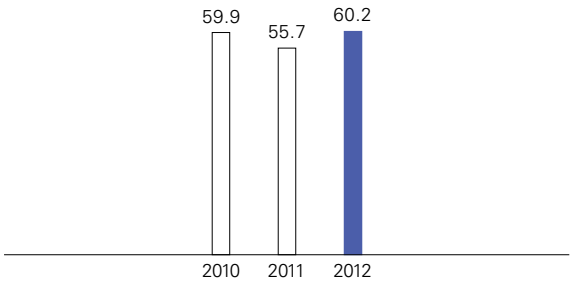
Under the provisions of the zoning resolution, Munich Airport is required, for purposes of securing of quantitative evidence of groundwater, to determine on a weekly basis the levels at 320 groundwater and 16 surface water measurement stations. The qualitative examination of the groundwater takes place at 18 groundwater and 14 surface water measurement stations. In addition, Munich Airport operates other measurements stations for bodies of water, for example for the purpose of documentation of the underground degrading system or for purposes of obtaining construction water.

Total freshwater consumption[1]
Per workload unit, in liters



[1] Includes all companies on the campus

Total wastewater discharge[1, 2]
Per workload unit, in liters



[1] Includes all companies on the campus
[2] Wastewater discharged into the treatment facility comprises domestic wastewater, deicing water, and rainwater.

Quality of storm water

Storm water occurring on paved areas of Munich Airport, depending on the area of origin (for example, flight operation areas such as taxi runways or apron, parking areas or buildings) and the differing pollutants associated with them, are collected, treated, and managed in different ways. Drainage in some cases is still mixed, but is predominately carried out in a modified separation system. Storm water from the mixed system is brought together with the wastewater to the treatment plant for further treatment. The storm water occurring in the separating system is collected separately, fed into treatment, and then trickles away or is fed into surface bodies of water of the airport.

Storm water mixed in winter with deicing agents for aircraft and surfaces enters into a deicing wastewater pond system and from there is dosed into the central treatment plant. Only in the area of the taxiways does storm water containing deicing agents trickle after a pretreatment in a filter system (underground degrading system) directly in the green area next to the runways. In addition, in winter operation small quantities of deicing agents can be carried by wind to the green areas bordering on the flight operation areas and from there enter along with storm water into the groundwater. To prevent this, ground filters have been under construction in the green areas around the runway heads since June 2012. They

consist of underground storage areas filled with gravel and sealed at the bottom. After measurement of its quality (TOC or total organic carbon content), the water flowing out of the storage spaces is channeled either into the deicing wastewater system or into a surface body of water, depending on its content. The soil filter surfaces south of the taxiway as well as the (for the most part) deep sewer system have already been completed.

Deicer recycling

Deicing wastewater resulting from the deicing of aircraft is channeled into underground tanks through slotted drains. There the water is cleaned mechanically and chemically in the airport's recycling system, then distilled and turned back into deicing fluid by means of additives. This process enabled us to treat and reuse 67 percent of the deicing fluid used during the 2011–2012 winter.

Waste avoidance, recycling, and disposal

In June 2012, the new German Waste Management and Product Recycling Act (KrWG) replaced the act that had applied since 1994. Thus the EU Waste Framework Directive (Directive 2008/98/EC) is implemented in German law, and waste management law in Germany is experiencing a comprehensive modernization.

The primary goal of waste management is to avoid generating waste. Under our in-house procurement guidelines, products that we as an organization purchase must satisfy environmental as well as economic requirements, and should be as eco-friendly as possible, with a long service life. Two other important pillars are waste reduction and recycling. Only waste that cannot be recycled or processed for energy recovery is sent for permanent, environmentally compatible disposal.

A basic requirement in recycling is strict separation of recoverable fractions from waste. On the airport campus, this is carried out by specially trained staff in a total of six recycling stations. Certified transport or disposal operations then transport the materials separately for further processing. The greater part of all recyclable material and waste are generated by the companies located at the airport. Specific advisement and appropriate disposal concepts instruct these companies in collecting recyclables and wastes separately. A continual optimization of logistics, for example through maximizing container loads and short transport paths, helps reduce harmful emissions such as CO_2.

Waste substances resulting from the cleaning of aircraft cabins are removed in accordance with EC regulation[1] by a disposal operator in the waste incineration plant/thermal power plant Munich North.

Hazmat: Controls and training

At Munich Airport, our operations involve a number of materials that are potentially harmful to the environment and water supplies and so have to be transported off site. In the 2012 reporting year, a total of 167 tons of waste (prior year: around 144 tons) were transported for disposal as declared hazardous materials. Controls of the vehicles used for transporting the hazardous materials substantiated their proper condition as well as operating and traffic safety. Training programs for handling hazardous materials are held on a regular basis for the employees in accordance with legal regulations.

[1] EC Regulation 069/2009 Disposal of animal byproducts of October 21, 2009 (Official Journal of the European Union L 300)

Noise control

Noise certification of aircraft

Noise caused by aircraft is strictly monitored. Thus, the International Civil Aviation Organization (ICAO), for example, requires a substantiated noise certificate for type and airworthiness approval of new aircraft. All provisions, instructions, and procedures with respect to noise certification are contained in ICAO Annex 16. They were implemented into German law in the form of "Noise Regulations for Aircraft (LVL)."

Approval is given on the basis of a standardized procedure: Noise emissions of the aircraft are measured one time at three established measuring points in flyby as well as flyover prior to landing and after the takeoff. In accordance with this, the individual aircraft types are placed into three levels, from Chapters 2 through 4, depending on noise emissions. All jet and propeller-driven aircraft, whose type approval took place after January 1, 2006, must comply with the latest, and thus most stringent, noise limit according to Chapter 4 of September 2001. This value is a cumulative 10 dB below the value permitted under Chapter 3.

With the further development of engine technology (geared turbo fan) and the changes in aircraft design, a further reduction by 10 dB(A) is possible. This is in line with the goals of the EU Advisory Council for Aviation Research (ACARE), which is promoting the halving of the externally perceived noise in its Vision 2020. Flightpath 2050 of the EU is also pursuing the goal of lowering noise emissions by 65 percent by 2050.

Common goal: Further reduction of flight noise

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

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

Noise control

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

→ ec.europa.eu/transport/modes/air/doc/flightpath2050.pdf

→ acare4europe.org/

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

Extensive measurements of high quality

Flight noise is continuously monitored at Munich Airport. To this end, Flughafen München GmbH operates 16 fixed measurement points, which are positioned at a radius of about 20 kilometers around the airport, and three mobile measurement stations for individual application. The measured values are published monthly in emissions reports and on the Internet pages of the airport.

In 2012, all measurement sites – fixed and mobile – were equipped with new measuring devices. With sound level meters and microphones of precision class 1, they meet the highest electro-acoustic performance requirements. Each measuring site is checked daily and is acoustically calibrated annually during an interim test. The instruments are certified by an outside accredited calibrating lab on a prescribed schedule.

Since 2012, the data from the mobile measuring stations have been transmitted wirelessly to the central office at Munich Airport over the cell phone network via UMTS. This innovation makes it possible to provide information online at any time on the current flight noise situation. At the same time, it makes remote servicing and a quick response to problems possible.

Mobile aviation noise monitoring service

Mobile aviation noise measurements with our meter vehicle or meter container are voluntary services of Flughafen München GmbH. They can be requested by representatives of communities that are not covered by the fixed measurement system network. In the 2012 reporting year, values were recorded for eight mobile aviation noise meters on a total of 301 days – for the first time also in Landshut-Birkenberg, Ismaning-Fischerhäuser, Baierbach, Schwabhausen, and Taufkirchen. In addition, the development of aviation noise burden can be documented in Fahrenzhausen-Unterbruck, Karlsfeld, and Poing since mobile measurements have already been made there on multiple occasions.

Aviation noise situation at prior-year levels

More than half of the continuous sound level Leq3 Day and Leq3 Night measured at the stationary aviation noise monitoring system during our six busiest months were at around the level of the prior year. Differences appeared only in the case of the operating direction west, which was used to a greater extent than in the prior year.

For the four aviation noise measuring stations situated at the primary departure directions this means specifically that the continuous sound level Leq3 Day – six busiest months at the Viehlaßmoos measuring station decreased by 1 dB(A), while in Brandstadel, Pallhausen, and Reisen it remained unchanged in comparison with the prior year's level. While in the night period of the continuous sound level, Leq3 Night – six busiest months did not change at the measurement locations Brandstadel and Reisen, in Pallhausen and Viehlaßmoos it increased by 1 dB(A) in comparison with the prior-year value.

A continuous sound level Leq3 Day – six busiest months greater than 60 dB(A) was measured at the measuring location Pulling (62 dB(A)) and in Schwaig (61dB(A)). At ten measurement locations, the values were between 55 and 60 dB(A); in Asenkofen, Fahrenzhausen, Mintraching, and Neufahrn, values below 55 dB(A) were recorded. Night continuous sound level Leq3 Night– six busiest months greater than 55 dB(A) occurred only at the measuring location Schwaig at 56 dB(A). At the five measuring locations Achering, Glaslern, Hallbergmoos, Pulling, and Reisen, values

Continuous sound level in Leq3 dB(A)[1] of the six busiest months at four flight sound measuring stations situated at each of the main flight directions

	2012		2011		2010	
Measurement station	**Night**	**Day**	**Night**	**Day**	**Night**	**Day**
Brandstadel	47	58	47	58	48	58
Pallhausen	43	55	42	55	42	55
Reisen	50	56	50	56	50	55
Viehlaßmoos	44	55	43	56	43	55

[1]With the new German Flight Noise Act of June 7, 2007, a central assessment criterion simultaneously came into force for the flight noise burden of the energy equivalent continuous sound level Leq3 for days and nights. Supplementally to that, a sound level frequency criterion was introduced for the night. Due to differing operating directions, changes in flight routes, differing operating hours, or as a result of down times in the event of extreme storm conditions or technical defects, the values of the individual years cannot be directly compared with each other. Complete information on the monthly measurement results of the stationary measurement locations can be found on the Internet.

→ munich-airport.com/aircraft-noise

between 50 and 55 dB(A) were measured, while at ten other locations values below 50 dB(A) were measured.

Managing aviation noise complaints

As part of our complaints management system, neighbors affected by aviation noise can contact Munich Airport directly. This service enables us to respond directly to complaints concerning individual noise events and to answer questions concerning the aviation noise situation at the airport as a whole. The telephone number for complaints about noise issues at Munich Airport is +49 89 975-40410.

Regulation limits night flights

Night flights are indispensable for globally intertwined aviation. Munich Airport has a nighttime curfew between 10:00 p.m. and 6:00 a.m. during which flights are limited in number and confined to especially quiet aircraft.

In the largely no-movement core time of 12:00 midnight to 5:00 a.m., generally only night mail and survey flights of the air traffic control are permitted. Exceptions are emergency and aid flights, landings for flight safety reasons, and flights in justified individual cases, which the Bavarian Ministry for Economic Affairs, Infrastructure, Transport, and Technology as the responsible authority, approved. These aircraft movements for which there is a special public interest are not subject to any time restrictions.

In the night period (from 10:00 p.m. to 12:00 midnight and from 5:00 a.m. to 6:00 a.m., only vehicles can take off or land that are listed in the "bonus list" of the Federal Ministry for Transport. The only exceptions are delayed aircraft movements or ahead-of-schedule landings with aircraft with noise permits at least under ICAO Chapter 3. In addition, aircraft movements must meet one of the following permit prerequisites:

- → Scheduled aircraft movements in regular and charter traffic (maximum 28 per night)
- → Flights by airlines that maintain a main center of maintenance (homebase) in Munich
- → Aircraft that do not generate any higher individual mean sound level than 75 dB(A) at the noise measuring locations in the area of Munich Airport ("Munich list")
- → Training and practice flights

Night-flight operations are only allowed to the extent the total aviation noise generated by all night flights does not exceed a set annual volume of noise. The calculation of this total aviation noise is based on the number of incoming and departing flights and the type and size of the aircraft. The use of quieter aircraft thus allows a higher number of nighttime aircraft movements, while in the case of louder aircraft only a low volume of movements is permissible. In addition, the calculated energy equivalent continuous sound level Leq in the average night of a calendar year at any point where flight paths intersect the perimeter of the combined daytime and nighttime noise control zone may not be higher than 50 dB(A).

→
munich-airport.com/
night-flight

The night-flight curfew in force at Munich Airport includes a noise quota computed on the basis of aircraft types and sizes and the number of aircraft movements. As in the prior year, again in 2012 only 69 percent of the allotted quota was used. During 2012, the allowed average nighttime continuous sound level of 50 dB(A) was not exceeded at any point of intersection of the flight paths with the perimeter of the combined daytime and nighttime noise control zone.

Compliance with the noise volume and the continuous sound level must be documented for the aviation authorities and the aviation noise commission annually. The concrete implementation of the night-flight curfew and the development of night-flight operation thus are also transparent and traceable for the public.

Biodiversity

Compensatory mitigation sites

In what is referred to as Zone III in the airport's surrounding area, Flughafen München GmbH currently maintains 353 hectares of sites with ecological compensatory mitigation. Of these, there are seven hectares in the Oberdingermoos conservation area, a further 49 hectares in the nature preserves of Freising and Erding, and 75 hectares in the "Freisinger Moos" and "Nördliches Erdinger Moos" bird reserves.

Zone II, comprising 250 hectares along the airport's perimeter, integrates the airport into the surrounding landscape; it contains copses and hedgerows, fields and pasture land, and a number of man-made watercourses, including the airport's south and east containment ditches, north diversion ditch, and north receiving ditch. Much of the airport's perimeter zone is part of the "Nördliches Erdinger Moos" bird reserve.

As part of an environmental land project, or ecopool, 117 hectares of already created sites are being reserved, which will serve as compensatory mitigation measures for future construction projects. Like our existing sites, this hectarage, too, is spread across the aforementioned conservation areas. These sites have been acknowledged by conservation authorities as suitable for nature conservation purposes.

A large part of the sites of the ecopool is assigned to the third takeoff and landing runway. In all, compensatory mitigation measures in the scope of 806 hectares would be required for the planned third runway. Several specific species protection measures, which are necessary for the retention of the ecological functionality of the effected reproductive or resting sites of animal or plant species protected under European law and which must be realized prior to commencement of construction of the third takeoff and landing runway, have already been implemented. Just at 40 percent of the total compensatory requirement served the purpose of ensuring compensation of coherence of the network of protected areas Natura 2000 for the European bird reserve "Nördliches Erdinger Moos" or of special species protection. Thus, it would be ensured that the unavoidable ecological intrusions in the landscape and to plant and animal life accompanying the construction of the third takeoff and landing runway would be fully compensated and the coherence in the network of protected areas of Natura 2000, with respect to site and species protection as well as the ecological functionality, would be restored. The present situation, which in some respects is unfavorable for plants and animals in the area around the airport – which is often characterized by intensive agricultural use, could even be qualitatively improved in the future with the realization of the measures.

Continuous maintenance and development

The compensatory mitigation and replacement measures of FMG, the proper creation of which was accepted and confirmed by the authorities, currently and also on a long-term basis, will make a significant contribution to biodiversity. The ultimate goal is to increase ecological diversity as well as to restore or to optimize the habitats with a high diversity of species that are particularly endangered in the natural area. With the approval of the conservation authorities, suitable development goals were defined for the biotopes created. The conservation measures for the achievement of these goals are documented for all sites in the maintenance and development plans, which are updated and adapted to the changes in the status of flora and fauna on a continuous basis. They also include specific instructions on how to mow

→ munich-airport.com/landscape

→ muc-ausbau.de/bahn3/pfv/unterlagen/gutachten/index.jsp

muc-ausbau.de/bahn3/pfv/ergaenzungen/03_aender2/index.jsp

muc-ausbau.de/bahn3/pfv/unterlagen/lbp/index.jsp

meadowland and wetland areas, along with exact information on when to conduct rejuvenation work and thin out hedges and copses.

Further improve ecological factors

With its conservation planning measures, FMG is making an important contribution, in particular in natural protection areas, to the attainment of conservation goals and to the improvement of the local ecological conditions. Structural elements such as trees, hedges, and fallow strips planted or created in mitigative areas in the nature preserves help to promote and protect the natural variety, character, and beauty of the land. In protected remaining fenlands – Oberdinger Moos, Freisinger Moos, or Viehlaßmoos and their surrounding area – our primary conservation goal of reintroducing and developing former types of land use and biotopes is given critical support through care and maintenance being resumed and bedding, wet, mesic, and low-nutrient meadowland being set up or expanded.

→
Bird strike see chapter "Service portfolio"

Overall, the measures implemented under our landscape conservation plans are having a positive impact on the habitats for plants and animals, especially some of the rare and threatened species typical for the natural environment. In this way the airport company is making a critical contribution to a significant improvement of the ecology and biodiversity in the conservation areas around the airport.

Near-natural habitats, such as streams and rivers, riverbanks and sandbars, fens and marshland, bedding meadows and wet meadows, wet and alluvial woodland, and low-nutrient meadowland, are all protected under conservation legislation also outside of designated protection areas. Areas like these are common at our compensatory mitigation sites. The creation or further development of biotopes of these kinds is the declared goal of the compensatory and replacement measures; therefore every care and maintenance measure is designed to develop them and to further improve their ecological effect.

Protecting threatened bird species

In 2008, the 4,525-hectare European bird reserve "Nördliches Erdinger Moos" was designated in the area of Munich Airport and the surrounding area to its northeast. The significance of this protected area is very great and of national importance for the preservation of bird species in their natural range. The very high ecological quality of the airport grassland laid out around the two takeoff and landing runways played a very significant role in the designation of this bird reserve. Due to the optimal habitat quality and the absence of natural enemies, very rare bird species such as corn buntings, quail, partridge, lapwing, and skylark as well as the endangered western curlew were able to establish themselves and also to reproduce here. Thus, 90 percent of the total curlew population of the "Nördliches Erdinger Moos" reserve are concentrated on the airport grasslands within the fence.

For years, the breeding birds have been carefully observed, counted, and protected. The necessary maintenance of the meadows and also construction and maintenance work and measures for the prevention of bird strikes are carefully coordinated with the need to protect the ground-nesting birds. In this way, nature and aviation are maintained in harmony.

In addition, bird protection forms an important focal point in the compensatory mitigation sites, which are within the two bird reserves "Nördliches Erdinger Moos" and "Freisinger Moos." Our goal is to again provide habitat areas for the endangered bird species such as quail, lapwing, blue-headed wagtail, skylark, corncrake, and western curlew and also oriole, pied flycatcher, red-backed shrike, and bluethroat. For ground-nesting bird species, this means the largest, most open possible low-yield meadow complexes. The areas are mowed such that the needs of the birds species for nesting sites and the surrounding area are preserved and the clutches and young birds are protected. Thus, the low-nutrient meadows set up as a mitigative site at Lange Haken, a former glider aerodrome, are especially important for the long-term protection of a small population of the western curlew.

On the mitigative sites of FMG in Schulmoos in the "Nördliches Erdinger Moos" bird reserve, habitats for a great variety of bird species was preserved and developed and are also being permanently protected through well-directed configuration and care and maintenance. In 2011, important European bird species such as the tree pipit nested there.

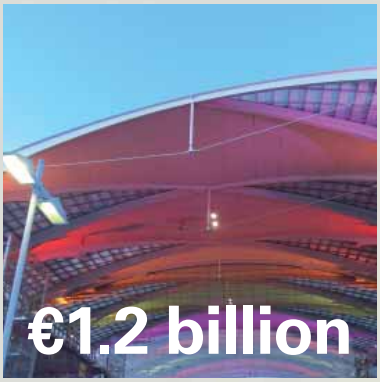
Hunting as practical nature protection

As a landowner, Flughafen München GmbH has hunting rights on its property. In the area of an airport this fundamentally has a different priority than in the case of other hunting areas. Game is hunted for reasons of nature and species protection or for prevention of bird strikes, or if the size of the population makes it necessary. In addition, the population of predators – such as foxes or martens – is regulated for the protection of the animals that have settled on and around the airport such as partridge and hares. The airport hunters help many wild animals in hard winters through the difficult period by proper feeding.

FMG owns sites in the area of the Isar floodplains that are the home range and in particular the regeneration area for red deer. The red deer can no longer be found in large parts of Bavaria. The Isar floodplains are one of the eleven designated red deer areas in Bavaria. The area extends from the north of Munich to Moosburg. Due to the elongated shape of the Isar floodplains and their popularity with recreational guests, it is difficult for the red deer in the Isar floodplains to find suitable home ranges, grazing ranges, and quiet zones. In cooperation with the Bavarian Hunting Organization, the lower hunting authority, the Real Estate division of FMG and the responsible hunters, we succeeded in the past years in ensuring range areas as well as in harmonizing the concerns for nature protection and hunting.

EBITDA margin

IFRS
First financial statements under international standards



Revenue at record high

Financial review

Management report

Activities and organizational structure

Flughafen München GmbH operates Munich Airport, which was opened in Erdinger Moos in 1992. To service air traffic, Munich Airport has two modern, highly efficient terminals and two runways, both 4,000 meters long and capable of operating independently. Munich Airport is operated and developed on sustainable principles.

The FMG Group is active in the fields of aviation and ground handling services, consumer activities and real estate management and development.

Strategy and sustainability

For years, Munich Airport has ranked as one of Europe's foremost aviation hubs and is increasingly also gaining significance in an international context as well. This is also reflected in our mission statement: "By 2015 we will be one of the most attractive, efficient and sustainable hub airports in the world." In the past 20 years since its move into Erdinger Moos, the number of aircraft movements has more than doubled, and the number of passengers has more than tripled. As a result of this development, the airport has risen in European rankings in terms of passenger figures from number 14 to number 7 and thus has made a key contribution to safeguarding public mobility and locational appeal in Bavaria.

In order to continue to hold its strategic positioning as a sustainable Group, Munich Airport strives for balanced growth in the future as well in the fields of aviation and non-aviation. Even today, both business fields make an equal contribution to the value creation of the Company. However, the negative outcome of the referendum in Munich in 2012 concerning the third runway will provide a not insignificant limitation to opportunities to participate in regional and global increases in demand for mobility in the near future. Thus, the focus for growth will be directed in the short run more strongly on the non-aviation segment. It should be noted, however, that a long-term one-sided expansion in this field will not be sustainable due to its strong dependence on air traffic development. Therefore Munich Airport will not lose sight of its strategic interdependent goals – development into the primary hub and into the airport city, but rather will merely shift its growth focus in the short term.

In its operations and its future development, Munich Airport is committed to responsible corporate policy. In our sustainable corporate development, a balance between economic, ecological and social goals is central to our thought and action each day.

Corporate structure

The Group comprises Flughafen München GmbH, 14 subsidiaries and/or special purpose entities, a company valued under the equity method and two companies carried at cost.

During the fiscal year, Terminal 2 Betriebsgesellschaft mbH & Co oHG, Oberding, was merged into FM Terminal 2 Immobilien-Verwaltungsgesellschaft mbH & Co oHG, Oberding, and its name was changed to Terminal 2 Gesellschaft mbH & Co oHG, Oberding.

In preparation for this merger, Beteiligungsgesellschaft mbH der FMG, Freising, was merged into Flughafen München GmbH, Munich. InfoGate Information Systems GmbH, Freising, was organized during the fiscal year.

Under Germany's Energy Industry Act, Flughafen München GmbH is an energy supply company. This task as an energy supply company with the subareas generation, distribution and sale of electricity and natural gas is assumed in Flughafen München GmbH by the service area Energy, Water and Waste Management in the service division Technology, with the individual activities being carried out in separate organizational units and business processing taking place in separate accounts.

For the area of electric transmission, Flughafen München GmbH received the "classification of the energy plant at Munich Airport with electricity as a closed distribution network pursuant to Section 110, Paragraph 2, Sentence 1, numbers 1 and 2 of Germany's Energy Industry Act (Energiewirtschaftsgesetz)" on December 14, 2012, with the electricity network territory being the entire approved area of Munich Airport. Munich Airport meets all legal requirements for this field and, pursuant to Section 6b of the Energy Industry Act, will prepare activity financial statements of its own for it.

Economic environment

Worldwide, the year 2012 was characterized by a further weakening of the economy and increasing uncertainty concerning future development. Global economic growth fell in the past year to around 2.5 percent (following 2.9 percent and 4.3 percent in the years 2011 and 2010, respectively). One of the causes for this was the continuing debt and bank crisis in the eurozone. In addition, growth in China slowed to 7.8 percent (2011: 9.2 percent).

Counter to the trend, the largest economy in the world, the United States was able to increase slightly in growth to 2.1 percent (2011: 1.8 percent). Contributing in particular to this were the positive development in the real estate sector, the labor market and consumer confidence.

The world's second-largest economy, China, which as such is the most important representative of emerging countries, passed through the low point of economic weakness in the third quarter of 2012 (+7.4 percent). Beginning with the fourth quarter, a rise in growth (+7.9 percent) was again seen. Contributing to this were the easing of monetary policy (interest rate and minimum reserves) and stimulus measures (in particular infrastructure programs).

Growth increased in Japan, the third-largest economy (2.0 percent compared with –0.6 percent in 2011), reflecting the tsunami catastrophe of March 2011 as basis effect.

In the eurozone, in contrast, there was still no indication of a recovery. The southern countries, which were burdened by the debt crisis, contributed to the drop in GDP of –0.4 percent. The individual economies of the eurozone, however, developed unevenly.

Germany continues to show a positive growth of 0.7 percent. Due to the weakening sales markets in southern Europe and China, however, growth fell distinctly in comparison with 2011 (3.0 percent).

The development in traffic at Munich Airport as an international hub is influenced by the global economy (intercontinental passengers representing a share of around 15 percent) as well as by the European economy (around 60 percent of its passengers) and by the German economic situation (around 25 percent domestic transportation passengers).

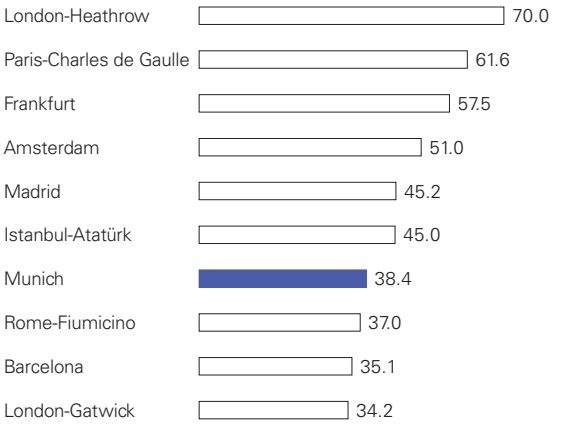
Business forecast for 2012

Air traffic in Germany remains at a high level

Throughout Germany, the number of air passengers increased in 2012 by 1.1 percent to 200.4 million. The majority of German airports, however, were below their prior-year figures.

The ten largest airports in Europe reflect an average growth of 1.7 percent, with the development being very uneven. Thus, Madrid Airport achieved a rise in passenger figures of around 9 percent while Istanbul-Atatürk Airport enjoyed an increase of around 20 percent to almost 45 million last year, with the latter benefiting from the dynamic growth in Turkey and the expansion of its hub function. The largest airports in Europe are London-Heathrow (70.0 million passengers) followed by Paris-Charles de Gaulle (61.1 million) and Frankfurt (57.5 million).

Europe's ten largest airports
Passengers in millions

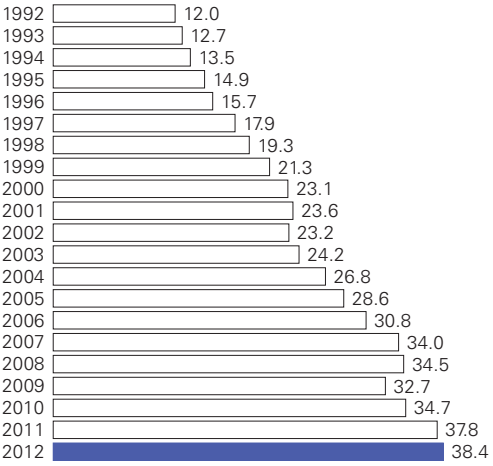


Source: Airports Council International (ACI), as at January 28, 2013

Continued rise in passenger figures at Munich Airport

Despite a flagging global economy, the year 2012 was a successful one for Munich Airport. Passenger figures rose by 1.6 percent or around 600,000 to 38.4 million (prior year: 37.8 million). Thus the airport moved in sync with the German trend and maintained its position as the second-largest German airport.

Passengers at Munich Airport
1992–2012: Commercial passengers in millions



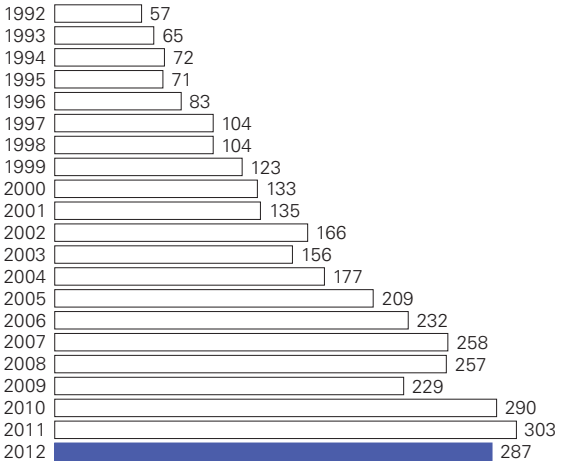
Source: Flughafen München GmbH

In terms of Europe, Munich Airport with an increase of 1.6 percent demonstrated average development. In passenger figures, Munich Airport thus was number seven (prior year: six) among Europe's ten largest airports. On the basis of aircraft movements, Munich Airport was able to improve to number five and now is slightly above the airport of Madrid, the capital of Spain.

Slight drop in cargo

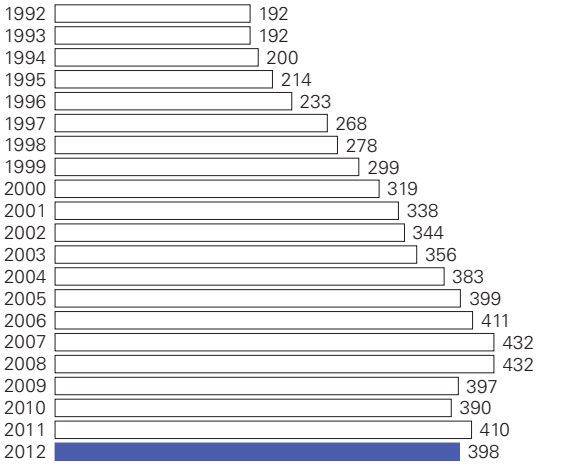
The globally weak economy also led to a drop in cargo volume at Munich Airport from freight and mail. In 2012, total volume was around 290,000 tons of freight; that represents a drop of a good 4 percent or 13,000 tons compared with the record amount of more than 303,000 tons in the prior year.

Airfreight at Munich Airport
1992–2012: Airfreight flown in thousand tons (to + from + transit)



Source: Flughafen München GmbH

Aircraft movements at Munich Airport
1992–2012: Aircraft movements in thousands



Source: Flughafen München GmbH

The percentage of bellyhold cargo on passenger aircraft also grew by 3 percentage points to 89 percent.

The percentage of cargo-only volume, freight transport with pure cargo aircraft, on the other hand, dropped to 11 percent. Charter cargo business continued to fall, losing 24 percent to 31,000 tons.

In the area of mail, an increase of 3 percent was realized to 18,099 tons. This area, however, plays only a secondary role in the total volume of the airport and is closely tied to the transport strategy of Deutsche Post.

Drop in aircraft movements in off-peak hours

Against this background, the number of takeoffs and landings, or aircraft movements, decreased by 2.9 percent to 398,039. Airlines reduced flights in particular in off-peak hours, while in core hours there continued to be no free slots, or time windows for takeoffs and landings, for additional flights.

Business development

With respect to passenger development, the year 2012 was the most successful fiscal year for Munich Airport in its existence. Following the global financial and economic crisis of the last several years, the FMG Group was able to record significant traffic increases again much more quickly than expected.

In the past year, passenger volume at Munich Airport for the first time exceeded the figure of 38 million. This corresponds to an increase of 1.6 percent. With this, the airport is in the framework of the average European comparable values.

The causes for the weak growth are general economic risks resulting from the euro and debt crises as well as the weak economic development, which led to a lower demand for transport services in aviation. Additional industry-specific pressures such as high kerosene prices and aviation taxes contributed to a further negative

impact on the cost side. As a result, some airlines had to declare bankruptcy. The bankruptcies of Cirrus Airlines, Cimber and Spanair also impacted Munich Airport. Other airlines have dropped routes and have initiated cost-cutting programs. The cost-reduction and efficiency programs of Lufthansa and airberlin also have affected airports. New customers and routes were not able to offset these losses.

In fiscal year 2012, 242 destinations (prior year: 241) were regularly served by the 101 airlines (prior year: 100) at Munich Airport. As in the prior year, 20 of these destinations were in Germany. There were 222 flight destinations abroad to 68 countries.

The number of takeoffs and landings dropped during the past year by 2.9 percent to 387,983 aircraft movements. The fact that despite this decline, there was a rise in passenger figures is connected with improved capacity utilization and the use of larger aircraft. Thus, the average seats available per flight increased by four to 138, with at the same time an increase in passengers per flight of four to 103. Thus, the average capacity utilization rose by almost one percentage point to 74.5 percent. In 2012, there was a daily average of 1,060 takeoffs and landings (prior year: 1,095).

The growth in passenger volume weakened increasingly during the course of the year. Thus, the first quarter yielded a rise in passenger figures of around 5 percent, while in the fourth quarter only the level of the prior-year comparable quarter was achieved. The causes for this included reductions of services offered in the winter flight schedules of the airlines.

The largest losses in routes and passenger figures were recorded in domestic traffic. In European traffic including the Mediterranean countries in Africa and Asia, there continued to be gains in passenger figures. In this hub traffic, the positive development of recent years continued and contributed overall to the stabilization of passenger volume. Thus it was possible to also add new airlines and destinations. Especially the Eastern European countries and the calmed situation in the countries of the "Arab spring" led to increased passenger figures. The destination in highest demand continued to be London, followed by Paris and Amsterdam. At almost 11 percent, the most robust growth was again recorded for the routes to Istanbul, which already in the prior year benefited disproportionately from the losses in traffic to the African Mediterranean countries.

For the first time, intercontinental traffic recorded declines. Several connections dropped from the destination list. The reduction of the long-hall services by airberlin alone, caused by the shift of aircraft to the airports in the capital, is responsible for half of the reductions, and it was not possible for this drop to be completely offset by new connections. In contrast, there was definite growth in passenger volume in the direction of the Gulf region. This is closely associated with the expansion of the airlines headquartered in that area and of hubs in the Gulf region.

Overall, Munich profited during this difficult period from its hub function since the airlines were able to adapt their services to the weaker demand through changing frequencies without reducing the number of destinations overall. Accordingly, the share of transfers in passenger volume fell in the year 2012 by only one percentage point.

Earnings, financial position and net assets

In accordance with Section 315a, Paragraph 3 to the German Commercial Code (Handelsgesetzbuch, HGB), Flughafen München GmbH prepares exempting consolidated financial statements in accordance with international accounting standards. The Company applies, fully and without reservation, the financial reporting standards (IAS/IFRS) and interpretations (SIC/IFRIC) published by the International Accounting Standards Board (IASB) and by the International Financial Reporting Standards Interpretation Committee (IFRS IC) in the version adopted into European law by the European Commission.

Revenues

In the year 2012, the Group was able to increase revenues by 4.6 percent to €1,186.802 million (prior year: €1,134.684 million).

This was caused by the increasing traffic both in the aviation and the non-aviation sectors thanks, among other things, to passenger growth of 1.6 percent and price adaptations in aviation. The changes in Group sales and earnings are reviewed below in the section titled "Group business activities."

Expense

The cost of raw materials and supplies increased in comparison with the prior year by €21.303 million to €323.866 million (prior year: 302.563 million), corresponding to an increase of 7.0 percent. Responsible for this in particular are the expenditures recorded in cost of raw materials and supplies for purchased services for surveillance and security, maintenance and rehabilitation, expenditures for energy and surface deicing material as a result of bad weather.

Personnel expenses, due to the changed collective agreement and the increase in employment by 733 in comparison with the prior year, increased by €22.586 million to €333.621 million (prior year: €311.035 million).

Other operating expense and interest, which significantly influenced the Group's expense, accounted for €215.905 million (2011: €308.256 million) or 24.7 percent (2011: 33.4 percent) of the Group's total pretax expense. The drop is due mainly to the reduction in other operating expenses.

Depreciation, amortization and impairments across the Group totaled €235.284 million (2011: €243.857 million).

The FMG Group generated a profit of €95.347 million in 2012 (2011: €74.334 million). The increase is mainly the result of higher EBIT compared with the prior year.

Group business activities

The FMG Group is separated into the profit centers Aviation and Non-Aviation.

Aviation

Our Aviation division is responsible for the safe and orderly handling of air traffic within the bounds of the airport. Since January 1, 2011, Flughafen München GmbH has provided air-side handling services through a subsidiary, AeroGround Flughafen München GmbH, Munich, the organizational structure of which is aligned to the specific needs of customer airlines using Terminals 1 and 2.

The Aviation division contributed 51.6 percent of Group sales. Thanks to the growth in air traffic, the division's earnings grew €26.770 million, year on year, to €612.846 million. This corresponds to an increase of 4.6 percent.

Non-Aviation

The Non-Aviation division comprises essentially the segments Consumer Activities, Retail and Restaurant, and Property Management and Development.

The segments Consumer Activities and Retail and Restaurant are responsible for the development, marketing and management of retail and hospitality offerings, for the sale of advertising space at Munich Airport and for our Parking and Services business, which comprises a broad range of parking and develops innovative parking-related services for our customers.

One of the mainstays of our non-aviation business is eurotrade Flughafen München Handelsgesellschaft mbH, Munich. This subsidiary markets a select range of premium national and international goods, carefully tailored to the requirements of its airport customer base. Its focus is on responding quickly and flexibly to continuously changing customer needs and expectations. Allresto Flughafen München Hotel und Gaststätten GmbH, Munich, operates the public restaurants and other hospitality operations in the public areas and secure areas of the airport. It is also responsible for the employee restaurants on campus and for the airport hotel managed by the Kempinski Group.

Our Corporate Real Estate Management and Development division develops, markets and manages company-owned buildings and other facilities in line with market needs. Besides the airport's own infrastructure, the real estate under management includes buildings outside the airport itself, plots of land acquired to permit future expansion, and compensatory mitigation sites created to restore the ecological balance.

Like our aviation business, our non-aviation business performed well, with sales growing 4.6 percent, or €25.348 million year on year, to €573.956 million, to provide 48.4 percent of Group earnings.

Asset and Capital Structure

	December 31, 2012		December 31, 2011	
	€ thousand	%	€ thousand	%
Non-current assets	4,885,986	92.9	4,892,363	94.2
Current assets	375,277	7.1	300,558	5.8
Assets classified as held for sale	348	0.0	127	0.0
Assets	**5,261,611**	**100.0**	**5,193,048**	**100.0**
Shareholders' equity	1,714,159	32.6	1,660,819	32.0
Financial liabilities resulting from interests in partnerships	234,581	4.5	296,201	5.7
Non-current liabilities	2,389,625	45.4	2,420,659	46.6
Current liabilities	923,246	17.5	815,369	15.7
Liabilities and equity	**5,261,611**	**100.0**	**5,193,048**	**100.0**

Total assets at December 31 increased year on year by 1.3 percent or €68.563 million to €5,261.611 million (2011: €5,193.048 million). Non-current assets comprise primarily self-used tangible and intangible assets as well as investment property and interests at associated companies.

Self-used tangible and intangible assets show a year-on-year increase of €3.014 million to €4,642.808 million. There were additions in the amount of €227.683 million compared with disposals in the amount of €19.316 million.

Depreciation, amortization and impairments in 2012 totaled €235.284 million (2011: €243.857 million).

Additions to tangible assets in the amount of €244.636 million mainly concern land, buildings, equipment, plant and office equipment and construction in progress, with additions of land made primarily in connection with the project to build the airport's third runway. Additions in buildings relate primarily to additions for the new freight-forwarder facility.

The additions of construction in progress in the amount of €119.946 million comprise planning and project costs for the construction of aviation operating areas in the amount of €33.708 million. Included in this are additions in the amount of €12.006 million related to planning and project management for the third takeoff and landing runway, and shell construction begun on April 23, 2012 for the satellite building with which the capacity of Terminal 2 will be significantly expanded. Other relatively large additions relate to incomplete buildings in the amount of €3.480 million and incomplete technical installations and machinery in the amount of €10.138 million.

In technical installations and machinery, the focus of the additions of a total of €54.100 million was in the expansion of the baggage transportation system in the amount of €46.085 and the construction of a kerosene storage tank in the amount of €4.416 million.

In the area of plant and office equipment, investments were made in the amount of €23.249 million. These essentially comprise purchases of vehicles, equipment and plant and office furnishings.

Investment property in the amount of €200.716 million pertains to buildings and land used by third parties with which revenues independent from airport operation are realized.

The change in investments in associated companies of €1.144 million to €1.917 million is attributable exclusively to the valuation of EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München GmbH, which is valued using the equity method.

There was no appreciable change compared with the prior year in non-current receivables and other financial assets.

The increase in current assets of €74.719 million to €375.277 million resulted for the most part from the increase in receivables and in financial investments and cash and cash equivalents.

As of the reporting date, shareholders' equity increased to €1,714.159 million (2011: €1,660.819 million). The rise is attributable especially to the consolidated profit and the positive changes of other equity. The equity ratio of the FMG Group thus reached 32.6 percent (prior year: 32.0 percent).

Non-current liabilities as of December 31, 2012, at €2,389.625, were €31.034 million below the prior year value of €2,420.659 million. This is attributable mainly to shift of maturity classes into the current range caused by the change of year.

Current liabilities rose as a result of the shift from the non-current range to €923.246 million (prior year: €815.369 million).

Financial situation

Funds were available from net cash flow from operating activities in the amount of €440.791 million (prior year: €436.786 million) in sufficient amount that cash flows of the Group from investment activities were assured at all times.

Non-financial performance indicators

Employees

With a total workforce of around 30,000, Munich Airport is the region's largest workplace. The Group employed 7,625 employees (including 232 apprentices) as of December 31, 2012.

In 2011, a human resources strategy was adopted that established the most important goals for human resources management and the associated package of measures. A large portion of these measures were executed in 2012 or were fleshed out to the extent that completion in the year 2013 is assured. By way of example, a qualitative/quantitative personnel planning system for a five-year period was created that is intended to serve as a guideline for recruiting and personnel development concepts.

Beyond this, the health management office was further developed with the goal of achieving a sustainable reduction in sick days. This involved an intensification of occupational medical services and a broad range of activities around the topics of integration management, company athletics and prevention.

Particular attention was given to increasing our attractiveness as an employer. In conjunction with the creation of an attractive employer brand for Munich Airport, measures were taken in the framework of the program "be family!" that will contribute to the perception of the FMG Group as an attractive employer, such as the introduction of a family and advisory service and the construction of a child care center.

Another goal in the area of human resources management is the development of excellence in leadership. Therefore, the leadership excellence certification program, which was set up in the prior year, was further developed.

From the point of view of employees, the collective pay-scale agreement for public sector employees concluded in the year 2012, which provides an increase of 6.3 percent spread over two years, merits special mention. In addition, employees of the parent company received a profit sharing participation in the record earnings realized in 2011, which contributed very significantly to the high degree of commitment of the staff.

Munich Airport with outstanding service

In the international passenger survey of the London-based aviation research institution Skytrax, Munich Airport ranked number six among the world's best airports behind Seoul, Singapore, Hong Kong, Amsterdam and Beijing.

In two categories, Munich was in the top three in the world: In leisure and entertainment opportunities and in dining, the Bavarian aviation hub took third place in the global ranking among the total of just at 400 airports considered. In addition, with the Kempinski Hotel Airport München, Munich offers one of the best airport hotels (number six in Europe).

Munich Airport received a further honor for the high service quality of its service personnel. Skytrax gave Munich Airport the "Best Airport Staff in Europe" award for its high level of customer satisfaction.

In the Skytrax "World Airport Awards," international airports and airlines are investigated and honored for their service quality. The passengers surveyed evaluated around 40 service categories for the airports including, for example, handling operations and service quality, friendliness and competence of airport personnel, shopping and entertainment opportunities and ease of transit. With over twelve million participants, more passengers than ever before took part in the survey.

Environmental and climate protection

Climate protection is everybody's responsibility. Even if as an airport operator our influence on global climate protection is limited, we are keenly aware of our responsibility, and within the scope of our possibilities, we make the greatest possible contribution to the reduction of emissions. Configuring the operation and development of the airport such that negative effects on the environment are limited is an integral part of our strategy.

Compliance

Compliance means proper behavior with respect to the laws, regulations, national and international norms and standards relevant for the Group and to in-house policy, rules and guidelines, to the extent their purpose is compliance with these norms.

Since January 1, 2011, we have had a dedicated Compliance department. This department reports directly to the executive and supervisory boards and is attached to the Group's Legal Affairs and Compliance division. Building on the existing compliance measures, a comprehensive compliance management system (CMS) was developed for the FMG Group. This concept was successfully examined under the IDW PS 980 standard in 2012 and is to be fully implemented in 2013.

Supervisory board and executive board

Flughafen München GmbH, domiciled in Munich, as the parent company, is subject to the regulations of the German Limited Liability Companies Act, relevant commercial law and corporate law statutes. In addition, a number of co-determination and collective bargaining statutes apply. Besides an executive board, the Company has a supervisory board, installed as an independent body to oversee the executive board.

Under the articles of Flughafen München GmbH, the supervisory board's role is to monitor executive management. The supervisory board consists of eight members representing the company's shareholders, plus a further eight representing the company's employees.

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

Under the provisions of the company's articles, certain steps and transactions undertaken by executive management that exceed set maximum monetary values may only be conducted with the express approval of the supervisory board.

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

The shareholders' representatives on the supervisory board are appointed by the relevant federal and state ministries and administrative districts. The executive board of the parent company consists of the President and Chief Executive Officer (who is also Personnel Industrial Relations Director) and the Chief Financial Officer (who is also Chief Infrastructure Officer). Details of the Company's system of executive pay and the remuneration received by individual members of the executive and supervisory boards are provided in the annex to the consolidated financial statements.

Transparency guidelines

For the most part, processes in the Group (excluding property companies) are laid out in organizational handbooks. There are numerous compliance guidelines on public procurement law, procurement and contracting processes, and information security. These ensure that processes and procedures are transparent and traceable, both internally and externally. In contracting and tendering procedures, the FMG Group requires bidders to submit a declaration of commitment stating that they will undertake everything necessary to preclude corruption.

Compliance failures are liable to sanctions, such as exclusion from the contracting process.

Analysis of the procurement processes

To improve security in procurement, assessments are conducted on a quarterly cycle to identify possible cases of non-compliance with Group procurement rules and practices. The standard procurement processes in different parts of the organization are analyzed to determine whether competition criteria are being met in individual instances.

Checks are performed to ascertain whether a unit awarding a contract has obtained three competing bids as required under in-house rules or, if it has not, whether it can present adequate justification.

In addition, invoices for which there is no matching order in the SAP enterprise software system are scrutinized. The purpose is to reduce so-called maverick buying (procurement outside our standard procurement routes) as this can result in savings.

Anticorruption

The FMG Code of Conduct describes fundamental corporate principles for ensuring legally compliant and ethical behavior among our employees and managers. Available on the intranet, the code includes rules prohibiting the acceptance of gifts, entertainment or favors and the granting of favors to third parties, as well as rules on sideline work and regulations on contract award procedures. It also references other guidelines by which employees must abide. The purpose of these rules is to ensure that proper procedures are followed in connection with procurement and the award and handling of contracts.

We regularly provide training and publish information to ensure that employees and managers are familiar with the guidelines and any updates or amendments to them. We also require company managers and employees to confirm by signature that they acknowledge the FMG Code of Conduct and that they agree to support and abide by it. In the event that a unit or individual is confronted with an issue or situation that is unclear, they can seek advice from the Compliance department.

The position of anticorruption officer is exercised by the head of the Compliance department.

As a part of ongoing efforts to refine our compliance management system, the cataloging and rating of the specific compliance risks for all areas of the Group was completed. Our anticorruption officer has reported that there were no alleged cases of corruption at Flughafen München or its subsidiaries in 2012.

An external tip alleging wrong behavior in an award-granting procedure was investigated; the allegation, however, proved unfounded.

Introduction of an electronic whistle-blower system

Through an electronic whistle-blower system, the Business Keeper Monitoring System (BKMS® System), Group employees, business partners and customers can report behavior potentially damaging to our organization. Whistle-blowers can submit reports anonymously, and the system is designed to protect their anonymity. Reports received are assessed, and further action is taken as necessary. The electronic whistle-blower system can be accessed over the Internet.

Data protection

Flughafen München GmbH's data protection officer is also assigned organizationally to the Compliance department but conducts his job independently. Initial training courses provided to new employees and vocational trainees, along with periodic onward training for employees in data privacy law, have helped raise awareness of statutory data protection requirements. Beginning with 2012, a supplementary web-based training program is being used for training purposes.

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

In 2013, the guideline for data protection organization conceived in 2012 is to be implemented, which will establish the responsibilities of management and employees, the implementation of data protection requirements and the prerequisites for fulfilling the mission of the data protection officer.

Opportunities and risks

Flughafen München GmbH has a comprehensive risk management system in place that serves to identify, assess and track risks. Depending on the level of damage and the likelihood of occurrence, this system distinguishes between risks to be observed, risks to be monitored, material risks and existence-threatening risks. Risks to be monitored, material risks and existence-threatening risks are viewed as significant risks and are reported to executive management and shareholders.

Basic risk policy

When exploring business opportunities, the Group takes steps to assess the attendant risks. There must be an appropriate relationship between opportunities and risks. The following principles apply:

→ Our risk strategy aligns with our corporate strategy; the two must be consistent with one another.
→ Our risk management system is integral to our business processes.
→ Our risk management process is intended to ensure that key risks are identified, assessed and tracked.
→ Decision-makers are notified transparently about risks that are identified.
→ Risk is mainly managed by those responsible for business processes.
→ We make active use of the means at our disposal to avoid or mitigate risks and take swift counteraction where necessary.

Risk management system

The FMG Group's system of risk management covers the full extent of the company's operational and strategic business processes and is designed to identify, evaluate and mitigate all potential risks facing the Company and its subsidiaries (excluding special-purpose entities). Risks that we identify are assessed based on their likelihood of occurrence and on a quantification of the scale of their impact in the event that they become reality. The primary goal of our risk management is to take a controlled approach to risk and to define appropriate preventive measures.

Embedded in the general risk management system is the management of financial risks.

Munich Airport faces credit, interest rate and foreign exchange risks in connection with reported and future items and transactions.

To address interest rate and foreign exchange risks, the FMG Group hedges underlying transactions on a large scale with derivative financial instruments. The treasury is responsible for managing market risks efficiently. As a rule, only those risks are managed that can affect cash flow.

Interest derivatives are employed to optimize lending terms and to limit exposure to adverse movements in interest rates. No transactions are conducted for commercial or speculative reasons. Our exposure to interest risk is mainly through financial liabilities with variable interest rates. Interest rate hedging positions can result in negative market values when market interest rates are lower.

In instances where planned foreign currency income cannot be matched with foreign currency expense, foreign exchange risks arise; these are hedged with foreign currency forward contracts.

Credit risk is tied mainly to short-term financial investments. This risk is generally controlled by making financial investments with banking organizations in the European Union that offer deposit protection.

Risks affecting the FMG Group's assets, finances and earnings may arise in connection with the current situation in global financial markets and its potential impact on the economy as a whole, on general liquidity, and on future bank lending.

To minimize possible financial damage, the FMG Group has insurance for appropriate amounts covering key areas of potential loss and liability.

Potential bad debt risks are addressed through strict, effective debt management. This includes checking customers' credit ratings thoroughly, continuously monitoring unpaid items and taking a strict approach to payment reminders and collection.

Our risk management also covers all aspects of sustainability – environmental, economic and social – on which a monetary value can be placed.

All risk information is reviewed internally in a quarterly report, which is issued to executive management and division heads. This enables executives to respond quickly and effectively to shifting risk scenarios. When needed, they can react directly to new or changed risk situations. Supervisory board members of the parent company also receive copies of the latest risk reports.

Risks

Special attention is given in the risk management system to risks that are significant from the viewpoint of shareholders.

The effects of risks depend among other things on the financial strength of the Company involved. Therefore a distinction is made among the individual companies in the assessment of the risks with respect to categorization of damage.

Market and general economic risks
Over the course of the year and with a view toward future developments, the uncertain economic development and its consequences for Munich Airport were considered and analyzed.

The loss or restriction of the hub function through Deutsche Lufthansa continues to represent a risk for the Group. The former would be the case if Lufthansa in conjunction with a change of strategy were to no longer use the airport as a hub. A restriction could occur if the expansion of capacity is not continued or if in conjunction with cost-saving measures there is a restriction of services offered. In the framework of the savings program "Score," the services offered by Lufthansa dropped slightly after the second quarter.

In the second half of the year, the economic situation of the major customer airberlin was reviewed in the framework of risk reporting, and the risk with respect to a further reduction in frequencies and of an interruption of operation was evaluated. This risk will continue to exist even beyond the year 2012.

Capital investment risks
Beginning with the second quarter of 2012, a potential budget overage of the Satellite construction project was studied. Interruptions and unforeseeable general risks could lead to excess costs in the course of the project. The cost planning will be updated in 2013.

Process risks
The information technology infrastructure of the airport can be damaged by flooding, fire or sabotage, which potentially could lead to loss of traffic operations.

We are attempting to continuously reduce this risk, taking into account the costs involved, through the introduction of new IT systems.

Extraordinary external influences
External risks such as terroristic events, natural catastrophes and the possible outbreak of disease have a low to very low likelihood of occurrence, but would give rise to relatively severe economic impact.

Other risks
The pending investigatory proceedings with respect to CAP Flughafen München Sicherheits-GmbH represent a risk as a result of possible additional wage taxes and social security levies. In the framework of the investigative proceedings of the Landshut public prosecutor's office, an administrative offence proceeding was initiated against CAP Flughafen München Sicherheits-GmbH and Flughafen München GmbH.

The FMG Group's overall risk situation
No risks posing a threat to continuity have been identified.

The Group uses all possibilities for reducing or averting risks through maintaining appropriate insurance coverage.

Opportunities and growth projects
Even following the outcome of the referendum concerning the takeoff and landing runway in the state capital, Flughafen München GmbH continues to hold to the demand-driven expansion of Munich Airport. Majority shareholders the Free State of Bavaria and the Federal Republic of Germany, which hold 77 percent of the shares of the Company, continue to consider the takeoff and landing runway to be indispensable. The airport expansion is exceedingly significant as the central infrastructure project for the future prospects of the entire state. The majority shareholders have repeatedly made this clear in various public statements and in the governing bodies of the Company.

The court review of the zoning resolution of 2011 of the government of Upper Bavaria continues to go forward. If in the course of 2013, Bavaria's Higher Administrative Court should affirm the zoning resolution, the project, following eight years of zoning and approval process and of court review, will lie in the drawer ready and realizable at any time. The building permit associated with the zoning will continue to be valid for up to 15 years.

In addition to the additional runway capacity, Munich Airport, in order to develop hub traffic, also needs more parking positions in the vicinity of the building as well as additional resources for passenger handling.

Therefore Flughafen München GmbH together with Deutsche Lufthansa AG is constructing a so-called satellite onto the existing baggage sorting hall on the east ramp, which will be connected to Terminal 2 through a fully automated underground people-mover system.

Commencement of shell construction for the new passenger building took place in May 2012. Following its completion, which is planned for the year 2015, the satellite, which will have more than 27 aircraft stands and 52 gates close to the building, will create handling capacity for eleven million passengers.

Capital investment costs for the building and for technical equipment of around €650.000 million will be – as in the case of Terminal 2 – apportioned between Flughafen München GmbH and Deutsche Lufthansa on a 60/40 basis.

The recognized high level of quality of Munich Airport as a hub for transit traffic will be further enhanced and ensured even for the traffic volume expected in the future. This will solidify the position of Munich Airport in the league of premium international hubs.

Planned construction and infrastructure projects
In addition to the current construction projects for the satellite, construction on several expansion and enlargement projects will be completed at Munich Airport in the year 2013, such as the building expansion of Deutsche Flugsicherung (DFS), the expansion of the tank farm, or the new company child care facility.

Intensive planning is currently running in parallel to prepare the two existing terminals for the rising passenger volume. In Terminal 2, which is operated jointly with Lufthansa, the baggage transportation system and the "Hub Operations Center" are supposed to be expanded.

Also for Terminal 1, which was placed in service already in 1992, extensive renovations are currently being sought, initially in the central area of the terminal. Feasibility studies have been completed and planning is scheduled to begin in 2013.

In order to be able to handle the freight volume, Flughafen München GmbH in addition plans to add an additional module to the existing freight terminal.

The grant of zoning approval for a third runway at Munich Airport means that Flughafen München GmbH is now committed to providing €100 million in funding for local infrastructure projects in surrounding communities. Payouts, however, are contingent upon runway construction actually going forward. The financial participation of Flughafen München GmbH in the planning services for the road construction projects "Freising West By-pass" and "Erding North Perimeter" have already been approved in advance up to €5 million each. Of this, around €1 million had been disbursed by the end of 2012.

The attractive, customer-oriented access by road and rail is a prerequisite for the state to meet the high standard for service and quality demanded in international competition also for ground access. The intensified networking of the individual modes of transportation is an absolute requirement also for the politically desired sustainable configuring of mobility of the future. In this regard, the intermodality rail/air is critically important.

The improvement of rail/air intermodality is a key strategic development goal for Munich Airport. With the results of the expert review conducted on behalf of the Bavarian Ministry for Economic Affairs, Infrastructure, Transport and Technology into how to improve Munich Airport's rail access, there has been a target concept since the beginning of 2010. It will be borne jointly by the Bavarian state government, the Landtag and the state capital Munich and Munich Airport. It is possible that the construction of the Neufahrner Curve as the first project of the planned objectives will be begun in 2013, so that prospectively beginning in 2016 it will be possible to offer air passengers from North Bavaria a direct connection from Regensburg to Munich Airport.

In addition to this, Munich Airport, with respect to the revision of the federal traffic route plan, initiated the study "Transportation and economic benefit of intermodality"[1]. The study, which was technically assisted by the Federal Ministry for Transport, Building and Urban Development, quantifies the additional economic benefits resulting from the interconnection of rail and air transport modalities. It was found that through taking the rail/air intermodality more strongly into consideration, the cost/benefit relation critical for the prospects of realization of transportation projects is significantly improved for construction projects that relate to airport commuter transportation by rail. It was possible in a supplementary case study for the expansion project Munich to Mühldorf and Freilassing to demonstrate these positive effects concretely.

The results were presented jointly with Deutsche Bahn in October 2012 in the "BahnTower" railroad tower in Berlin. Both mobility players pointed out forcefully the necessity of improving the linking of the modalities at interfaces such as Munich Airport.

Notable events after the end of fiscal year 2012

No events that would be of special importance for assessing the earnings, financial position and assets of Flughafen München GmbH and that would have to be reported here occurred after the balance-sheet date.

Outlook

Since the growth of the economy in Germany was below 1 percent in 2012, and the economy in the eurozone as a whole actually contracted, only slight economic growth can be expected for 2013. Leading research institutions forecast growth for the German economy of far below 1 percent in the year 2013. Not until 2014 is a significant rise of economic growth expected again. For the eurozone as a whole, most forecasts for 2013 assume at best minimal growth or even further decline. In the southern European countries, which represent important destination markets for flights from Munich, the economy is expected to contract further.

[1] Intraplan Consult GmbH, Munich, 2012, in the framework of the initiative Air Transportation for Germany together with the airports Frankfurt and Düsseldorf and Deutsche Lufthansa, Deutsche Bahn and Deutsche Flugsicherung

This development will also affect the aviation industry. Many airlines are taking a consolidation course and are currently carrying out extensive restructuring and savings programs. Some airlines are no longer represented on the market at all after bankruptcy. Munich Airport will also not be able to escape the effects of this development of traffic volume. We therefore assume that the growth trend of traffic figures enjoyed by Munich Airport for many years in the short term will not be continued.

The economic development will not only impact the Aviation division but also business development in the non-aviation sector.

Due to the difficult market environment, for the year 2013 we expect, on the basis of current economic conditions, a downward trend in consolidated profit compared with the reporting year.

Given the uncertainty concerning the further economic development, it is difficult to make meaningful statements for 2014. As matters stand at present, a renewal of general economic growth is being assumed for 2014.

The increase in revenues that would accompany such general economic growth would also be reflected in an improvement of earnings compared with the year 2013.

The development of Munich Airport will depend not only on the further economic development, but also on the development of regulatory conditions for the aviation industry. The central issues in this regard will be developments relating to emissions trading introduced by the European Union and the German aviation taxes. On April 16, 2013, the European Parliament approved the ground handling services directive presented by the EU Commission, and thus a further deregulation of this market. It must therefore be assumed that additional service providers will have to be admitted to Munich Airport, that there will be restrictions for the subcontracting of services, and that new requirements for central infrastructure will arise.

The competitive situation in the area of ground handling service at Munich Airport as a result will be intensified and thus the economic pressure on FMG subsidiary AeroGround will increase. This could have ramifications on the Group as a whole. As things stand at present, third-party ground handlers may not assume their activities until six years after the ground handling services directive came into effect. These regulations, however, will still have to be affirmed in tripartite negotiations with member states, where renewed disputes between advocates and opponents of a comprehensive liberalization can be expected.

Positive developments in the area of aircraft movements cannot be expected until after the euro crisis has been overcome and after conclusion of the restructuring measures of the airlines. The International Air Transport Association IATA expects an average annual growth rate (CAGR) for passenger figures for international flights in the period 2012 through 2016 of 4.4 percent for Europe. For Germany, a below-average rise is predicted in passenger numbers of 19 percent or 28 million to 173 million. Due to its currently very limited slot capacity, Munich Airport will be able to participate in this positive development only in part, though increases in passenger figures and movements are again to be expected.

These capacity bottlenecks in takeoff and landing runways, particularly in peak traffic hours, will continue to exist absent the third takeoff and landing runway. At the preferred hours and during preferred seasons, the two existing runways are currently already used at full capacity. It will not be possible to resolve these bottlenecks with respect to growth possibilities in aircraft movements until after the third takeoff and landing runway is placed in service.

Consolidated statement of profit or loss

€ thousand	Reference	2012	2011
Revenue	VII.1	1,186,802	1,134,684
Increase/decrease in inventory		–68	806
Own work capitalized	VII.2	18,485	11,554
Other income	VII.3	44,808	123,551
Total revenue		**1,250,027**	**1,270,595**
Cost of materials	VII.4	–323,866	–302,563
Personnel expenses	VII.5	–333,621	–311,035
Other expenses	VII.6	–78,870	–160,499
Operating result before depreciation and amortization (EBITDA)		**513,670**	**496,498**
Depreciation and amortization	VII.7	–235,284	–243,857
Operating result (EBIT)		**278,386**	**252,641**
Interest result	VII.8	–122,382	–136,675
Other financial result	VII.8	8,161	5,425
Financial result		**–114,221**	**–131,250**
Result from enterprises valued using the equity method		**1,159**	**3,684**
Income before income taxes		165,324	125,075
Income taxes	VII.9	–69,977	–50,741
Consolidated profit (EAT)		**95,347**	**74,334**
thereof attributable to controlling shareholders		94,089	74,443
thereof attributable to non-controlling shareholders		1,258	–109

Consolidated statement of comprehensive income

€ thousand	Reference	2012	2011
Consolidated profit (EAT)		95,347	74,334
Cash flow hedging	VIII.16	–49,104	–16,659
Actuarial gains and losses	VIII.17	–6,071	–33
Deferred tax assets/liabilities not recognized in profit or loss	VII.6	13,168	3,578
Other comprehensive income after taxes		**–42,007**	**–13,114**
Total comprehensive income		**53,340**	**61,220**
thereof attributable to controlling shareholders		52,082	61,329
thereof attributable to non-controlling shareholders		1,258	–109

Consolidated statement of financial position

Assets	Reference	December 31, 2012	December 31, 2011	January 01, 2011
€ thousand				
Intangible assets	VIII.1	8,166	6,717	4,166
Property, plant and equipment	VIII.2	4,634,642	4,633,077	4,744,239
Investment property	VIII.3	200,716	208,994	207,530
Investments in associated companies	VIII.4	1,917	3,061	4,033
Receivables	VIII.5	18,606	17,199	16,014
Other financial assets	VIII.5	10,637	18,425	21,183
Deferred tax assets/liabilities	VIII.6	5,445	0	0
Other assets	VIII.9	5,857	4,890	495
Non-current assets		**4,885,986**	**4,892,363**	**4,997,660**
Inventories	VIII.7	34,884	33,357	29,752
Receivables	VIII.8	65,056	60,605	53,884
Other financial assets	VIII.8	0	0	0
Actual income tax assets and liabilities		370	82	810
Other assets	VIII.9	10,881	6,398	7,281
Financial investments	VIII.10	257,000	193,000	171,500
Cash on hand and in banks	VIII.10	7,086	7,116	6,897
Current assets		**375,277**	**300,558**	**270,124**
Assets classified as held for sale	VIII.11	**348**	**127**	**557**
Assets		**5,261,611**	**5,193,048**	**5,268,341**

Liabilities and equity	Reference	December 31, 2012	December 31, 2011	January 01, 2011
€ thousand				
Issued capital	VIII.12	306,776	306,776	306,776
Reserves	VIII.12	99,835	106,209	104,242
Other equity	VIII.12	1,308,959	1,250,503	1,193,779
Shares of non-controlling shareholders	VIII.12	–1,411	–2,669	–2,503
Shareholders' equity		**1,714,159**	**1,660,819**	**1,602,294**
Financial liabilities resulting from interests in partnerships	VIII.14	**234,581**	**296,201**	**289,448**
Liabilities	VIII.15	11,290	7,085	6,990
Other financial liabilities	VIII.15	1,756,238	1,818,268	1,841,591
Employee benefits	VIII.17	37,635	33,173	34,121
Other provisions	VIII.18	98,119	103,700	99,600
Deferred tax liabilities	VIII.6	465,760	436,306	413,069
Other liabilities	VIII.20	20,583	22,127	23,916
Non-current liabilities		**2,389,625**	**2,420,659**	**2,419,287**
Liabilities	VIII.19	94,028	101,053	85,723
Other financial liabilities	VIII.19	776,057	649,111	780,040
Employee benefits	VIII.17	18,252	15,736	20,847
Other provisions	VIII.18	14,948	21,638	29,484
Actual income tax liabilities		13,254	15,485	25,610
Other liabilities	VIII.20	6,707	12,346	15,608
Current liabilities		**923,246**	**815,369**	**957,312**
Liabilities associated with assets held for sale	VIII.11	**0**	**0**	**0**
Liabilities and equity		**5,261,611**	**5,193,048**	**5,268,341**

Consolidated statement of changes in equity

	Issued Capital	Reserves		Other equity	Attributable to non-controlling shareholders	Shareholders' equity
€ thousand		Capital reserve	Revenue reserve			
As of Jan. 1, 2011	**306,776**	**102,258**	**1,984**	**1,193,779**	**–2,503**	**1,602,294**
Profit	0	0	0	74,443	–109	74,334
Other comprehensive income	0	0	–33	–13,081	0	–13,114
Total comprehensive income	0	0	–33	61,362	–109	61,220
Transactions with shareholders	0	0	0	0	0	0
Transfer to reserves	0	0	2,000	0	0	2,000
Withdrawal from reserves	0	0	0	–2,000	0	–2,000
Change of reserves	0	0	2,000	–2,000	0	0
Changes in the consolidation group	0	0	0	–2,638	–57	–2,695
As of Dec. 31, 2011	**306,776**	**102,258**	**3,951**	**1,250,503**	**–2,669**	**1,660,819**
Profit	0	0	0	94,089	1,258	95,347
Other comprehensive income	0	0	–4,374	–37,633	0	–42,007
Total comprehensive income	0	0	–4,374	56,456	1,258	53,340
Transactions with shareholders	0	0	0	0	0	0
Transfer to reserves	0	0	0	2,000	0	2,000
Withdrawal from reserves	0	0	–2,000	0	0	–2,000
Change of reserves	0	0	–2,000	2,000	0	0
As of Dec. 31, 2012	**306,776**	**102,258**	**–2,423**	**1,308,959**	**–1,411**	**1,714,159**

Consolidated statement of cash flows

	Reference	2012	2011
€ thousand			
Cash flows from operating activities	X.	**440,791**	**436,786**
Receipts from disposition of self-used property, plant and equipment		4,060	2,828
Receipts from disposition of intangible assets		105	964
Receipts from disposition of financial property		111	2,185
Receipts from sale of associated companies		0	1,600
Receipts from associated companies based on distributions		2,303	3,156
Disbursements for capital investments in self-used property, plant and equipment		–224,636	–134,071
Disbursements for capital investments in intangible assets		–3,047	–4,826
Disbursements for capital investments in investment property		–8,150	–2,762
Disbursements for the acquisition of shares in fully consolidated companies		0	–577
Interest income		4,849	2,922
Changes in financial investments		–64,000	–21,500
Cash flow from investing activity		**–288,405**	**–150,081**
Receipts flow from loan proceeds from credit institutions		120,000	31,100
Disbursements resulting from principle payments on loans from credit institutions		–90,365	–50,566
Cash flows from group-wide cash management with associated companies and investee companies		–2,801	–3,356
Payments from the retirement of financial liabilities arising from interests in partnerships		–88,444	–22,067
Interest expense		–90,806	–241,597
Cash flow from financing activities		**–152,416**	**–286,486**
Change in cash and cash equivalents resulting from cash transactions		**–30**	**219**
Cash and cash equivalents at the beginning of the year	VIII.10	7,116	6,897
Cash and cash equivalents at the end of the year	VIII.10	**7,086**	**7,116**

Annex to the consolidated financial statements

I. Companies

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

Flughafen München GmbH and its subsidiaries operate the airport and the associated ancillary lines of business.

The registered office of the Company is located at Nordallee 25, 85326 Munich, Federal Republic of Germany. It is recorded in the trade register of the Local Court of Munich under number 5448. The shares of Flughafen München GmbH are held by the Free State of Bavaria, the Federal Republic of Germany and the state capital Munich.

Flughafen München GmbH is the ultimate parent company of all companies included in the consolidated financial statements.

As of December 31, 2012, the Company has not issued any securities within the meaning of Section 2, Paragraph 1, No. 1 of the German Securities Trading Act (Wertpapierhandelsgesetz (WpHG)), which are traded on organized markets in accordance with Section 2, Paragraph 5 of the German Securities Trading Act.

The executive management of Flughafen München GmbH released the consolidated financial statements on April 30, 2013 for distribution to the supervisory board. The supervisory board has the responsibility of examining the consolidated financial statements and of declaring whether it approves of them.

II. Principles for preparation of the consolidated financial statements

The principles observed in the preparation of the accompanying consolidated financial statements will be described below. They have been consistently applied in all fiscal periods presented.

The reporting currency is the euro. To the extent not designated otherwise, all amounts are in thousands of euros (€ thousand). Rounding errors may occur for computational reasons.

The reporting currency corresponds to the functional currency. No companies with deviating functional currencies are included in the consolidated companies.

1. Basis for the preparation of the financial statements

Pursuant to Section 315a, Paragraph 3 to the Germany Commercial Code (Handelsgesetzbuch, HGB), Flughafen München GmbH voluntarily prepares consolidated financial statements in accordance with international accounting standards. The Company fully and without reservation applies the financial reporting standards (IAS/IFRS) and interpretations (SIC/IFRIC) published by the International Accounting Standards Board (IASB) and by the International Financial Reporting Standards Interpretation Committee (IFRS IC) in the version adopted into European law by the European Commission.

The basis of valuation is the acquisition cost principle. For the valuation of financial assets available for sale and of financial assets and financial liabilities that are to be valued at fair value, there are exceptions.

The consolidated statement of profit and loss is prepared according to the nature of expenditure method.

The fiscal year is the calendar year.

Preparation of financial statements in accordance with international reporting standards involves the use of judgments and estimates by management. Judgments and estimates for reporting certain matters can have significant effects on the overall view presented by the consolidated financial statements. For this reason, certain matters, the reporting of which is based on judgments and estimates having material effect on the financial statements, are presented separately in Chapter VI.

2. New or revised accounting regulations

a) New regulations applied for the first time

Regulation	Brief description	Effects	Initial application	Early application
IFRS 1	For preparation of the first financial statements under IFRSs, derecognition transactions for financial instruments that took place prior to the time of transition to IFRSs do not have to be reflected in accordance with the relevant regulation. In addition, application guidelines were adopted in the standard for the resumption of IFRS accounting after interruptions due to high inflation.	These financial statements are not affected by the scope of application of the aforementioned regulations. There are no effects on the consolidated financial statements.	July 1, 2011	Not applicable
IFRS 1	Under IAS 20p10A, a government loan that is interest free or below the market rate contains a government grant. As a result of expansion to IFRS 1, this regulation is excluded from the principle of retrospective application. Recognition of the difference amount as a government grant is omitted.	The loans granted to Munich Airport by public credit institutions (Kreditanstalt für Wiederaufbau, LfA Förderbank Bayern) carry interest in line with the market. Early application of the regulation was without any effect on the valuations of assets and liabilities in the initial consolidated financial statements in accordance with IFRSs.	Jan. 1, 2013	Permissible
IFRS 7	The disclosure obligations concerning securitization transactions are expanded.	The accompanying financial statements do not contain any transactions that are covered by the scope of application of the regulation. There are no effects on the consolidated financial statements.	July 1, 2011	Not applicable
IAS 12	IAS 12 is a clarification on recognizing deferred tax assets or liabilities on temporary differences in the case of investment properties that are valued at the revalued amount.	The present financial statements do not contain any transactions which are covered by the scope of application of the regulation. There are no effects on the consolidated financial statements.	Jan. 1, 2012	Not applicable
IAS 19r	There is no longer an option with respect to accrual of actuarial gains and losses (corridor method). The discount rate for pension obligations must be used for valuing plan assets. Clarifications on the definition of benefits upon the termination of the employment relationship result in carrying value adjustments in the case of provisions for partial retirement obligations. Disclosure obligations concerning employee benefits are expanded.	FMG does not use the corridor method. Changes in accounting for provisions for partial retirement obligations were taken into account in the carrying value. Disclosures regarding employee benefits were adjusted to the requirements of IAS 19 (revised).	Jan. 1, 2013	Permissible

b) New regulations not yet applied

Regulation	Brief description	Effects	Initial application	Early application
IFRS 1	IFRS 1 is also to be applied by companies that in the past had already prepared financial statements in accordance with IFRSs to the extent such financial statements were not in compliance with IFRSs.	No effects are expected.	Jan. 1, 2013	Permissible
IFRS 1	Borrowing costs that were reflected in financial statements prior to the first-time application of IFRS may be retained.	Under the German Commercial Code, no borrowing costs were capitalized. No effects are expected on the consolidated financial statements.	Jan. 1, 2013	Permissible
IFRS 7	The disclosure obligations concerning the netting of financial assets and liabilities were changed.	Munich Airport does not perform any netting. There are no effects on the consolidated financial statements.	Jan. 1, 2013	Permissible

Regulation	Brief description	Effects	Initial application	Early application
IFRS 9	Under IFRS 9, two classes are provided for the valuation of financial assets. Debt instruments that are held exclusively for collection of the nominal amount and of interest payments are to be valued at amortized acquisition costs. All other financial assets must be valued at fair value through profit and loss. In the case of equity instruments not held for trading purposes, value changes are recorded with no effect on profit and loss. The obligation to separate embedded derivatives is eliminated. The combined payments streams from an instrument are to be assessed for its assignment to the valuation classes.	Under IFRS 9, Munich Airport can continue its past valuation procedures. There are no effects on the consolidated financial statements.	Jan. 1, 2015	Not permissible
IFRS 9	In the case of exercise of the fair value option for financial liabilities, changes in value on the basis of uncollectibility are recorded without effect on profit and loss. Derivative financial liabilities concerning the delivery of equity instruments that are not traded on an active market must without exception be valued at fair value.	The consolidated financial statements do not contain any financial liabilities covered by the scope of application of the regulation.	Jan. 1, 2015	Not permissible
IFRS 10	Under IFRS 10, control is derived from decision-making power. The presumption of control on the basis of allocation of opportunities and risks is discontinued. A company that draws a variable yield from an investment can demonstrate control if it has decision-making power that makes it possible for it to unilaterally determine the amount and the yield from the investment.	The application of IFRS 10 does not have any effects on the delineation of the companies to be included in the consolidated financial statements of Flughafen München GmbH. This is applicable for subsidiaries with and without voting right participation (in particular, lease property partnerships).	Jan. 1, 2013	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IFRS 11	Under IFRS 11, joint activities and joint ventures are to be distinguished. In the joint venture, the decision-making power of the participating companies relates to the net assets of the joint activity on the assets and liabilities contributed by each partner. Partners of a joint activity report the assets and liabilities contributed by them in accordance with the relevant IFRS in a particular case. Partners in a joint venture reflect their share according to the equity method in accordance with IAS 28.	Joint ventures are already accounted for according to the equity method. No joint activities are contained in the consolidation group. The early application of the rules did not have any effects on the consolidated financial statements.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IFRS 12	In IFRS 12, disclosures on subsidiaries, joint ventures and associated companies are brought together and expanded.	Disclosures on subsidiaries, joint ventures and associated companies were supplemented in the consolidated financial statements.	Jan. 1, 2014	Permissible including in excerpts and independent of IFRS 10-11, IAS 27r and IAS 28r
IFRS 13	IFRS 13 contains generally applicable provisions on the measurement of fair value. In order to measure fair value, an enterprise must identify the object to be valued and the market on which this object is traded. In addition, for non-financial assets to be valued at fair value, an enterprise must establish whether they can be valued individually or only in connection with other objects and liabilities. The standard presents valuation methods for objects whose value cannot be directly observed and subdivides the valuation procedure into a three-tier valuation hierarchy.	The methods for determining the fair value of financial assets satisfy the requirements of IFRS 13. The consolidated financial statements do not contain any non-financial assets that must be valued in an ongoing manner at fair value. The rules do not have any effects on the consolidated financial statements.	Jan. 1, 2013	Permissible
IAS 1	The rule change relates to the presentation of other comprehensive income. Items that will be subject to recognition in profit or loss in future periods (recycling) are to be distinguished from items which will at no time be recycled.	Munich Airport discloses amounts contained in other comprehensive income broken down by source. The rules do not have any effects on the consolidated financial statements.	July 1, 2012	Permissible

Regulation	Brief description	Effects	Initial application	Early application
IAS 1	The voluntary expansion or individual disclosures to additional comparison periods does not trigger any obligation for expansion for all disclosures.	Munich Airport does not make any voluntary disclosures on additional comparison periods. The regulation does not have any effects on the consolidated financial statements.	Jan. 1, 2013	Permissible
IAS 16	Maintenance equipment is only to be reported as property, plant and equipment if it fulfills the definition of property, plant and equipment.	Assignment to tangible property already takes place in the accompanying consolidated financial statements only in the event that the definition is fulfilled. The regulation does not have any effects on the consolidated financial statements.	Jan. 1, 2013	Permissible
IAS 27r	Following introduction of IFRS 10, IAS 27 only contains regulations on reporting in separate financial statements.	The accompanying financial statements are consolidated financial statements rather than unconsolidated ones. Please see disclosures on first-time application of IFRS 10.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IAS 28r	After introduction of IFRS 10 and IFRS 11, IAS 28 was modified accordingly.	The changes to IAS 28 do not have any effects on the consolidated financial statements.	Jan. 1, 2014	Permissible IFRSs 10, 11, 12, IAS 27r, 28r simultaneously
IAS 32	Tax effects resulting from distributions to unit holders are to be reported according to the regulations of IAS 12.	The changes do not have any effects on the consolidated financial statements.	Jan. 1, 2013	Permissible
IAS 32	Several of the existing regulations concerning netting of financial assets and financial liabilities are clarified.	The consolidated financial statements do not contain any financial assets and liabilities covered by the scope of application of the changed regulations. The changes to IAS 32 do not have any effects on the consolidated financial statements.	Jan. 1, 2014	Not permissible
IAS 34	Total assets per segment are to be disclosed in interim financial statements only if they are regularly reported to the chief operational decision-maker and they deviate materially from the value in the last annual financial statements.	Munich Airport does not prepare any interim financial statements. The regulation does not have any effects on the consolidated financial statements.	Jan. 1, 2013	Permissible
IFRIC 20	IFRIC 20 regulates the reporting of waste removal in the production phase of a surface mine.	The business model of Munich Airport does not contain any activities that are covered by the scope of application of the regulation.	Jan. 1, 2013	Permissible

III. Companies included in the consolidated group

1. Subsidiaries

Subsidiaries are all companies that are controlled by Flughafen München GmbH.

Control is assumed if Flughafen München GmbH directly or indirectly holds more than half of the voting rights of another company. Control can also occur without a formal voting rights majority on the basis of articles of association, majorities present, other agreements or similar circumstances.

Companies with a narrowly restricted business purpose (special-purpose entities), which are directed in accordance with the business needs of Flughafen München GmbH in a predefined manner through an "autopilot" mechanism, are included in the consolidated group if Flughafen München GmbH bears the majority of the opportunities and risks resulting from their operation and in addition the residual value risk of the significant assets of such companies.

The financial statements of Flughafen München GmbH and its subsidiaries are prepared for the same reference date.

The accounting and valuation principles presented in Chapter 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.

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

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

In addition, intra-group transactions, balances, expenses and revenues as well as profits and losses resulting from transactions between the fully consolidated companies are eliminated.

Transactions with units in subsidiaries are reported as transactions among shareholders to the extent they do not result in the establishment or loss of control of the subsidiary.

2. Associated companies

Companies whose financial and business decisions can be significantly influenced by Flughafen München GmbH but which are not controlled by it alone or jointly with another company are associated companies.

The basis for the including of associated companies is the latest available financial statements of the associated company. In the event of deviating reference dates for financial statements, the associated or jointly managed company must prepare interim financial statements. If this is not possible, financial statements with a deviating reference date can also be utilized for equity-method accounting if the deviation between the reference dates is not greater than 3 months. Such financial statements are to be adjusted for the transactions with material effects on the statements that occurred between the reference dates.

Investments in associated companies are valued at the time of acquisition at acquisition costs. Following the initial recording, the value of the investment under the equity method is adjusted as of each financial statement reference date for the pro-rata changes in the equity capital of the associated company. In so doing, direct changes in equity not affecting profit and loss are reflected in other comprehensive income. In other respects, such adjustments do not affect profit and loss.

At each financial statement reference date following the time of acquisition, it must be examined whether the carrying value of the investment is below the amount realizable and whether a write-down or the reversal of a write-down is necessary.

Gains and losses that result from transactions between a fully consolidated company and a company accounted for using the equity method are eliminated in accordance with the percentage of ownership to the extent a write-down has not already been reflected in the financial statements of the associated company for the assets resulting from such transactions.

The accounting and valuation methods presented in Chapter IV are also applied to associated companies included in the consolidated financial statements.

3. Scope of consolidation

The following subsidiaries and special-purpose companies comprise the consolidation group of Flughafen München GmbH:

Name	Seat	Share of capital in %	Basis
aerogate München Gesellschaft für Luftverkehrsabfertigungen mbH	Munich	100	Voting rights
AeroGround Flughafen München GmbH	Munich	100[1]	Voting rights
Allresto Flughafen München Hotel und Gaststätten GmbH	Munich	100[1]	Voting rights
CAP Flughafen München Sicherheits-GmbH	Freising	100	Voting rights
Cargogate Flughafen München Gesellschaft für Luftverkehrsabfertigungen mbH	Munich	100[1]	Voting rights
eurotrade Flughafen München Handels-GmbH	Munich	100[1]	Voting rights
InfoGate Information Systems GmbH	Freising	100[1]	Voting rights
Flughafen München Baugesellschaft mbH	Oberding	60	Opportunities and risks
Terminal 2 Gesellschaft mbH & Co oHG	Oberding	60[1]	Opportunities and risks
MAC Grundstücksgesellschaft mbH & Co. KG	Grünwald	95[1]	Voting rights
MALTO Grundstücks-Verwaltungsgesellschaft mbH & Co. KG	Grünwald	0[1]	Opportunities and risks
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Alpha KG	Grünwald	0[1]	Opportunities and risks
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Beta KG	Grünwald	0[1]	Opportunities and risks
MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. Gamma oHG	Grünwald	0[1]	Opportunities and risks
München Airport Center Betriebsgesellschaft MAC mbH	Grünwald	0	Opportunities and risks

[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.

The following company is an associated company. It is valued using the equity method:

Name	Seat	Share of capital in %
EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH	Freising	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 picture of the net assets, financial position and results of operations.

Name	Seat	Share of capital in %	Type	Basis
FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH	Freising	100	Sub	Voting rights
MediCare Flughafen München Medizinisches Zentrum GmbH	Oberding	51	JV[1]	Voting rights

[1] JV = Joint venture

As a result of their non-inclusion, consolidated revenue is reported 0.41% lower (2011: 0.43%).

In fiscal year 2012, InfoGate Information Systems GmbH, Freising, was included in the consolidated group for the first time. This is an addition through founding.

Terminal 2 Betriebsgesellschaft mbH & Co oHG, Oberding, was merged into FM Terminal 2 Immobilien-Verwaltungsgesellschaft mbH & Co oHG, Oberding, retroactively as of January 1, 2012. The company continues under the name Terminal 2 Gesellschaft mbH & Co oHG, Oberding.

Beteiligungsgesellschaft mbH der FMG, Freising, was merged into Flughafen München GmbH, Munich, retroactively as of January 1, 2012.

IV. Accounting and valuation principles

1. Tangible assets

Expenditures for the acquisition or production of non-current material assets are to be reflected as property, plant and equipment to the extent they are under the control of the Group, they can be reliably determined and most probably will produce future economic benefit.

Initial recording of assets in the category of property, plant and equipment is at acquisition or production costs, with acquisition and production costs comprising all costs directly attributable to the acquisition. Production costs comprise all costs directly attributable to the production event, including direct costs and pro-rata overhead costs. Subsequent valuation is at depreciated acquisition and production costs. The revaluation method is not applied in the Group.

Repair and maintenance are recognized as expenses. After-the-fact acquisition and production costs, such as capital investments for replacement or enhancement, are reflected as a part of acquisition or production costs only if they can be reflected per se as assets.

Land is not depreciated. All other assets are depreciated using the straight-line method over their expected economic service life.

The Group utilizes the component approach for buildings in particular. Under this approach, the cumulative acquisition and production costs of a building are broken down into components of various service lives and depreciated separately. The acquisition and production costs of buildings are broken down into the components shell, roofs, interior fittings and mechanicals and they are depreciated separately.

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

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

The service lives and anticipated residual values of fixed assets are examined at the end of each reporting period.

If the realizable value of a fixed asset is less than its carrying value, the fixed asset is written down to the realizable value through profit and loss.

Profits and losses from disposals of non-current assets are determined through comparison of the sale proceeds with the remaining carrying value. They are presented in the consolidated statement of profit or loss under other income or other expenses.

2. Intangible assets

a) Other intangible assets

Expenditures for the acquisition or production of non-current intangible assets are to be reflected to the extent they are under the control of the Group, they can be reliably determined and they will most probably produce future economic benefit.

Acquisition costs comprise all expenditures that are necessary in order to make the asset ready to be placed in service.

With the exception of emission rights, the service 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 anticipated economic useful life.

b) Self-produced intangible assets

Costs for self-produced intangible assets are capitalized as soon as a production project has reached the development phase and the following criteria are fulfilled:

→ Technical feasibility
→ Intention to bring to completion
→ Suitability for utilization
→ Documentation concerning the future economic benefits in the form of revenues or saved expense
→ Availability of resources
→ Reliable determination of project expenditures

The self-produced intangible assets relate to special software for airport operation. The self-produced intangible assets are reported at production costs. Production costs comprise all directly attributable costs.

Expenditures that do not meet the prerequisites for being so reflected are immediately expensed. Development costs that have been recorded as expense are not capitalized in subsequent periods.

The service life of the self-produced intangible assets is determinable; it is five years. Amortization is taken using the straight-line method.

c) Emission rights

Upon the first-time reflection of emission rights, they are valued at acquisition costs. Subsequent valuation is at amortized acquisition costs.

The service life of emission rights fundamentally cannot be determined. The carrying value of these rights therefore is compared with the realizable value annually and is written down if appropriate. Emission rights are traded on active markets. The realizable amount corresponds to the market value less transaction costs.

3. Borrowing costs

To the extent a considerable period of time passes up to attainment of readiness of an asset to be placed in service (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 sources. 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 the attainment of readiness for service.

4. Impairment test

At each reference date for financial statements, the Group examines whether there are indications for unscheduled write-down of assets. If such indication is present, the Group estimates the recoverable amount for the assets and compares it with the carrying value. 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 anticipated cash flows that prospectively can be realized from the continued use of the assets in question. If the recoverable amount is less than the carrying value of the asset, the difference from the carrying value is recorded through profit and loss.

Assets that can generate payment streams only in concert with other assets are combined into cash-generating units. The combination ends as soon as units are achieved that generate cash, which are independent from other units.

5. Non-current assets held for sale

Non-current assets are classified as held for sale if the associated carrying value is to be realized through a sale transaction and not through continued utilization. The requirements for classification as available for sale are as follows:

→ Possibility of sale in the current condition and at generally customary conditions
→ Highly probable sale within a year's time

Non-current assets held for sale are not amortized or depreciated. Subsequent valuation is at remaining carrying value less cumulative write-downs. The valuation standard for determining the need for write-down is fair value less disposal costs.

6. Investment property

In contrast to self-used real estate, investment property is not used in the framework of usual operating activity, but rather is used exclusively for the realization of leasing income or the receipt of increases in value.

Included in investment property are all land and buildings with indefinite use. The Group in addition classifies all buildings and land used by outsiders with which receipts are realized that are independent from other airport operation as investment property. For this reason, leased hangars, for example, are classified as self-used real estate, while leased administrative buildings are classified as investment property.

Initial recording of assets in the category of investment property is at acquisition or production costs, with acquisition or production costs comprising all costs directly attributable to the acquisition. Subsequent valuation is at depreciated acquisition or production costs. The revaluation method is not applied in the Group.

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

Subsequent valuation of investment property corresponds to the subsequent valuation methods for self-used real properties.

The fair values of investment property disclosed in the consolidated notes are determined using market real property interest rates.

Expert opinions of certified independent appraisers are requested for real property interest rates.

7. Leasing

All agreements that contain a right to use an asset in exchange for a series of payments are leasing relationships.

If the lessor essentially retains all opportunities and risks 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 essentially all opportunities and risks associated with ownership of the leased object are transferred to the lessee, the underlying agreement is a financing lease. In this case, the leased object and a leasing liability are reflected in the financial statements of the lessee. The leased object is depreciated over the economic service life or the term of the lease, to the extent it is shorter. The lease payments are broken down into an interest and a principle portion. The principle portion reduces the leasing liability, while the interest portion is recorded as an expense.

8. Financial instruments

a) Classification

Upon initial recording, Munich Airport assigns financing instruments to one of the valuation categories described below according to their properties and the intentions of executive management.

Derivative financing instruments that are not part of a hedging relationship and non-derivative financial instruments that were acquired with an intention for trading are valued at fair value through profit and loss. They are reported under current assets or liabilities unless settlement is expected in more than 12 months after the financial statements reference date. Derivatives without hedging relationship are fundamentally reflected among current assets or liabilities.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded on an active market. They are reported among current assets unless maturity occurs more than 12 months after the financial statements reference date.

All financial liabilities that are not to be valued at fair value are to be valued at amortized acquisition costs using the effective interest method. They are reported among current liabilities unless repayment is expected more than 12 months after the financial statements reference date.

b) Recognition and valuation

Purchases and sales of financial instruments at customary market conditions are recognized on the trading date.

Financial assets are derecognized if the rights to payment streams from the financial instrument have lapsed or have passed to a third party with transfer of all material opportunities and risks specific to ownership. Financial liabilities are derecognized only upon fulfillment, termination or lapse.

All financial instruments that are not to be valued at fair value through profit and loss are valued upon initial recognition at fair value plus transaction costs. The remaining financial instruments are valued at fair value, while transaction costs are recognized as expenses.

Following initial recognition, financial instruments are valued at fair value through profit and loss unless they belong to the category loans and receivables or non-derivative financial liabilities. In this case, subsequent valuation is carried out at amortized cost, based on the effective interest method.

Profits and losses from valuation at fair value are reflected under other profits (net) or other losses (net). Interest accrual effects are not reflected in other profits or losses (net).

Effective interest is the interest rate at which the expected payment streams from a financial instrument (including all fees) can be discounted on the carrying value to be reflected at the time of determination. In the event of changes of estimate, the originally calculated effective interest is retained. In the case of debt instruments bearing variable interest, effective interest is adjusted on an ongoing basis. In the case of loan modifications that result in derecognition of the original and recognition of a new loan, a new effective interest is calculated for the remaining term.

Treatment of financial fees depends on their nature. Fees that are charged for services rendered are to be immediately recognized through profit and loss. Otherwise they are treated as transaction costs (recognition in the initial carrying value and allocation in the case of financial instruments using the effective interest method with fixed interest or straight-line allocation over the term in the case of variable interest). Commitment fees are reflected up to the payout of the loan under prepaid expenses. To the extent payout of the loan is no longer expected, the accumulated amount is to be released immediately through profit and loss.

c) Netting
Financial assets and financial liabilities are netted in the financial statements if the prerequisites under civil law for offset pursuant to Section 387 ff of the German Civil Code (BGB) are present and the management intends to bring about an offset or a simultaneous settlement.

d) Impairment and recovery
At each reporting date, all financial assets are examined individually to determine whether there are objective indications of an impairment. Objective indications of the impairment of a financial asset are present if an event has taken place since the initial recognition (loss event) having reliably determinable negative effects on the future cash flows from the asset.

Significant refinancing difficulties, missed payments, reductions in credit worthiness and bankruptcy are deemed as loss events.

The difference between the residual carrying value and the present value of the cash flows taking into consideration the loss event and retaining the original effective interest rate is recognized as an impairment loss in the consolidated statement of profit or loss.

To the extent events occur in subsequent fiscal periods that indicate that the future cash flows from the financial asset will again approximate the original level (for example, as a result of the raising of the credit worthiness), a recovery of impairment loss is recognized in the Group statement of profit or loss.

e) Derivatives in hedging relationships
The following accounting and valuation principles can only be applied to derivatives that were brought into a highly effective, adequately documented hedging relationship. All other derivatives must be valued at fair value through profit and loss. Derivatives in hedging relationships are recognized on the trading date. Upon initial recognition and thereafter, they are valued at fair value. The recording 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 fair value of the hedging instrument and changes in the fair value of the hedged item are recognized through profit and loss with respect to the hedged risk. The effective portion of the change is reported under financing expenses or income and the ineffective portion under other profits (net) or other losses (net).

The fair value valuation of the hedged item terminates with the termination of a fair value hedge. In the case of a financial instrument to be valued at amortized acquisition cost, a new effective interest rate is determined on the basis of the carrying value existing at the time of the termination and the still outstanding cash flows.

Cash flow hedge: The effective portion of the changes in fair value of the hedging instrument is recorded in the hedging reserve with no effect on profit and loss, while the ineffective portion is recorded through profit and loss in other profits (net) or other losses (net). The value changes recorded in the hedging reserve are reclassified at each time of payment to offset the profit effect from the hedged cash streams of the hedged item into profits and losses.

Even after termination of a cash flow hedge, the changes in fair value accumulated up to that time remain in the hedging reserve up to the occurrence of the hedged transaction. The fair value valuing of the hedging instrument from that point on is recorded under other profits (net) or other losses (net).

By no later than the commencement of the hedging, hedging relationships, risk management goals and strategies of the Group are formally established and documented, with the hedged item and the hedging transaction being identified, the nature of the hedging relationship being determined, and the goals of the hedging strategy and the methods of measuring effectiveness being documented. Munich Airport monitors the effectiveness of the hedging relationship from the time of inception of hedging through the end of the hedging relationship.

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

9. Inventories

Inventories essentially represent merchandise inventories. They are valued at the lower of acquisition costs or net realizable value. The consumption sequence regimen for determining acquisition costs is the FIFO method.

The net recovery value, on the other hand, is the sales proceeds less expected costs up to disposal.

10. Trade accounts receivable

Trade receivables are recognized as soon as Munich Airport has acquired a right to compensation for goods supplied or services rendered. They are reported among non-current assets to the extent maturity occurs more than 12 months after the reference date of the financial statements. Otherwise they are reported among other current assets.

Upon initial recognition, receivables are valued at fair value, and thereafter they are valued at amortized acquisition costs using the effective interest method with a deduction of impairments.

11. Liquid funds

Liquid funds comprise cash and short-term financial investments. Cash and financial investments with a term of up to 3 months (demand deposits) are assigned to cash and cash equivalents. Financial investments with terms in excess of 3 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 reported among other current assets.

12. Other assets and prepaid expenses

Other assets are recognized to the extent they most probably will result in an inflow of economic benefit and can be reliably valued.

Prepaid expenditures are recognized to the extent payments occur in the reporting period that are not to be recorded as expense until future periods.

13. Shareholders' equity

a) Delineation between shareholders' equity and borrowings

Financial instruments issued by Munich Airport are classified as shareholders' equity or borrowings in accordance with the content of the agreements, whereby all passive financial instruments that are not debts are deemed shareholders' equity.

b) Partnerships

The consolidated group contains partnerships in which controlling interests are not held. Interests in German partnerships have a right of termination, which cannot be waived in the partnership agreement. The terminating partner can assert a claim for settlement against the remaining partners. Therefore interests in partnerships are, to the extent they are not to be attributed to controlling partners, to be classified in the consolidated financial statements as financial liabilities. In these financial statements, they are reflected as "Financial liabilities resulting from interests in partnerships."

The delineation rules underlying these consolidated financial statements under the IFRS regulations that must mandatorily be observed deviate from the differentiating methods for shareholders' equity and borrowings, which apply in areas subject to German law. In consolidated financial statements under the German Commercial Code, interests of non-controlling partners in partnerships would have to be attributed to equity.

At the time of initial recognition, these financial liabilities are valued at fair value, that is, at the present value of the expected settlement obligation at the earliest possible time for termination. Subsequent valuation is carried out at amortized cost, based on the effective interest method. Deposits and withdrawals that affect the amount of the settlement claim are credited or charged, as the case may be, to or against the settlement obligation.

14. Actual and deferred income tax claims and liabilities

The tax expense for the period comprises actual and deferred income taxes. Income taxes are recognized through profit and loss unless they relate to transactions that are recorded in other comprehensive income or directly to shareholders' equity. In this case, they are recorded analogously in other comprehensive income or directly in shareholders' equity.

Actual tax claims and liabilities are valued on the basis of tax laws applicable for Munich Airport as of the reporting date.

Deferred tax claims and liabilities are determined on the basis of a two-step balance-sheet comparison for deductible or taxable temporary differences between the carrying values of assets and liabilities pursuant to the relevant valuation methods under IFRS or IAS and the tax valuation methods. Moreover, deferred tax claims are also recognized for unused tax loss and interest carryforwards.

Recognition of deferred taxes on deductible temporary differences and loss and interest carryforwards is limited to the amount that it will prospectively be possible to use as a result of sufficient available taxable income, taxable temporary differences or on the basis of tax-planning opportunities.

Recognition of deferred taxes on temporary differences resulting from initial recognition of goodwill or for temporary differences that occurred other than through profit and loss is generally not permitted. Deferred taxes are to be valued at the tax rates that will prospectively be applicable at the time of the reversal of the temporary differences.

Deferred tax claims and liabilities are to be valued at the tax rates that will prospectively apply at the time of the reversal of the temporary differences or of the application of taxable loss carryforwards. Future tax rate changes or changes in tax law are to be anticipated as soon as no obstacles stand in the way of the fulfillment of the material requirements for effectiveness for their introduction in the framework of the legislative process. In Germany, this is the case upon approval by the Bundesrat of the adopted tax laws.

In addition, deferred taxes are recognized on temporary differences resulting from the elimination of intercompany profit and loss and the consolidation of expenses and income. Deferred taxes on temporary differences between the net assets of a subsidiary and the investment for tax purposes are not recognized to the extent Munich Airport on its own can determine the time of reversal of such temporary differences and reversal is not expected for the foreseeable future.

Deferred tax claims and liabilities are to be netted if Munich Airport has acquired a legal claim to netting of actual income tax claims and liabilities and the deferred tax claims and liabilities pertain to the same taxing authority. In the accompanying consolidated financial statements, deferred taxes resulting from short-term items and deferred taxes resulting from non-current items are netted separately. At the Group level, netting takes place only to the extent there is a possibility of a credit as a result of treatment as tax groups for income tax purposes.

15. Obligations resulting from employee benefits

a) Obligations resulting from benefits following termination of employment

The consolidated financial statements contain defined benefit and defined contribution retirement plans. A retirement arrangement is a defined benefit plan if no further obligations other than the payment of fixed contributions must be assumed with respect to the retirement of the employee (in particular, no obligation to make additional payments in the event of underfunding of plan net assets). All other arrangements for benefits following termination of employment are defined benefit plans. Typically, a defined benefit retirement plan

contains the commitment to make pension payments depending on age, length of time with the company and salary or wage of the person entitled to a pension.

Payments for defined contribution plans are recognized as expense in the period in which the eligible employees render the services establishing their entitlement. Munich Airport makes payments to Deutsche Rentenversicherung and to the supplementary welfare fund of Bayerische Versorgungskammer. There are no obligations beyond the contribution payment.

Provisions are set up for obligations resulting from defined benefit pension plans, the valuation of which is calculated using the projected unit credit method. This method reflects the actuarial present value of vested future benefits. The present value of future benefits is determined taking into consideration future salary and pension increases as well as the life expectancy of persons entitled to pensions. The valuation of claims for medical insurance benefits is based on actuarial assumptions concerning health care cost trends. Discount rates are derived from interest structure curves for high-quality corporate bonds as of the valuation reference date. Munich Airport makes pension payments and health care costs from current cash flows. There are no investments for covering benefit obligations (plan assets).

Actuarial gains and losses are reflected in other income and are recorded in shareholders' equity without effect on profit and loss.

b) Obligations resulting from benefits at the time of termination of employment

Provisions are recorded for benefits at the time of termination of employment, to the extent Munich Airport is obligated to end employment prior to attainment of retirement age or must pay settlements if employees voluntarily separate prematurely from employment. The prerequisite for the recording of provisions for benefits at the time of the ending of employment is that there be a detailed formal plan on the basis of which employees can demand the aforementioned benefits.

Bonus payments on the basis of a partial retirement arrangement are treated in accordance with the principles for long-term benefits to employees (see Chapter IV.15.c)).

c) Obligations resulting from other long-term employee benefits

Other long-term employee benefits comprise provisions for service anniversary bonuses, provisions for obligations resulting from partial retirement arrangements (outstanding settlement amount backlog and bonus payments) and other benefits.

The obligation is valued according to the principles and methods presented in Chapter IV.15.a). Obligations from partial retirement arrangements are covered through plan assets. The present value of the obligation is credited against the fair value of this asset. An excess on the asset side is reflected under other assets.

16. Other provisions

Other provisions are recorded if Munich Airport has an indefeasible obligation arising from a past event to surrender resources with economic benefit to third parties, the obligation can be reliably valued and it is most probable that it will be claimed by the third party. The reflection of expense provisions is generally prohibited. The obligation can be of a legal or of a constructive nature.

The obligation amount that will occur with the highest degree of probability is controlling for the valuation of other provisions for individual obligations. If provisions are set up for a large number of obligations of like nature, they are valued at the expected value.

To the extent the present value of an obligation deviates materially from the nominal amount, provisions are set up 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 it is discounted accordingly at a risk-free pre-tax discount rate.

17. Revenue

The amount of the revenue corresponds to the fair value of the consideration, taking into consideration revenue reductions.

a) Revenue from the rendering of services

Munich Airport records revenue from the rendering of services to the extent such services have been rendered or were utilized.

In the case of consulting projects, the rendering of services regularly extends over a relatively long period of time. In these cases, revenue is recorded on a straight-line basis or in accordance with percentage of completion, to the extent successful conclusion of the entire or of the particular performance unit can be assumed to be more likely than not.

b) Revenue from franchises

Revenue is fundamentally recorded to the extent an inflow of resources can, with overwhelming probability, be assumed and the amount of the revenue can be reliably valued. Concession revenue is distributed over the concession period to the proper periods in accordance with the particular contractual principles.

c) Revenue from sale of merchandise

Revenue from the sale of goods is to be recorded when the relevant opportunities and risks resulting from ownership of the goods have passed to the acquirer. In the case of sale of merchandise, this as a rule takes place with the surrender of the products to the customers.

V. Conversion to IFRS

The accompanying financial statements are the first financial statements that Flughafen München GmbH has prepared with complete and unrestricted application of the accounting standards (IASs/IFRSs) and interpretations (SICs/IFRICs) published by the International Accounting Standards Board (IASB) and by the International Financial Reporting Standards Interpretations Committee (IFRS IC) in the version adopted by the European Commission into European law.

The starting point for the accompanying consolidated financial statements is the amounts contained in the last consolidated financial statements, which were prepared under the principles of German commercial law. The effects of conversion to IFRSs on the presentation of the net assets, financial position and earnings from operations are explained below.

1. Accounting and valuation principles

The opening statement of financial position as of January 1, 2011, aside from the exceptions mentioned below, was prepared with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.

Disclosures concerning the carrying values of the opening statement of financial position as of January 1, 2011 are given only to the extent they are of direct significance for an understanding of differences between the carrying values in the last consolidated balance sheet under the German Commercial Code and the consolidated statement of financial position in accordance with IFRSs.

a) General assumptions

The following accounting and valuation principles cannot be retrospectively applied at the time of transition to IFRS.

1. Disposal of financial assets and financial liabilities

Munich Airport did not retrospectively apply the disposal provisions for financial assets and financial liabilities in the case of transactions that took place prior to January 1, 2004.

2. Recognition of hedging relationships

In the opening statement of financial position, hedging relationships were taken into account only to the extent all relevant prerequisites for accounting as hedges were fulfilled at the point in time of transition to IFRS.

3. Non-controlling interests

The consolidated group does not contain any material non-controlling interests. Exception provisions concerning non-controlling interests accordingly were not applied.

b) Exceptions based on elections

Alongside the above-mentioned required exceptions, Munich Airport had an option with respect to claiming a large number of additional exception rules. Munich Airport elected to utilize the following options. The remaining options relate to matters that are not contained in the opening statement of financial position as of January 1, 2011. Therefore there was no reason to exercise an option.

1. Fair value as substitute for amortized acquisition and production costs

There is an option to value self-used fixed assets and fixed assets used as financial investment at the point in time of transition to IFRS at the fair value instead of the amortized acquisition or production costs. Munich Airport utilized this option in valuing selected land and buildings.

2. Valuation of provisions for obligations resulting from employee benefits

There is an option to omit the full retrospective determination at the time of transition to IFRS of the cumulative actuarial profits and losses resulting from provisions for benefits following termination of employment. In the case of utilization of this option, the aggregation of cumulative actuarial profits and losses does not occur until beginning with the point of time of transition to IFRS. Munich Airport availed itself of this option in the valuation of provisions for pensions, aid commitments and partial retirement arrangements.

3. Disclosures on provisions for obligations resulting from employee benefits

Fundamentally, the development of provisions for benefits after termination of employment must be disclosed in the consolidated notes for the last five fiscal years. There is an option to begin the disclosure of provision development at the point in time of transition to IFRS. Munich Airport has exercised this option. The development of the aforementioned provisions is shown beginning with the provision amounts in fiscal year 2010.

4. Capitalization of borrowing costs

There is an option to begin capitalization of borrowing costs at the point in time of transition to IFRS. Munich Airport has availed itself of this option and did not retrospectively capitalize borrowing costs.

2. Reconciliation calculations for the first IFRS consolidated financial statements

a) Reconciliation of consolidated shareholders' equity and of consolidated earnings

The accompanying consolidated financial statements in accordance with IASs/IFRSs were derived from the consolidated financial statements under German commercial law as of December 31, 2011 as follows: Differences resulting from reconciliation measures as of January 1, 2011 were offset against the profit carried forward from the first-time application of IAS/IFRS and the profit carried forward from valuation not affecting profit and loss, while differences resulting from the reconciliation as of December 31, 2011 were offset against the respective items in the consolidated statement of profit and loss. Difference amounts that do not result from deviating accounting and valuation principles are recognized in retained earnings.

		January 1, 2011						
		Issued Capital	**Reserves**	**Other equity**			**Shares of non-controlling shareholders**	**Shareholders' equity**
€ thousand				Valuation not affecting profit and loss	Initial application of IFRS	Other retained earnings		
HGB[1]	Reported amount	–306,776	–104,242			–19,765	–435,034	–865,817
	Disclosure of self-produced intangible assets	0	0	0	–412	0	0	–412
	Valuation of intangible assets	0	0	0	–33	0	1	–32
	Self-used land	0	0	0	–978,016	0	0	–978,016
	Self-used buildings	0	0	0	–599,645	0	508,869	–90,776
	Other tangible fixed assets	0	0	0	–249,338	423	5	–248,910
	Investment property	0	0	0	–32,930	0	0	–32,930
	Investment buildings	0	0	0	–143,778	0	138,213	–5,565
	Inventories	0	0	0	–945	0	0	–945
	Financial liabilities resulting from interests in partnerships	0	0	0	484,073	0	–209,761	274,312
	Employee benefits	0	0	0	13,925	0	0	13,925
	Recognition and valuation of other provisions	0	0	0	–3,804	–4,347	1	–8,150
	Valuation of non-derivative financial assets	0	0	0	–9,510	0	0	–9,510
	Valuation of non-derivative financial liabilities	0	0	0	–54,187	0	0	–54,187
	Valuation of derivative financial assets and liabilities	0	0	32,908	3,470	0	0	36,378
	Financing leases	0	0	0	354	0	0	354
	Recognition and valuation of deferred taxes	0	0	–8,112	375,890	0	–23	367,755
	Differences resulting from consolidation measures	0	0	0	0	0	232	232
IFRS	Reported amount	**–306,776**	**–104,242**	**24,796**	**–1,194,886**	**–23,689**	**2,503**	**–1,602,294**

[1] Handelsgesetzbuch (German Commercial Code)

	December 31, 2011							
	Issued Capital	**Reserves**		**Other equity**			**Shares of non-controlling shareholders**	**Shareholders' equity**
		Other reserves		Other comprehensive income	Profit	Other retained earnings		
	–306,776	–113,402		0	–172,125	–14,418	–378,248	–984,969
				24,796		–1,198,810	0	–1,174,014
	0	0	0	0	0	0	0	0
	0	0	0	0	838	0	0	838
	0	0	0	0	0	0	0	0
	0	0	0	0	64,235	0	471,499	535,734
	0	0	0	0	13,131	0	1	13,132
	0	0	0	0	0	0	0	0
	0	0	0	0	12,813	0	82,132	94,945
	0	0	0	0	–186	0	0	–186
	0	0	0	0	28,340	0	–172,657	–144,317
	0	0	33	0	–8,510	0	0	–8,477
	0	7,160	0	0	–29,308	0	0	–22,148
	0	0	0	0	–1,381	0	0	–1,381
	0	0	0	0	–75	0	0	–75
	0	0	0	16,660	–517	0	0	16,143
	0	0	0	0	–679	0	0	–679
	0	0	0	–3,578	20,137	0	0	16,559
	0	0	0	0	844	–2,710	–58	–1,924
	–306,776	**–106,242**	**33**	**37,878**	**–72,443**	**–1,215,938**	**2,669**	**–1,660,819**

In the following Paragraphs, the reconciliation procedures will be presented and explained in detail.

1. Disclosure of self-produced intangible assets
The accompanying consolidated financial statements contain self-produced intangible assets. The carrying value of these assets was determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.2.b).

In the consolidated financial statements as of December 31, 2011, under the German Commercial Code, disclosure of self-produced intangible assets was omitted pursuant to Section 248, Paragraph 2 HGB.

The carrying value of self-produced intangible assets as of January 1 and December 31, 2011, as well as amortization deductions on self-produced intangible assets, are therefore not in agreement with the HGB consolidated financial statements as of December 31, 2011.

2. Valuation of intangible assets
The amortized acquisition costs of the remaining intangible assets were determined utilizing the service lives mentioned in Chapter IV.2. These service lives reflect the actual consumption of value in airport operation.

Scheduled amortization deductions in the HGB consolidated financial statements are based on the service lives, usual for the industry, of the German Airports Association (ADV).

The carrying value of the remaining intangible assets as of January 1 and December 31, 2011, as well as amortization deductions on intangible assets, are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

3. Self-used land
The carrying value of self-used land was determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.1.

Self-used land belonging to the airport site was valued as of January 1, 2011 utilizing the election described in Chapter V.1.b) at the fair value in place of the depreciated acquisition costs. Determination of fair value is based on an independent appraisal. As of January 1, 2011, the fair value of self-used land valued using the election was €1,674.926 million. This exceeds the starting value in the last consolidated financial statements according to HGB by €977.708 million.

The carrying value of the self-used land as of January 1 and December 31, 2011, is therefore not in agreement with the HGB consolidated financial statements as of December 31, 2011.

4. Self-used buildings
The carrying value of the self-used buildings owned under civil law by Flughafen München GmbH and by Terminal 2 Gesellschaft mbH & Co. oHG (formerly FM Terminal 2 Immobilien-Verwaltungsgesellschaft mbH & Co. oHG) was determined through unrestricted retrospective application of the valuation methods described in Chapter IV.1. Scheduled depreciation deductions are based on separation into components. Borrowed costs, in application of the disclosure option in this regard described in Chapter V.1.b), were not capitalized.

The carrying value of self-used land owned under civil law by subsidiaries in which Flughafen München GmbH did not have a significant stake under company law as of January 1, 2011, was determined, aside from the exceptions mentioned in the following Paragraph, with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.1. Scheduled depreciation deductions are based on separation into components. Borrowed costs, in application of the disclosure option in this regard described in Chapter V.1.b), were not capitalized.

As of January 1, 2011, the carrying value of the buildings mentioned in the last Paragraph was determined with application of the valuation option described in Chapter V.1.b). The buildings were valued at fair value as a substitute for depreciated acquisition costs, specifically capitalized earnings values, which were determined in compliance with IDW ES 10. As of January 1, 2011, the fair value of these buildings was €611.432 million. This is €44.203 million below the starting value in the consolidated financial statements according to HGB.

The carrying values of buildings in the HGB consolidated financial statements as of December 31, 2011 correspond to depreciated acquisition and production costs after scheduled depreciation over uniform useful lives customary in the industry in accordance with the German Airports Association (ADV). There was no separation into components. Construction period interest was not capitalized.

The carrying value of these buildings as of January 1 and December 31, 2011 and building depreciation are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

5. Other tangible fixed assets

The depreciated acquisition costs of the remaining tangible assets were determined utilizing the service lives mentioned in Chapter IV.1. These service lives reflect the actual consumption of value in airport operation.

Scheduled depreciation deductions in the HGB consolidated financial statements are based on the service lives, usual for the industry, of the German Airports Association (ADV).

The HGB consolidated statements as of December 31, 2011 contain an adjustment of the elimination of intercompany profits concerning other tangible assets. The adjustment amount was recorded in extraordinary gain. The reconciling effect resulting from this as of January 1, 2011 was not recorded in profit carried forward resulting from first-time application of IAS/IFRS, but rather in other retained earnings.

The carrying value of the remaining tangible assets as of January 1 and December 31, 2011, and depreciation deductions on other tangible assets, are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

6. Investment property

The carrying value of investment property was, aside from the exceptions mentioned in the following Paragraph, determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.6.

Investment property belonging to the airport site was valued as of January 1, 2011 utilizing the election described in Chapter V.1.b) at the fair value as a substitute for the depreciated acquisition costs. Determination of fair value is based on an independent appraisal. As of January 1, 2011, the fair value of investment property valued using the election was €35.283 million. This exceeds the starting value in the last consolidated financial statements according to HGB by €32.930 million.

The carrying value of investment property as of January 1 and December 31, 2011 and building depreciation is not in agreement with the HGB consolidated financial statements as of December 31, 2011.

7. Investment buildings

Investment buildings essentially are owned under civil law by special-purpose companies in which Flughafen München GmbH as of January 1, 2011 did not hold an interest or did not hold a significant interest under company law.

The carrying value of these buildings was, aside from the exceptions mentioned in the following Paragraph, determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.1. Scheduled depreciation deductions are based on separation into components. Borrowed costs, in application of the disclosure option in this regard described in Chapter V.1.b), were not capitalized.

As of January 1, 2011, the carrying value of the buildings mentioned in the last Paragraph was determined with application of the valuation option described in Chapter V.1.b). The buildings were valued at fair value as a substitute for depreciated acquisition costs, specifically capitalized earnings values, which were determined in compliance with IDW ES 10. As of January 1, 2011, the fair value of these buildings was €181.620 million. This exceeds the starting value in the consolidated financial statements according to HGB by €5.565 million.

The carrying values of buildings in the HGB consolidated financial statements as of December 31, 2011 correspond to depreciated acquisition and production costs after scheduled depreciation over uniform useful lives customary in the industry in accordance with the German Airports Association (ADV). There was no separation into components. Construction period interest was not capitalized.

The carrying value of these buildings as of January 1 and December 31, 2011 and building depreciation are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

8. Inventories

The inventory was determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.9. The valuation is based on a sales-market-oriented approach. The standard for comparison for determining impairments is the net sales price after expected costs up to disposal.

The carrying value of inventories in the HGB consolidated financial statements as of December 31, 2011 was determined using the procurement-market-oriented valuation model demanded in accordance with Section 253, Paragraph 4, Sentence 1 HGB.

The carrying value of inventories as of January 1 and December 31, 2011 and expenses from impairments of inventories are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

9. Financial liabilities resulting from interests in partnerships

The carrying value of interests of non-controlling partners in partnerships was determined with unrestricted retrospective application of the principles mentioned in Chapter IV.13.b). Interests of non-controlling partners in partnerships were classified as financial liabilities and were valued at amortized acquisition costs using the effective interest method. At the time of the initial recording, the carrying value of these financial liabilities corresponds to the present value of the settlement liability with respect to the unit holder at the earliest possible termination time.

The financial liabilities replace the adjustment item for minority interests reflected in the HGB consolidated financial statements as of December 31, 2011.

Profit of the accompanying consolidated financial statements, in deviation from the HGB consolidated financial statements as of December 31, 2011, reflects the earnings portion of the minority interests not as an adjusting item, but rather as a separate earnings item. Instead, it contains a financial expense resulting from the change of the present value of the settlement liability in comparison with prior year's financial statements.

10. Employee benefits

The carrying value of provisions for benefits after termination of employment was determined using the option described in Chapter V.1.b) with respect to the recording of actuarial gains and losses with no effect on profit and loss. The parameters used for valuing the provisions (see also Chapter IV.15.a)) are not in agreement with those used in the HGB consolidated financial statements. The change in provisions for employee benefits under HGB is recorded in total through profit and loss.

The carrying value of the provisions for bonus payments in partial retirement agreements was determined with unrestricted retrospective application of the accounting and valuation principles for other long-term employee benefits presented in Chapter IV.15.c). Valuation of the provision is based on the model of accumulation of provisions over a vesting period, which was not used in the HGB financial statements.

The carrying value of provisions for employee benefits as of January 1 and December 31, 2011, the expense resulting from the unwinding of discounts on long-term provisions, expenses resulting from additions, revenues from the release and the effects recorded without effect on profit and loss deviate from the HGB consolidated financial statements as of December 31, 2011.

11. Recognition and valuation of other provisions

The carrying value of other provisions was determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.16, whereby provisions for obligations with respect to Group companies were eliminated.

The HGB consolidated financial statements as of December 31, 2011 contain provisions for obligations with respect to consolidated Group companies, which, contrary to Section 303, Paragraph 1 HGB, were not eliminated. The reconciling effect as of January 1, 2011 was not recorded in profit carried forward resulting from first-time application of IAS/IFRS, but rather in other retained earnings.

Long-term other provisions are valued at the present value of the expected cash flows. The discount rate is derived from an interest structure curve corresponding to the risk profile of the particular provision.

In the consolidated financial statements under the HGB, the discounting was performed pursuant to Section 253. Paragraph 2, Sentence 4 in combination with Section 253, Paragraph 2, Sentence 1 HGB, using discount rates determined and published by Deutsche Bundesbank in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung).

The carrying value of other provisions as of January 1 and December 31, 2011, expense resulting from the unwinding of the discount on long-term provisions, expenses from additions to provisions and revenue from the release of provisions are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

12. Valuation of non-derivative financial assets

The opening balances of all financial assets in the valuation category "loans and receivables" were determined with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.8.b).

The HGB consolidated financial statements as of December 31, 2011 contain general allowances pursuant to Section 253, Paragraph 4, Sentence 2 HGB. These allowances had to be reversed for the consolidated financial statements according to IAS/IFRS.

In the accompanying consolidated financial statements, non-interest-bearing receivables are valued at present value. The discount rate corresponds to market interest at the time of initial recording.

The HGB consolidated financial statements as of December 31, 2011 contain non-interest-bearing receivables, which as of January 1, 2011, contrary to Section 253, Paragraph 4 HGB, were not valued at present value. The reconciling effect as of January 1, 2011 was not recorded in profit carried forward resulting from first-time application of IAS/IFRS, but rather in other retained earnings.

The carrying value of receivables and allowances as of January 1 and December 31, 2011, the revenue from the release of allowances and the interest income from the unwinding of discount on non-interest-bearing receivables are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

13. Valuation of non-derivative financial liabilities

The carrying value of non-derivative financial liabilities was determined with unrestricted retrospective application of the valuation principles presented in Chapter IV.8.b). It corresponds to adjusted acquisition costs according to the effective interest method. Non-derivative financial liabilities in hedging relationships for hedging fair value are valued with respect to the hedged risk at fair value.

In the HGB consolidated financial statements, non-derivative financial liabilities without exception are disclosed using the fulfillment amount in accordance with Section 253, Paragraph 1, Sentence 2 HGB, plus linear accrual of interest and fees in accordance with Section 250 HGB.

The carrying value of non-derivative financial liabilities as of January 1 and December 31, 2011, interest expense, expenses from accrual of fees and revenue from the revaluing of financial liabilities are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

14. Valuation of derivative financial assets and liabilities

The opening net balances of derivative financial assets and liabilities were determined with complete retrospective application of the accounting and valuation principles described in Chapter IV.8.e), with the provision that no hedging relationships were taken into consideration that do not fulfill the requirements applicable for so doing (see also Chapter V.1.a)).

Derivatives that serve to hedge cash flows are, to the extent the change in value is effective, valued at fair value without effect on profit and loss. In other respects, the valuation does not affect profit and loss. All derivatives and underlying transactions in hedging relationships for the hedging of the fair value are valued at fair value through profit and loss.

The HGB consolidated financial statements as of December 31, 2011 contain a provision for non-effectiveness pursuant to Section 249, Paragraph 1, Sentence 1 in combination with Section 254 HGB. The derivatives as such were not reflected.

The difference amount in comparison with January 1, 2011, to the extent it is attributable to the ineffective portion of the cumulative value changes of derivatives for hedging fair value, was offset against the retained earnings resulting from first-time application of IAS/IFRS. In other respects, there was an offset against the retained earnings resulting from valuation not affecting profit and loss.

The carrying value of derivative financial assets and liabilities as of January 1 and December 31, 2011, the profit or loss from ineffectiveness and other profit or loss resulting from valuation without effect on profit or loss deviate from the HGB consolidated financial statements as of December 31, 2011.

15. Financing leases

Munich Airport determined the opening balances for assets and liabilities resulting from financing leases with full retrospective application of the accounting and valuation principles presented in Chapter IV.7.

Under the classification criteria applicable for the HGB consolidated financial statements as of December 31, 2011, no financing leasing relationships were identified.

The carrying value of the assets and financial liabilities resulting from financing leases as of January 1 and December 31, 2011, interest expense from financing leases and lease expense are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

16. Recognition and valuation of deferred taxes

Munich Airport determined the opening net balances of deferred income tax claims and liabilities with unrestricted retrospective application of the accounting and valuation principles presented in Chapter IV.14.

In the HGB consolidated financial statements, the recognition option for the amount of deferred tax assets in excess of deferred tax liabilities in accordance with Section 274, Paragraph 1, Sentence 2 HGB was utilized. Deferred tax liabilities were recorded for taxable temporary differences between the carrying values of assets and liabilities in the HGB consolidated financial statements and the values for tax purposes.

The carrying value of deferred tax assets and liabilities as of January 1 and December 31, 2011, the deferred tax expense or income, as the case may be, and the deferred tax expense or income recorded in other comprehensive income without effect on profit and loss are not in agreement with the HGB consolidated financial statements as of December 31, 2011.

17. Differences resulting from consolidation measures

The consolidation group on which the accompanying consolidated financial statements are based was determined with unrestricted retrospective application of the principles described in Chapter III.1 and Chapter III.2, whereby inclusion of FMV – Flughafen München Versicherungsvermittlungsgesellschaft GmbH (FMV), as a subsidiary, and of MediCare Flughafen München Medizinisches Zentrum GmbH (MediCare), as a joint venture, was omitted in compliance with Section 296, Paragraph 2, Sentence 1 HGB due to immateriality. The interest of Flughafen München GmbH in MediCare was carried as a financial asset of the valuation category "available for sale."

In the HGB consolidated financial statements as of December 31, 2011, FMV was included through full consolidation. The interest in MediCare was valued using the equity method.

b) Reconciliation of the consolidated statement of cash flows

The statement of cash flows for the fiscal year 2011 presented in the accompanying consolidated financial statements is not in agreement with the last published consolidated financial statements according to HGB. Deviations result essentially from the following effects.

		Cash flow from			Change in cash and cash equivalents
€ thousand		Operating activities	Investing activities	Financing activities	
HGB[1]	Reported amount	208,068	–131,446	–54,948	21,674
	Cash and cash equivalents	0	–21,500	0	–21,500
	Interest paid	241,597	0	–241,597	0
	Interest received	–2,922	2,922	0	0
	Profit transfer to minorities	–10,631	0	10,631	0
	Group-wide cash management	377	0	–377	0
	Other	297	–57	–195	45
IFRS	Reported amount	436,786	–150,081	–286,486	219

[1] Handelsgesetzbuch (German Commercial Code)

1. Composition of cash and cash equivalents

Cash and cash equivalents in the consolidated financial statements according to German commercial law differs from cash and cash equivalents under IFRS in the assignment of financial investments. To the extent financial investments are not assigned to cash and cash equivalents under IFRS, the changes are shown in cash inflow/outflow resulting from investment activity.

2. Reporting of interest expense and income

In the consolidated financial statements under German commercial law, interest expense and income are assigned to cash flow resulting from operations. In the consolidated financial statements under IFRS, interest expense is reflected in cash flow from financing activities. Interest income is reflected in cash flow from investing activities.

3. Determination of cash flows from transfer of earnings to minorities

In the consolidated financial statements under commercial law, the earnings realized in the period that is to be transferred to minorities is reflected in cash outflows resulting from financing activities. In the consolidated financial statements under IFRS, on the other hand, the amount actually paid, i. e., the earnings realized in the prior year and to be paid out to minorities is to be reflected as cash outflow resulting from financing activities. The difference between earnings realized and earnings transferred results in a reduction of the change in liabilities resulting from profit transfer reflected in cash flow from operations.

4. Cash outflows from Group-wide cash management

Companies are contained in the consolidated group under commercial law that due to immateriality are not consolidated in the consolidated financial statements according to IFRS.

VI. Assumptions with material impact on the consolidated financial statements

The carrying value of certain assets and liabilities contained in the accompanying financial statements is based on assumptions and estimates concerning the future. It will be examined below whether for individual assets and liabilities there is a significant risk of a change of estimate or assumption with a material influence on carrying value in the following fiscal year.

€ thousand	Book value	Assumption(s)	Sensitivity [1]	Risk [2]
Capitalized planning services with respect to the construction of a third runway	78,739	Delay of commencement of construction	disproportionately low	low
Land portfolio with respect to the construction of a third runway	88,778	Delay of commencement of construction	neutral	low
Reserve for regional impact fund	92,459	Delay of commencement of construction	disproportionately low	low
Settlement payments to partners of fully consolidated partnerships	234,581	Settlement amount	disproportionately low	low

[1] Sensitivity of the book value with regard to a change in assumptions
[2] Risk of a material change of estimate in the following fiscal year

VII. Notes to the consolidated statement of profit or loss

1. Revenue

Revenue is comprised as follows:

€ thousand	2012	2011
Transfer of use rights	659,048	635,511
Services	227,335	218,922
Sale of goods	187,476	172,440
Other	112,943	107,811
Total	**1,186,802**	**1,134,684**

Revenue items are attributable to the areas of activity of the Group as follows:

€ thousand	2012	2011
Aviation	612,846	586,076
Non-Aviation	573,956	548,608
Total	**1,186,802**	**1,134,684**

Revenue from transfer of use rights also includes lease revenue. Lease revenue results primarily from the leasing of hangars and terminal areas to companies and agencies participating in aviation and ground handling and the leasing of other commercial areas, office and conference rooms and parking.

Hangar and terminal areas are leased predominantly on an open-ended basis with termination notice periods of up to 18 months. In isolated cases, agreements have time limits. Remaining terms are up to 16 years. As a rule there are no lease extension options. Purchase options are not granted.

Commercial areas, office and conference rooms are leased predominantly on an open-ended basis with termination notice periods of up to 11 years. In isolated cases, agreements have time limits. Remaining terms are up to 24 years. Lease extensions, to the extent included in lease agreements, are possible for extension periods up to 5 years. Purchase options are not granted. In addition to a fixed base rent, lessees of commercial areas pay additional sales-dependent fees.

Parking fees of airport visitors and passengers are included in leasing revenue from parking facility operation. In addition, the Group leases out parking places to contractors and to the tenants of office and conference spaces. Leases are predominantly open-ended with termination notice periods of up to 18 months. In isolated cases, agreements have time limits. Remaining terms are up to 1 year. As a rule there are no lease extension options. Purchase options are not granted.

Lease revenue contains conditional lease payments in the amount of €3.020 million (2011: €2.758 million).

The Group expects the following lease payments in future fiscal years:

€ thousand	Dec. 31, 2012	Dec. 31, 2011
In 1 year	66,680	64,870
In 2 to 5 years	169,241	175,148
After 5 years	216,065	245,312
Total	**451,986**	**485,330**

Disclosures of the carrying values of the assets that are the subject matter of leases can be found in Chapters VIII.2 and VIII.3.

2. Own-work capitalized

The carrying value of own-work capitalized relates primarily to planning services in connection with the construction of a third runway.

3. Other income

Other income is comprised as follows:

€ thousand	2012	2011
Revenue from the release of other provisions	10,435	83,518
Revenue in connection with damages and compensation for damages	9,070	1,529
Revenue from marketing of advertising space	7,707	6,162
Other revenue from the derecognition of liabilities	7,242	6,473
Other	10,354	25,869
Total	**44,808**	**123,551**

Income from exchange rate gains overall are of minor importance.

4. Cost of materials

Cost of materials is comprised as follows:

€ thousand	2012	2011
Expenditures for raw materials and supplies	–166,669	–154,277
Expenditures for purchased services	–157,197	–148,286
Total	**–323,866**	**–302,563**

5. Personnel expenses

Personnel expenses are comprised as follows:

€ thousand	2012	2011
Wages and salaries	–269,705	–250,232
Social security and support provisions	–47,946	–45,592
Expenses for defined benefit pension plans	–346	–354
Expenses for defined contribution pension plans	–15,624	–14,857
Expenses for old-age pensions	–15,970	–15,211
Total	**–333,621**	**–311,035**

The average number of employees in the fiscal year can be found in the following overview.

	2012	2011
Employees (permanent/temporary, trainees)	7,384	6,670
Apprentices	232	222
Total	**7,616**	**6,892**

6. Other expenses

Other expenses are comprised as follows:

€ thousand	2012	2011
Additional personnel costs	–14,208	–16,505
Contributions and fees for public utilities and other fees	–9,110	–8,648
Expenses for consulting services	–9,040	–9,962
Expenses for advertising	–8,438	–8,207
Lease expenses	–6,584	–6,739
Insurance	–6,187	–7,022
Additional leasing costs and office communications	–4,028	–3,928
Other expenses in connection with damages	–3,461	–1,598
Additions to other provisions	–2,343	–88,761
Other expenses for repair and maintenance	–2,678	–1,171
Other taxes	–2,097	–2,109
Project costs	–1,985	–2,147
Losses from disposal of non-current assets	–444	–1,337
Other	–8,267	–2,365
Total	**–78,870**	**–160,499**

Expense from exchange rate losses overall is of minor importance.

The remaining expenses also contain expenses from the increases in impairments of financial assets. These items are attributable to the valuation categories described in Chapter IV.8.a) as follows:

€ thousand	2012	2011
Loans and receivables	–211	–1,929
Total	**–211**	**–1,929**

Fees of the independent auditor are contained in remaining expenses. They are composed of audit services in the amount of €131 thousand (2011: €90 thousand) and other services in the amount of €66 thousand (2011: €95 thousand).

Leasing expenses result primarily from the short-term leasing of vehicles and buildings.

Vehicles as a rule are leased for terms of 1 to 3 years. As a rule there are no extension and purchase options.

Leases of buildings are predominantly for fixed terms with termination notice periods between 2 and 12 months. Terms are from 3 to 5 years. In isolated cases, agreements are without time limits. Notice periods as a rule are 6 months. Lease extensions, to the extent included in lease agreements, are possible for extension periods up to 5 years. There are no purchase options.

In future fiscal years, the Group expects to pay the following lease payments:

	Minimum lease payments	
€ thousand	Dec. 31, 2012	Dec. 31, 2011
In 1 year	3,885	3,843
In 2 to 5 years	7,084	3,315
After 5 years	241	487
Total	**11,210**	**7,645**

7. Depreciation and amortization

Depreciation and amortization are comprised as follows:

€ thousand	2012	2011
Regular depreciation	–222,940	–242,755
Non-scheduled write-downs	–12,344	–1,102
Total	**–235,284**	**–243,857**

Write-downs were made to self-used fixed assets, investment property and intangible assets.

On the basis of the expected leasing vacancies, a write-down was made on building spaces that are for the purpose of leasing in the framework of operating activity. The write-down is in the amount of €12.276 million. The recoverable amount is determined on the basis of the value in use, which is the present value of the remaining net cash flows from the leasing of these spaces. Determination of present value is based on a discount rate (real property interest rate) of 6.5 percent.

In 2011, write-downs were made on plant and office equipment in the amount of €337 thousand due to damage and scrapping. The net recoverable value in these cases is negligible. A full write-off was made.

Write-downs on intangible assets (€64 thousand, 2011: €765 thousand) are essentially attributable to emission rights. These write-downs are the result of the annual impairment test for emission rights. Emission rights are intangible assets with indefinite service life. The recoverable amount for emission rights corresponds to the fair value after sale costs. Since emission rights are traded on active markets, listed market values are available at any time.

8. Financial result

The interest result is comprised as follows:

€ thousand	2012	2011
Interest income from short-term financial investments and other receivables	7,632	8,854
Interest expense from financial liabilities	–126,848	–136,199
Transaction costs from financial liabilities	–266	–700
Net interest income/expense from financial instruments	–119,482	–128,045
Other interest income	1,189	26
Other interest expense	–4,089	–8,656
Other net interest income/expense	–2,900	–8,630
Total	**–122,382**	**–136,675**

Other interest income and expense result essentially from the valuation of long-term other provisions and obligations from employee benefits at present value.

Other financial result is composed as follows:

€ thousand	2012	2011
Revenue from profit transfer	494	591
Net profit from financial instruments	13,660	7,037
Other financial income	14,154	7,628
Expense from profit/loss transfer	0	0
Net losses from financial instruments	–5,993	–2,203
Other finance expense	–5,993	–2,203
Total	**8,161**	**5,425**

Net gains from revaluation of financial instruments are attributable to the valuation categories mentioned in Chapter IV.8.a) as follows:

€ thousand	2012	2011
Financial assets	0	0
At fair value, designated	208	95
At fair value, separate	773	413
At amortized acquisition costs	12,679	6,529
Financial liabilities	13,660	7,037
Total	**13,660**	**7,037**

Net losses from revaluation of financial instruments are attributable to the valuation categories mentioned in Chapter IV.8.a) as follows:

€ thousand	2012	2011
Financial assets	0	0
At fair value, designated	–175	–24
At fair value, separate	0	0
At amortized acquisition costs	–5,818	–2,179
Financial liabilities	–5,993	–2,203
Total	**–5,993**	**–2,203**

9. Income taxes

Income tax expense comprises expenditures for trade tax in the amount of €24.675 million (2011: €18.548 million) and for corporate income tax in the amount of €8.128 million (2011: €5.377 million). Deferred tax expense is €37.177 million (2011: €26.816 million).

Valuation of deferred tax claims and liabilities is based on tax rates expected at the time of realization (see Chapter IV.14). Deferred taxes in the accompanying financial statements are based on tax rates between 24.23% (Dec. 31, 2011: 24.23%, Jan. 1, 2011: 24.23%) and 27.80% (Dec. 31, 2011: 27.66%, Jan. 1, 2011: 27.66%). The tax rate includes corporate income tax and reunification tax in the amount of 15.83% (Dec. 31, 2011: 15.83%, Jan. 1, 2011: 15.83%). The trade tax rate is between 8.40% (Dec. 31, 2011: 8.40%, Jan. 1, 2011: 8.40%) and 11.97% (Dec. 31, 2011: 11.83%, Jan. 1, 2011: 11.83%). The increase in the reunification tax rate is attributable to a changed breakdown of trade tax.

If the profit of the accompanying consolidated financial statements was the tax base, an income tax expense in the amount of €45.960 million would be expected (2011: €34.596 million). Differences between the expected and the actual income tax expense are in part offset by the deferred tax expense or revenue resulting from the change in deferred tax assets and liabilities. The remaining deviation is attributable to the following items:

€ thousand	2012	2011
Income before taxes (EBT)	165,324	125,075
Tax rate	27.80%	27.66%
Expected income tax expense/income	–45,960	–34,596
Additions for trade tax base	–4,839	–4,231
Deductions for trade tax base	5,416	5,427
Deviations from expected tax rate	–13,328	–7,191
Loss and interest carryovers excluded	0	73
Use of loss and interest carryovers excluded	0	13
Change in deferred taxes due to change in tax rate	–2,264	0
Non-deductible expenses	3,952	5,832
Tax-exempt income	153	1,191
Actual taxes relating to other periods	2,200	–2,277
Deferred taxes relating to other periods	1,345	0
Tax effect resulting from German partnerships	–4,059	–7,139
Other effects	–12,593	–7,843
Income tax expense	–69,977	–50,741

VIII. Notes to the consolidated financial position

1. Intangible assets

The carrying values of intangible assets developed as follows:

	Intangible assets				
	Purchased		Self-produced		Total
€ thousand	Other	Advance payments	of which completed	of which incomplete	
Acquisition and production costs					
As of Jan. 1, 2012	**31,471**	**0**	**554**	**0**	**32,025**
Additions	2,782	265	0	0	3,047
Retirements	–281	0	–149	0	–430
Reclassifications	720	0	0	0	720
As of Dec. 31, 2012	**34,692**	**265**	**405**	**0**	**35,362**
Accumulated amortization					
As of Jan. 1, 2012	**25,210**	**0**	**98**	**0**	**25,308**
Scheduled	2,074	0	81	0	2,155
Impairments	64	0	0	0	64
Retirements	–281	0	–44	0	–325
Reclassifications	–6	0	0	0	–6
As of Dec. 31, 2012	**27,061**	**0**	**135**	**0**	**27,196**
Carrying value as of Jan. 1, 2012	**6,261**	**0**	**456**	**0**	**6,717**
Carrying value as of Dec. 31, 2012	**7,631**	**265**	**270**	**0**	**8,166**

	Intangible assets				
	Purchased		Self-produced		Total
€ thousand	Other	Advance payments	of which completed	of which incomplete	
Acquisition and production costs					
As of Jan. 1, 2011	**28,157**	**192**	**251**	**0**	**28,600**
Additions	4,710	0	116	0	4,826
Retirements	–2,797	0	0	0	–2,797
Reclassifications	1,401	–192	187	0	1,396
As of Dec. 31, 2011	**31,471**	**0**	**554**	**0**	**32,025**
Accumulated amortization					
As of Jan. 1, 2011	**24,408**	**0**	**26**	**0**	**24,434**
Scheduled	1,870	0	72	0	1,942
Impairments	765	0	0	0	765
Retirements	–1,833	0	0	0	–1,833
As of Dec. 31, 2011	**25,210**	**0**	**98**	**0**	**25,308**
Carrying value as of Jan. 1, 2011	**3,749**	**0**	**225**	**0**	**4,166**
Carrying value as of Dec. 31, 2011	**6,261**	**0**	**456**	**0**	**6,717**

Expenses resulting from impairments are reflected in the consolidated statement of profit or loss under depreciation and amortization. Revenues from recoveries of impairments can be found in other revenues.

Emission rights with a carrying value of €1.828 million (Dec. 31, 2011: €1.509 million, January 1, 2011: €0 thousand) are included in purchased intangible assets. These are intangible items with an indefinite service life.

There are obligations for the purchase of intangible items in the amount of €1.001 million (Dec. 31, 2011: €17 thousand, Jan. 1, 2011: €0 thousand).

To the extent the prerequisites for capitalization of self-produced intangible assets explained in Chapter IV.2.b) were not fulfilled, development expenditures were not capitalized. In the reporting year, there were no development expenditures that were not capitalized. In the prior year, development expenditures in the amount of €29 thousand were not capitalized. Research expenditures were not incurred.

2. Self-used tangible assets

The carrying values of self-used tangible assets developed as follows:

€ thousand	Land	Buildings	Machinery and equipment	Plant and office equipment	Advance payments and construction in progress	Total
Acquisition and production costs						
As of Jan. 1, 2012	**1,881,974**	**3,424,675**	**1,390,964**	**271,952**	**187,490**	**7,157,055**
Additions	10,968	16,373	54,100	23,249	119,946	224,636
Retirements	–626	–986	–6,479	–9,104	–1,691	–18,886
Reclassifications	4,725	4,348	28,081	1,354	–40,894	–2,386
As of Dec. 31, 2012	**1,897,041**	**3,444,410**	**1,466,666**	**287,451**	**264,851**	**7,360,419**
Accumulated depreciation						
As of Jan. 1, 2012	**16,917**	**1,400,092**	**881,792**	**225,177**	**0**	**2,523,978**
Scheduled	0	138,379	47,792	17,870	0	204,041
Impairments	0	12,276	0	0	0	12,276
Retirements	0	600	–6,231	–8,893	0	–14,524
Reclassifications	0	0	0	6	0	6
As of Dec. 31, 2012	**16,917**	**1,551,347**	**923,353**	**234,160**	**0**	**2,725,777**
Carrying value as of Jan. 1, 2012	**1,865,057**	**2,024,583**	**509,172**	**46,775**	**187,490**	**4,633,077**
Carrying value as of Dec. 31, 2012	**1,880,124**	**1,893,063**	**543,313**	**53,291**	**264,851**	**4,634,642**

€ thousand	Land	Buildings	Machinery and equipment	Plant and office equipment	Advance payments and construction in progress	Total
Acquisition and production costs						
As of Jan. 1, 2011	**1,890,556**	**3,416,181**	**1,413,394**	**259,342**	**103,744**	**7,083,217**
Additions	5,046	20,892	3,236	12,465	92,432	134,071
Retirements	–1,222	0	–31,394	–32	–330	–32,978
Reclassifications	–12,406	–12,398	5,728	177	–8,356	–27,255
As of Dec. 31, 2011	**1,881,974**	**3,424,675**	**1,390,964**	**271,952**	**187,490**	**7,157,055**
Accumulated amortization						
As of Jan. 1, 2011	**19,713**	**1,255,883**	**853,437**	**209,945**	**0**	**2,338,978**
Scheduled	0	150,188	58,508	13,518	0	222,214
Impairments	0	0	0	337	0	337
Retirements	–276	0	–30,153	1,377	0	–29,052
Reclassifications	–2,520	–5,979	0	0	0	–8,499
As of Dec. 31, 2011	**16,917**	**1,400,092**	**881,792**	**225,177**	**0**	**2,523,978**
Carrying value as of Jan. 1, 2011	**1,870,843**	**2,160,298**	**559,957**	**49,397**	**103,744**	**4,744,239**
Carrying value as of Dec. 31, 2011	**1,865,057**	**2,024,583**	**509,172**	**46,775**	**187,490**	**4,633,077**

Expenses resulting from impairments are reflected in the consolidated statement of profit or loss under depreciation and amortization. Revenues from recoveries of impairments can be found in other revenues.

Land is in part encumbered with heritable building rights, usufructs and similar rights. The carrying value of these parcels of land is €4.096 million (Dec. 31, 2011: €440 thousand, Jan. 1, 2011: €440 thousand). Malto Grundstücks-Verwaltungsgesellschaft mbH & Co. KG (Malto) mortgaged one of the parcels. The parcel is owned by Malto under civil law. Flughafen München GmbH does not hold an interest in Malto under company law.

Buildings of the subsidiaries of Flughafen München GmbH, €1,166.803 million (Dec. 31, 2011: €1,262.803 million, Jan. 1, 2011: €1,308.522 million) and technological machinery and equipment of the subsidiaries in the total amount of €214.387 million (Dec. 31, 2011: €164.149 million, Jan. 1, 2011: €179.174 million) serve as collateral for long-term loans. Flughafen München GmbH itself has not pledged any assets as collateral for borrowings.

There are obligations for the purchase of tangible assets in the amount of €303.753 million (Dec. 31, 2011: €103.265 million, Jan. 1, 2011: €13.357 million).

Munich Airport has not received and collected, with effect on profit and loss, any damage compensation for the damage or loss of property, plant and equipment.

The effects of changes on non-current assets of changes of estimates are overall of minor importance.

Additions to the acquisition and production costs of facilities in construction contain general borrowing costs in the amount of €562 thousand (Dec. 31, 2011: €0 thousand, Jan. 1, 2011: €0 thousand) and borrowing costs resulting from direct project financing in the amount of €436 thousand (Dec. 31, 2011: €0 thousand, Jan. 1, 2011: €0 thousand). Capitalization of general borrowing costs in the reporting year is based on a capitalization rate of 4.7%.

Plant and office equipment contains assets from financing leases. The carrying value of plant and office equipment from financing leases developed as follows:

€ thousand	Plant and office equipment		Plant and office equipment
Acquisition and production costs		Acquisition and production costs	
As of Jan. 1, 2012	**5,685**	**As of Jan. 1, 2011**	**4,341**
Additions	111	Additions	1,344
Retirements	0	Retirements	0
As of Dec. 31, 2012	**5,796**	**As of Dec. 31, 2011**	**5,685**
Accumulated amortization		Accumulated amortization	
As of Jan. 1, 2012	**4,358**	**As o Jan. 1, 2011**	**3,616**
Scheduled	672	Scheduled	742
Impairments	0	Impairments	0
Recoveries of impairments	0	Recoveries of impairments	0
Retirements	0	Retirements	0
As of Dec. 31, 2012	**5,030**	**As of Dec. 31, 2011**	**4,358**
Carrying value as of Jan. 1, 2012	**1,327**	**Carrying value as of Jan. 1, 2011**	**725**
Carrying value as of Dec. 31, 2012	**766**	**Carrying value as of Dec. 31, 2011**	**1,327**

Further disclosures on financing lease relationships can be found in Chapter VIII.15.d).

The carrying value of self-used land and buildings includes assets that are the subject matter of operating leasing relationships. The carrying value of these assets developed as follows:

€ thousand	Land	Buildings		Land	Buildings
Acquisition and production costs			Acquisition and production costs		
As of Jan. 1, 2012	**111,360**	**499,539**	**As of Jan. 1, 2011**	**111,360**	**498,753**
Additions	0	220	Additions	0	748
Retirements	0	0	Retirements	0	0
Reclassifications	0	22	Reclassifications	0	38
As of Dec. 31, 2012	**111,360**	**499,781**	**As of Dec. 31, 2011**	**111,360**	**499,539**
Accumulated depreciation			Accumulated depreciation		
As of Jan. 1, 2012	**0**	**110,814**	**As of Jan. 1, 2011**	**0**	**74,501**
Scheduled	0	34,654	Scheduled	0	36,313
Impairments	0	12,275	Impairments	0	0
Recoveries of impairments	0	0	Recoveries of impairments	0	0
Retirements	0	0	Retirements	0	0
Reclassifications	0	10	Reclassifications	0	0
As of Dec. 31, 2012	**0**	**157,753**	**As of Dec. 31, 2011**	**0**	**110,814**
Carrying value as of Jan. 1, 2012	**111,360**	**388,725**	**Carrying value as of Jan. 1, 2011**	**111,360**	**424,252**
Carrying value as of Dec. 31, 2012	**111,360**	**342,028**	**Carrying value as of Dec. 31, 2011**	**111,360**	**388,725**

3. Investment property

The carrying values of investment property developed as follows:

€ thousand	Land	Buildings	Total
Acquisition and production costs			
As of Jan. 1, 2012	**40,751**	**195,130**	**235,881**
Additions	8,050	100	8,150
Retirements	–114	0	–114
Reclassifications	430	0	430
As of Dec. 31, 2012	**49,117**	**195,230**	**244,347**
Accumulated depreciation			
As of Jan. 1, 2012	**2,310**	**24,577**	**26,887**
Scheduled	0	16,744	16,744
Impairments	4	0	4
Retirements	–4	0	–4
Reclassifications	0	0	0
As of Dec. 31, 2012	**2,310**	**41,321**	**43,631**
Carrying value as of Jan. 1, 2012	**38,441**	**170,553**	**208,994**
Carrying value as of Dec. 31, 2012	**46,807**	**153,909**	**200,716**

€ thousand	Land	Buildings	Total
Acquisition and production costs			
As of Jan. 1, 2011	**25,883**	**181,647**	**207,530**
Additions	2,404	358	2,762
Retirements	–270	0	–270
Reclassifications	12,734	13,125	25,859
As of Dec. 31, 2011	**40,751**	**195,130**	**235,881**
Accumulated depreciation			
As of Jan. 1, 2011	**0**	**0**	**0**
Scheduled	0	18,599	18,599
Retirements	–211	0	–211
Reclassifications	2,521	5,978	8,499
As of Dec. 31, 2011	**2,310**	**24,577**	**26,887**
Carrying value as of Jan. 1, 2011	**25,883**	**181,647**	**207,530**
Carrying value as of Dec. 31, 2011	**38,441**	**170,553**	**208,994**

Expenses resulting from impairments are reflected in the consolidated statement of profit or loss under depreciation and amortization. Revenues from recoveries of impairments can be found in other revenues.

Munich Airport realized revenues from the leasing of investment property in the amount of €14.877 million (2011: €14.058 million). Operating expenses (including repairs and maintenance) were €906 thousand (2011: €1.008 million).

There are obligations for the purchase of investment property and for the construction of expansion structures in the amount of €64.800 million (Dec. 31, 2011: €68.200 million, Jan. 1, 2011: €0 thousand).

A portion of investment properties is encumbered with rights of third parties (among other things, heritable building rights). The carrying value of these properties is €12.487 million (Dec. 31, 2011: €6.827 million, Jan. 1, 2011: €6.595 million).

Of the investment property of subsidiaries of Flughafen München GmbH, €147.727 million (Dec. 31, 2011: €163.757 million, Jan. 1, 2011: €181.647 million) serves as collateral for long-term loans. Flughafen München GmbH itself has not pledged any assets as security for borrowings.

The methods of depreciation and useful lives for investment property are presented in Chapter IV.6.

The fair value of all investment property is €288.693 million (Dec. 31, 2011: €292.278 million, Jan. 1, 2011: €216.903 million).

The investment property is the subject matter of operating leases. The portion of unleased investment property is overall of minor significance.

4. Investments in associated companies

The carrying value of associated companies is composed as follows:

€ thousand	December 31, 2012	December 31, 2011	January 1, 2011
Investments in associated companies	1,917	3,061	4,033
Flughafen München GmbH share	49%	49%	49%

	Total	Pro-rata	Total	Pro-rata	Total	Pro-rata
Assets	10,313	5,053	11,038	5,409	22,498	11,024
Liabilities	6,401	3,136	4,791	2,348	12,998	6,369
Shareholders' equity	3,912	1,917	6,247	3,061	9,500	4,655
Revenue	24,277	11,896	27,925	13,683		
Profit	2,365	1,159	4,707	2,306		

The fiscal year of associated companies begins on October 1 and ends on September 30 of the following year. Interim financial statements are not prepared. The financial statements with the deviating reference date are incorporated into the consolidated financial statements after adjustment for the results of material transactions between October 1 and December 31.

There are no shares of loss that are not disclosed.

5. Non-current financial assets

Carrying values and market values of non-current financial assets are attributable to the valuation categories described in Chapter IV.8.a) as follows:

	December 31, 2012							
	At fair value		Available for sale		Loans and receivables		Total	
	Dec. 31		Dec. 31		Dec. 31		Dec. 31	
€ thousand	CV[1]	MV[2]	CV[1]	MV[2]	CV[1]	MV[2]	CV[1]	MV[2]
Other receivables	0	0	0	0	18,606	19,303	18,606	19,303
Receivables	0	0	0	0	18,606	19,303	18,606	19,303
Non-derivative financial assets	0	0	179	179	0	0	179	179
Derivative financial assets	10,458	10,458	0	0	0	0	10,458	10,458
Other financial assets	**10,458**	**10,458**	**179**	**179**	**0**	**0**	**10,637**	**10,637**
Non-current financial assets	**10,458**	**10,458**	**179**	**179**	**18,606**	**19,303**	**29,243**	**29,940**

[1] CV = Carrying value
[2] MV = Market value

	December 31, 2011											
	At fair value			Available for sale			Loans and receivables			Total		
	Dec. 31		Jan. 1	Dec. 31		Jan. 1	Dec. 31		Jan. 1	Dec. 31		Jan. 1
€ thousand	CV[1]	MV[2]	CV[1]	CV[1]	MV[2]	CV[1]	CV[1]	MV[2]	CV[1]	CV[1]	MV[2]	CV[1]
Other receivables	0	0	0	0	0	0	17,199	19,794	16,014	17,199	19,794	16,014
Receivables	0	0	0	0	0	0	17,199	19,794	16,014	17,199	19,794	16,014
Non-derivative financial assets	0	0	0	179	179	179	0	0	0	179	179	179
Derivative financial assets	18,246	18,246	21,004	0	0	0	0	0	0	18,246	18,246	21,004
Other financial assets	**18,246**	**18,246**	**21,004**	**179**	**179**	**179**	**0**	**0**	**0**	**18,425**	**18,425**	**21,183**
Non-current financial assets	**18,246**	**18,246**	**21,004**	**179**	**179**	**179**	**17,199**	**19,794**	**16,014**	**35,624**	**38,219**	**37,197**

[1] CV = Carrying value
[2] MV = Market value

The market values given are determined taking into consideration market relationships present on the reference date. The market value corresponds to the present value of the cash flows of the respective financial instrument. In order to determine the present values, discount rates are derived from risk-adjusted interest rate structure curves of the respective currency region.

The counterparties for the non-current financial assets have high levels of creditworthiness. No significant credit risks can be discerned. The carrying value of the non-current financial assets accordingly does not contain any impairment adjustments. They were all classified as not due for payment.

a) Non-current other receivables
The carrying value of non-current other receivables essentially contains receivables from non-controlling shareholders resulting from the assumption of loss in the amount of €18.370 million (Dec. 31, 2011: €16.827 million, Jan. 1, 2011: 15.413 million).

b) Non-current derivative financial assets
Information of derivatives and hedging relationships can be found in Chapter VIII.16.

6. Deferred income taxes

Deferred tax assets and liabilities are attributable to the following categories based on their origin:

	Deferred tax assets			Deferred tax liabilities		
	Dec. 31, 2012	2011		Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1		Dec. 31	Jan. 1
Intangible assets	0	90	98	–678	–527	–99
Self-used tangible assets	4,885	4	6	–486,363	–484,719	–492,001
Investment tangible assets	2,615	0	0	0	0	0
Financial assets	0	514	250	–96	–88	0
of which derivatives for hedging of cash flows	0	0	0	0	0	0
Inventories	505	0	0	–337	–313	–261
Other assets	214	0	0	–395	–185	–105
Assets	**8,219**	**608**	**354**	**–487,869**	**–485,832**	**–492,466**
Financial liabilities	34,913	23,503	20,064	–19,567	–2,016	0
of which derivatives for hedging of cash flows	21,663	7,780	5,492	0	0	0
Provisions	6,677	7,818	27,894	–7,825	–7,952	–6,333
Employee benefits	4,519	2,798	2,506	0	–27	–4
of which pension commitments and other non-current benefits	4,519	2,798	2,506	0	–27	–4
Other liabilities	7	104	120	–113	–10,545	–13,223
Liabilities	**46,116**	**34,223**	**50,584**	**–27,505**	**–20,540**	**–19,560**
Consolidation	2,289	1,215	117	–9,253	–4,452	–3,951
Loss carryforwards	7,688	20,728	29,235			
Interest carryforwards	0	17,744	22,618			
Loss and interest carryforwards	**7,688**	**38,472**	**51,853**			
Total	**64,312**	**74,518**	**102,908**	**–524,627**	**–510,824**	**–515,977**
Netting	**–58,867**	**–74,518**	**–102,908**	**58,867**	**74,518**	**102,908**
Amt. reported	**5,445**	**0**	**0**	**–465,760**	**–436,306**	**–413,069**

The effects of the change of deferred tax assets and liabilities on the consolidated profit and other comprehensive income are presented in the following overview:

€ thousand	Dec. 31, 2012	Dec. 31, 2011
As of Jan. 1	**–436,306**	**–413,069**
Derivatives for hedging of cash flows	2,394	–1,291
Pension commitments and other non-current benefits	69	269
Other temporary differences	–8,856	–12,413
Loss and interest carryforwards	–30,784	–13,381
Deferred taxes recognized in profit and loss	**–37,177**	**–26,815**
Derivatives for hedging of cash flows	11,489	3,579
Pension commitments and other non-current benefits	1,679	0
Deferred taxes not recognized in profit or loss	13,168	3,579
As of Dec. 31	**–460,315**	**–436,306**

Trade tax carryovers in the amount of €4.363 million (Dec. 31, 2011: €3.730 million, Jan. 1, 2011: €4.072 million) and corporate income tax loss carryforwards in the amount of €4.532 million (Dec. 31, 2011: €3.873 million, Jan. 1, 2011: €4.167 million) are not reflected. The loss carryforwards are fundamentally non-expiring.

Of the carrying value of deferred tax assets, €54 thousand (Dec. 31, 2011: €135 thousand, Jan. 1, 2011: €62 thousand) are attributable to companies with tax losses in the reporting year or the prior year. In excess of the amount of deferred tax liabilities eligible for netting, deferred tax assets are reflected on loss carryforwards only to the extent they can be credited against expected taxable profits.

The companies included in the consolidated financial statements are corporations and partnerships. Ninety-five percent of the differences between the carrying value for tax purposes of the interest in the corporations included and their net assets under IFRS are, in accordance with Section 8b, Paragraph 1 in combination with Section 8b, Paragraph 5 of the Corporate Tax Act (KStG) or Section 8b, Paragraph 2 in combination with Paragraph 5 of the Corporate Tax Act, exempt from taxation. These differences overall are of minor importance for the accompanying consolidated financial statements. There is no tax accrual/deferral.

No further differences arise between the net assets for tax purposes of the partnerships reflected using the mirror-image method (Spiegelbildmethode) and the net assets under IFRS beyond the temporary differences taken into consideration on the individual partner level.

7. Inventories

The carrying value of inventories is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Raw materials	6,773	6,585	5,757
Merchandise	27,316	25,896	23,925
Finished and unfinished services	725	806	0
Advance payments made	70	70	70
Carrying value of inventories	**34,884**	**33,357**	**29,752**

A tolal of €343 thousand (Dec. 31, 2011: €465 thousand, Jan. 1, 2011: €474 thousand) of the carrying value is attributable to inventories that are valued at net realizable value.

Costs of materials contains expenses resulting from impairments in the amount of €71 thousand (2011: €0 thousand). Recoveries of impairments in the amount of €0 thousand (2011: €33 thousand) were offset against costs of materials. Goods and materials used were €126.021 million (2011: €110.596 million).

Inventories are not encumbered with rights of third parties.

8. Current financial assets

The carrying value of current financial assets is attributable to the valuation categories described in Chapter IV.8.a) as presented below. The carrying value represents an appropriate approximation of market value.

	Loans and receivables			Total		
	Dec. 31, 2012	2011		Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1		Dec. 31	Jan. 1
Trade accounts receivable	50,807	46,620	46,658	50,807	46,620	46,658
Other receivables	14,249	13,985	7,226	14,249	13,985	7,226
Receivables	65,056	60,605	53,884	65,056	60,605	53,884
Other financial assets	0	0	0	0	0	0
Current financial assets	65,056	60,605	53,884	65,056	60,605	53,884

a) Current trade accounts receivable

Significant bad debt risks for trade accounts receivable are taken into account through write-downs to the extent a loss-producing event has occurred (see Chapter IV.8.d)). The write-downs of trade accounts receivable are recorded in a separate allowance account. The net allowance developed as follows:

€ thousand	Jan. 1, 2012	Addition	Consumption	Release	Dec. 31, 2012
	2,955	211	–884	–746	1,536

€ thousand	Jan. 1, 2011	Addition	Consumption	Release	Dec. 31, 2011
	3,548	1,929	–81	–2,441	2,955

The credit risk arising from trade accounts receivable is elucidated using the following analysis:

Dec. 31, 2012	Carrying value	Not due	Due and adjusted for impairment	Due and not adjusted for impairment by age in days			
€ thousand				less than 30	30 to 180	180 to 360	more than 360
Trade accounts receivable	50,807	39,008	1,542	7,953	2,007	8	289

Dec. 31, 2011	Carrying value	Not due	Due and adjusted for impairment	Due and not adjusted for impairment by age in days			
€ thousand				less than 30	30 to 180	180 to 360	more than 360
Trade accounts receivable	46,620	38,536	3,020	3,795	465	144	660

Jan. 1, 2011	Carrying value	Not due	Due and adjusted for impairment	Due and not adjusted for impairment by age in days			
€ thousand				less than 30	30 to 180	180 to 360	more than 360
Trade accounts receivable	46,658	40,084	2,199	2,654	1,587	68	66

Receivables not due for payment are from creditors of varying creditworthiness. No significant credit risks can be discerned.

Receivables arising from lease agreements are secured through deposits and guaranties. Ground handling services are rendered only against deposit of cash collateral and bank guarantees. A total of €1.317 million (Dec. 31, 2011: €1.139 million, Jan. 1, 2011: €1.228 million) of receivables arising from lease agreements are covered by deposits in the amount of €952 thousand (Dec. 31, 2011: €780 thousand, Jan. 1, 2011: €649 thousand) and by guarantees in the amount of €8.505 million (Dec. 31, 2011: €7.974 million, Jan. 1, 2011: €6.248 million). A total of €4.581 million (Dec. 31, 2011: €4.872 million, Jan. 1, 2011: €5.244 million) of receivables arising from ground handling services are covered by cash collateral and bank guarantees in the amount of €8.076 million (Dec. 31, 2011: €7.074 million, Jan. 1, 2011: €7.559 million).

Of the trade accounts receivable of subsidiaries of Flughafen München GmbH, €3.073 million (Dec. 31, 2011: €1.913 million, Jan. 1, 2011: €4.054 million) were pledged as collateral for loans. The pledge was by means of undisclosed assignment pursuant to Section 398 of the German Civil Code (BGB). Flughafen München GmbH itself has not pledged any assets as security for borrowings.

b) Current other receivables

The carrying value of current other receivables is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Supplier rebates	3,387	2,824	2,000
Receivables from associated companies and investments	2,027	1,185	925
Receivables from credit institutions	1,858	2,090	599
Receivables from damage payments	1,850	0	0
Debit balances in accounts payable	1,529	3,518	604
Receivables associated with separation by silent partners	998	1,100	0
Other	2,600	3,268	3,098
Total	**14,249**	**13,985**	**7,226**

Significant bad debt risks for other receivables are taken into account through write-downs to the extent a loss-producing event has occurred (see Chapter IV.8.d)). Impairments of current other receivables are credited directly against their carrying value. In the fiscal year and in the prior year, no impairments were recorded.

Current other liabilities as a whole are to be viewed as not due for payment. They are receivable from debtors of varying creditworthiness. No significant credit risks can be discerned.

9. Other assets

The carrying value of other assets is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Receivables associated with taxes and other levies	8,467	3,520	4,708
Other non-financial receivables	23	55	99
Non-financial receivables	**8,490**	**3,575**	**4,807**
Transaction costs on loans payable	5,859	3,843	1,089
Insurance premiums	1,606	1,785	1,589
Other prepaid expenses	783	2,085	291
Prepaid expenses	8,248	7,713	2,969
Other assets	**16,738**	**11,288**	**7,776**
of which current	10,881	6,398	7,281
of which non-current	5,857	4,890	495

10. Liquid funds

The carrying value of liquid funds is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Financial investments	257,000	193,000	171,500
Demand deposits	5,860	5,577	5,422
Cash on hand	1,226	1,539	1,475
Cash on hand and in banks	**7,086**	**7,116**	**6,897**
Total	**264,086**	**200,116**	**178,397**

The composition and net balance of cash and cash equivalents correspond to the net balance of cash and cash equivalents in the statement of cash flows.

Of the net balance of cash and cash equivalents, €2.136 million (Dec. 31, 2011: €2.922 million, Jan. 1, 2011: €2.625 million) stems from cash and cash equivalents of consolidated special-purpose entities in which Munich Airport does not hold an interest under corporate law. The Group cannot access these cash and cash equivalent amounts.

Liquid funds belong to the valuation category loans and receivables. Their carrying value corresponds to the market value.

11. Assets classified as held for sale

The carrying value of assets classified as held for sale essentially comprises land that is offered in connection with the acquisition of space for expansion structures. Exchange transactions are predominantly expected within the fourth quarter (2011: first quarter) of the fiscal year following reporting reference date.

12. Shareholders' equity

The share capital of Flughafen München GmbH is divided into three units. All units are fully paid in.

The nominal value per unit is:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Free State of Bavaria	156,456	156,456	156,456
Federal Republic of Germany	79,762	79,762	79,762
State capital Munich	70,558	70,558	70,558
	306,776	**306,776**	**306,776**

Each €10 of a unit entitles its holder to one vote for resolutions in the annual general meeting. Disposition over the units or of portions of them requires the approval of all shareholders.

The carrying value of reserves is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Capital reserve	102,258	102,258	102,258
Actuarial gains and losses	–6,104	–33	0
Deferred taxes	1,697	0	0
Other revenue reserves	1,984	3,984	1,984
Revenue reserves	**–2,423**	**3,951**	**1,984**
Reserves	**99,835**	**106,209**	**104,242**

The capital reserve stems from a capital increase in connection with the construction of a new airport building at the current location in Erdinger Moos. The capital reserve can be recalled only by unanimous resolution of the shareholders.

Other revenue reserves serve to finance capital investment projects of subsidiaries with profit transfer. The decision concerning formation and release of these reserves is made by executive management.

Other equity is composed as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Hedging reserve	–98,672	–49,568	–32,908
Deferred taxes	23,194	11,690	8,112
Valuation not affecting profit and loss	**–75,478**	**–37,878**	**–24,796**
Initial application of IFRS	1,194,886	1,194,886	1,194,886
Other retained earnings	189,551	93,495	23,689
Retained earnings	**1,384,437**	**1,288,381**	**1,218,575**
Other equity	**1,308,959**	**1,250,503**	**1,193,779**

13. Capital management

Capital management pursues the goal of ensuring the continued existence of the company and of realizing appropriate yields for the shareholders. Measures for controlling indebtedness and earnings power are taken in order to achieve this goal.

a) Indebtedness

Capital structure is controlled with a view to sustainably maintaining a corporate rating in the investment grade.

A key financial variable influencing the corporate rating is net debt to adjusted EBITDA. Adjusted EBITDA is a sustainability variable. The adjustment relates to non-recurring effects and special effects in current EBITDA.

The capital structure is controlled with respect to the amount of net debt to adjusted EBITDA derived from the target rating. Moreover, the net debt to adjusted EBITDA is compared on a regular basis with the corresponding figures of publicly traded companies of the European reference group.

Due to the shareholder structure of Flughafen München GmbH, the measures for controlling indebtedness are concentrated primarily on the scope of financing through borrowing.

Net debt/adjusted EBITDA developed as follows:

€ thousand	2012	2011
Financial liabilities resulting from interests in partnerships	234,581	296,201
Other financial liabilities	2,532,295	2,467,379
Liquid funds	–264,086	–200,116
Net debt	**2,502,790**	**2,563,464**
EBITDA for the fiscal year	513,670	496,498
Non-recurring and special effects	0	–13,400
Adjusted EBITDA	**513,670**	**483,098**
Net debt/adjusted EBITDA	**4.9**	**5.3**

Non-recurring effects and special effects for 2011 relate essentially to revenues from provisions in the area of ground handling in the amount of around €95.800 million, as well as the formation of a reserve for impact fund in the amount of around €82.400 million. For reasons of simplicity and materiality, an adjustment was omitted in fiscal year 2012 (**last** revenue from reserves in the area of ground handling 2012: €11.100 million).

Approaches and methods of control and monitoring of capital structure have not changed in comparison with the prior year.

b) Earning power

Earning power is measured using EBIT. EBIT is the starting variable for the determination of return on capital employed (ROCE) before taxes. In the framework of value-driven corporate strategy, the Group strives for ROCE that at a minimum corresponds to the weighted average cost of capital (WACC). Moreover, ROCE is compared on a regular basis with the corresponding figures of publicly traded companies of the European reference group.

Divisional EBIT is set for the divisions and subsidiaries of the Group as a target value in a balanced scorecard and is monitored. The balanced scorecard is used in the framework of measurement of variable compensation components of managers.

Adjusted EBIT and ROCE developed as follows:

€ thousand	2012	2011
Shareholders' equity	1,714,159	1,660,819
Net debt	2,502,790	2,563,464
Long-term employee benefits	37,635	33,173
Capital employed	**4,254,584**	**4,257,456**
EBIT	278,386	252,641
Non-recurring and special effects	0	–13,400
Adjusted EBIT	**278,386**	**239,241**
ROCE: Adjusted EBIT/capital employed	**6.5%**	**5.6%**

Notes on non-recurring effects can be found in the preceding chapter.

Approaches and methods of control and monitoring of earning power 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 assigned to shareholders' equity. The economic content and valuation of financial liabilities from interests in partnerships are described in Chapter IV.13.b). They belong to the valuation category "financial liabilities valued at amortized acquisition costs." Their carrying value corresponds approximately to the market value.

Under the accounting and valuation principles on which these financial statements are based, the partitioning of carrying value is carried out according to maturity taking into consideration Sections 132 ff of the German Commercial Code (HGB), and therefore it does not correspond to the maturities actually to be expected.

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Financial liabilities	234,581	296,201	289,448
of which non-current	36,632	34,620	87,938
of which current	197,949	261,581	201,510

15. Non-current financial liabilities

Carrying values and market values of non-current financial liabilities are attributable to the valuation categories described in Chapter IV.8.a) as follows:

	December 31, 2012					
	At fair value		At amortized acquisition costs		Total	
€ thousand	CV[1]	MV[2]	CV[1]	MV[2]	CV[1]	MV[2]
Trade accounts payable	0	0	6,879	7,413	6,879	7,413
Other liabilities	0	0	4,411	4,411	4,411	4,411
Liabilities	**0**	**0**	**11,290**	**11,824**	**11,290**	**11,824**
Financial liabilities from loans	0	0	1,652,643	1,690,973	1,652,643	1,690,973
Financial liabilities from financing leases[3]	0	0	652	711	652	711
Derivative financial liabilities	102,943	102,943	0	0	102,943	102,943
Other financial liabilities	**102,943**	**102,943**	**1,653,295**	**1,691,684**	**1,756,238**	**1,794,627**

[1] CV = Carrying value
[2] MV = Market value
[3] Financial liabilities from financing leases are to be accounted for only with respect to the derecognition according to the categories in Chapter IV.10 a). In other respects accounting is in accordance with Chapter IV.9.

	2011								
	At fair value			At amortized acquisition costs			Total		
	Dec. 31		Jan. 1	Dec. 31		Jan. 1	Dec. 31		Jan. 1
€ thousand	CV[1]	MV[2]	CV[1]	CV[1]	MV[2]	CV[1]	CV[1]	MV[2]	CV[1]
Trade accounts payable	0	0	0	2,830	3,326	2,606	2,830	3,326	2,606
Other liabilities	0	0	0	4,255	4,255	4,384	4,255	4,255	4,384
Liabilities	**0**	**0**	**0**	**7,085**	**7,581**	**6,990**	**7,085**	**7,581**	**6,990**
Financial liabilities from loans	0	0	0	1,762,080	1,791,259	1,794,667	1,762,080	1,791,259	1,794,667
Financial liabilities from financing leases[3]	0	0	0	1,033	1,134	405	1,033	1,134	405
Derivative financial liabilities	55,155	55,155	46,519	0	0	0	55,155	55,155	46,519
Other financial liabilities	**55,155**	**55,155**	**46,519**	**1,763,113**	**1,792,393**	**1,795,072**	**1,818,268**	**1,847,548**	**1,841,591**

[1] CV = Carrying value
[2] MV = Market value
[3] Financial liabilities from financing leases are to be accounted for only with respect to the derecognition according to the categories in Chapter IV.10 a). In other respects accounting is in accordance with Chapter IV.9.

The market values given are determined taking into consideration market relationships present on the reference date. The market value corresponds to the present value of the cash flows of the respective financial instrument. In order to determine the present values, discount rates are derived from risk-adjusted interest rate structure curves of the respective currency region.

The carrying values of the derivative and the non-derivative financial liabilities that are to be valued at fair value are derived from valuation factors that can be observed on active markets directly (for example, prices) or indirectly (for example, derived from prices).

a) Non-current trade accounts payable
Non-current trade accounts payable relate essentially to warranty retentions.

b) Non-current other liabilities
The carrying value of non-current other liabilities contains mainly deposits.

Deposits carry interest in line with the market. There are no significant deviations between carrying value and market value.

c) Non-current financial liabilities from loans
Most of the non-current financial liabilities from loans relate to syndicated loans. The loans feature the usual non-financial covenants, including negative obligations and declarations of equal seniority. In addition, there are other generally conventional agreements concerning interest rate adjustment and repayment in the event of changes in shareholder structure of Flughafen München GmbH. There are no financial covenants.

The main features of the loans with long-term fixed interest rates are as follows:

Dec. 31, 2012	Carrying value in	Remaining liability in		Interest
Currency	€ thousand	€ thousand	from in %	to in %
EUR	953,856	977,000	1.4	7.0
JPY	54,231	43,586	1.7	1.8

Dec. 31, 2011	Carrying value in	Remaining liability in		Interest
Currency	€ thousand	€ thousand	from in %	to in %
EUR	1,041,007	1,085,937	2.7	7.0
JPY	61,933	43,586	1.7	1.8

Jan. 1, 2011	Carrying value in	Remaining liability in		Interest
Currency	€ thousand	€ thousand	from in %	to in %
EUR	1,103,274	1,145,627	2.7	7.0
JPY	58,290	43,586	1.7	1.8

The main features of the loans with variable interest are as follows:

Dec. 31, 2012	Carrying value in	Remaining liability in	Base interest
Currency	€ thousand	€ thousand	
EUR	912,838	913,215	3M and 6M EURIBOR

Dec. 31, 2011	Carrying value in	Remaining liability in	Base interest
Currency	€ thousand	€ thousand	
EUR	799,784	782,765	3M and 6M EURIBOR

Jan. 1, 2011	Carrying value in	Remaining liability in	Base interest
Currency	€ thousand	€ thousand	
EUR	768,572	768,400	3M and 6M EURIBOR

The short-term portion of financial liabilities from loans is reflected under current financial liabilities.

d) Non-current financial liabilities from financing leases

The carrying value of financial liabilities from financing leases corresponds to the present value of the outstanding minimum lease payments. The total of the payments to be made in future periods and their present values are reflected in the following overview:

	December 31, 2012			December 31, 2011			January 1, 2011		
€ thousand	Expected payment	Discounting	Carrying value	Expected payment	Discounting	Carrying value	Expected payment	Discounting	Carrying value
≤ 1 year	542	–14	528	619	–14	605	684	–9	675
Current	542	–14	528	619	–14	605	684	–9	675
1 to 5 years	738	–86	652	1,186	–153	1,033	442	–37	405
≥ 5 years	0	0	0	0	0	0	0	0	0
Non-current	738	–86	652	1,186	–153	1,033	442	–37	405
Total	**1,280**	**–100**	**1,180**	**1,805**	**–167**	**1,638**	**1,126**	**–46**	**1,080**

The short-term portion of financial liabilities from financing leases is reflected under current financial liabilities.

Among the financing leases are, in particular, lease agreements for office equipment and data processing systems. The minimum term of the said agreements corresponds to the economic service life of the leased objects. The leases as a rule are embedded in a service and maintenance contract.

e) Non-current derivative financial liabilities

Information on derivatives and hedging activities can be found in Chapter VIII.16.

16. Derivative financial instruments and hedging activities

Munich Airport uses derivatives in the framework of financial risk management as hedges. All hedging measures are highly effective. Trade with derivatives for purposes of speculation is fundamentally prohibited for Munich Airport.

The carrying value of the derivatives is composed in detail as follows:

	Assets			Liabilities		
	Dec. 31, 2012	2011		Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1		Dec. 31	Jan. 1
Recognized hedges						
Interest rate swaps	0	0	6,371	100,743	52,133	43,142
Currency forwards	0	0	130	10	58	0
Hedge against fluctuating cash flows	0	0	6,501	100,753	52,191	43,142
Interest and currency rate swaps	10,458	18,246	14,503	0	0	0
Hedge against fluctuating cash flows	10,458	18,246	14,503	0	0	0
Off-balance-sheet hedges						
Interest rate swaps	0	0	0	2,190	2,963	3,377
Hedge against fluctuating cash flows	0	0	0	2,190	2,963	3,377
Total	**10,458**	**18,246**	**21,004**	**102,943**	**55,154**	**46,519**

The carrying value of the derivatives corresponds to their market value.

a) Cash flow hedging

The Group uses interest rate hedging transactions to limit liquidity risks resulting from variable-interest loans, whereby variable-interest obligations from loans are swapped for interest payments with fixed interest rates (pay-fixed/receive-floating). By this means, the effects of future changes in interest payment obligations from the hedged loans will be almost fully offset. The derivative holdings include transactions that serve to offset future interest payment obligations as well as transactions the term of which will begin in future fiscal periods (forward starting swaps). Derivative holdings are comprised as follows:

Dec. 31, 2012	Nominal	FMG pays	FMG pays	FMG receives
Type		from in %	to in %	
Swaps	749,444	2.14	5.73	3M and 6M EURIBOR
Forward starting swaps	420,000	1.48	2.92	3M and 6M EURIBOR

Dec. 31, 2011	Nominal	FMG pays	FMG pays	FMG receives
Type		from in %	to in %	
Swaps	679,444	2.72	5.75	3M and 6M EURIBOR
Forward starting swaps	626,000	2.14	2.92	3M and 6M EURIBOR

Jan. 1, 2011	Nominal	FMG pays	FMG pays	FMG receives
Type		from in %	to in %	
Swaps	729,444	3.41	5.75	3M and 6M EURIBOR
Forward starting swaps	195,000	2.37	2.72	3M and 6M EURIBOR

The Group uses exchange rate hedges to limit liquidity risks resulting from the fluctuation of cash flows in foreign currencies from long-term consulting contracts. Currency forwards ensure that the exchange of the expected remuneration will take place at a certain exchange rate. Derivative holdings are comprised as follows:

Dec. 31, 2012	Nominal	FMG pays	FMG receives	Rate from	Rate to
Type	€ thousand			%	%
Foreign currency forward	6,585	EUR	USD	1.33	1.31

Dec. 31, 2011	Nominal	FMG pays	FMG receives	Rate from	Rate to
Type	€ thousand			%	%
Foreign currency forward	7,078	EUR	USD	1.33	1.31

Jan. 1, 2011	Nominal	FMG pays	FMG receives	Rate from	Rate to
Type	€ thousand			%	%
Foreign currency forward	7,725	EUR	USD	1.33	1.31

The carrying value of derivatives that are used to hedge cash flows developed as follows:

€ thousand	Interest hedge	Currency hedge	Total
Effective portion			
As of Jan. 1, 2012	**49,424**	**144**	**49,568**
Reclassification	–19,026	–10	–19,036
Revaluation	68,267	–127	68,140
As of Dec. 31, 2012	**98,665**	**7**	**98,672**
Ineffective portion			
As of Jan. 1, 2012	**272**	**0**	**272**
Revaluation	–208	0	–208
As of Dec. 31, 2012	**64**	**0**	**64**
Non-designated portion			
As of Jan. 1, 2012	**2,437**	**–86**	**2,351**
Net change	–423	89	–334
As of Dec. 31, 2012	**2,014**	**3**	**2,017**
Carrying values			
As of Jan. 1, 2012	**52,133**	**58**	
As of Dec. 31, 2012	**100,743**	**10**	

€ thousand	Interest hedge	Currency hedge	Total
Effective portion			
As of Jan. 1, 2011	**32,929**	**–21**	**32,908**
Reclassification	–20,124	3	–20,121
Revaluation	36,619	161	36,780
As of Dec. 31, 2011	**49,424**	**143**	**49,568**
Ineffective portion			
As of Jan. 1, 2011	**366**	**0**	**366**
Revaluation	–95	0	–95
As of Dec. 31, 2011	**271**	**0**	**271**
Non-designated portion			
As of Jan. 1, 2011	**3,476**	**–109**	**3,367**
Net change	–1,038	24	–1,014
As of Dec. 31, 2011	**2,438**	**–85**	**2,353**
Carrying values			
As of Jan. 1, 2011	**36,771**	**–130**	
As of Dec. 31, 2011	**52,133**	**58**	

The effective portion of the hedging relationships for hedging against interest rate risks is reclassified upon occurrence of the hedged interest payment into finance expense, and there it offsets expense resulting from interest payments for the hedged underlying transaction. Reclassification is expected to take place in the following fiscal periods:

Dec. 31, 2012	Up to 2013	2014 to 2017	After 2017
Currency	€ thousand	€ thousand	
Expected reclassification to interest expenses	3,388	42,808	52,470

Dec. 31, 2011	Up to 2012	2013 to 2016	After 2016
Currency	€ thousand	€ thousand	
Expected reclassification to interest expenses	1,743	37,048	10,633

Jan. 1, 2011	Up to 2011	2012 to 2015	After 2015
Currency	€ thousand	€ thousand	
Expected reclassification to interest expenses	4,125	20,845	7,959

The effective portion of the hedging relationships for hedging against exchange rate risks is reclassified to revenue upon payment of the hedged remuneration, and there it offsets deviations from the hedged rate. Reclassification is expected to take place in the following fiscal periods:

Dec. 31, 2012	Up to 2013	2013 to 2017	After 2017
Currency	€ thousand	€ thousand	
Expected reclassification to revenue	1	5	0

Dec. 31, 2011	Up to 2012	2012 to 2016	After 2016
Currency	€ thousand	€ thousand	
Expected reclassification to revenue	10	134	0

Jan. 1, 2011	Up to 2011	2011 to 2015	After 2015
Currency	€ thousand	€ thousand	
Expected reclassification to revenue	–3	–18	0

b) Hedging of fair value

Fixed-interest loans denominated in foreign currencies are converted into financial liabilities with variable interest in the functional currency through entering into interest and currency swaps. The main features of the interest and currency swaps are as follows:

Dec. 31, 2012		FMG pays			FMG receives	
	Nominal	Currency	Interest	Currency	Interest from	Interest to
€ thousand					in %	in %
	43,568	EUR	EURIBOR	JPY	1.72	1.83

Dec. 31, 2011		FMG pays			FMG receives	
	Nominal	Currency	Interest	Currency	Interest from	Interest to
€ thousand					in %	in %
	43,568	EUR	EURIBOR	JPY	1.72	1.83

Jan. 1, 2011		FMG pays			FMG receives	
	Nominal	Currency	Interest	Currency	Interest from	Interest to
€ thousand					in %	in %
	43,568	EUR	EURIBOR	JPY	1.72	1.83

The interest and currency swaps are valued in accordance with the accounting and valuation principles described in Chapter IV.8.e) at fair value. The same applies for interest and currency components contained in the loan value.

Resulting from the revaluation of the interest and currency components contained in the loan value is a net gain or net loss, respectively, in the amount of €7.702 million (2011: €–3.643 million). This is offset by a net gain or loss, respectively, from the revaluation of the interest and currency swap in the amount of €–7.789 million (2011: €3.744 million).

c) Off-balance-sheet hedges

The carrying value of off-balance-sheet hedges contains an interest swap in the amount of €2.190 million (Dec. 31, 2011: €2.963 million, Jan. 1, 2011: €3.377 million), which is used in order to minimize cash flow risks from a combined position – foreign currency loans with interest and currency swap. The hedge is highly effective. Such hedges, however, in accordance with the accounting and valuation methods explained in Chapter IV.8.e), may not be reflected in the statement of financial position without consideration of their effectiveness.

17. Obligations resulting from employee benefits

Provisions for employee benefits contain the following:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Pension commitments	24,790	19,135	18,901
Health care benefits	2,263	1,848	1,925
Benefits following termination of employment	27,053	20,983	20,826
Service anniversary bonuses	1,439	1,256	1,319
Partial retirement arrangements	6,492	8,776	11,297
Other benefits	0	0	25
Other long-term employee benefits	7,931	10,032	12,641
Benefits at the time of termination of employment	2,651	2,158	8,078
Variable components of compensation	2,392	2,274	4,221
Flex-time credits	9,523	8,240	6,617
Unpaid wages and salaries	3,224	3,094	1,311
Other benefits	3,113	2,128	1,274
Short-term employee benefits	18,252	15,736	13,423
Employee benefits	55,887	48,909	54,968
of which non-current	37,635	33,173	34,121
of which current	18,252	15,736	20,847

a) Obligations from pension commitments

There are obligations from pension commitments with respect to managers, directors and their surviving dependents. They comprise a total of 31 qualified persons (Dec. 31, 2011: 31, Jan. 1, 2011: 32), of which 5 (Dec. 31, 2011: 7, Jan. 1, 2011: 9) are active employees and 26 (Dec. 31, 2011: 24, Jan. 1, 2011: 23) are retired persons and surviving dependents. The amount of the respective pension claim is dependent upon the length of service, the salary at the time of separation from service and the general pension level. The pension payments are made from current operating cash flows.

The Group has not set up any fund assets for the financing of pension obligations. The carrying value of the provisions matches the amount of the cumulative defined-contribution obligation.

The carrying value of pension commitments developed as follows:

€ thousand	2012	2011
Obligation as of Jan. 1	19,135	18,901
Current service costs	305	306
Interest expense	906	932
Pension payments	–1,169	–1,083
Actuarial gains and losses	**5,613**	**79**
Obligation as of Dec. 31	24,790	19,135
Expected pension expense	1,127	1,211
Expected pension payments	–1,275	–1,201
Expected obligation as of Dec. 31 of the following year	**24,642**	**19,145**

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

€ thousand	2012	2011
As of Jan. 1	79	0
Change in financial parameters	4,992	350
Adjustments based on experience	621	–271
As of Dec. 31	**5,692**	**79**

The valuation of pension obligations is based on the following assumptions:

	Dec. 31, 2012	2011	
In %		Dec. 31	Jan. 1
Discount rate	3.0	4.9	5.1
Salary trend	1.5	3.0	3.0
Pension trend	2.0	2.0	2.0
Fluctuation	0.0	0.0	0.0

The 2005 G guideline tables published by Prof. Klaus Heubeck and monthly payments in advance were used as the basis for the calculation.

The average term of the entitlements is 11 years (Dec. 31, 2011: 11, Jan. 1, 2011: 12).

The pension commitments result in a moderate liquidity risk for the Group. This risk can be approximated from the expected pension payments of the following year and the average duration of pension commitments.

Additional risks arise from fluctuations of the level of market interest rates and the salary and pension trend. A reduction in the market interest rate level will lead to an increase in the amount of provisions for pension commitments. The provision amount will likewise increase with an increase in the expected salary at the time of retirement. The same applies for an increase in the pension level following entry into retirement. There is only a moderate risk, on the other hand, from a change in life expectancy.

The following sensitivity analysis provides a quantitative estimate of the scope of the above-mentioned risks:

Dec. 31, 2012	Change in assumption	Change in obligation	
In %		+	–
Discount rate	1.0	–15.0	18.5
Salary trend	1.0	2.1	–1.9
Pension trend	1.0	15.6	–13.2

Dec. 31, 2011	Change in assumption	Change in obligation	
In %		+	–
Discount rate	1.0	–10.2	12.3
Salary trend	1.0	1.1	–1.1
Pension trend	1.0	11.0	–9.4

The sensitivity analysis shows the change of one assumption at a time with retention of all other valuation parameters. Sensitivity is calculated according to the projected unit credit method used for subsequent valuation of pension obligations.

The calculation methods and assumptions are unchanged from those of the prior year.

b) Obligations resulting from health care benefits

Health care assistance commitments in the event of illness following termination of employment are provided exclusively to active officials and to pensioners. They comprise a total of 44 qualified persons (Dec. 31, 2011: 25, Jan. 1, 2011: 26), of which 20 (Dec. 31, 2011: 11, Jan. 1, 2011: 12) are active employees and 24 (Dec. 31, 2011: 14, Jan. 1, 2011: 14) are retired persons and surviving dependents. The amount of the assistance benefits depends on the length of service. Benefit commitments apply from entry into retirement to death. The assistance benefits are paid from current operating cash flows.

The Group has not set up any fund assets for the financing of assistance obligations. The carrying value of the provisions matches the amount of the cumulative defined-contribution obligation.

The carrying value of assistance commitments developed as follows:

€ thousand	2012	2011
Obligation as of Jan. 1	1,848	1,925
Current service costs	41	48
Interest expense	88	96
Aid payments	–172	–175
Actuarial gains and losses	458	–46
Obligation as of Dec. 31	**2,263**	**1,848**
Expected addition	154	128
Expected aid payments	–107	–97
Expected obligation as of Dec. 31 of the following year	**2,310**	**1,879**

The change in the net actuarial gains and losses is attributable to the following causes:

€ thousand	2012	2011
As of Jan. 1	–46	0
Change in financial parameters	732	43
Adjustments based on experience	–274	–89
As of Dec. 31	**412**	**–46**

The valuation of assistance obligations is based on the following assumptions:

	Dec. 31, 2012	2011	
In %		Dec. 31	Jan. 1
Discount rate	3.0	4.9	5.1
Fluctuation	0.0	0.0	0.0
Costs[1]	6.5	6.5	6.8
Cost trend	3.0	2.0	2.0

[1] Average aid payments for the last 5 years in € thousand

The 2005 G guideline tables published by Prof. Klaus Heubeck and monthly payments in advance were used as the basis for the calculation.

The average duration is 14 years (Dec. 31, 2011: 13, Jan. 1, 2011: 13).

The pension commitments result in a moderate liquidity risk for the Group. This risk can be approximated from the expected assistance payments of the following year and the average duration of assistance commitments.

Additional risks arise from fluctuations of the level of market interest rates and the cost trend for medical care. A reduction in the market interest rate level will lead to an increase in the amount of provisions for assistance commitments. The provision amount will likewise increase with an increase in the expected cost trend. There is only a moderate risk, on the other hand, from a change in life expectancy.

The following sensitivity analysis provides a quantitative estimate of the scope of the above-mentioned risks.

Dec. 31, 2012	Change in assumption	Change in obligation	
In %		+	–
Discount rate	1.0	–14.3	17.8
Cost trend	1.0	17.7	–14.6

Dec. 31, 2011	Change in assumption	Change in obligation	
In %		+	–
Discount rate	1.0	–10.5	12.9
Cost trend	1.0	12.9	–10.7

The sensitivity analysis shows the change of one assumption at a time with retention of all other valuation parameters. Sensitivity is calculated according to the projected unit credit method used for subsequent valuation of benefit obligations.

The calculation methods and assumptions are unchanged from those of the prior year.

18. Other provisions

The carrying value of other provisions developed as follows:

€ thousand	Onerous contracts	Impact fund	Refurbish-ment	Other	Total
As of Jan. 1, 2011	100,227	9,613	6,840	12,404	**129,084**
As of Jan. 1, 2012	10,989	91,305	9,956	13,088	**125,338**
Additions	0	0	452	1,891	**2,343**
Applications	–4,000	0	0	–1,494	**–5,494**
Releases	–7,089	0	–2,347	–1,000	**–10,436**
Reclassifications	0	0	0	–138	**–138**
Interest accrual	56	27	86	34	**203**
Discounting	0	–1,168	0	0	**–1,168**
Interest changes	44	2,295	45	35	**2,419**
As of Dec. 31, 2012	**0**	**92,459**	**8,192**	**12,416**	**113,067**
of which short term	0	1,963	2,378	10,607	14,948
of which long term	0	90,496	5,814	1,809	98,119

Provisions for onerous contracts contain expected undercoverages resulting from contracts relating to the provision of ground handling services. Due to successful restructuring, this division was able to achieve a definite improvement of cost structures. Beginning with fiscal year 2013, no more undercoverages are expected. The remaining provision balance was released.

The provision for impact fund contains binding commitments for assistance with municipal infrastructure projects in the vicinity of Munich Airport. Munich Airport agreed to pay €10.000 million for street construction projects in the counties of Freising and Erding up to fiscal year 2010. Of these funds, €300 thousand was drawn in fiscal year 2010 and €744 thousand in fiscal year 2011. The remaining amount is expected to be paid out in fiscal years 2013 and 2014.

Due to the zoning approval for the construction of a third runway, Munich Airport increased the assistance commitment in fiscal year 2011 by €90.000 million. Thus, now an additional €40.000 million is available for transportation infrastructure projects in surrounding municipalities and €50.000 million for other infrastructure projects. From the commencement of construction of the third runway, these funds can be drawn in annual installments of €10.000 million without time limit. The amount and timing of the draw of funds are uncertain. Currently Munich Airport assumes that the assistance funds will be paid out at the maximum amount each year beginning with the expected commencement of construction of the third runway.

Provisions for renovations are reflected to the extent there are direct obligations to third parties. The point in time of carrying out renovations and the amount of the expenses incurred for this purpose are uncertain.

Disbursements on the basis of other provisions are expected in the following intervals.

Dec. 31, 2012 € thousand	In 1 year	In 2 to 5 years	After 5 years
Impact fund	1,966	27,000	70,000
Refurbishment	2,381	5,821	0
Other	10,609	775	1,107
Total	**14,956**	**33,597**	**71,107**

Dec. 31, 2011 € thousand	In 1 year	In 2 to 5 years	After 5 years
Onerous contracts	4,000	7,100	0
Impact fund	3,500	35,466	60,000
Refurbishment	2,900	7,200	0
Other	11,301	830	977
Total	**21,701**	**50,596**	**60,977**

19. Current financial liabilities

Carrying value of current financial liabilities is attributable to the valuation categories described in Chapter IV.8.a) as listed below. Their carrying value represents an appropriate approximation of market value.

	At amortized acquisition costs			Total		
	Dec. 31, 2012	2011		Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1		Dec. 31	Jan. 1
Trade accounts payable	66,398	69,054	55,444	66,398	69,054	55,444
Other liabilities	27,630	31,999	30,279	27,630	31,999	30,279
Liabilities	**94,028**	**101,053**	**85,723**	**94,028**	**101,053**	**85,723**
Financial liabilities to shareholders	507,246	507,860	643,895	507,246	507,860	643,895
Financial liabilities from loans	268,283	140,646	135,470	268,283	140,646	135,470
Financial liabilities from financing leases[1]	528	605	675	528	605	675
Other financial liabilities	**776,057**	**649,111**	**780,040**	**776,057**	**649,111**	**780,040**
Current financial liabilities	**870,085**	**750,164**	**865,763**	**870,085**	**750,164**	**865,763**

[1] Financial liabilities from financing leases are to be accounted for only with respect to the derecognition according to the categories in Chapter IV.10 a). In other respects accounting is in accordance with Chapter IV.9.

a) Current other financial liabilities

The carrying value of current other liabilities is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Unpaid invoices	11,794	10,682	5,318
Liabilities, marketing	8,900	5,991	5,363
Liabilities to associated companies and investments	1,958	4,128	7,681
Liabilities resulting from agreements relating to moving of operations	0	3,488	3,488
Unbilled construction	0	2,127	0
Other liabilities	4,978	5,583	8,429
Total	**27,630**	**31,999**	**30,279**

b) Financial liabilities to shareholders

Financial liabilities to shareholders in the amount of €131.810 million (Dec. 31, 2011: €131.970 million, Jan. 1, 2011: €167.319 million) are owed to the Federal Republic of Germany; €258.550 million (Dec. 31, 2011: €258.864 million, Jan. 1, 2011: €328.202 million) to the Free State of Bavaria; and €116.885 million (Dec. 31, 2011: €113.352 million, Jan. 1, 2011: €148.373 million) to the state capital Munich. The loans carry earnings-dependent interest. They are for indefinite terms. Repayment requires a separate agreement. They must be classified as current since Munich Airport does not have an unrestricted right to deny repayment within the following fiscal year. Interest expense for shareholder loans in the reporting year was €15.333 million (2011: €15.948 million).

c) Non-current financial liabilities from financing leases

Notes on financial liabilities resulting from financing leases can be found in Chapter VIII.15.d).

20. Other liabilities

The carrying value of other liabilities is comprised as follows:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Liabilities associated with taxes and other levies	4,362	5,588	9,859
Other non-financial liabilities	4,362	5,588	9,859
Advance payments on leases	14,906	18,978	17,318
Advance payments on heritable building rights	4,327	5,804	4,561
Other deferred revenue	3,695	4,103	7,786
Deferred revenue	22,928	28,885	29,665
Total	**27,290**	**34,473**	**39,524**
of which current	6,707	12,346	15,608
of which non-current	20,583	22,127	23,916

21. Contingent liabilities

Contingent liabilities come to €12.500 million. They are composed as listed below:

There are contingent liabilities in the maximum amount of €11.000 million resulting from existing contractual obligations for which no provision was formed due to the uncertain occurrence of necessary conditions in the following year.

There are legal risks in the maximum amount of €1.500 million arising from current investigative proceedings against Group companies. Munich Airport assumes, with a high degree of certainty, that the proceedings will be suspended.

As of Dec. 31, 2011 and January 1, 2011, there were no contingent liabilities.

22. Operating permit

The Bavarian Ministry for Economic Affairs, Infrastructure, Transport and Technology granted Flughafen München GmbH approval under aviation law under Section 6 of the German Aviation Act (LuftVG) for Munich Airport on May 9, 1974. The approval under aviation law contains the essential regulations for operation of the airport. The change in the aviation permit necessary under Section 6, Paragraph 4 LuftVG as a result of the zoning approval for the third runway has not yet been obtained.

In addition to the provisions of the aviation permit, the airport operator must observe the regulations resulting directly from the law (in particular the Aviation Act (Luftverkehrsgesetz) and ordinances issued for it). Flughafen München GmbH 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.

Takeoff and landing fees are set by Flughafen München GmbH with reservation for approval by the Bavarian Ministry for Economic Affairs, Infrastructure, Transport and Technology.

IX. Financial risk management

In the framework of its business activities, Munich Airport is subject to many different financial risks. Among these are credit, liquidity and market risks arising from interest rate and exchange rate fluctuations.

Munich Airport was also exposed to these risks in the preceding year in comparable composition.

Monitoring and control of financial risks is the responsibility of central financial and cash management. In the framework of the comprehensive risk early recognition system, a report is provided on a quarterly basis to executive management concerning all material financial risks. Executive management is informed by means of a monthly financial report concerning the development of liquidity and loans as well as the development of holdings of derivatives.

Derivatives are to be used exclusively for purposes of hedging. Transactions are effected through central finance and cash management. Central finance and cash management uses a treasury system in order to document, process and control risks arising from the holdings of derivatives. The software ensures a strict separation of functions between acquisition, processing and accounting for derivatives, and the monitoring of 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 interest rate and exchange rate fluctuations. These risks have an influence on the amount of payment obligations from loan agreements with variable interest and on the fair value of loan agreements with fixed interest. To a lesser degree, exchange rate risks influence the cash flows of Munich Airport from loan agreements in in Japanese yen and from international consulting business.

Munich Airport addresses market risks through the use of derivative financial instruments, which are utilized as hedges against losses from changes in value and for protection against unexpected fluctuations of cash flows. Hedge transactions are entered into only if they can be brought into a highly effective hedging relationship.

Munich Airport uses interest swaps to hedge cash flows against interest rate fluctuations. Fluctuations of cash flows due to exchange rate fluctuations are eliminated in part through currency forwards. The fair value of foreign currency loans in Japanese yen are hedged with interest and currency swaps. Disclosures on hedging relationships can be found in Chapter VIII.16.

The remaining risk exposure of Munich Airport with respect to interest and exchange rate fluctuations can be presented with the aid of sensitivity analyses.

The interest rate sensitivity analysis presents the effects of an increase or a decrease in total comprehensive income, profit and other comprehensive income in the event of a parallel shift in the interest structure by 100 base points (BP) in each direction.

The sensitivity analysis is based on the following assumptions:

→ The ongoing interest expense from financial instruments valued at amortized acquisition costs having fixed interest periods greater than 1 year will remain unchanged. This applies independently of the time of the next determination of interest rate.

→ Effects of changed interest structure curves on the reference date valuation of financial instruments valued at amortized acquisition costs having fixed interest periods greater than 1 year (IAS 39pAG8) are not taken into consideration.

→ The current interest expense from financial instruments valued at amortized acquisition costs with fixed interest periods of less than 1 year, for example based on 3M EURIBOR or 6M EURIBOR, will change. This applies independently of whether such instruments were acquired as the underlying transaction in a hedging relationship or not. The reference day value of these financial instruments remains unchanged.

→ The current interest expense from derivative financial instruments, for example based on the 3M EURIBOR or the 6M EURIBOR, will change. This applies independently of whether such instruments were acquired as the hedge transaction in a hedging relationship or not.

→ The reference day value of derivative financial instruments will change. Secondary effects from the parallel shifting of the interest structure curve, such as the change of forward exchange rates, is not taken into account in the determination of interest rate sensitivity.

→ To the extent derivative financial instruments were designated as the hedge in a hedging relationship for hedging cash flows, the ineffective portion of the value changes has effects on the profit. The effective portion of the value changes has effects on other comprehensive income.

→ To the extent derivative financial instruments were designated as the hedge in a hedging relationship for hedging cash flows, ineffective as well as effective portions of the value changes have effects on the profit.

→ To the extent non-derivative financial instruments valued at amortized acquisition costs were designated as the underlying transaction in a hedging relationship for hedging fair value, both the ineffective and the effective value changes have effects on the profit.

Under the aforementioned assumptions, a parallel shift of the interest structure curve by plus or minus 100 BP will decrease or increase, respectively, the total comprehensive income, profit and other comprehensive income as follows:

	Interest rate sensitivity			
	Dec. 31, 2012		Dec. 31, 2011	
€ thousand	+100 BP	–100 BP	+100 BP	–100 BP
Comprehensive income	48,002	–53,293	53,683	–55,110
of which other earnings	51,453	–56,008	55,266	–55,710
of which profit	–3,451	2,715	–1,583	600

Material exchange rate risks arise from fluctuations of the euro against the Oman rial (OMR), the US dollar (USD) and the Japanese yen (JPY). There is a fixed rate parity between the OMR and the USD. For this reason, no separate evaluation of the exchange rate risk with respect to the OMR is made.

The exchange rate sensitivity analysis presents the effects of an increase or a decrease of the EUR to USD and the EUR to JPY exchange rates by 10% in each direction on total comprehensive income, profit and other comprehensive income.

The exchange rate sensitivity analysis is based on the following assumptions:

→ The reference day value of loans valued at amortized acquisition costs denominated in foreign currency will change.

→ The reference day value of interest and currency rate swaps will change.

→ The reference day value of currency forwards will change.

Under the aforementioned assumptions, a change in the USD to EUR exchange rate by plus or minus 10% will reduce or increase, respectively, total comprehensive income, profit and other comprehensive income as follows:

	Exchange rate sensitivity USD to EUR			
	Dec. 31, 2012		Dec. 31, 2011	
€ thousand	Rate +10%	Rate –10%	Rate +10%	Rate –10%
Comprehensive income	656	–656	692	–692
of which other earnings	611	–605	701	–697
of which profit	45	–51	–9	5

Under the aforementioned assumptions, a change in the JPY to EUR exchange rate by plus or minus 10% will reduce or increase, respectively, total comprehensive income, profit and other comprehensive income as follows:

	Exchange rate sensitivity JPY to EUR			
	Dec. 31, 2012		Dec. 31, 2011	
€ thousand	Rate +10%	Rate –10%	Rate +10%	Rate –10%
Comprehensive income	2,877	–1,755	311	90
of which other earnings	0	0	0	0
of which profit	2,877	–1,755	311	90

The assumptions and methods of the sensitivity analyses are consistently applied.

2. Credit risk

Credit risk of Munich Airport results primarily from current financial investments. This risk is controlled by only making financial investments with banking organizations in the European Union that offer deposit protection.

Potential bad debt risks are addressed through strict, effective debt management. This includes checking customers' credit ratings thoroughly, continuously monitoring unpaid items and taking a strict approach to payment reminders and collection. Receivables arising from lease agreements are secured through lease deposits. Ground handling services are rendered only against deposit of cash collateral and bank guarantees.

Sales of goods and dining are predominantly against payment in cash or by credit card.

Recognizable bad debt risks of individual financial assets are taken into account through impairment adjustments.

Leaving existing items of security out of consideration, the maximum credit risk corresponds to the carrying value of the financial assets reflected in the amount of €360.302 million (Dec. 31, 2011: €299.406 million, Jan. 1, 2011: €269.478 million).

A concentration of credit risks arising from business relations with individual debtors or debtor groups is fundamentally not discernible.

For further disclosures concerning bad debt risk, in particular concerning impairments and the maturity structure of receivables and other financial assets, see Chapter VIII.5 and Chapter VIII.8.

3. Liquidity risk

The control and monitoring of liquidity risk is the responsibility of the central financial and cash management of the Munich Airport. The liquidity risk is monitored both in the framework of long-term economic planning as well as in the framework of short- and medium-term financial planning.

Cash and cash equivalents of the operational subsidiaries are concentrated through Group-wide cash management. In addition to access to positive cash flows from operations, Munich Airport maintains adequate liquidity in the form of current financial investments and sufficiently dimensioned credit lines with credit institutions. In the reporting year, cash flow from operating activities was €440.791 million (2011: €436.786 million). Munich Airport was able to access available credit lines in the amount of €270.740 million (Dec. 31, 2011: €280.300 million, Jan. 1, 2011: €277.100 million).

The following tables show the contractually agreed interest and principal payment of non-derivative and derivative financial liabilities.

Dec. 31, 2012		2013		2014 to 2017		After 2017	
€ thousand	Total	Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
Partnerships	332,457	0	197,950	0	0	0	134,507
Shareholders	522,579	15,333	507,246	0	0	0	0
Credit institutions	2,645,865	50,364	211,699	133,996	1,131,100	155,554	963,152
Lease agreements	1,280	0	542	0	738	0	0
Trade accounts payable	73,550	0	66,698	0	6,852	0	0
Other financial liabilities	27,362	0	22,973	0	4,389	0	0
Non-derivative financial liabilities	3,603,093	65,697	1,007,108	133,996	1,143,079	155,554	1,097,659
Derivative financial instruments	156,774	22,873	15,896	73,849	34,257	9,899	0
Derivative financial liabilities	156,774	22,873	15,896	73,849	34,257	9,899	0
Total	**3,759,867**	**88,570**	**1,023,004**	**207,845**	**1,177,336**	**165,453**	**1,097,659**

Dec. 31, 2011		2013		2014 to 2017		After 2017	
€ thousand	Total	Interest	Principal repayment	Interest	Principal repayment	Interest	Principal repayment
Partnerships	395,785	0	261,581	0	0	0	134,204
Shareholders	523,194	15,948	507,246	0	0	0	0
Credit institutions	2,286,144	60,405	80,274	150,889	1,329,350	130,572	534,654
Lease agreements	1,805	0	619	0	1,186	0	0
Trade accounts payable	72,263	0	68,649	0	2,599	0	1,015
Other financial liabilities	61,939	0	57,684	0	4,255	0	0
Non-derivative financial liabilities	3,341,130	76,353	976,053	150,889	1,337,390	130,572	669,873
Derivative financial instruments	119,493	20,207	490	47,597	50,095	1,104	0
Derivative financial liabilities	119,493	20,207	490	47,597	50,095	1,104	0
Total	**3,460,623**	**96,560**	**976,543**	**198,486**	**1,387,485**	**131,676**	**669,873**

Principal payments on shareholder loans of Munich Airport are made exclusively on the basis of separate repayment agreements. To the extent there are no binding principal repayment resolutions by the reporting date, principal payments on shareholder loans are assigned to the interval of up to 1 year.

Principal payments on non-derivative financial liabilities arising from partnerships are reflected at the respective expected settlement amount, with the earliest possible time of termination of the partners being used as the time of maturity.

X. Notes to the consolidated statement of cash flows

The following relationship exists between cash flow from operating activities and total comprehensive income:

€ thousand	2012	2011
Comprehensive income	**53,340**	**61,220**
Deferred taxes not recognized in profit or loss	–13,168	–3,578
Actuarial gains and losses	6,071	33
Cash flow hedging	49,104	16,659
Consolidated earnings (EAT)	**95,347**	**74,334**
Result from associated companies	–1,159	–3,684
Income taxes	69,977	50,741
Financial result	114,221	131,250
Operating result (EBIT)	**278,386**	**252,641**
Depreciation and amortization	235,284	243,857
Net profit/loss from disposal of non-current assets	1,537	–1,028
Increase/decrease in inventories	–1,527	–3,605
Increase/decrease in current receivables	–4,451	–6,721
Increase/decrease in other assets that are not attributable to investment or financing activities	–5,671	–3,082
Increase/decrease in liabilities	–2,820	15,425
Increase/decrease in obligations resulting from employee benefits	–539	–7,465
Increase/decrease in other provisions	–13,725	–11,004
Increase/decrease in other liabilities that are not attributable to investment or financing activities	–10,605	–9,321
Gross cash flow from operating activities	**475,869**	**469,697**
Net income taxes paid/received	–35,078	–32,911
Net cash flow from operating activities	**440,791**	**436,786**

XI. Notes on related-party transactions

The ultimate parent of Munich Airport is Flughafen München GmbH. The shares of Flughafen München GmbH are held directly by the Free State of Bavaria (51%), the Federal Republic of Germany (26%) and the state capital Munich (23%) (see Chapter VIII.12). Decisions that affect the basic business of the Company or which contain certain risky transactions are made by the shareholders unanimously. Other than this, decisions are made with a simple majority.

1. Transactions with governmental agencies

The shares of Flughafen München GmbH are held directly by governmental bodies. All agencies of the regional bodies involved therefore must be classified as related parties.

Transactions with agencies result for the most part from open-ended lease relationships with federal and state police and customs. Fees charged to agencies may not exceed refundable expenses. They are subject to price audit on a regular basis. The revenues realized from leasing to agencies are not material to consolidated revenue. There are no material unpaid items.

2. Transactions with public bodies

Enterprises whose decisions with respect to financial and business policies are controlled, jointly controlled or materially influenced by the Federal Republic of Germany, the Free State of Bavaria or the state capital Munich are also included in related parties of Munich Airport.

Among the related public enterprises are credit institutions with direct equity participation of governmental bodies (among others, Bayerische Landesbank Anstalt des öffentlichen Rechts, Kreditanstalt für Wiederaufbau and LfA Förderbank Bayern) and credit institutes with indirect equity participation through special funds such as the financial market stabilization funds SoFFin (including Commerzbank AG, West LB AG until July 2012). Transactions with these credit institutions result from financial liabilities (loans) and derivatives (interest swaps).

€ thousand	Dec. 31, 2012	Dec. 31, 2011
Non-derivative financial liabilities		
Interest payments	–42,633	–50,701
Principal payments	–82,014	–105,269
Draws	71,092	27,950
Derivative financial liabilities		
Interest payments	–9,821	–12,180

Also counted among related enterprises of public bodies are enterprises and institutions under public law, which have been engaged by the federal government and the Free State of Bavaria to perform sovereign functions at Munich Airport in the framework of the monitoring of aviation (including DFS Deutsche Flugsicherung GmbH, SGM Sicherheitsgesellschaft am Flughafen München GmbH, Deutscher Wetterdienst Anstalt des öffentlichen Rechts). The transactions with these enterprises stem primarily from open-ended lease agreements. The revenues and expenses resulting from leasing to public agencies are not material to Group earnings. There are no material unpaid items.

Munich Airport maintains business relations with additional enterprises whose financial and business policies are at least materially influenced by public bodies. Among these are by way of example the companies of the enterprise groups Deutsche Post AG, Telekom Deutschland GmbH and Deutsche Bahn AG. There are mutual supply and service relationships between Munich Airport and these enterprise groups, which, however, in total are of minor significance for the Group earnings. There are no material unpaid items.

3. Transactions with associated companies and companies that were not included in the consolidated group due to lack of materiality

Included among the consolidated companies for Flughafen München GmbH is an associated company (EFM – Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH). The joint ventures MediCare Flughafen München Medizinisches Zentrum GmbH and its subsidiary FMV – Flughafen München Versicherungsvermittlungsgesellschaft mbH, are not included in the consolidated financial statements due to lack of materiality.

There are mutual supply and service relationships between Munich Airport and these companies with the following effects on Group earnings, assets and liabilities:

	Dec. 31, 2012	2011	
€ thousand		Dec. 31	Jan. 1
Receivables	2,026	1,185	925
Liabilities	1,958	4,128	7,681
Sale of goods	2,184	2,358	
Services	2,530	2,667	
Usage fees	4,855	4,913	
Revenues	**9,569**	**9,938**	
Cost of materials	2,839	2,876	
Other expenses	541	357	
Expenses	**3,380**	**3,233**	

Revenues from the sale of goods result from the resale of deicing agents and fuels. Service revenues relate primarily to IT services and maintenance of movable assets, lease revenue and concessions, the leasing of facilities and the associated operating costs. Expenses for services purchased result primarily from handling of aircraft and from medical service.

4. Transactions with related persons

In addition, the members of executive board and of the supervisory board of Flughafen München GmbH are related persons for Munich Airport.

Remuneration of executive board members consists of a fixed salary and a variable, performance-based component:

€ thousand	2012	2011
Fixed salary	503	498
Incentive bonuses	302	268
Total	**805**	**766**

In addition, executive board members received emoluments in kind and other contractually agreed fringe benefits as well as a one-time payment totaling €12 thousand in 2012 (2011: €24 thousand).

Executive officers receive a company pension. The provisions for pension commitments to executive officers are €2.407 million (Dec. 31, 2011: €1.228 million, Jan. 1, 2011: €906 thousand).

The provisions for pension commitments for former executive officers and survivors are reflected in the amount of €10.196 million (Dec. 31, 2011: €8.552 million, Jan. 1, 2011: €8.638 million). Pension payments came to €703 thousand (2011: €687 thousand).

Total remuneration paid to the members of the supervisory board was €17 thousand (2011: €16 thousand).

Munich, April 30, 2013

Dr. Michael Kerkloh **Thomas Weyer**

Supervisory board's report

The supervisory board was informed regularly and in detail by executive management in written reports and at meetings about the Company's situation, its development and important business events. On the basis of the reports and the information received, the supervisory board oversaw the management of the Company's business and made such decisions as it was called upon to make in accordance with its statutory responsibilities.

The financial statements as of December 31, 2012, and the management report on Flughafen München GmbH and of the Group presented by executive management have been audited and approved by Deloitte & Touche GmbH, the appointed auditors.

Having conducted its own review, the supervisory board acknowledges the auditor's findings and raises no objections.

In accordance with Section 52, Paragraph 1 of Germany's Limited Liability Companies Act (GmbHG) and Section 171, Paragraph 2 of Germany's Stock Corporations Act (AktG), the board approves the financial statements of Flughafen München GmbH and the FMG Group. The supervisory board proposes that the shareholders endorse the financial statements of Flughafen München GmbH and the FMG Group.

The supervisory board wishes to express its gratitude and respect for the work carried out and the successes achieved by the Company's executive management and employees in fiscal year 2012.

Munich, June 19, 2013

Dr. Markus Söder
Chairman of the supervisory board
Flughafen München GmbH

Independent auditor's report

We have audited the consolidated financial statements prepared by Flughafen München GmbH, Munich, comprising the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the consolidated financial statements, and the group management report for the business year from January 1 to December 31, 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB ("German Commercial Code") are the responsibility of the parent company's management. 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 § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework 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 and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control 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 those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, 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, based on the findings of our audit, the consolidated financial statements of Flughafen München GmbH, Munich, comply with IFRS, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations 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 group's position and suitably presents the opportunities and risks of future development.

Munich, April 30, 2013

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Dorn
German Public Auditor

ppa. Hehl
German Public Auditor

Creation of a separate HR and Leadership Development unit

Sustainability program: Roadmap for sustainable development of FMG and fulfillment of its Mission 2015

Value added statement: Difference between the Company's output and the value of attendant up-front expenditures

Sustainable development

Sustainability program

Our strategic sustainability program at Flughafen München GmbH spotlights future opportunities and risks we face and provides us with a roadmap for our onward development and our mission through to 2015. The 2012 sustainability program builds on that of the prior year. It is broken down into four focus areas.

The program defines an overall target as well as near, intermediate and longer-term initiatives for each focus area. It also sets deadlines by which these initiatives are to be completed and tracks how far each has progressed. In our environmental and climate protection focus area, we also operate a comprehensive environmental program based on our EMAS and DIN EN ISO 14001-certified environmental management system; this program is covered in detail in our annual environmental statements.

Field	Initiative	Activities in 2012	Status in 2012	Target date
Company and management				
Target: Sustainable value creation through a yield-driven business model and continued investment in our location				
Sustainable value creation	Generate a ROCE on the level of the (listed) European peer group	Generate a ROCE of 6.5% in 2012. The goal is to increase this yield level in the coming years in the framework of the overall economic situation.	Ongoing	Ongoing
Location development (expansion at the location)	Expansion and extension of the infrastructure per master plan	Preparation for the court proceedings concerning objection to the zoning resolution obtained for the third runway	90%	2013
		Construction of Terminal 2 satellite	25%	2015
Sustainable construction (energy-efficient construction)	Incorporation of sustainability criteria into plans for expansion and reconstruction under consideration of carbon targets	Incorporation of binding carbon targets into planning process	Planned	2013
	Certification of selected buildings to German Sustainable Building Council (DNGB) standards	2013 certification of the freight-forwarder building east	80%	2013
	Incorporation of sustainability criteria into plans for expansion and reconstruction based on the DGNB criteria	Development of goals and target values for projects concerning ecology, economy, social values, technology and processes including the associated reporting system	Planned	2015
Target: Improve customer focus and the attractiveness of the product and service portfolio				
Product and services portfolio in line with demand	Improvement of airport service quality	Monitoring and analysis of customer feedback and continuous improvement of service quality (ACI benchmark program, Airport Service Quality (ASQ), Skytrax rating, complaints management)	Ongoing	Ongoing

Field	Initiative	Activities in 2012	Status in 2012	Target date
Product and service portfolio in line with demand	Reorganization of innovation management	Continued merging of idea pool (in-house suggestion scheme) with innovation management system; relaunch of the idea pool planned for 2013	80%	2013
		Tighter networking of innovation management and internal and external stakeholders (corporate strategy, subsidiaries, associations, etc.)	Planned	2013
		Support of current innovations	Ongoing	Ongoing
		Communication and marketing of innovations	Ongoing	Ongoing
Target: Establish management structures to foster responsible corporate leadership				
Strategic sustainability management	Further development and expansion of our strategic sustainability program and management system	Continuation of sustainability projects and initiatives, incorporation of these into a multi-project management system	Ongoing	Ongoing
		Linkage of strategic sustainability management with organizational, process, quality and innovation management	Ongoing	Ongoing
	Collaboration with GRI on development of updated GRI guidelines (G4)	Collaboration development of GRI guidelines (G4)	100%	2012
	Integration of the new GRI guidelines (G4) into the reporting system	Audit of current reporting content and adaptation to G4	30%	2014
	Integration of sustainability and annual reports	Participation in the pilot program of the IIRC (International Integrated Reporting Council)	50%	2013
		Application of the IIRC model to FMG	20%	2014
		Continued interlocking of reporting process	50%	2013
	Refinement and revision of future strategy work	Optimization of internal planning and control processes; survey of existing processes including target processing modeling 2012 completed; implementation beginning 2013	45%	2014
	Further development of corporate strategy	Scenario-based further development of strategy for the period 2015–2025	45%	2014
	Increase awareness of sustainability in the Company	Planning and carrying out of information events on sustainability with new thematic focuses	30%	2013
Sustainability in the corporate value added chain	Integration of sustainability criteria into supplier management system	Addition of sustainability aspects to procurement strategy	Ongoing	Ongoing
Compliance (legal certainty and anticorruption)	Compliance training programs	Company-wide delivery of training courses	Planned	2013
	Creation of a compliance management system, incl. whistle-blower system	Planning and certification of compliance management system	100%	2012
	Implementation of the compliance management system	Company-wide communication of the compliance management system	100%	2012

Field	Initiative	Activities in 2012	Status in 2012	Target date
Environmental and climate protection				
Target: Company-wide expansion of environmental management system				
Environmental management	Certification of additional subsidiaries in accordance with DIN EN ISO 14001 and EMAS	Certification of Cargogate and aerogate	100%	2012
		Certification of AeroGround	Planned	2013
	Re-certification of the EMAS environmental management system of FMG	Successful re-certification	Annually	Annually
	Integration of current thematic focuses into the environmental management program	Assessment of other relevant thematic focuses	Ongoing	Ongoing
	Airport Carbon Accreditation by Airports Council International (ACI)	Retention of level 3 (optimization certification awarded for successful reduction of carbon footprint)	Annually	Annually
	Data management	Creation of an integrated database system for the environmental management information system (EMIS)	100%	2012
		Implementation of the integrated database system for the environmental management information system (EMIS)	Planned	2013
Target: Resource efficiency and reduction of emissions and other impacts				
Reduction of greenhouse gas emissions	Refinement of our strategy for reducing carbon emissions (strategy to implement carbon reduction)	Identification of more ways to reduce carbon output and achieve 2014 milestone in preparation for carbon-neutral growth by 2020	60%	2014
	Implementation and monitoring of carbon reduction measures	All measures to cut carbon recorded in a database, optimization of lighting, optimization of ventilation	60%	2015
		Implementation of the measures from the campus-wide program to save power	50%	2015
	Greater use of renewable energy	Use of renewable energy to heat buildings: 15 gigawatt hours supplied by Zolling biomass plant, saving 3.5 tons of carbon a year	100%	2012
Reduction of emissions and other impacts	Measurement and reduction of emissions of air pollutants and noise	Mobile noise measurements upon request by local communities; provision of a noise complaint hotline	Ongoing	Ongoing
		Continuous Descent Approach (CDA) (quieter landing approach procedure)	Ongoing	Ongoing
		Emissions-based takeoff and landing charges	Ongoing	Ongoing
		Honey monitoring as a bioindicator (foodstuff testing)	Ongoing	Ongoing

Field	Initiative	Activities in 2012	Status in 2012	Target date
Resource conservation and energy efficiency	Green IT	Continuous introduction of new measures as part of green IT program	Ongoing	Ongoing
		Continuous procurement of new IT equipment with continually refined requirements, inclusion of latest Energy Star or TCO requirements catalogs, higher weighting of energy-saving equipment in the selection of products for achieving continuously dropping consumption	Ongoing	Ongoing
		Massive lowering of energy consumption per gigabyte of the storage systems through use of latest technologies	Ongoing	Ongoing
	Optimization of processes to save resources	Recycling of spent deicing fluid, installation of centralized meter management (smart metering); reduction of paper consumption (replacement of fresh-fiber paper with recycled paper)	Ongoing	Ongoing
	Reduction of vehicle fleet fuel consumption and use of alternative drive technologies	General reduction of fuel (gasoline, diesel), car policy, preparation for electromobility: acquisition of new electric vehicles, biofuels	Ongoing	Ongoing
	Optimization of energy production	Conversion of chiller no. 3 to operate with heat pumps, increase of free cooling capacity	100%	2012
	Replacement and increases in capacity of the combined heat and power plant (CHP) including east energy central	Replacement of the 7 gas/diesel engines having 11 MW electrical output placed into operation in 1991 through 4 gas internal combustion engines with 17 MWA electrical output	Planned	2015
	Further reduction of deicing agent losses (transport)	Construction of ground filter systems in the area of the northwest runway head	40%	2014

Field	Initiative	Activities in 2012	Status in 2012	Target date
Workforce and work environment[1]				
Target: Increase efficiency through collective and in-house general conditions and through increased employability of employees				
Process optimization	Organizational changes to support HR policy	Separation of HR development from Group's HR Development, Training and HR Marketing unit, creation of a separate HR and Leadership Development unit	100%	2012
	Increase flexibility of deployment of employees	Conclusion of plant agreements for creating more flexible working hours models in shift operation	100%	Current annually
	Reduction of administrative positions	Reorganization of individual units and associated reduction of departments and management positions	100%	Current annually
	Intensification of HR controlling for increasing productivity	Examination of vacant positions and positions not yet filled and of the merger of departments of similar positions	100%	Current annually
	Integration of the organization into the central division HR	Separation of the competence center Organization from the Corporate Development unit and creation of an independent "Organization" central unit	100%	2012
Health management	Employability assessments as part of a pilot project on employee health	Development of a package of measures	75%	2013
	Strengthening of occupational medicine	Conclusion of a master agreement concerning occupational medicine services and mandatory examinations and assessments in particularly critical areas of activity	75%	2013
	Expand MUC sport/health-promoting courses	Introduction of a health lounge and evaluation of the courses and offerings for fitness, health and relaxation	100%	Current annually
Target: Establish and continually further develop excellent leadership in the Group				
Skills management	Leadership development	Improvement of leadership skills: implementation of leadership excellence program module	50%	2014
	Definition of leadership standards and instruments	Redesign of employee reviews (conceptual design completed in 2012; implementation in 2013)	100%	2012
		Development and implementation of a corporate leadership code	100%	2012
		Definition of appointment processes for management level 1–4	50%	2013

[1] Through the redesign of the HR strategy, the program was fundamentally changed.

Field	Initiative	Activities in 2012	Status in 2012	Target date
Target: Increase attractiveness as an employer and strengthen employee loyalty				
Employee satisfaction	Identification of employer attractiveness as a core element of HR strategy	Increase in employee loyalty over the next 5 years (measurement through employee survey in 2013 and prospectively in 2015)	Planned	2015
	Improvement of employee satisfaction	Significant increase in non-scale profit sharing for employees	100%	2012
		Expansion of the "be family!" project	75%	2013
		Planning and expansion of child care support – expansion of child care	75%	2013
	Development of employer brand	Employer branding program (implementation in 2013)	80%	2012
	Performance of an employee survey	Conceptual design and performance of an employee survey (design in 2012 and performance in 2013)	50%	2013
	Adjustment of remuneration and contract package for non-scale management staff	Adjustment of the following components: company retirement, continued payment of salary, company car for management staff of 2nd management level	80%	2013
Target: Strategically develop the Group with employees in sufficient number and facilitate the necessary skills				
Skills management	Employee development	Quantitative and qualitative HR planning to eliminate medium-term personnel shortfalls by organizational units and job families	100%	2012
Employee recruitment and training	Management of qualitative and quantitative HR planning	Achievement of initiatives' milestones on schedule, definition of recruitment mix	50%	2013
	Development of additional trainee occupations in line with demand and work-study programs	Review of vocational training portfolio (introduction of the vocational training occupation plant firefighter in 2012 and advertisement of IT occupations and study programs for 2013)	50%	2013
	Hiring of new employees in FMG (including joint operation with AeroGround GmbH)	Development of a recruiting strategy (coupled with development of an employer brand, to be finalized in 2013)	75%	2012
		Hiring of new vocational trainees (50) and external employees (426) in line with needs and requirements	100%	2012
Target: Promote employee skills and strengthen performance orientation				
Knowledge sharing and innovation	Implementation of projects with cooperation partners	Close collaboration with Munich University of Technology, LMU Munich, Bauhaus Luftfahrt and other cooperation partners	Ongoing	Ongoing
	Group-wide coordination of training management by the Airport Academy	Unit-specific assessments of training needs in collaboration with HR Development	Planned	2013

Field	Initiative	Activities in 2012	Status in 2012	Target date
Dialogue and social responsibility				
Target: Develop in partnership with the region				
Regional dialogue	Regular communication with stakeholder groups	Information events for businesses and advocacy groups	Ongoing	Ongoing
		Talks with community representatives and policymakers in the airport region	Ongoing	Ongoing
		Collaboration with local neighbors and partners	Ongoing	Ongoing
Regional value creation	Information for and communication with suppliers of goods and services	Creation of information fliers for potential suppliers of goods and services in the region	Ongoing	Ongoing
	Transparency of purchasing and supply relationships	Recording and publication of FMG's locally sourced purchase volume (incl. Allresto)	Annually	Annually
Target: Embrace social responsibility				
Regional sponsoring	Support of the region in the areas of sport, social welfare, culture and education	Continuation of existing sponsorship agreements and review of new project requests according to FMG sponsorship principles, intensive dialogue with sponsorship partners such as the state contest "Jugend musiziert" (Youth Make Music) in Erding, Freisinger Waldskulpturtage (Freising Sculpture Days), support of hospice associations and palliative care teams in Dachau, Erding and Landshut, and much more	Ongoing	Ongoing
		Reception of sponsoring partners with project competition	100%	2012
Target: Effective communication with our corporate stakeholders				
Communication with corporate stakeholders[1]	Communication regarding realignment of the Company in the framework of the branding project	Internal and external communication of content relevant to brands	Planned	2014
	Carrying out and support of events and campaigns pertaining to sustainability	Coordination of the Federal Association of the German Air Transport Industry (BDL) 4-liter campaign	Planned	2013
		Open Door Day (Tag der offenen Tür)/Airport Days/Sustainability Days	Planned	2013

[1] The topic "Communication with corporate stakeholders" not included in sustainability matrix; will be added in the framework of the next report cycle

Sustainability indicators

Calculation of the key figures is based on recommendations and guidelines of the Global Reporting Initiative (GRI) for sustainability reporting. For an overview of all indicators, see GRI Index G3.1/AOSS. Unless noted otherwise, the indicators relate to the entire Group including the majority-owned investments.

EC1 / Value added

Group	2012 IFRS € million	2011 [1] IFRS € million
Net sales	1,186.8	1,134.7
Other comprehensive income	64.4	139.6
Total revenue	1,251.2	1,274.3
Less non-staff expenses	–402.7	–463.1
Less depreciation and amortization	–235.3	–243.9
= Value creation	**613.2**	**567.3**

EC1 / Value distributed

Group	2012 IFRS € million	2011 [1] IFRS € million
Employees	333.6	311.0
Lenders (netted)	114.2	131.3
Public sector	70.0	50.7
FMG Group	95.3	74.3
= Value creation	**613.2**	**567.3**

[1] Due to the conversion to IFRS accounting, the amounts in the 2011 column are not identical with those in the 2011 integrated report.

The value added statement represents the difference between the Company's output and the value of attendant up-front expenditures. The distribution figures indicate the respective shares of those participating in the value added process (employees, the public sector and lenders).

Again in 2012, more than 50 percent of the total value creation of €613.2 million was attributable to our employees. The expenditures for wages and salaries, social security levies and retirement provisions came to €333.6 million.

EC4

FMG's payments to the state include taxes. Interest on the shareholder loans was paid to the lenders. In the review year, FMG received no state financial grants.

AO1, AO2, AO3 / **Air traffic figures**

→ munich-airport.com/statistics

	2012	2011	2010
Total passenger volume	**38,378,619**	**37,782,256**	**34,742,222**
Non-commercial traffic	18,015	18,555	20,617
Total commercial traffic	38,360,604	37,763,701	34,721,605
Scheduled and charter traffic	38,335,908	37,733,585	34,690,578
Other commercial traffic	24,696	30,116	31,027
Total aircraft movements	**398,039**	**409,956**	**389,939**
General aviation (non-commercial)	10,056	10,375	11,020
Total commercial traffic	387,983	399,581	378,919
Scheduled and charter traffic	376,889	388,044	367,760
General aviation (commercial)	11,094	11,537	11,159
Capacity utilization of seats (%)	**75**	**74**	**74**
Cargo handled			
Freight and mail carried (t)	**290,301**	**303,655**	**286,820**
Total workload units (→WLU)	**41,138,118**	**40,689,133**	**37,487,283**

→ Glossary

AO1 / **Passenger figures** (only commercial)

	2012		
	Total	International	Domestic
Total commercial traffic	**38,360,604**	**28,711,672**	**9,648,932**
Arrivals	19,137,490	14,341,284	4,796,206
Departures	19,079,691	14,244,862	4,834,829
Transit passengers [1] – commercial	143,423	125,526	17,897
Number of O&D passengers [2] in millions	23.3		
Number of transfer passengers in millions	14.9		
Transfer passenger share (%) [3]	39		

[1] Transit passengers are passengers who fly in at the airport and continue their trip on the same aircraft. Transit passengers are counted only for the landing.
[2] O&D passengers are passengers who begin or end their trip at the airport.
[3] The transfer passenger percentage is based on surveys conducted among departing passengers.

AO2 / Aircraft movements[1]

	2012		
	Total	Arrivals	Departures
Passenger flights scheduled/charter	**373,168**	**186,466**	**186,702**
Domestic	97,657	48,806	48,851
International	275,511	137,660	137,851
Cargo flights scheduled/charter	**3,236**	**1,597**	**1,639**
Domestic	1,388	725	663
International	1,848	872	976
Mail flights scheduled/charter	**485**	**242**	**243**
Domestic	485	242	243
International	—	—	—
General aviation	**21,150**	**10,705**	**10,445**
Domestic	9,297	4,724	4,573
International	11,853	5,981	5,872
Total	**398,039**	**199,010**	**199,029**

[1] Military flights are not surveyed.

AO3 / Cargo tonnage (t)

	2012		
	Cargo handled	Inbound cargo	Outbound cargo
Cargo-only flights	31,383	12,100	19,283
Bellyhold cargo on passenger aircraft	240,819	99,807	141,012
Total based on flights	**272,202**	**111,907**	**160,295**

→ Detailed information on night aircraft movements can be found in the monthly emissions reports: munich-airport.com/impacts

SO1 / Donations and sponsorships

(Percentage of total budget)

	2012	2011	2010
Sport	32	36	28
Social welfare	29	30	29
Education	13	13	13
Culture	26	21	30

LA1, LA4, LA13 / Total workforce[1]

	2012						2011	
Group	Women	Share % [4]	Men	Share % [4]	Total	Share % [4]	Total	Share % [4]
Total number of employees[2]	**2,411**	**33.50**	**4,786**	**66.50**	**7,197**	**100**	**6,864**	**100**
Full- and part-time employees[2]								
Full time	1,542	21.43	4,268	59.30	5,810	80.73	5,524	80.48
Part time	869	12.07	518	7.20	1,387	19.27	1,340	19.52
Employment contracts[2]								
Limited	489	6.79	460	6.39	949	13.19	858	12.5
Permanent	1,922	26.71	4,326	60.11	6,248	86.81	6,006	87.5
Other employees								
Trainees	152	—	94	—	246	—	237	—
Interns	18	—	9	—	27	—	35	—
Temporary workers	14	—	430	—	444	—	561	—
Workers in marginal employment	119	—	251	—	370	—	335	—
Employees under collective bargaining contracts					**7,171**		**6,739**	
Total employees on campus[3]					**29,560**		**29,560**	

	2012						2011	
FMG	Women	Share % [4]	Men	Share % [4]	Total	Share % [4]	Total	Share % [4]
Total number of employees[2]	**783**	**19.52**	**3,228**	**80.48**	**4,011**	**100**	**3,967**	**100**
Full- and part-time employees[2]								
Full time	506	12.62	2,919	72.77	3,425	85.39	3,364	84.8
Part time	277	6.91	309	7.70	586	14.61	603	15.2
Employment contracts[2]								
Limited	29	0.72	80	1.99	109	2.72	75	1.89
Permanent	754	18.80	3,148	78.48	3,902	97.28	3,892	98.11
Other employees								
Trainees	79	—	59	—	138	—	135	—
Interns	16	—	6	—	22	—	33	—
Temporary workers	0	—	0	—	0	—	0	—
Workers in marginal employment	5	—	38	—	43	—	43	—
Employees under collective bargaining contracts					**4,046**		**3,828**	

[1] At December 31
[2] Excluding trainees, workers in marginal employment, temporary workers and interns
[3] Based on our 2009 workplace survey. The workplace survey is carried out every third year.
The data of the 2012 workplace survey was not available at the time the report was prepared.
[4] All percentages are in relation to the number of total workforce.

LA13 / Age structure, gender

Group	2012 Women	Share % [2]	Men	Share % [2]	Total	Share % [2]	2011 Total	Share % [2]
Age structure of employees[1]								
Under 30 years	567	7.88	598	8.31	1,165	16.19	1,069	15.58
30 to 50 years	1,410	19.59	2,652	36.85	4,062	56.44	4,011	58.43
Over 50 years	434	6.03	1,536	21.34	1,970	27.37	1,784	25.99
Total	**2,411**	—	**4,786**	—	**7,197**	—	**6,864**	—

FMG	2012 Women	Share % [2]	Men	Share % [2]	Total	Share % [2]	2011 Total	Share % [2]
Age structure of employees[1]								
Under 30 years	178	4.44	163	4.06	341	8.50	313	7.89
30 to 50 years	448	11.17	1,822	45.43	2,270	56.59	2,375	59.87
Over 50 years	157	3.91	1,243	30.99	1,400	34.90	1,279	32.24
Total	**783**	—	**3,228**	—	**4,011**	—	**3,967**	—

[1] At December 31; excluding trainees, workers in marginal employment, temporary workers and interns
[2] All computed percentages are in reference to the number of total workforce.

LA13 / Executive employees

Group	2012	Share %	2011	Share %
Total executive employees	**564**	**7.84** [1]	**488**	**7.11** [1]
Women	114	1.58 [1]	74	1.08 [1]
Men	450	6.25 [1]	414	6.03 [1]
Age structure – executive employees				
Under 30 years	22	3.90 [2]	12	2.46 [2]
30 to 50 years	313	55.50 [2]	287	58.81 [2]
Over 50 years	229	40.60 [2]	189	38.73 [2]

FMG	2012	Share %	2011	Share %
Total executive employees	**373**	**9.30** [1]	**364**	**9.28** [1]
Women	45	1.12 [1]	44	1.11 [1]
Men	328	8.18 [1]	320	8.07 [1]
Age structure – executive employees				
Under 30 years	7	1.88 [2]	3	0.82 [2]
30 to 50 years	182	48.79 [2]	196	53.85 [2]
Over 50 years	184	49.33 [2]	165	45.33 [2]

[1] Executive employees as a percentage of total workforce at December 31
[2] As a percentage of total executive employees

Care-giver leave taken [1, 2]

Group	2012 Women	2012 Men	2012 Total
Short-term leave up to 10 days	0	0	0
Long-term leave taken up to 6 months	0	3	3

FMG	2012 Women	2012 Men	2012 Total
Short-term leave up to 10 days	0	0	0
Long-term leave taken up to 6 months	0	3	3

[1] Commencement of the care-giver leave in 2012
[2] Excluding trainees, workers in marginal employment, temporary workers and interns

LA15 / Parental leave [1]

Group	2012 Women	2012 Men	2012 Total	2011 Total
Parental leave taken	106	87	193	169
Part-time parental leave taken	13	6	19	29

FMG	2012 Women	2012 Men	2012 Total	2011 Total
Parental leave taken	20	67	87	76
Part-time parental leave taken	8	3	11	15

[1] Entitlement to parental leave is governed by Germany's Parental Benefit and Parental Leave Act. Excluding trainees, workers in marginal employment, temporary workers and interns. Figures for employees who began parental leave in 2012.

LA2 / Employee turnover [1]

Group	2012 Hirings	2012 % [2]	2012 Departures	2012 % [2]	2011 Hirings	2011 Departures
Hirings and departures by age group						
Under 30 years	509	52.04	339	46.12	515	422
30 to 50 years	395	40.39	263	35.78	389	349
Over 50 years	74	7.57	133	18.10	57	207
Total	**978**	—	**735**	—	**961**	**978**
Hirings and departures by gender						
Male	536	54.81	386	52.52	457	610
Female	442	45.19	349	47.48	504	368

FMG	2012 Hirings	2012 % [2]	2012 Departures	2012 % [2]	2011 Hirings	2011 Departures
Hirings and departures by age group						
Under 30 years	114	58.76	60	31.58	81	114
30 to 50 years	74	38.14	58	30.53	54	165
Over 50 years	6	3.09	72	37.89	13	166
Total	**194**	—	**190**	—	**148**	**445**
Hirings and departures by gender						
Male	121	62.37	143	75.26	93	367
Female	73	37.63	47	24.74	55	78

[1] Including trainees, excluding workers in marginal employment, temporary workers and interns
[2] The percentages relate to the total number of hirings or departures of employees.

LA2 / Mean turnover rate[1]

	2012		2011	
	Group	FMG	Group	FMG
Mean turnover rate	8.66	4.6	13.77	10.85

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

LA10 / Average hours of training[1, 2]

	2012		2011	
	Group	FMG	Group	FMG
Average number of hours of training per employee	12.94[3]	12.94	16.83[3]	8.95
Hours per male employee	—	14.33	—	9.23
Hours per female employee	—	9.16	—	7.73
Hours per executive employee	—	18.30	—	13.06
Hours per non-executive employee	—	11.94	—	8.53

[1] At December 31; excluding trainees, workers in marginal employment, temporary workers and interns
[2] Mean hours of training and seminars per worker; only employees per footnote 1; excluding aviation security training
[3] Figures for all majority-owned subsidiaries, excluding T2 BG (consolidation not completed within reporting period)

LA7 / Health and safety[1]

	2012	2011
Group	Total	Total
Injury figures[2]		
Reportable occupational and commuting accidents	293	246
Total resulting days of absence (calendar days from first day)	4,608	4,852
Fatal occupational accidents	0	0
Rate per 1,000 workers[3]	35.01	—

	2012	2011
FMG	Total	Total
Injury figures[2]		
Reportable occupational and commuting accidents	133	139
Total resulting days of absence (calendar days from first day)	2,392	3,564
Fatal occupational accidents	0	0
Rate per 1,000 workers[3]	32	35

LA7 / Sick leave

	2012			2011
Group	Women	Men	Total	Total
Reported occupational illnesses[1]	1	3	4	3
Sick leave rate (%)[4]	—	—	7.06	6.63

	2012			2011
FMG	Women	Men	Total	Total
Reported occupational illnesses[1]	1	3	4	3
Sick leave rate (%)[4]	5.45	7.86	7.41	7.54

[1] All employees
[2] Injuries requiring first aid are recorded when employees attend Munich Airport's medical center
[3] Reportable accidents x 1,000 ÷ mean workforce size in the respective year
[4] Hours off sick in relation to planned working hours, including rehabilitation, therapy programs, treatment, etc. Pertains to total workforce including trainees, excluding workers in marginal employment, excluding temporary workers, excluding interns

LA13 / Employees with disabilities[1]

Group	2012 Total	2011 Total
Number of employees with limiting disabilities	570	567
Employees with severe disabilities (%)	7.93	8.26

FMG	2012 Total	2011 Total
Number of employees with limiting disabilities	459	456
Employees with severe disabilities (%)	11.12	11.5

[1] As per Book IX of the Social Security Code

LA13 / Nationalities[1]

Group	2012 Women	2012 Men	2012 Total	2012 %[2]	2011 Total	2011 %[2]
Employee nationalities						
German nationals	2,310	4,000	6,310	84.77	6,027	84.88
Foreign nationals	339	795	1,134	15.23	1,074	15.12
Employee nationalities						
Germany	2,310	4,000	6,310	84.77	6,027	84.88
Turkey	33	395	428	5.75	400	5.63
Austria	19	42	61	0.82	57	0.80
Italy	19	56	75	1.01	67	0.94
Greece	11	25	36	0.48	26	0.37
Kosovo	6	30	36	0.48	26	0.37
Bosnia and Herzegovina	6	13	19	0.26	13	0.18
USA	7	10	17	0.23	11	0.15
Great Britain	7	10	17	0.23	15	0.21
Africa	11	40	51	0.69	40	0.56
Other	220	174	394	5.29	419	5.90

FMG	2012 Women	2012 Men	2012 Total	2012 %[2]	2011 Total	2011 %[2]
Employee nationalities						
German nationals	815	2,863	3,678	88.65	3,621	88.27
Foreign nationals	47	424	471	11.35	481	11.73
Employee nationalities						
Germany	815	2,863	3,678	88.65	3,621	88.27
Turkey	1	295	296	7.13	303	7.39
Austria	7	23	30	0.72	35	0.85
Italy	7	23	30	0.72	31	0.76
Greece	3	12	15	0.36	13	0.32
Kosovo	0	11	11	0.27	10	0.24
Bosnia and Herzegovina	0	6	6	0.14	7	0.17
USA	2	4	6	0.14	6	0.15
Great Britain	1	4	5	0.12	5	0.12
Africa	0	9	9	0.22	9	0.22
Other	26	37	63	1.52	62	1.51

[1] At December 31; including trainees, excluding workers in marginal employment, excluding temporary workers, excluding interns

[2] All percentages relate to the total number of employees including trainees, excluding workers in marginal employment, excluding temporary workers and excluding interns.

LA1, LA2, EC7 / **Employees' areas of residence**[1, 2]

	2012				2011	
FMG	Group	%[3]	FMG	%[3]	Group	FMG
Erding	1,619	21.75	1,040	25.07	1,669	1,026
Freising	1,622	21.79	791	19.06	1,606	744
Munich	1,282	17.22	697	16.80	1,304	678
Landshut	985	13.23	631	15.21	1,001	592
Pfaffenhofen	124	1.67	80	1.93	110	79
Other district	1,811	24.33	910	21.93	1,411	983

[1] Resident in administrative district at December 31; including trainees, excluding workers in marginal employment, excluding temporary workers and excluding interns
[2] Number of employees with residence in the particular district
[3] All percentages relate to the total number of employees including trainees, excluding workers in marginal employment, excluding temporary workers and excluding interns.

EN1, EN2, AO6 / **Materials used: Deicing agent**[1]

	2011/2012	2010/2011	2009/2010
Pavement deicer (t)[2]	2,600	4,443	4,296
Aircraft deicer (Safewing Type I) (m^3)	4,020	5,629	6,237
Aircraft deicer (Safewing Type IV) (m^3)	1,080	1,512	1,613
Recycling rate of deicer deployed (%)	67	65	68.7
Number of days of winter operations	50	63	71

[1] Data basis seasonally adjusted
[2] Liquid potassium formate and sodium formate granules

The company responsible for deicing operations at Munich Airport, Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München mbH (EFM), uses glycol-based deicing fluid to clear ice from aircraft. Planes are sprayed with the fluid by deicing vehicles.

There are two types of deicer: Type I has a low viscosity and is mixed with water in a ratio of 55:45. It is heated to 85° C before being applied to aircraft. Type IV deicer contains thickening agents and is viscous. It is applied cold, in undiluted form.

Deicer applied to aircraft at deicing points drains, along with melted ice and snow, through channels into underground collecting tanks. The mixture is then taken by truck to a recycling plant for processing where it is cleaned in a number of mechanical and chemical stages and then distilled. This process produces the glycol-containing substance on which the deicing agent is based. Additives are introduced to create type I deicer. Following lab tests and manufacturer approval, the deicer can be used again.

EN1, EN3, EN4, EN16, EN17, EN29 / Energy consumption and emissions[1]

	2012			2011		
	GJ	MWh	CO_2 (t)	GJ	MWh	CO_2 (t)
Scope 1 Direct energy consumption/emissions						
Natural gas, gas/diesel engines CHP[2]	50,385	181,387	36,084	48,185	173,465	34,727
Natural gas, gas/gasoline engines CHP[2]	33,846	121,844	24,239	34,171	123,015	24,627
Natural gas, boiler plant	524	1,888	376	644	2,318	464
Fuel oil, gas/diesel engines	6,242	22,470	5,986	5,667	20,401	5,435
Fuel oil, boiler plant	10	35	9	9	34	9
Liquid gas	308	1,110	259	309	1,112	259
Fuel oil, emergency power generators	189	680	181	106	381	101
Natural gas consumed by EFM[3]	931	3,351	667	772	2,780	556
Diesel and gasoline	12,812	46,124	12,257	12,758	45,929	12,181
Total	**105,247**	**378,889**	**80,058**	**102,621**	**369,434**	**78,361**
Scope 2 Indirect energy consumption/emissions						
Purchased power[4]	26,965	97,073	54,943	27,739	99,859	56,221
Purchased heat[5]	11,052	39,787	4,237	9,011	32,438	3,455
Purchased natural gas[6]	451	1,624	323	402	1,448	290
Power supplied to external companies	–16,231	–58,433	–33,073	–17,540	–63,143	–35,550
Heat supplied to external companies	–11,583	–41,700	–7,507	–10,433	–37,559	–6,942
Cooling supplied to external companies	–846	–3,047	–344	–827	–2,978	–336
Natural gas supplied to external companies	–451	–1,624	–323	–402	–1,448	–290
Purchased power transmitted	1,793	6,456	3,654	1,497	5,391	3,035
Total	[7]	[7]	**21,910**	[7]	[7]	**19,883**

[1] Data accounting in accordance with GHG Protocol. Heat values and emissions factors, to the extent they are subject to emissions trading, are valued in accordance with German Emissions Trading Authority (DEHST) requirements. Other figures, in particular those for purchased power and heat, are taken from German Federal Environment Agency (UBA) publications.
[2] CHP: Combined heat and power plant
[3] EFM: Gesellschaft für Enteisen und Flugzeugschleppen am Flughafen München
[4] 19.1% of power generated from renewables (base year 2010, as per Section 42 of German Energy Industry Act)
[5] 50% of district heat generated from biomass
[6] No renewables, natural gas purchases only
[7] Figures for heating, cooling and power are not aggregated for technical reasons.

EN17, EN29 / Other greenhouse gases

	CO_2 equivalent (t)		
	2012	2011	2010
CH_4 – flight operations (LTO cycle[1])	678	509	617
N_2O – flight operations (LTO cycle[1])	3,232	3,278	3,072
CH_4 – feeder traffic[2]	5	6	8
N_2O – feeder traffic[2]	326	341	338
CH_4 – auxiliary power units[3]	68[4]	86[4]	79[4]
N_2O – auxiliary power units[3]	324[4]	330[4]	306[4]
CH_4 – engine test runs	2[4]	2[4]	2[4]
N_2O – engine test runs	9[4]	10[4]	10[4]

[1] Landing-and-takeoff (LTO) cycle: includes all air traffic up to an altitude of 914 meters (3,000 feet) landing and taking off at Munich Airport
[2] Feeder traffic comprises traffic caused by passengers, visitors and employees.
[3] Auxiliary power units (APUs) are used to supply power and pressurized air for aircraft systems on the ground without having to run the main engines.
[4] Estimated

EN17, EN19 / **Other greenhouse gases and ozone-depleting substances**

	2012				2011			
Coolants in chillers	Coolant	Leakage[1] quantity (kg)	GWP[2] (kg/kg)	CO_2 (t)	Coolant	Leakage[1] quantity (kg)	GWP[2] (kg/kg)	CO_2 (t)
Appliances in buildings	Ozone-depleting R 22	12.4	1,700	21	Ozone-depleting R 22	51.5	1,700	88
Appliances in buildings	R 134a	58.6	1,300	76	R 422D	6.5	2,623	17
Appliances in buildings	R 407C	33.95	1,652	56	R 407C	2.86	1,652	5
Mobile equipment (vehicle air-conditioning systems)	R 134a	63.05	1,300	82	R 134a	46.93	1,300	61
Central turbo chillers	R 134a	0	1,300	0	R 134a	0	1,300	0
Total				**235**				**171**

[1] Weight loss through evaporation or seepage due to a leakage site
[2] Global Warming Potential

EN20, AO5 / **Measured pollutant concentrations** (µg/m³)[1]

	2012	Current annual limit	2011	2010
NO_2 concentration (nitrogen dioxide)	24	40	31	30
SO_2 concentration (sulfur dioxide)[2]	3	20	3	3
PM_{10} concentration (particulate matter)	16	40	18	21

[1] Annual mean figures
[2] There is no annual limit on SO_2 for human health, but there is for the protection of vegetation. Strictly, this limit only applies outside major urban centers or transport facilities. As long as this figure remains so low, as is currently the case, the limit represents a worst-case estimate.

EN20, EN29, AO5 / **Air pollutant emissions** (t)

→ munich-airport.com/air

	2012	2011	2010
NO_x – flight operations (LTO cycle[1])	1,491.0	1,374.6	1,248.5
NO_x – feeder traffic[2]	100.0	112.9	129.7
SO_x – flight operations (LTO cycle)	98.2	99.7	93.4
SO_x – feeder traffic	0.2	0.2	0.2
PM_{10} – flight operations (LTO cycle)	12.4	13.0	11.9
PM_{10} – feeder traffic	2.4	2.8	3.5

[1] Landing-and-takeoff (LTO) cycle: includes all air traffic up to an altitude of 914 meters (3,000 feet) landing and taking off at Munich Airport
[2] Feeder traffic comprises traffic caused by passengers, visitors and employees.

→ For additional information, see pages 103 ff.

EN8 / Total freshwater consumption [1]

	2012	2011	2010
Water purchased from utility (m³)	942,607	901,618	959,287
Water consumption per workload unit (liters)	22.9	22.2	25.6

[1] Includes all companies on the campus

EN21 / Total wastewater discharge [1, 2]

	2012	2011	2010
Total wastewater discharged from Munich Airport to treatment facility (m³)	2,474,845	2,265,382	2,244,561
Wastewater consumption per workload unit (liters)	60.2	55.7	59.9

[1] Includes all companies on the campus
[2] Wastewater discharged into the treatment facility comprises domestic wastewater, deicing water and rainwater.

EN22, EN24, EN27 / Reclaimed materials/waste by type (t) and disposal method

	2012	2011	Change 2012/2011 %	Disposal and recycling
Waste from aircraft interior cleaning [1]	—	—	—	Munich North thermal power plant (energy recovery)
Waste for disposal/prohibited liquids (terminals)	181	212	–15	
Waste for disposal from facilities [2]	567	504	12	
Recycling				
Paper, paperboard, cardboard from aircraft [3]	0	273	—	Sorting facility and paper factory in Munich/ Schrobenhausen (paper recycling)
Paper, paperboard, cardboard from facilities	1,571	1,606	—	
Mixed reclaimed materials/waste for recycling from facilities	2,929	2,878	2	Sorting facilities/specialist recycling operators in Eitting, Schwaig and Munich (recycling of secondary raw materials)
Mixed glass	181	130	40	
Wood	263	304	–13	
Bulk garbage	266	319	–17	
Other materials (e.g., plastic foils, polystyrene, metals, electronics)	398	134	198	
Food waste [4]	893	827	8	Biogas plant (energy recovery)
Other problem waste (FMG only)	202	523	–61	Recycling/disposal operators and problem waste specialists in Munich and Ebenhausen (energy recovery from secondary fuels, recycling)
Hazardous waste (FMG only)	314	319	–2	
Concrete demolition/construction waste	1,125	448	151	
Total quantity	**8,890**	**8,475**	**5**	

[1] Disposal is no longer FMG's responsibility and was outsourced on January 1, 2011, to a specialist contractor working on behalf of an animal carcass disposal company in Erding.
[2] Classed in part as mixed reclaimable materials/waste for recycling due to high quality of content
[3] Disposal no longer performed by FMG. From April 1, 2011, disposal outsourced to specialist operator
[4] Allresto not included (exception: in Terminal 2)

Munich Airport operates as a service provider, collecting waste and recoverable materials from tenants, leaseholders, airlines and other organizations on campus for recycling and energy recovery.

AO7 / **Measured noise levels** [1] (dB)

	2012		2011		2010	
	Night	Day	Night	Day	Night	Day
Brandstadel	47	58	47	58	48	58
Pallhausen	43	55	42	55	42	55
Reisen	50	56	50	56	50	55
Viehlaßmoos	44	55	43	56	43	55

[1] Continuous sound level in Leq3 in dB(A) of the six busiest months at four flight sound measuring stations situated at each of the main flight directions

→ munich-airport.com/aircraft-noise

Since the enactment of new aviation noise legislation in Germany on June 7, 2007, the key metric applied in assessing aviation noise exposure has been the energy-equivalent continuous sound level Leq3 during the day and at night. Exposure assessments also take the noise level frequency at night into account. Because of variance in the operating direction, changes to departure routes, changes in route usage and differences in operating times on account of closures (due to extreme weather or technical problems, for example), the figures for different years are not directly comparable.

AO7 / **Population growth in neighboring communities** (residents) [1]

	2012	2011	2010	% change
Freising (District of Freising)	—	45,368	45,223	0.32
Marzling (District of Freising)	—	3,168	3,099	2.23
Oberding (District of Erding)	—	5,566	5,384	3.38
Hallbergmoos (District of Freising)	—	9,554	9,266	3.11

[1] At December 31. Source: Bayerisches Landesamt für Statistik und Datenverwaltung. Figures for 2012 were not available at press time.

2.8, EN11, EN13 / **Airport area and green areas** (ha)

	2012	2011	2010
Total site, utility and planned functional areas [1]	**1,575**	**1,575**	**1,575**
Paved area	640	632	632
Unpaved area	935	943	943
Additional green areas [2]	**720**	**700**	**697**
Compensatory mitigation areas	353	350	347
Greenbelt	250	250	250
Eco land reserve for future expansion measures	117	100	100

[1] Areas inside airport perimeter fence
[2] Areas outside airport perimeter fence

Report profile

Contents and structure of the report

Quick to recognize the value of integrated corporate reporting as a means of presenting a more all-encompassing picture of an organization's performance, Flughafen München GmbH is currently taking part in a worldwide pilot project initiated by the International Integrated Reporting Council (IIRC). The IIRC recommends a principle-based approach for reporting, which Munich Airport is systematically following. These principles are strategic focus and orientation to the future, information connectivity, integration of stakeholder interests, materiality and precision of statements, reliability of the data and comparability and consistency.

"Perspectives 2012" is Flughafen München GmbH's third integrated report.

The integrated report essentially contains the sustainability matrix, the sustainability program and measures implemented, as well as data on the financial and economic development of the Company. Besides detailing our integrated corporate strategy and our diverse businesses, the report focuses on our plans to expand the airport's infrastructure and on the efforts undertaken by the FMG Group to engage with its local communities and wider surrounding region, to advance and retain employees, to protect the environment and to combat climate change. Other elements of the integrated report include our consolidated financial statements and management report and key performance indicators for all three of our sustainability focus areas.

The report follows Global Reporting Initiative (GRI) Version G3.1 guidelines and the sector supplements for airports. It covers all core indicators, plus additional indicators where relevant and applicable. The GRI index contains page references for all the individual GRI indicators covered in the report. "Perspectives 2012" complies with Application Level A+ of the GRI guidelines. The GRI has reviewed the report to verify that it conforms to their guidelines and has confirmed that the report is a complete and correct implementation at level A+.

→ See pages 224 ff.

The information provided on the FMG Group's net assets, financial position and results of operations are based on the requirements of the International Accounting Standards Board and the International Financial Reporting Standards Interpretations Committee and by the International Financial Reporting Standards and Interpretations adopted into European law, as well as the additional regulations to be applied pursuant to Section 315a, paragraph 1 of the German Commercial Code. They were audited by the firm Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft in accordance with Section 317 of the German Commercial Code (HGB) and with principles for the auditing of financial statements defined by the Institute of Public Auditors in Germany (IDW). The audit was completed on April 30, 2013, and the financial statements were approved without reservations.

Limits of scope

The period reviewed is the 2012 fiscal year (January 1 to December 31, 2012). The data presented relates to this reporting period or to the status at the end of said period. As and where information relates to other periods, this is indicated accordingly. The integrated report is an annual publication.

Unless noted otherwise, the indicators and information in this report relate to the entire Group, including the majority-owned investments. In instances where only information for Flughafen München GmbH was available, it was used as a basis and this is indicated accordingly.

All of the statements in this report that are not based on historical information are forward-looking. They take into account risks and uncertainties but not any future changes in global economic conditions, legal requirements, market conditions, competitors' activities or other factors beyond the influence and control of FMG.

Data measurement techniques and bases of calculations

All of the information and figures presented in this report were prepared and collected by the relevant organizational units for the reporting period using representative methods.

Human resources data included in the coverage of our social and environmental performance is collected and evaluated primarily in an electronic HR management system. Environmental data is recorded systematically in our environmental management system according to EMAS-VO and DIN EN ISO 14001 standards and is subject to external validation by a certified environmental auditor. Carbon emissions are calculated as per the specifications of the Greenhouse Gas Protocol (GHG). Heat values and emissions factors subject to emissions trading are recorded in accordance with German Emissions Trading Authority (DEHST) guidelines. Other figures, in particular those for purchased power and heat, are taken from Federal Environment Agency (UBA) publications.

Due to the broad scope of the commitment and activity of FMG, it is not possible for all activities to be fully depicted in this printed report. Other topics are therefore treated in our detailed environmental statement for 2011 and in our abbreviated environmental statement for 2012 and 2013 (EMAS). We also publish additional information and the results of studies and analyses on the Internet.

Certification

I, Dr. Reiner Beer, an accredited environmental auditor (DE-V-0007), confirm that the contents of Flughafen München GmbH's 2012 integrated report present an accurate picture of the organization and its activities in accordance with Global Reporting Initiative (GRI) G3.1 reporting standards and the sector supplement for airports. I also confirm that the information and figures contained in the 2012 annual report have been reviewed and are reliable. The review was conducted on the basis of Flughafen München GmbH's 2012 sustainability and annual report. The scope of the review, as carried out by Intechnica Cert GmbH, encompasses all of the topics covered in the 2012 sustainability and annual report. The scope of the review did not include the examination of the data contained in the consolidated financial statements in accordance with Section 317 of the German Commercial Code (HGB), which were reviewed by its appointed financial auditors, Deloitte & Touche GmbH, and approved on April 30, 2013.

Munich, May 28, 2013

Dr. Reiner Beer
Environmental audit organization
Intechnica Cert GmbH, DE-V-0279

Certificate No. SVW 097-2013

→
munich-airport.com/
company

GRI index

Status: Not covered | Partiallly covered | Covered in full | **T** Core indicator | **T** Additional indicator | **DNK** Component of the German Sustainability Code

GRI indicators		Remarks	Page reference	Status
1.	**Strategy and analysis**			
1.1	Vision and strategy/Foreword by executive management		5–7	
1.2	Key impacts, risks and opportunities		40–43, 128–129	DNK
2.	**Organization profile**			
2.1	Name of the organization	Flughafen München GmbH, Flughafen München Konzern (FMG Group)		
2.2	Most important brands, products or services		30–32, 51–55	
2.3	Operational structure		30, 143	
2.4	Location of the organization's headquarters	Munich, Germany	30	
2.5	Countries in which the organization operates	Germany	30	
2.6	Nature of ownership and legal form		30, 116–117	
2.7	Markets	Information on aircraft movements can also be found in our annual statistical report at	46–50, 51–55 munich-airport.com/statistics	
2.8	Scale of the organization	Details of destination airports and the carriers serving Munich Airport in the review year are published in our annual statistical report at	32–33, 46–47 munich-airport.com/statistics	
2.9	Significant changes in the organization's size, structure or ownership		116–117	
2.10	Awards received in the review period		97, 101 munich-airport.com/awards	
3.	**Report parameters**			
3.1	Reporting period		222	
3.2	Date of most recent previous report		222	
3.3	Reporting cycle		222	
3.4	Contact points regarding the report	Imprint		
3.5	Process of defining report content		36, 66, 222	
3.6	Boundary of the report		141–144, 222–223	
3.7	Limitations on the scope or boundary of the report		143–144, 222–223	
3.8	Joint ventures, subsidiaries, outsourced operations		143–144	
3.9	Data measurement techniques and the bases of calculations		152–153, 223	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports		152–155	
3.11	Changes in reporting scope, boundary or measurement methods		139–141, 152–153	

GRI indicators		Remarks	Page reference	Status
3.12	GRI content index		224–231	
3.13	External assurance for the report		199, 223	
4.	**Governance, commitments and engagement**			
4.1	Governance structure of the organization		8–9, 30, 125 munich-airport.com/governance	
4.2	Independence of supervisory board chairman		125	
4.3	Independent members of highest governance body		125	
4.4	Mechanisms for recommendations of stakeholders and employees to the highest governance body		90, 125	
4.5	Linkage between compensation of the governance bodies, executives and senior managers and the organization's performance		35–36, 197	DNK
4.6	Processes in place to ensure conflicts of interest are avoided		125–127	
4.7	Qualifications and expertise of the members of the highest governance body with respect to sustainability issues		34–37	
4.8	Mission, codes of conduct and principles		37 munich-airport.com/mission, munich-airport.com/values	DNK
4.9	Procedures of the highest governance body for overseeing the organization's sustainability performance		36–37, 125–128	DNK
4.10	Processes for evaluating the highest governance body's own performance with respect to sustainability performance		35–37	DNK
4.11	Explanation of how the precautionary principle is addressed		57–63, 127–129	
4.12	Externally developed charters, principles or initiatives to which the organization subscribes or endorses		37, 70–72, 95	
4.13	Memberships		37, 70–72, 100 munich-airport.com/stakeholders	
4.14	List of stakeholder groups		66 munich-airport.com/stakeholders	
4.15	Identification of stakeholder groups		66	
4.16	Engagement of stakeholder groups	Corporate image analysis conducted in 2010: "Munich Airport as seen by its neighbors" available here	36–37, 66–69 munich-airport.com/publications, munich-airport.de/strukturgutachten, munich-airport.com/stakeholders	DNK
4.17	Response to topics and concerns raised by stakeholder groups		40–43, 56–57, 70–71 munich-airport.com/stakeholders	DNK

GRI indicators		Remarks	Page reference	Status
Economic performance indicators				
	Management approach		32–37, 46–48, 70, 72–74, 80–82, 202–203, 208	
EC1	Direct economic value generated and distributed		70, 132, 209	DNK
EC2	Financial implications of climate change	Monitoring system in preparation, implementation in 2014	94–95, 127–128	
EC3	Coverage of the organization's defined benefit plan obligations		89–90, 163, 185–186	
EC4	Financial assistance received from government	In the review period, FMG received no state financial grants.	209	
EC5	Ratio of standard entry-level wage compared to local minimum wage	The Company is domiciled in Munich. 98% of its workforce is under collective bargaining contracts.	89	
EC6	Selection of locally based suppliers	Flier on purchasing and supply relationships available here	43, 72, 73 munich-airport.com/publications	
AO1	Passengers	Munich Airport has a night-time curfew between 10:00 p.m. and 6:00 a.m. during which flights are limited in number and confined to especially quiet aircraft. Additional information at	210–211 munich-airport.com/night-flight, munich-airport.com/statistics	
AO2	Aircraft movements			
AO3	Air cargo tonnage			
EC7	Hiring of local human resources		80, 217	
EC8	Infrastructure investments and services provided primarily for local benefit		70 munich-airport.de/strukturgutachten	
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Economic performance indicators				
	Management approach		38–39, 94–113, 204–205	
EN1	Materials used by weight or volume		217, 218	DNK
EN2	Percentage of materials used that are recycled input materials		217	
EN3	Direct energy consumption by primary energy source		218	DNK
EN4	Indirect energy consumption by primary energy source		99, 218	
EN5	Energy saved due to conservation and efficiency improvements		96–99	
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services		96–99, 100–101	DNK
EN7	Initiatives to reduce indirect energy consumption and reductions achieved		95–98, 100	
EN8	Total water withdrawal by source	Water is sourced from the Moosrain water utility company	103–105, 220 moosrain.de	DNK
AO4		Quality of storm water	104–106	
EN9	Water sources significantly affected by withdrawal of water	Water is sourced from the Moosrain water utility company Water sources at	103–104 moosrain.de, moosrain.de/versorgung/technische-anlagen	

GRI indicators		Remarks	Page reference	Status
EN10	Percentage volume of water recycled and reused	All wastewater is treated by the Erdinger Moos sewage company	104 cms.azv-em.de	
EN11	Land in or adjacent to protected areas		111–113, 221	
EN12	Impacts on biodiversity in protected areas		61, 111–113	
EN13	Habitats protected or restored		61, 111–113	
EN14	Strategies for managing impacts on biodiversity		61, 111–113	
EN15	Impacts on threatened species	In 2008, the 4,525-hectare European bird reserve "Nördliches Erdinger Moos" was designated in the area of Munich Airport and the surrounding area to its northeast. Maps of the bird reserve: Bavarian State Ministry for the Environment and Health.	111–113 vogev.bayern.de/Erding/index.html, stmug.bayern.de/umwelt/naturschutz/vogelschutz/doc/erdingermoos.pdf	
EN16	Direct and indirect greenhouse gas emissions by weight		95–96, 218	DNK
EN17	Other relevant greenhouse gas emissions by weight		218–219	
EN18	Initiatives to reduce greenhouse gas emissions		95–101	DNK
EN19	Emissions of ozone-depleting substances by weight		219	
EN20	NO_x, SO_x and other air emissions by type and weight	Information on measuring stations, methodology, measuring data and pollutant sources	101–102, 219 munich-airport.com/air	
EN21	Total water discharge	All wastewater is treated at a processing facility in Eitting operated by the local Erdinger Moos sewage company.	104–106, 220 cms.azv-em.de	
EN22	Quantity of waste by type and disposal method		106, 220	DNK
EN23	Total number and volume of significant spills	In the review period, no spills of hazardous materials were reported within the FMG Group. There were no accidents in dealing with hazardous materials such as oils, fuels or chemicals in the reporting period.		
AO5	Air quality		101–102, 219 munich-airport.com/air	
AO6	Deicing/anti-icing agents used by type and volume		217 efm.aero	
EN24	Transport of waste deemed hazardous		106, 220	
EN25	Impact of wastewater on biodiversity	All wastewater is treated at a processing facility in Eitting operated by the local Erdinger Moos sewage company.	104–105 cms.azv-em.de	
EN26	Initiatives to mitigate environmental impacts		95–96, 100–101, 104, 106–107	DNK
EN27	Reuse of packaging materials	Munich Airport provides a take-back service for retail packaging, which it sends for recycling.	220	
EN28	Fines for non-compliance with environmental laws and regulations	No fines are known to have been imposed for non-compliance with statutory environmental regulations in the 2012 reporting year. [1]		
EN29	Significant environmental impacts of transporting products, goods and materials, and transporting members of the workforce		101, 218–219	
EN30	Total environmental protection expenditures and investments	Not financially quantifiable at this time		

GRI indicators		Remarks	Page reference	Status
AO7	Number and percentage change of people residing in the direct vicinity of the airport		221 munich-airport.com/noise-protection	
Labor practices and decent work				
	Management approach		83–91, 206–207	
LA1	Workforce by employment contract and region		212, 217	
LA2	Employee turnover by age group, gender and region	The turnover rate is so low that it is not relevant for security	214, 215, 217	
LA3	Benefits provided to full-time employees	See also LA8	87–90	
LA4	Employees covered by collective bargaining agreements		90, 212	
LA5	Minimum notice period(s) regarding significant operational changes	As per Germany's Works Constitution Act	90	
LA6	Workforce representation in health and safety committees	An essential component of our industrial health and safety organization is the industrial health and safety committee, which convenes on a quarterly basis and considers the concerns of the entire employee population. Besides the works council, senior executives, middle managers and safety officers, its members include occupational physicians. Representatives of the IHS unit, the works council, and the airport's medical service meet monthly in a health circle to discuss current topics.	87–88	
LA7	Injuries, occupational diseases and work-related accidents		87–88, 215	DNK
LA8	Measures regarding serious diseases	At Flughafen München GmbH, industrial health and safety includes the goal of guaranteeing the physical safety and protection of the health of all employees. FMG therefore pursues a rigorous course of preventive industrial health and safety and takes all necessary steps to avoid accidents and job-related illnesses. Our industrial health and safety team works closely with state oversight agencies and professional associations to ensure that we keep up with changing statutory regulations and implement required changes swiftly. MediCare in addition assesses workplaces with respect to possible health hazards as well as ergonomic aspects, and participates in matters of health protection.	54–55, 88	DNK
LA9	Health and safety topics covered in formal agreements with trade unions	Members of the works council serve as permanent members on the health and safety committee (see also LA6). Some works council members fulfill dual roles – as employee representatives and as representatives of the ver.di and GÖD labor unions.	87–88	
LA10	Hours of training per employee		83–85, 215	DNK
LA11	Programs for skills management and lifelong learning	If an employee on his or her own initiative is working toward further education related to his or her occupation, we provide financial support. Moreover, employees have the opportunity to make use of opportunities of outside providers. In addition, early retirement rules for airport fire service employees are regulated in the collective agreement.	83–85, 86	

GRI indicators		Remarks	Page reference	Status
LA12	Percentage of employees receiving regular performance and career development reviews	As of 2011, FMG has temporarily suspended its system of performance-related remuneration. Nonetheless, performance and career development reviews continue to be conducted, predominately in non-operating units. The reintroduction of performance-based remuneration for employees will be discussed again in collective pay negotiations from 2014.	35–36, 82, 84	
LA13	Composition of governance bodies and breakdown of employees per category		86, 212, 213, 216 munich-airport.com/governance	DNK
LA14	Wage differences by gender	87 percent of the FMG Group workforce have collective bargaining contracts that set the terms of their employment. This ensures that men and women are paid the same.	89–90	
LA15	Parental leave taken, by gender		214	
Human rights				
	Management approach		57–63, 70–73, 84, 86, 125–127, see also HR6, HR7, HR10, HR11	
HR1	Investment agreements and contracts that include human rights clauses or that have undergone human rights screening	The FMG Group's business operations are confined to Germany and Europe. Here, human rights are enshrined in law. In calls for tender, we make sure that national and international laws and agreements are applied. This is reaffirmed in legally binding form when contracts are signed.		DNK
HR2	Percentage of suppliers and contractors that have undergone screening on human rights	The FMG Group sources almost all the goods and services it purchases with local companies and suppliers in the surrounding area, all of whom are bound by strict laws on human rights. In calls for tender, FMG makes sure that national and international laws and agreements are applied. This is reaffirmed in legally binding form when contracts are signed.		
HR3	Employee training on human rights	Required under Germany's General Act on Equal Treatment: information is available on the intranet and through executive employees	86	DNK
HR4	Incidents of discrimination and actions taken	There were no reported cases of discrimination during the review period.	86	
HR5	Violation of the right to exercise freedom of association or collective bargaining	There were no instances of restriction of the right to freedom of association or collective bargaining in the review period. Munich Airport actively encourages employees to engage in codetermination. Their rights are protected by Germany's Works Constitution Act and other statutes.	90	
HR6	Principles and measures to eliminate child labor	The FMG 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.		

GRI indicators		Remarks	Page reference	Status
HR7	Principles and measures to eliminate forced labor	The FMG Group rejects all forms of forced labor. Due to the nature of the Group's business operations and the fact that working conditions in Germany are subject to strict laws, this indicator is of minor relevance. During the review period, no activities were identified as having the risk of forced or involuntary labor. When signing contracts, suppliers and contractors must agree to abide by national and international laws and agreements.		■
HR8	Security personnel training	The training of all security personnel is delivered in accordance with in-house as well as official requirements, and covers statutory regulations on dealing with persons and personal property.	59, 84	■
HR9	Violations involving rights of indigenous people	Not relevant since its business activities are in Germany and only consulting services are carried out outside of Germany		■
HR10	Operations that have been subject to human rights reviews and/or impact assessments	The FMG Group's business operations are confined to Munich. It provides consulting services for several international airports. Compliance with Germany's constitution and the protection of human rights are of paramount importance for the Group. There were no review procedures or impact assessments in connection with human rights compliance in the review period.	86	
HR11	Number of grievances related to human rights filed	There were no reported cases of human rights grievances in the FMG Group during the review period.	86	■
Company				
	Management approach		40–43, 69–71, 73–74, 125–127, 208	
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	Corporate image analysis conducted in 2010: "Munich Airport as seen by its neighbors" available here	70–77, 211 munich-airport.com/publications, nachbarschaftsbeirat.de, munich-airport.de/strukturgutachten	■
AO8	Number of persons to receive compensation due to the airport expansion		munich-airport.com/noise-protection	■
SO2	Business units analyzed for risks related to corruption		126–127	■ DNK
SO3	Percentage of employees trained in anti-corruption policies and procedures		126	■
SO4	Actions taken in response to incidents of corruption		125–126	■
SO5	Public policy positions and lobbying	Policy statements available here	69 munich-airport.com/publications	■
SO6	Contributions to political parties and politicians	Flughafen München GmbH makes no financial contributions of any kind to political parties, politicians or associated organizations.		■ DNK
SO7	Legal actions for anti-competitive behavior	At the time of going to print, there were no known cases of anticompetitive, antitrust or antimonopoly action being brought against the Group for the review year.[1]		■ DNK
SO8	Penalties for non-compliance with laws and regulations	Fines were imposed against two subsidiaries for hiring out workers without approval. These fines were accepted. [1]		■ DNK
SO9	Operations with significant potential or actual negative impacts on local communities		41–42, 108–110 munich-airport.com/aircraft-noise	■

GRI indicators		Remarks	Page reference	Status
SO10	Prevention and mitigation measures implemented		107–109 munich-airport.com/noise-protection	
Product responsibility				
	Management approach	Rules for airport use available here	56–63, 125–127, see also PR6, munich-airport.com/aviation, munich-airport.com/barrier-free	■
PR1	Health and safety impacts during product life cycle stages		50, 53, 59–60, 62, 72	■
PR2	Incidents of non-compliance with regulations concerning health and safety impacts	At the time of going to print, there were no known incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle. [1]		
AO9	Total annual number of bird strikes per 10,000 aircraft movements		61	■
PR3	Type of product and service information required by procedures	Rules for airport use available here	57–60, 125,126 munich-airport.com/aviation	■
PR4	Incidents of non-compliance with regulations and voluntary codes concerning product and service information	At the time of going to print, there were no known incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling. [1]		
PR5	Customer satisfaction including results of surveys measuring customer satisfaction		56–57, 66–67	■
PR6	Programs for adherence to laws, standards and voluntary codes related to advertising	Flughafen München GmbH's advertising conforms to the rules issued by the German Advertising Council. The advertising we publish avoids all forms of discrimination and unfairness and does not mislead. In particular, our advertising follows the council's code regarding advertising that involves or is accessible to children, and it remains within the realm of what may be considered decent, proper and moral. At no time in the period reviewed in this report did we incur sanctions, fines or warnings for infringements of advertising regulations. [1]		■
PR7	Non-compliance with regulations and voluntary codes concerning marketing	At the time of going to print, there were no known incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. [1]		■
PR8	Complaints regarding breaches of customer privacy and losses of customer data	At the time of going to print, there were no known instances of complaints regarding breaches of customer privacy and losses of customer data.	126–127	■
PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	At the time of going to print, there were no known instances of fines for non-compliance with laws and regulations concerning the provision and use of products and services. [1]		■

[1] Flughafen München GmbH complies with statutory regulations and provisions based on the applicable legislation and legal framework. This is no guarantee, however, for legally compliant conduct of each individual. When a violation does occur, the incident is also investigated for the possible existence of systematic failings and any needed improvements are implemented.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Flughafen München GmbH** has presented its report "Perspectives - Annual Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 4 June 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+ GRI REPORT GRI CHECKED

The "+" has been added to this Application Level because Flughafen München GmbH has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 29 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

Glossary

Airport campus
The term airport campus is used to refer collectively to the entire airport site, including all of its buildings and facilities.

Airports Council International (ACI)
An international organization, headquartered in Geneva, which represents airport operators. More than 1,600 airports in almost all of the world's countries are ACI members, including 400 airports in 46 European countries.

Air source technology
Air source technology uses a system of natural ventilation. With natural ventilation, fresh air enters a building through vents and openings. Interior heat sources determine the pattern of airflow within rooms.

Auxiliary power unit (APU)
Today's commercial aircraft have an auxiliary power unit in addition to their two or four main engines. The APU is used to start the main engines and to generate electric power when the plane is on the ground.

Biodiversity
Biodiversity refers to the variety of life forms (including animal species, plants, fungi and bacteria), the habitats in which these life forms live (ecosystems such as woodland or bodies of water) and the genetic diversity within species (e. g., subspecies, strains and breeds).

Carbon monoxide (CO)
Carbon monoxide is a colorless, odorless and tasteless toxic gas. It is created through the partial combustion of substances containing carbon without sufficient oxygen present or through combustion at very high temperatures.

Cargo
A load carried on a means of transport, generally for a fee. The term cargo is applied to air freight and mail.

Cash flow from operations
Cash flow is a business metric describing the new net cash assets during an accounting period.

Collaborative Decision Making (CDM)
Airport CDM is an approach designed to streamline collaboration between all parties involved in flight and handling operations (airports, airlines, ground handling operators and air traffic control) so as to optimize procedures and maximize resource efficiency.

Compensatory measures
Special compensatory measures that must be planned and implemented, for example if a construction project results in a significant encroachment into a European bird reserve or FFH area. Compensatory measures relate explicitly to the affected animal and plant species and to their niche and habitat. Their purpose is to compensate for the negative impacts of a project on the Natura 2000 protected area system and thereby to ensure the coherence of the network. The measures must be carried out in an existing or newly designated suitable area of the Natura 2000 network.

Continuous Descent Approach (CDA)
An approach method using reduced engine power. The aircraft approaches its destination airport in a steady descent. This helps to conserve fuel and reduce aviation noise.

Deicing
Aircraft deicing is an operation carried out on planes before they depart in order to clear them of ice and snow. In winter weather conditions, crucial parts of aircraft must be protected to prevent ice re-forming. This is accomplished by spraying them with a mixture of water and deicing agent (glycols).

DIN EN ISO 14001
A standard created by the International Organization for Standardization (ISO). The standard establishes a worldwide foundation for certifiable environmental management systems.

EBIT
Earnings before interest and taxes (and one-time cumulative effects, where applicable), commonly also referred to as the operating result.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

Eco-Management and Audit Scheme (EMAS)
A system for voluntary environmental management and auditing, developed by the European Union as an instrument to enable businesses to continuously improve their environmental performance.

Emission
The ejection, discharge or emanation of substances, energy or radiation into the surrounding environment by a given source. Emissions can take the form of gaseous pollutants, noise and dust, for example.

Environmental impacts
The effects on humans, animals, plants and inanimate objects caused, for example, by noise, air pollution, vibration, radiation, heat and light. Environmental legislation aims to control such impacts as effectively as possible.

Equivalent continuous sound level Leq3
The equivalent continuous sound level Leq3 is the basic aviation noise metric applied in current aviation noise legislation. It is a direct measure of the sound energy at the point of observation and is therefore also described as the energy equivalent continuous sound level. Leq3 is measured over 16 hours during the day, from 6 a.m. to 10 p.m. (daytime Leq3), or 8 hours during the night, from 10 p.m. to 6 a.m. (nighttime Leq3). The six busiest months of the year are taken as the reference baseline.

German Airports Association (ADV)
The ADV is the umbrella organization of commercial airports in Germany, Switzerland and Austria. The organization works to promote Germany as a strong and competitive center of aviation.

→ globalreporting.org

Global Reporting Initiative (GRI)
An independent organization that publishes guidelines on sustainability reporting. Its aim is to establish a common baseline for communications and to ensure the comparability of sustainability reports.

Greenhouse Gas Protocol (GHG Protocol)
The Greenhouse Gas Protocol is a globally recognized instrument used to quantify and manage greenhouse gas emissions. The GHG Protocol defines requirements governing the calculation of greenhouse gas emissions on an organization-wide scale and the implementation of projects to reduce GHG emissions.

Hub airport
An airport used by an airline company or alliance as a point of transit between short-, medium- and long-haul services to enable the airline or airlines to connect to a large number of destinations.

IFRS
The International Financial Reporting Standards (IFRS) are international accounting regulations for companies, which facilitate comparability of financial statements independent of national regulations. They comprise standards and official interpretations on their application.

IIRC
International Integrated Reporting Council. The aim of the IIRC is the creation of a generally accepted framework concept for sustainability reporting, bringing together financial, environmental, social and governance information into an "integrated" format.

Intermodality
Intermodal transportation involves the interconnection of two or more modes of transport – rail, road, air and sea, for example – along a given transport route.

International Civil Aviation Organization (ICAO)
Headquartered in Montreal, the ICAO is an agency of the United Nations. The organization has a total of 190 contracting states. The goal of the ICAO and its members is to ensure the safe and sustainable development of civil aviation.

Landing-and-takeoff (LTO) cycle
The LTO cycle consists of four phases:
→ airport approach (including landing)
→ taxi-in from the runway to the parking stand
→ taxi-out from the stand to the runway, takeoff
→ and climb-out

The cycle encompasses altitudes up to approximately 915 meters and distances from the airport of around 8 kilometers in the case of departing aircraft, depending on how they climb out, and 17 kilometers in the case of arriving aircraft.

Natura 2000
Official designation for a coherent network of protected areas, which is being set up within the European Union pursuant to Directive 92/43/EEC (Fauna, Flora, Habitat Directive or FFH Directive). Its purpose is international protection of endangered native wild plant and animal species and of their natural habitats. Areas designated pursuant to Directive 79/409/EEC (Birds Directive) are also integrated into the protective area network.

Nitrogen oxides (NO_x)
Gases that are formed when nitrogen combusts in combination with oxygen and occur in aviation exhaust gas.

PM_{10} particulates
PM_{10} describes a category of particulate matter (i. e., fine dust particles) with a diameter of less than 10 µm.

Pre-conditioned air (PCA)
Air supplied by systems installed in airport ramp areas to heat or cool aircraft on the ground. By using these systems, planes do not need to run their own auxiliary power units (APU).

ROCE
Return on capital employed is applied in business management as a measure of how effectively and profitably a company is utilizing its capital.

Safety Management System (SMS)
The name given to a program in civil aviation to improve technical safety. Implementation of an SMS is a mandatory ICAO requirement at airports. The purpose of an SMS is to guard against accidents and incidents by identifying dangers, assessing and reducing risks, implementing countermeasures, and monitoring all relevant processes.

Satellite
A satellite terminal is a building created to augment an existing airport terminal building. Unlike a fully fledged terminal, it lacks its own pick-up and drop-off areas and other typical land-side facilities found in terminals, such as ticket desks, check-in counters, and baggage claims. Instead, a satellite simply has lounge areas where passengers can wait for flights, and air bridges to enable passengers to enplane easily.

Smart metering
Smart meters enable utility users to keep track of their energy consumption and periods of energy use. Under Germany's Energy Industry Act, smart meters are required in all new buildings and major refurbishments from 2010. The meters are intended to help consumers identify and curb energy waste.

Stakeholders
Groups or individuals who can influence how a company achieves its targets or who are affected by a company's activities. They include employees, capital providers, customers, suppliers, local communities, non-governmental organizations (NGOs), public authorities and policymakers.

Sustainable development
Sustainable development was recognized at the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro, in 1992, as a normative international guiding principle of the community of states, global industry, global civil society and policymakers, and was enshrined as a fundamental principle in the Rio Declaration and Agenda 21.

Type certification
Type certification is the official process by which the airworthiness of aircraft is assessed. It is carried out by the aviation authorities in the state in which an aircraft is registered and serves to verify compliance with regulating bodies' requirements.

Virtual server
In computing, virtualization helps consolidate server environments and maximize hardware utilization by running multiple virtual servers on a single hardware device. This helps to significantly reduce the energy required to power hardware and cool data centers.

Workload unit (WLU)
A metric used to track commercial passenger and cargo traffic. A workload unit equates to one passenger with carry-on luggage (100 kg in total) or 100 kg of air cargo or mail.

Executive bodies of the Company

Executive board

Members of the executive board of Flughafen München GmbH, the Group's corporate parent, in 2012:

Dr. Michael Kerkloh
President and Chief Executive Officer

Thomas Weyer
Vice President and Chief Financial Officer
Chief Infrastructure Officer

Supervisory board

Members of the supervisory board in 2012:

Dr. Markus Söder
Minister of State,
Bavarian State Ministry of Finance
Chairman

Free State of Bavaria

Josef Poxleitner
Director-General,
Board of Building and Public Works in the Bavarian State Ministry of Home Affairs

Dr. Hans Schleicher
Director-General,
Bavarian State Ministry for Economic Affairs, Infrastructure, Transport and Technology

Wolfgang Lazik
Director-General,
Bavarian State Ministry of Finance

Federal Republic of Germany

Christiane Wietgrefe-Peckmann
Senior Principal,
Federal Ministry of Finance

Gerold Reichle
Director-General,
Federal Ministry of Transport, Building and Urban Development

City of Munich

Christian Ude
Chief Mayor, City of Munich

Dieter Reiter
Councilor, City of Munich

Employee representatives

Thomas Bihler
Clerical employee,
employee representative

Heinrich Birner
Director of the ver.di labor union, Munich region
Vice Chairman

Michael Börries
Certified aircraft handler

Hans-Joachim Bues
Senior Vice President Corporate Communications,
executive employees' representative

Willy Graßl
Clerical employee

Orhan Kurtulan
Certified aircraft handler,
full-time works councilor

Anna Müller
Clerical employee,
full-time works councilor

Sabine Peters
Clerical employee

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Publisher
Flughafen München GmbH
P. O. Box 231755
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Germany

Responsible for content
Hans-Joachim Bues
Senior Vice President Corporate Communications
Frank Neumann
Senior Vice President Corporate Development (acting)

Contacts
Petra Röthlein
Vice President Internal Communications,
Print and Online Media
Dr. Monica Streck
Head of Strategic
Sustainability Management

Editorial team
Dr. Reingard Schöttl, Helene Hergt
Internal Communications, Print and Online Media
Claudia Büchlmann
Strategic Sustainability Management

Photos
Roland Albrecht
Anna Bryukhanova, istockphoto
Alex Tino Friedel
Jan Greune, Getty Images
Dr. Werner Hennies
Koch + Partner Architekten und Stadtplaner
Jürgen Naglik
Gregor Schläger
Herbert Stolz
Matthias Tunger

Consulting and design
Kirchhoff Consult AG, Hamburg

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Further information

Internet: munich-airport.com
E-mail: sustainability@munich-airport.de

Telephone: +49 89 975-00
Fax: +49 89 975-43506

Facebook: de-de.facebook.com/flughafenmuenchen
Twitter: twitter.com/MUC_Airport_EN
App for iPhone: MUC Airport

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