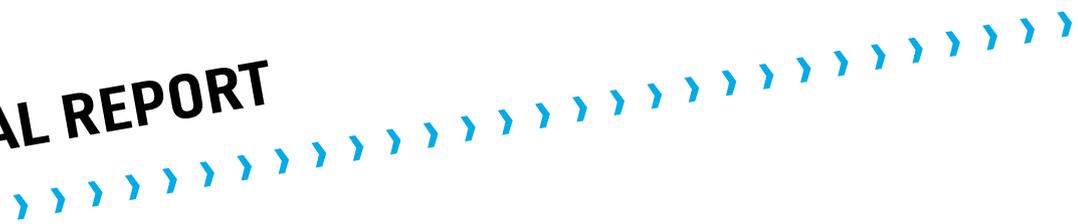




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Solid take off!

ANNUAL REPORT 2018



AT A GLANCE

5-year overview

	Unit	2018	2017	2016	2015	2014
Traffic volume						
Flight movements	Number	78,766	75,256	75,711	75,695	76,031
Index (2014 = 100)	%	103.6	98.9	99.6	99.5	100.0
Total passengers	Pers. k	6,325	5,870	5,409	5,453	5,292
Index (2014 = 100)	%	119.5	110.9	102.2	103.0	100.0
Air cargo	t	9,595	10,386	9,559	7,975	4,276
Index (2014 = 100)	%	224.4	242.9	223.5	186.5	100.0
Airmail	t	7,952	7,885	10,650	10,328	11,018
Index (2014 = 100)	%	72.2	71.5	96.6	93.7	100.0
Sales						
Passenger, landing, hangar and security fees	€k	62,060	56,783	54,310	53,030	51,138
Ground handling and special services	€k	39,427	35,769	34,980	34,360	34,351
Sales reliant on traffic	€k	101,487	92,552	89,290	87,390	85,489
Rentals and similar income	€k	39,688	36,903	35,854	36,358	35,303
Fringe benefits	€k	9,408	9,540	8,985	9,894	9,634
Internal revenues / others	€k	8,160	8,557	7,792	7,556	7,769
Other income	€k	57,256	55,000	52,631	53,808	52,706
Total sales	€k	158,743	147,552	141,921	141,198	138,195
Index (2014 = 100)	%	114.8	106.7	102.7	102.2	100.0
Cost of materials *	€k	75,920	68,174	64,986	50,432	52,000
Index (2014 = 100)	%	145.9	131.1	124.9	96.9	100.0
Personnel expenses	€k	47,983	46,641	45,912	43,772	41,901
Index (2014 = 100)	%	114.5	111.3	109.5	104.4	100.0
Fixed assets						
Investments	€k	27,147	16,016	19,712	16,039	13,194
Depreciation	€k	16,697	16,439	16,672	17,023	17,787
Total gain and losses						
Result of earnings before income tax	€k	26,001	26,553	27,311	27,279	26,384
Net profit / loss	€k	6,083	4,722	5,038	3,403	2,136
Cash flow from operating activities	€k	4,840	3,898	4,689	3,255	1,945
Assets and capital structure						
Total assets	€k	294,728	291,118	285,710	286,106	287,818
thereof fixed assets	€k	275,586	266,599	267,512	265,120	266,140
Equity	€k	106,011	103,120	101,396	96,708	93,452
Equity ratio	%	36.0	35.4	35.5	33.8	32.5
longt. borrowed funds	€k	47,402	57,355	40,336	39,094	57,287

* Previous year's figures are not comparable due to first-time application of BilRUG (German Accounting Directive Implementation Act) in the fiscal year 2016.

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FOREWORD

The fiscal year 2018



DEAR LADIES AND GENTLEMEN,

the year 2018 marks a historic record for Hannover Airport. With a total volume of 6,324,634 passengers, we exceeded the six million mark for the first time. This represents an increase of 7.7 percent compared to the previous year. This extremely pleasing result is attributable to a significant expansion of our route network and the use of larger aircraft.

Eurowings, Condor, WIZZ Air, Small Planet and Laudamotion recorded particularly strong growth. In some cases, this brought Hannover Airport double-digit growth rates.

Tourist destinations in Turkish and North African regions enjoyed greater popularity again. The connection to the major international hubs was expanded.

Our economic situation is very sound for 2018. With 158.7 million euros, sales were 7.6 percent higher than in the previous year. We were able to increase our pre-tax result by 1.4 million euros to around 6.1 million euros compared to the previous year.

The total volume of flown air freight fell by 7.6 per cent to 9,595 tons. With 7,952 tons, local airmail volumes were slightly above the previous year's level.

Travel and work at Hannover Airport are changing. The increasing digitalization of all areas of life presents us with new challenges. In 2018, we initiated numerous digitization projects – for even better service and even more efficient work. The guiding principle of our digital vision: „Flying made easy.“ This way we as the number one holiday airport in the north will remain on the road to success in the long term.

Dr. Raoul Hille
Managing Director Hannover Airport

MANAGEMENT REPORT

of Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2018

OVERALL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

Economic growth in Germany continued in fiscal 2018. However, special factors, which mainly resulted from global trade policy uncertainties and the WLTP problem in the automotive industry, led to a temporary slowdown in the third quarter. The labor market also continued to develop positively. Employment continued to rise and household income growth outpaced consumer price inflation. The consumer climate remained positive.

The German aviation industry also benefited from the positive consumer climate. The airlines attempted to close the gap created by the exit of Air Berlin and in some cases also increased their services with new routes. Apart from a few locations, this led to a significant upturn in demand for air transport, particularly on European routes. By contrast, passenger volume on domestic routes in Germany declined slightly.

Intense competition, bottlenecks in air traffic control and, at some airports, a shortage of available aircrafts and crews led to delays of unprecedented proportions at all locations during the summer timetable. Again, the competitive situation also led to numerous airline insolvencies in 2018. These included Small Planet Airlines Germany, which operated from Hannover until September.

BUSINESS DEVELOPMENT

Die starken Zuwächse von Eurowings, die bereits The strong growth of Eurowings, who had already taken over numerous routes and aircraft from Air Berlin last year, as well as Condor, who greatly expanded its offering, and of the up-and-coming

airlines WIZZ Air, Small Planet and Laudamotion led in parts to double-digit growth rates in Hannover. This more than compensated for the loss of Air Berlin passengers from the previous year and the highest number of passengers in the history of Hannover Airport to date was reached. The two fastest growing routes were Antalya and Palma de Mallorca and further tourist destinations in Turkey and North Africa grew. In addition to strengthen the position in the tourism sector, progress was also made in expanding connections to existing international hubs and in re-connecting Warsaw. Passenger growth was based on the significant expansion of routes and the use of larger aircraft.

With competition among northern German airports remaining fierce, it was possible to achieve a positive result that clearly exceeded expectations. In addition to intensive sales activities, largely optimized cost and investment management and continued favorable loan interest rates, the balanced airline portfolio also contributed to this.

The Air Gateway, which TNT added to the existing Road Hub in the western area in November 2014, ensured a stable basic volume of flown air freight in 2018. While express freight showed a steady upward trend, the number of special freight charters and the volume of additional cargo in passenger aircraft declined, resulting in a slight overall decline in flown airfreight.

The economic situation of the company in the financial year 2018 remains very sound. Despite higher selling expenses, the result exceeded expectations due to a significant increase in traffic volume. As a result, we continue to aim to secure sustainable, profitable growth in the future.

» » PROFIT SITUATION

In the 2018 financial year, the company's sales of €158.7 million were 7.6% above the previous year's level. The increase in revenues in the aviation and non-aviation segments was mainly due to the significant increase in passenger and movement figures as well as price increases for individual fee types. Growth was also achieved in revenues not directly related to traffic, such as advertising revenues and rental income, due to the stronger trade fair year and special events.

The only dampening effects were a billing-related decrease in pension benefits and a decrease in the reversal of reserves.

Earnings effects offsetting the positive earnings trend resulted in particular from higher plant maintenance expenses, pay-scale increases in personnel expenses, higher expenses for ground handling services due to higher traffic volumes, and higher marketing and selling expenses.

The aforementioned income and expense effects and a significant increase in income from investments improved earnings before taxes (EBT) by €1.4 million compared to approximately €6.1 million. After taking income taxes into account, the net profit for the year amounted to €4.8 million (2017: €3.9 million).

With 6,309,536 local passengers and 15,098 single transit passengers, the total volume amounted to 6,324,634. This represents an increase by 454,530 passengers or 7.7% compared to the previous year.

The local volume of airfreight flown in 2018 was 8,184t, 8.8% lower than in the previous year, and the total volume of 9,595t fell by 7.6 %.

At 7,952tonnes, local airmail volumes were slightly above the previous year's level.

Compared to the previous year, the number of take-offs and landings in scheduled and charter traffic increased by 5.5%, while the maximum take-off weights (MTOWs) relevant to invoicing increased by 8.0%. The size of the aircraft and the number of seats offered thus increased significantly compared with the previous year.

By contrast, the number of passengers per movement on scheduled and charter services rose by only 1.7%, which was associated with a somewhat lower aircraft load factor in the year under review.

FINANCIAL AND ASSET SITUATION

Equity increased from €103.1 million to €106.0 million. Including the profit carried forward of €6.1 million from 2017 with distributions to shareholders of €1.9 million, the net profit for the year amounts to €9.0 million.

The return on equity based on earnings before taxes (EBT) was +5.7% (previous year: +4,6%).

Investments in the fixed assets of Flughafen Hannover-Langenhagen GmbH (FHG) amount to €27.7 million and mainly relate to construction measures in the southern runway area, the planning costs for the conversion of Terminals B and C scheduled for 2018 to 2020, the preparation of Terminal D to relieve traffic peaks, planning and preparation costs for the modernization of hangar 1, the conversion of control stage 1 of the multi-stage baggage control system to EU Standard 3 and a further construction phase for the new construction of the airport outer fence.

These investments are offset by depreciation of tangible and intangible assets of €17.1 million.

Long-term fixed assets of €283.8 million are covered to 37.3 % by equity (€106.0 million). The debt-equity ratio decreased compared to the previous year.

RISK REPORT

The principles of the risk management system are documented in the "Group Risk Management Manual". risk catalogs and risk portfolios for the divisions / subsidiaries / equity investments are updated and communicated on a quarterly basis using software.

At FHG, net risks in excess of €15 million are classified as „serious“, between €5 million and 15.0 million as „serious“, between €0.5 million and 5 million as „medium“ and underlying risks from €0.1 million as „low“ and weighted with their probability of occurrence (low, possible, probable and very probable).

This is closely linked to quarterly risk reporting within the FHG Group. It includes providing the management and the supervisory board of FHG with early information on potential risks within the FHG Group that could jeopardize the continued existence of the company. Individual risks with a probability of occurrence greater than 25% and serious individual risks with a probability of occurrence greater than 75% are defined as risks that could jeopardize the continued existence of the company. These risks are assigned to risk category 1 in the risk reporting system. If risks that could potentially jeopardize the continued existence of the company are identified between the reporting dates, the FHG management is informed on an ad hoc basis.

Risks of bad debts are mainly taken into account by advance payments or the deposit of collateral by customers. Liquidity risks and fluctuations in cash flows are covered by corresponding credit lines with banks.

The airport counters the interest rate risk when concluding variable-interest loans (underlying transactions) by concluding interest rate swaps (hedging instruments) that transform the variable interest rate into a fixed interest rate.

As part of the risk management system, no risks were identified at the end of the financial year that could potentially jeopardize the continued existence of the company or the Group and could be of significance for its future development. There are therefore no risks in risk class 1. In risk class 2, the only „serious“ risk at FHG was eliminated during the financial year.

A slowdown in the economy and restructuring and consolidation in the airline industry could dampen further traffic growth. The development of kerosene prices and the geopolitical situation could also have a negative impact on traffic development. In addition, a further tightening of regulatory requirements with one-sided burdens for airports could lead to additional financial burdens, among other things due to resulting capital expenditure.

FORECAST REPORT

Following the positive results achieved in the past four years, which enabled a dividend to be distributed again in 2018, the company plans to continue to achieve sustained and profitable growth. Due to the after-effects of the financial and euro debt crisis, the geopolitical unrest, consolidation in the German air transport market and the deli-

berately continued investment policy aimed at long-term competitiveness, there are certain limits to earnings growth.

As in the previous year, the financial performance indicator relevant to the airport is the annual result in accordance with the commercial profit and loss account. Likewise, passenger volume remains the significant non-financial performance indicator.

A slightly positive result and a passenger volume of 5,930k were planned for 2018. The strong growth of Condor and Eurowings in particular, as well as the continued recovery of tourism demand, resulted in a 6.7% increase in passenger volume compared to the planned figure. The increase in traffic resulted in a positive effect on the annual result, which was well above budget, partly due to the reversal of accruals no longer required.

A slightly positive annual result is expected for the year 2019, which is above the level of last year's planned result but below the last annual result. With the planned passenger volume of 6,300 thousand passengers for 2019, the company expects a consolidation phase after two years of strong growth, on the basis of which further steady growth is expected. It is assumed that the demand for tourism transport in particular will remain at a high level and that the demand for tours to Turkey will continue to recover. With sales slightly below the previous year's level, a lower annual result for 2019 than in the previous year is also expected. This is due to significant one-off effects in 2018, such as the reversal of reserves no longer required and book profits from the sale of fixed assets, but also to price increases for purchased services as well as higher personnel costs due to collective wage agreements and higher volumes.

Despite further investments in securing and optimizing operating processes, maintaining and expanding the infrastructure and meeting legal requirements, the equity ratio of the company will remain in the appropriate range at over 30 %. The equity ratio is expected to continue to rise in the long term as a result of traffic and revenue increases to be expected in the medium term, a cost base that will not rise to the same extent as a result of stringent cost management, and the shareholders' dividend policy pursued to date.

Net debt should improve in the long term and remain within reasonable limits even with higher annual investment volumes.

OPPORTUNITY REPORT

In the medium term, the central location within the EU with a well-developed airside infrastructure and optimal onshore connections presents itself as an opportunity for Hannover Airport. Opportunities may arise from the expansion of the volume of air freight handled at the location and flown from Hannover, as well as the generation of growth impulses through the establishment of additional airlines or the expansion of the flight operations of existing airlines.

In addition, the existing area offers sufficient development opportunities to complement or expand both the aviation and non-aviation sectors.

Taking into account the given estimation uncertainty, the opportunities presented can make a positive contribution to earnings in the single-digit millions. There have been no significant changes in opportunities compared to the previous year.

CORPORATE GOVERNANCE STATEMENT

Due to the „Law on the Equal Participation of Women and Men in Management Positions in the Private and Public Sector“ (FührposGleichberG), which came into force on 01 May 2015, a 30 % proportion of women on the Supervisory Board of Hannover Airport was stipulated.

For management as top management level no commitment was made, as only one managing director has been appointed.

Furthermore, a participation of 30% of women was specified for middle level management and for low level management 20%.

As of 31 December 2018, the targets for the management levels were met. The share of women at middle management level was 40% and at low management level 20.8%. With 16.7% the target value for the supervisory board was not fulfilled due to a shareholders' resolution and the election of the employee representatives to the supervisory board as a result of replacements.

Hannover, 25 January 2019

Dr. Raoul Hille
Managing Director

AUDITOR'S REPORT

for Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2018



We have audited the annual financial statements of Flughafen Hannover-Langenhagen GmbH, Hannover, comprising the balance sheet dated 31 December 2018 and the profit and loss statement for the fiscal year from 01 January 2018 to 31 December 2018, as well as the notes, including the presentation of the accounting policies. In addition, we have audited the management report of Flughafen Hannover-Langenhagen GmbH for the fiscal year from 01 January 2018 to 31 December 2018. In accordance with German law, we have not examined the content of the corporate governance statement pursuant to Section 289f(4) HGB (German Commercial Code) (disclosures on the proportion of women).

In our opinion based on the findings of our audit

- the accompanying financial statements comply in all material respects with German commercial law and give a true and fair view of the net assets, financial position and results of operations of the Company as of 31 December 2018 and of its financial position for the fiscal year from 01 January 2018 to 31 December 2018 in accordance with German principles of proper accounting; and
- the accompanying management report provides a suitable understanding of the Company's position. This management report is in all material respects consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the management report does not extend to the content of the above stated corporate governance statement.

>>> In accordance with section 322(3) sentence 1 HGB, we declare that our audit has not led to any objections against the correctness of the financial statements and the management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the financial statements and the management report in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is further described in the „Responsibility of the auditor for the audit of the financial statements and the management report“ section of our audit opinion. We are independent of the company in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements and management report.

OTHER INFORMATION

The legal representatives are responsible for all other information. Other information includes the corporate governance declaration in accordance with section 289f(4) HGB (disclosure on the proportion of women).

Other information also includes the other parts of the annual report that we obtained before the date of this audit opinion – without further cross-refer-

AUDITOR'S REPORT

for Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2018

rences to external information – with the exception of the audited financial statements, the audited management report and our audit opinion.

Our opinion on the annual financial statements and management report does not extend to other information, and accordingly we do not express an audit opinion or any other form of conclusion.

In connection with our audit, we have the responsibility to read the other information and, in doing so, to assess whether the other information

- is materially inconsistent with the financial statements, the management report or our audit-related knowledge; or
- otherwise appear to be materially misrepresented.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation and fair presentation of the annual financial statements in accordance with German commercial law in all material respects, and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. In addition, the legal representatives are responsible for the internal controls they have determined necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatements, whether intentional or accidental.

While preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. They are also responsible for disclosing, where relevant, matters relating to the continuation of the company's activities. In addition, they are responsible for accounting for the continuation of the company's activities on the basis of the accounting principle, unless there are actual or legal circumstances to the contrary.

Furthermore, the legal representatives are responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position, is consistent in all material respects with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development. Moreover, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a management report in accordance with the applicable German legal provisions and to provide sufficient suitable evidence for the statements in the management report.

The Supervisory Board is responsible for monitoring the Company's accounting process for the preparation of the annual financial statements and the management report.

Responsibility of the auditor for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free of material misstatements, whether intended or not, and whether the management report as a whole provides a suitable view of the Company's position and suitably presents the op-

portunities and risks of future development in all material respects in accordance with German law and with the findings of our audit, and to express an opinion on the financial statements and management report.

Adequate assurance is a high degree of certainty, but no guarantee that an audit conducted in accordance with section 317 HGB and taking into account the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from violations or inaccuracies and are considered material if they could reasonably be expected to influence the economic decisions of users, individually or collectively, based on these financial statements and management report.

During the examination we exercise due discretion and maintain a critical attitude. In addition

- we identify and assess the risks of material misstatements – whether intentional or not – in the annual financial statements and management report, plan and perform audit procedures in response to these risks, and obtain audit evidence sufficient and appropriate to support our audit opinion. The risk that material misrepresentations are not detected is higher in the case of violations than in the case of inaccuracies, since violations may involve fraudulent interaction, forgery, intentional incompleteness, misleading representations or the repeal of internal controls;
- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the precautions and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate under the given circumstances, but

not with the aim of expressing an opinion on the effectiveness of these systems of the company;

- we assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives;
- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, based on the evidence obtained, whether there is a material uncertainty in connection with events or circumstances that could raise significant doubts about the Company's ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and management report in our audit report or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on evidence obtained by the date of our audit opinion. However, future events or circumstances may prevent the company from continuing its business activities;
- we express an opinion on the overall presentation, structure and content of the annual financial statements, including the information, and whether the annual financial statements present the underlying business transactions and events such that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting;
- we assess the consistency of the management report with the annual financial statements, its compliance with the law and the picture it conveys of the situation of the company;

AUDITOR'S REPORT

for Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2018

- we perform audit procedures to express an opinion on the future-oriented statements made by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we follow in particular the significant assumptions underlying the future-oriented statements made by the legal representatives and assess the appropriate derivation of the future-oriented statements from these assumptions. We do not express an independent opinion on these forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

We discuss with those responsible for monitoring, inter alia, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system, which we identify during our audit.

OTHER LEGAL AND OTHER STATUTORY REQUIREMENTS

Note on the audit of compliance with accounting obligations pursuant to section 6b(3) EnWG (German Energy Industry Act)

We have audited compliance with the accounting obligations pursuant to section 6b(3) EnWG, according to which separate accounts must be kept for the activities pursuant to 6b(3) EnWG for the financial year from 01 January 2018 to 31 December 2018. In addition, we have audited the Activity Report for the electricity distribution business, comprising the balance sheet dated 31 December 2018 and the profit and loss statement for the financial year from 01 January to 31 December 2018, including information on the rules under which assets and liabilities as well as expenses and income were allocated to the ac-

counts managed in accordance with section 6b(3) sentences 1 to 4 EnWG.

In our opinion

- the accounting obligations for the financial year from 01 January 2018 to 31 December 2018 pursuant to section 6b(3) EnWG, according to which separate accounts must be kept for the activities pursuant to section 6b(3) EnWG, were fulfilled in all material respects; and
- the accompanying activity report complies in all material respects with the provisions of section 6b(3) EnWG.

We conducted our audit in accordance with section 6b(5) EnWG and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under these regulations and principles is further described below and in the „Responsibility of the auditor to audit the annual financial statements and the management report” section. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The legal representatives are responsible for the compliance with the obligations according to section 6b(3) EnWG as well as for the precautions and measures (systems) which they have deemed necessary for the compliance with these obligations.

Our objective is to obtain reasonable assurance as to whether the accounting obligations pursuant to section 6b(3) EnWG have been fulfilled in all material respects and to issue a note containing our audit opinions on compliance with the accounting obligations pursuant to section 6b(3)

EnWG. The audit includes assessing whether the valuations and allocation of accounts in accordance with section 6b(3) EnWG have been made properly and comprehensibly and whether the principle of consistency has been observed.

Hannover, 13 March 2019

PricewaterhouseCoopers GmbH
Auditing firm

Moritz Meyer
Auditor

ppa. Thomas Golüke
Auditor

BALANCE SHEET

of Flughafen Hannover-Langenhagen GmbH as of December 31, 2018

ASSETS	2018 / Euro	2017 / Euro
A. FIXED ASSETS		
I. Intangible assets		
1. Software and licenses acquired in return for payment	1,169,099.00	1,019,602.00
2. Advance payments	257,385.90	81,805.80
	1,426,484.90	1,101,407.80
II. Fixed assets		
1. Land and buildings, including buildings on third-party property	252,213,594.88	251,921,108.26
2. Technical installations and machinery	1,233,623.00	1,651,497.00
3. Other equipment, operating and office equipment	7,774,772.00	7,202,631.00
4. Advance payments and assets under construction	14,363,546.36	5,823,970.17
	275,585,536.24	266,599,206.43
III. Financial assets		
1. Shares in affiliated companies	956,398.77	956,398.77
2. Loans to affiliated companies	2,457,000.00	2,457,000.00
3. Shareholdings	3,372,104.82	3,367,904.82
4. Loans to companies in which an interest is held	0.00	358,710.08
5. Other lendings	2,380.00	14,082.89
	6,787,883.59	7,154,096.56
	283,799,904.73	274,854,710.79
B. CURRENT ASSETS		
I. Inventory		
1. Auxiliary and operating materials	909,211.00	898,458.47
II. Receivables and other assets		
1. Trade accounts receivable	7,213,121.85	7,674,677.78
2. Receivables from affiliated companies	67,375.10	1,127,034.32
3. Receivables from companies in which an interest is held	112,392.68	101,816.59
4. Other assets	939,532.38	459,470.21
	8,332,422.01	9,362,998.90
III. Cash on hand, bank balances	1,150,082.57	5,353,371.36
	10,391,715.58	15,614,828.73
C. DEFERRED ITEMS	536,324.43	648,324.76
	294,727,944.74	291,117,864.28

LIABILITIES	2018 / Euro	2017 / Euro
A. EQUITY		
I. Subscribed capital	30,700,000.00	30,700,000.00
II. Capital reserve	58,127,335.30	58,127,335.30
III. Other revenue reserves	8,219,793.97	8,219,793.97
IV. Profit / loss carried forward	4,123,540.61	2,174,631.31
V. Annual net profit	4,839,833.36	3,897,818.60
	106,010,503.24	103,119,579.18
B. ACCURALS		
1. Profit / loss carried forward	4,124,138.79	3,815,704.24
2. Tax accruals	568,676.82	351,398.33
3. Other accruals	49,376,891.92	40,990,051.71
	54,069,707.53	45,157,154.28
C. LIABILITIES		
1. Liabilities towards banks	125,756,197.09	135,803,437.08
2. Trade accounts payable	1,650,359.59	1,567,596.42
3. Liabilities to affiliated companies	164,298.44	58,864.57
4. Liabilities to companies in which an interest is held	738,447.11	1,505,505.25
5. Other liabilities - thereof from taxes: € 501,536.77 (previous year: € 478,639.06) - thereof relating to social security: € 488.07 (previous year: € 1,592.86)	3,743,978.60	3,001,483.34
	132,053,280.83	141,936,886.66
D. DEFERRED ITEMS	1,825,320.67	672,589.57
E. DEFERRED TAX LIABILITIES	769,132.47	231,654.59
	294,727,944.74	291,117,864.28

PROFIT AND LOSS ACCOUNT

of Flughafen Hannover-Langenhagen GmbH as of December 31, 2018

	2018 / Euro	2017 / Euro
1. Sales revenue	158,743,326.53	147,552,258.51
2. Other own work capitalized	1,237,406.63	776,998.09
3. Other operating income	2,657,327.93	5,289,067.10
4. Cost of materials	162,638,061.09	153,618,323.70
a) Cost of auxiliary and operating materials and of purchased goods	3,976,543.29	3,800,817.42
b) Cost of purchased services	71,943,402.01	64,373,317.98
	75,919,945.30	68,174,135.40
5. Gross result	86,718,115.79	85,444,188.30
6. Personnel expenditure		
a) Wages and salaries	37,519,871.94	37,948,543.45
b) Social security and other costs for pensions and other employee benefits - thereof for pensions: € 3,558,687.30 (previous year: € 2,057,731.09)	10,462,906.69	8,692,250.03
	47,982,778.63	46,640,793.48
7. Depreciation of intangible fixed assets and property, plant and equipment	17,091,436.73	16,762,823.29
8. Other operating expenses	12,734,586.44	12,250,286.37
9. Income from participations - of which from affiliated companies: € 69,916.47 (previous year: € 0.00)	1,181,614.14	209,600.00
10. Income from profit transfer agreements	1,327,024.31	466,439.09
11. Expenses from loss transfers	0.00	116,348.33
12. Income from long-term financial assets - of which from affiliated companies: € 135,135.00 (previous year: € 135,135.00)	135,846.70	159,900.17
13. Other interest and similar income	4,034.35	104.28
14. Interest and similar expenses	5,475,295.92	5,788,328.07
15. Result before taxes (EBT)	6,082,537.57	4,721,652.30
16. Taxes on income and earnings	705,226.33	592,179.11
17. Deferred tax liabilities	537,477.88	231,654.59
18. Result after tax / Annual net income (-)	4,839,833.36	3,897,818.60
19. Profit / Loss carried forward (-)	6,072,449.91	4,349,292.62
20. Profit distribution for previous years	-1,948,909.30	-2,174,631.31
21. Net profit	8,963,373.97	6,072,449.91



DEVELOPMENT OF FIXED ASSETS

of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2018

	ACQUISITION AND PRODUCTION COSTS				VALUE ADJUSTMENTS					NET BOOK VALUES		
	As of Jan 1, 2018 Euro	Additions Euro	Repostings Euro	Disposals Euro	As of Dec 31, 2018 Euro	As of Jan 1, 2018 Euro	Additions Euro	Disposals Euro	Repostings Euro	As of Dec 31, 2018 Euro	As of Dec 31, 2018 Euro	Previous year Euro
I. Intangible assets												
1. Software and licenses acquired in return for payment	3,694,022.42	322,495.62	223,311.60	32,525.00	4,207,304.64	2,674,420.42	394,535.22	30,750.00	0.00	3,038,205.64	1,169,099.00	1,019,602.00
2. Advance payments	81,805.80	187,991.70	-12,411.60	0.00	257,385.90	0.00	0.00	0.00	0.00	0.00	257,385.90	81,805.80
	3,775,828.22	510,487.32	210,900.00	32,525.00	4,464,690.54	2,674,420.42	394,535.22	30,750.00	0.00	3,038,205.64	1,426,484.90	1,101,407.80
II. Property, plant and equipment												
1. Land and buildings including buildings on third-party properties	707,411,574.51	14,712,948.39	1,348,371.50	4,626,377.87	718,846,516.53	455,490,466.25	14,523,345.16	3,380,889.76	0.00	466,632,921.65	252,213,594.88	251,921,108.26
2. Technical installations and machinery	8,811,758.98	29,950.00	0.00	156,367.09	8,685,341.89	7,160,261.98	447,824.00	156,367.09	0.00	7,451,718.89	1,233,623.00	1,651,497.00
3. Other installations, operating and office equipment	29,768,842.17	2,224,064.58	75,746.77	1,894,458.78	30,174,194.74	22,566,211.17	1,725,732.35	1,892,520.78	0.00	22,399,422.74	7,774,772.00	7,202,631.00
4. Advanced payments and assets under construction	5,823,970.17	10,179,579.66	-1,635,018.27	4,985.20	14,363,546.36	0.00	0.00	0.00	0.00	0.00	14,363,546.36	5,823,970.17
	751,816,145.83	27,146,542.63	-210,900.00	6,682,188.94	772,069,599.52	485,216,939.40	16,696,901.51	5,429,777.63	0.00	496,484,063.28	275,585,536.24	266,599,206.43
III. Financial assets												
1. Shares in affiliated companies	1,452,298.77	0.00	0.00	0.00	1,452,298.77	495,900.00	0.00	0.00	0.00	495,900.00	956,398.77	956,398.77
2. Loans to affiliated companies	2,457,000.00	0.00	0.00	0.00	2,457,000.00	0.00	0.00	0.00	0.00	0.00	2,457,000.00	2,457,000.00
3. Shareholdings	3,367,904.82	4,200.00	0.00	0.00	3,372,104.82	0.00	0.00	0.00	0.00	0.00	3,372,104.82	3,367,904.82
4. Loans to companies in which an interest is held	358,710.08	0.00	0.00	358,710.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	358,710.08
5. Other loans	14,082.89	0.00	0.00	11,702.89	2,380.00	0.00	0.00	0.00	0.00	0.00	2,380.00	14,082.89
	7,649,996.56	4,200.00	0.00	370,412.97	7,283,783.59	495,900.00	0.00	0.00	0.00	495,900.00	6,787,883.59	7,154,096.56
	763,241,970.61	27,661,229.95	0.00	7,085,126.91	783,818,073.65	488,387,259.82	17,091,436.73	5,460,527.63	0.00	500,018,168.92	283,799,904.73	274,854,710.79

ANNEX

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2018

» » A. GENERAL INFORMATION

Flughafen Hannover-Langenhagen GmbH (FHG) is a major corporation within the meaning of section 267(3) HGB (German Commercial Code).

For its profit and loss account the company uses the aggregate cost method pursuant to section 275(2) HGB.

1. Accounting and valuation principles

Fixed assets

Intangible assets acquired in return for payment are valued at acquisition cost and amortized on a straight-line basis over three to five years.

Property, plant and equipment are valued at acquisition or production cost less scheduled and, if necessary, unscheduled depreciation. Costs within the meaning of section 255(2) sentence 3 HGB (German Commercial Code) were not taken into account. Depreciation is generally calculated using the straight-line method, whereby the useful life is determined on the basis of the guideline drawn up by the Arbeitsgemeinschaft Deutscher Verkehrsflughäfen (German Airports Association). Individual buildings are depreciated using the declining balance method. Low-value assets (acquisition or production costs up to €150.00, as of 1st January 2018 €250.00) are written off in full in the year of acquisition in accordance with section 6(2) EStG (German Income Tax Code) and listed as disposals. In addition, low-value assets in accordance with section 6(2a) EStG (acquisition and production costs of €150.01 to €1,000.00, as of 1st January 2018 €250.01 to €1,000.00) are collectively depreciated over 5 years. Since January 1, 2009, interest on borrowed capital (interest during construction period) has been re-

garded and capitalized as production costs of the respective asset in accordance with Section 255(3) HGB for significant investments. Interest during construction period amounting to €165k was accrued in 2018 (previous year €114k). The interest relates exclusively to land and buildings.

Financial assets are stated at acquisition cost less unscheduled depreciation to the lower attributable value.

Current assets

Inventories are stated at the lower of cost or market price on the balance sheet date. Devaluations for inventory risks arising from the storage period are made to an appropriate extent for auxiliary and operating materials that are stored for longer periods.

Receivables and other assets are stated at nominal value and are denominated exclusively in domestic currency. Non-current, non-interest-bearing receivables are carried at present value. Recognizable individual risks are taken into account by means of individual value adjustments. The general credit risk is adequately covered by a lump-sum valuation for trade receivables adjustment not subject to specific valuation allowances and unsecured trade receivables.

Cash and cash equivalents are denominated exclusively in domestic currency and are stated at their nominal value.

Deferred items have been recognized in accordance with the provisions of section 250 HGB.

The shares in the share capital of the parent company were held as follows:

	DEC 31, 18		DEC 31, 17	
	€k	%	€k	%
State capital Hannover	10,745	35	10,745	35
Hannoversche Beteiligungsgesellschaft mbH, Hannover (State of Lower Saxony)	10,745	35	10,745	35
Fraport AG Frankfurt Airport Services Worldwide, Frankfurt/Main (until 09th October 2018)	--	--	9,210	30
iCON Flughafen GmbH, Düsseldorf (as of 09th October 2018)	9,210	30	--	--
	30,700	100	30,700	100

Reserves for pensions and similar obligations take into account all entitlements and current pensions and were calculated using the projected unit credit method (PUC method) according to actuarial principles. The reserves amount was calculated at an imputed interest rate of 3.20% (previous year 3.68%) based on the average of the last 10 years and taking into account a trend assumption with regard to future pension development (+2.0% p.a.) and a fluctuation probability of 0.0%. In accordance with the contractual provisions, a salary trend was still not recognized. The „2018G mortality tables“ by Prof Dr Klaus Heubeck were used as the biometric calculation basis. The difference from the use of the average interest rate of the last 10 years (instead of 7 years) blocked for distribution in accordance with section 253(6) HGB amounts to €658k.

Reserves for partial retirement obligations for firefighters and other employees under collective bargaining agreements were measured in accordance with the provisions of the IDW statement from 19 June 2013. The reserve amount was calculated using the simplification rule pursuant to section 253(2) sentence 2 HGB with an imputed interest rate of 2.31% (previous year 2.81%) for a remaining term of 15 years. The trend assumption regarding future salary development was revised to 2.3% p.a. (previous year 2.0%) and a fluctuation probability of 0.0%. The „2018G mortality tables“ by Prof Dr Klaus Heubeck were used as the biometric calculation basis. Securities (money market funds) deposited in a trust account for the insolvency protection of partial retirement contracts by way of double security trust (section 8a AltTZG (German Partial Retirement Code)) are carried at fair value and offset against the relevant reserves in accordance with the offsetting requirement of section 246(2) sentence 2 HGB.

Tax reserves take into account all identifiable risks and uncertain liabilities. They are recognized at the amount of the settlement amount required in accordance with reasonable commercial judgment.

Other reserves are created for uncertain liabilities and for deferred maintenance expenses. They are recognized at the settlement amount required in accordance with sound business judgment. Reserves with a remaining term of more than one year are discounted using the average market interest rate of the past seven financial years corresponding to their remaining term.

Liabilities are stated at their settlement amount. Liabilities in foreign currencies are valued at the



mean spot exchange rate on the balance sheet date. There were no significant exchange differences.

Deferred taxes are determined using the balance sheet-oriented concept. Deferred taxes are recognized for all differences between the carrying amounts of assets and liabilities under commercial law and their tax bases if these differences are expected to reverse in later fiscal years.

B. SPECIAL DISCLOSURES AND NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Balance sheet

1.1 Assets

Fixed assets

The structure and development of fixed assets are shown in the Schedule of Fixed Assets (appendix to these Notes).

Current assets

Receivables and other assets

As in the previous year, trade receivables do not include any items with a remaining term of more than one year.

Receivables from affiliated companies in the amount of €67k are due from Aircargo Services Hannover GmbH - ASH (previous year: €827k to ASH and €300k to Hannover Aviation Ground Services GmbH - AGS). The amount due from ASH is the balance of receivables and payables on a clearing account for trade receivables, which also includes the receivable from the profit transfer for 2018 of ASH of €456k (previous year: receivable

from loss compensation of €116k). The receivables from AGS reported in the previous year consisted of receivables and liabilities on a clearing account for trade receivables and receivables from profit and loss transfer amounting to €466k.

Receivables from companies in which an interest is held relate to deliveries and services to Gastronomie Flughafen Hannover GmbH amounting to €112k (previous year: €77k). The previous year also included interest receivables of €25k for a shareholder loan to AHS Handling Services GmbH, Hamburg.

Of the other assets, €175k (previous year: €206k) relate to income tax refund claims. Also included are current sales tax refund claims amounting to €665k (previous year: €195k).

Of the other assets, €1k (previous year: €1k) have a term of more than one year.

Deferred items

Deferred expenses and accrued income contain values pursuant to Section 250(3) HGB in the amount of €7k (previous year: €21k).

1.2 Liabilities

Equity

The share capital of Flughafen Hannover-Langenhagen GmbH, Hannover, amounts to €30,700k, the capital reserve to €58,127k and the revenue reserve to €8,220k. Taking into account the profit carried forward of €4,124k (after distribution of a dividend of €1,948k in 2018) and the net income for 2018 of €4,840k, equity totaled €106,011k.

Tax reserves

Tax reserves relate to reserves for trade taxes for 2017 and 2018 (€424k), corporation tax (€65k) for 2017, electricity tax for the financial year 2108 (€36k) and for outstanding property taxes (€44k).

Other reserves

Other reserves mainly include reserves for outstanding invoices (€33,988k), noise protection measures (€3,581k), partial retirement arrangements (€6,775k), holiday and overtime obligations (€1,066k) and for deferred maintenance, which will be made up in the first three months of the following financial year (€1,229k).

The settlement amount for partial retirement reserves amounting to €7,069k was calculated in accordance with section 246(2) HGB at the fair value of €294k (acquisition costs: €278k) of the securities (money market funds) deposited in a trust account for the insolvency protection of partial retirement contracts by way of double security trust (section 8a of the German partial retirement law). The fair value was determined at the stock exchange price determined on the balance sheet date. The difference between the fair value and the acquisition cost (€16k), taking into account deferred taxes (€-5k), i.e. a net amount of €11k, is subject to the distribution block pursuant to section 268 (8) HGB.

Liabilities

The remaining terms in the annual financial statements of the company are as follows:

	Dec 31, 2018	Total	of which with a remaining term		
			of	up to 1 year	more than 1 year
		€k	€k	€k	€k
Liabilities due to banks		125,756	38,077	87,679	43,278
for deliveries and services		1,650	1,650	0	0
to affiliated companies		164	164	0	0
to companies in which an interest is held		739	739	0	0
Other		3,744	3,744	0	0
		132,053	44,374	87,679	43,278

	Dec 31, 2017	Total	of which with a remaining term		
			of	up to 1 year	more than 1 year
		€k	€k	€k	€k
Liabilities due to banks		135,803	21,046	114,758	53,539
for deliveries and services		1,568	1,568	0	0
to affiliated companies		59	59	0	0
to companies in which an interest is held		1,506	1,506	0	0
Other		3,001	3,001	0	0
		141,937	27,179	114,758	53,539

In addition to current account and conventional fixed-rate loans, the company's liabilities to banks as of 31 December 2018 also include an interest rate swap for €10.0 million concluded on 30 June 2009 with a term of 15 years. The underlying transaction to be hedged, which has the same amount and term as well as the same



repayment structure (in each case as of 30 June of each year), consists of a loan bearing variable interest at 3-month EURIBOR plus a fixed margin over the entire term. The negative fair value (from FHG's point of view) of the interest rate swap as of 31 December 2018 amounts to €-869k (previous year: €-1,095k). The underlying transaction was combined with the interest rate swap using the freezing method to form a valuation unit.

For another loan (underlying transaction) with a variable interest rate based on the 3-month Euribor for 10 years, a forward swap agreement was concluded in the 2012 financial year to hedge interest rates in the amount of the corresponding residual liability of the underlying transaction on 15 August 2015 with an identical repayment structure and term. The negative market value (from FHG's point of view) of the interest rate swap as at 31 December 2018 amounts to €-802k (previous year: €-903k). The underlying transaction was combined with the interest rate swap using the freezing method to form a valuation unit.

Another derivative is an interest rate swap of €8.0 million with a term of 10 years concluded on 17 December 2013. The underlying transaction to be hedged with an identical amount and term and the same repayment structure (on 16 December of each year) consists of a variable 6-month EURIBOR plus an interest-bearing loan with a fixed margin over the entire term. The negative fair value (from FHG's perspective) of the interest rate swap as of 31 December 2018 amounts to €-434k (previous year €-476k). The underlying transaction was combined with the interest rate swap using the freezing method to form a valuation unit.

Another derivative is an interest rate swap for €10.0 million concluded on 21 July 2014 with a term from 01 July 2016 to 01 July 2026 with a fixed interest rate and quarterly redemption structure. The underlying transaction concluded in the financial year 2016 with an identical amount and term and the same quarterly repayment structure consists of a variable EURIBOR at 3 months plus an interest-bearing loan with a fixed margin over the entire term. The negative fair value (from FHG's perspective) of the interest rate swap as of 31 December 2018 amounts to €-702k (previous year €-717k). The underlying transaction was combined with the interest rate swap using the freezing method to form a valuation unit.

Another derivative concluded on 21 July 2014 is an interest rate swap for €10.0 million with a term from 03 July 2017 to 01 July 2027 with a fixed interest rate and quarterly redemption structure. The underlying transaction concluded in the financial year 2017 with an identical amount and term and the same repayment structure consists of a variable EURIBOR at 3 months plus an interest-bearing loan with a fixed margin over the entire term. The negative fair value (from FHG's perspective) of the interest rate swap as of 31 December 2017 amounts to €-915k (previous year €-944k).

The individual market values were determined by the respective issuing bank on the basis of the indicative market interest rates (market center) and indicative volatility information prevailing on the balance sheet date at the close of trading.

The total portfolio of loan liabilities contains a promissory note loan in the unchanged amount of €20.0 million, which includes a variable tranche of €1.0 million with a variable interest

rate on a 3-month EURIOBOR basis in addition to fixed-interest tranches with maturities of 5 and 10 years.

Liabilities to affiliated companies are due to AHS Hannover Aviation Handlings Services GmbH (AHS) in the amount of €99k (previous year: 59k) and relate exclusively to trade in goods and services. Liabilities to AGS amount to €65k. This is the balance from a clearing account for deliveries and services, which also includes the receivable from the profit transfer for 2018 in the amount of €871k.

Liabilities to companies in which an interest is held mainly relate at the balance sheet date to deliveries and services with AirITSystems GmbH amounting to €738k (previous year: €1,506k).

Deferred tax liabilities

Balance sheet items in €k	As of Dec 31, 2018	As of Dec 31, 2017	Changes
Deferred tax assets			
Fixed assets			
Financial assets	155	155	0
Current assets	3	0	3
Accruals			
Pension accruals	596	486	110
Other accruals	3,130	2,806	324
	3,296	3,292	434
Deferred tax assets from loss carried forward	675	826	-151
Total deferred tax assets	4,560	4,273	286

Balance sheet items in €k	As of Dec 31, 2018	As of Dec 31, 2017	Changes
Deferred tax liabilities			
Fixed assets			
Property, plant and equipment	-5,329	-4,505	-824
Total deferred tax liabilities	-5,329	-4,505	-824
Surplus (- = deferred tax liabilities)	-769	232	-537

The calculation of deferred taxes was based on a tax rate of 31.225%. In addition to the corporation tax of 15.0% and the solidarity surcharge of 5.5%, the company-specific trade tax rate of 15.4% was taken into account.

The following reconciliation shows the relationship between expected tax expense and tax expense in the income statement:

	2018 €k	2017 €k
Deferred tax assets		
Income before income taxes	6,083	4,722
Expected tax expense/income 1)	1,899	1,474
Effects from tax-free income	-351	-62
Effects from other permanent differences trade tax additions and deductions, non-deductible expenses, etc.)	164	179
Effects from loss carried forward	-212	-549
Taxes from unrelated accounting periods	-67	-185
other discrepancies	-191	-33
Income tax as per profit and loss statement	1,242	824
Thereof		
- factual	705	592
- deferred income taxes	537	232

1) Expected tax expense/income: for corporation tax 15% plus solidarity surcharge 5.5% and trade income tax assessment rate 440% for tax rate of 3.5% corresponds to a total of 31.225%.



In the year under review, the full amount of corporate income tax loss carryforwards could be taken into account, as they can now be expected to be offset within 5 years.

Feasibility is assessed on the basis of current medium-term strategic development planning and taxable temporary differences. The actual tax result situation in future periods and thus the actual usability of the tax benefits may differ from the estimate at the time the deferred taxes are capitalized.

2. Profit and loss statement

2.1 Revenues by activity

	2018	2017
	€k	€k
Airport fees and revenue from ground handling services	101,487	92,552
Rents and leases, concession fees	39,688	36,903
Utilities and other services	9,409	9,540
Internal sales with wholly-owned subsidiaries	7,303	7,467
Non-period sales income	561	801
Revenues unrelated to the accounting period	296	289
	158,743	147,552

Revenues are generated by a 100% in Germany.

2.2 Other operating income

Other operating income of the company includes in particular income from the release of provisions amounting to €1,685k (previous year: €4,217k), income from the disposal of fixed assets amounting to €442k (previous year: €595k), income from incoming payments for written-off receivables of €59k (previous year:

€1k) and other income unrelated to the accounting period in the amount of €75k (previous year: €82k), which mainly relate to bonus credits for previous years.

2.3 Personnel expenses

A supplementary pension has been concluded with the supplementary pension fund of the City of Hannover for the company's employees. The contribution rate is generally 5.07% of wages and salaries. In addition, as of 01 January 2003, a restructuring payment in the form of an additional levy on the fees subject to supplementary pension liability must be paid. Since 2014, the additional levy has remained unchanged at 3.00%. The company's total contributions for 2018 amounted to €34.77 million. We cannot quantify the amount of the indirect pension obligation resulting from this supplementary pension.

2.4 Amortization and depreciation of intangible assets and property, plant and equipment

In addition to scheduled depreciation, this item also includes unscheduled depreciation in the amount of €294k for the permanent impairment of the defective traffic areas of the weather protection hall for the night mail.

2.5 Other operating expenses

Other operating expenses of the company include additions to value adjustments to receivables of €165k (previous year: €109k) and book losses from the disposal of fixed assets of €1,245k (previous year: €446k) included. The book losses result exclusively from the conversion of Terminal C and connecting corridor 2. This item also includes other taxes in the amount of

€922k (previous year: €954k).

2.6 Income from long-term loans of financial fixed assets

Of the income from long-term loans of financial fixed assets, €135k (previous year €135k) resulted from affiliated companies.

2.7 Interest and similar income

Interest and similar income does not include any income from discounting reserves. As in the previous year, this item does not include any amounts from affiliated companies.

2.8 Interest and similar expenses

In the financial year, expenses from compounding reserves amounting to €856k (previous year: €669k) were incurred. As in the previous year, this item does not include any amounts to affiliated companies.

2.9 Taxes on earnings and income

In the year under review, this item includes current income tax expenses for the year under review of €772k (previous year: €778k), income unrelated to the accounting period for previous years of €67k (previous year: €185k) and deferred tax expenses of €537k (previous year: €232k).

C. FURTHER INFORMATION

1. Contingent liabilities

There are no contingent liabilities in accordance with section 251 HGB in connection with section 268(7) HGB.

2. Other financial obligations

The company has other financial obligations to the associated company AirIT from rental and leasing contracts amounting to €10,272k (previous year: €9,773k) in 2018. These obligations to third parties amount to €501k (previous year: €506k). As a rule, the contracts have a term of 1 to 4 years. In addition, there are other financial obligations amounting to €110k for expenses incurred in 2018 but not due until 2019.

Purchase commitments as at 31 December 2018 amount to €1,695k, of which €15k to associated companies (previous year: total liability €786k, of which to associated companies €33k).

3. Average number of employees

The average number of employees in the company was as follows:

	2018	2017
Full-time employees	624	623
Part-time employees and workers in minor employment	63	63
Trainees	32	29
On payroll	719	715

4. Proposal for the appropriation of net income

Of the net income of €4,840k for the year under review, an amount of 50% (€2,420k) is to be distributed to the shareholders as provided for in the business plan for financial year 2019, and the remaining amount of €2,420k is to be carried forward.

5. Transactions with affiliated and associated companies

In 2018, revenues totaling €436k were generated with the affiliated company ASH (previous year: €487k). On the one hand, this relates to revenues from the leasing of buildings and space of €180k (previous year: €200k) and administrative cost allocations of €136k (previous year: €125k) and on the other hand income from loans of financial assets amounting to €55k (previous year: €55k). The cost of materials includes selling expenses to ASH of €550k (previous year: €522k) and other expenses of €46k (previous year: €43k).

In 2018, revenues totaling €6,917 were generated with the affiliated company AGS (previous year: €7,029k). This mainly relates to revenues of €4,426k (previous year: €4,553k) from the secondment of personnel and €831k (previous year: €831k) from the allocation of administrative costs and income of €80k (previous year: €80k) from loans of financial assets. The cost of materials includes AGS expenses of €27,632k (previous year: €25,174k). These mainly concern ground handling services.

In 2018, revenues totaling €492k (previous year: €495k) were generated with the affiliated company AHS Hannover. Of this amount, €359k (previous year: €350k) mainly relates to income from rents, leases and ancillary rental costs. The cost of materials mainly includes expenses for passenger handling at AHS Hannover amounting to €1,439k (previous year: €1,468k).

Revenues include €1,746k (previous year: €1,705k) in revenues from the associated company AirITSystems GmbH. Of this amount, €1,257k (previous year: €1,220k) relates to in-

come from rents, leases and ancillary rental costs. AirIT purchased €9,633k (previous year: €9,762k) in expenses for information and communication services.

Revenues include €1,225k (previous year: €1,108k) in revenues from the associated company Gastronomie Flughafen Hannover GmbH. Of this amount, €1,079k (previous year: €959k) relates to income from rents, leases and ancillary rental costs. Expenses for hospitality costs amounting to €31k (previous year: €18k) were purchased from GFH.

There are still no supply and service relationships with the associated company AHS Aviation Handling Services GmbH, Hamburg. In the year under review, income from loans of financial assets amounted to €1k (previous year: €25k).

6. Governing bodies of the company

Management
Dr Raoul Hille, Hannover

The remuneration of the managing directors is not disclosed in accordance with section 286(4) HGB.

The amount of reserves for pensions for former members of the management and their surviving dependents amounts to €1,060k (previous year: €-1,068k).

Payments to former managing directors and their surviving dependents amounted to €150k (previous year: €150k).

In the year under review, the company's supervisory board was composed of:

Ms Doris Nordmann, State Secretary
Ministry of Finance of Lower Saxony
Chairwoman

Mr Klaus Dieter Scholz, Mayor
State Capital Hannover
(Deputy Chairman)

Mr Martin Adam
Team Leader Ramp Service AGS, Trainer at
the Training Center
Flughafen Hannover-Langenhagen GmbH

Mr Peter Alpers (as of 19 March 2018)
Team Leader Remuneration and Contract Management
Flughafen Hannover-Langenhagen GmbH

Mr Angelo Alter, Councillor
State Capital Hannover

Mrs Britta Jansohn (until 19 March 2018) Employee of AHS Aviation Handling Services,
Member of the Works Council AHS

Mr Michael Koch (until 19 March 2018)
Deputy Chairman of the Works Council
Flughafen Hannover-Langenhagen GmbH

Mr Torsten Krups
Chairman of the Works Council Flughafen Hannover-Langenhagen GmbH

Mr Martin Lekic (as of 19 March 2018)
Employee Corporate Communications
Flughafen Hannover-Langenhagen GmbH

Dr Berend Lindner, State Secretary
Ministry of Economics, Labour, Transport and
Digitisation of Lower Saxony

Dr Jörg Mielke, State Secretary
State Chancellery of Lower Saxony

Mr Christoph Nanke (until 09 May 2018)
Senior Executive Manager, Acquisition and Investments of Fraport AG

Mr Reiner Schränkler (as of 19 October 2018)
Managing Director iCON Flughafen GmbH

Mr Andrew Simon (as of 19 October 2018) Independent board member of general partners,
iCON Infrastructure

Ms Sabine Tegtmeyer-Dette, City Councillor
Economic and Environmental Department of
the City of Hannover

Mr Charles Weinland (from 09 May to 09 October 2018)
Senior Asset Director Global Investments,
Fraport AG

Dr Matthias Zieschang (until 09 October 2018)
Member of the Executive Board of Fraport AG

The total remuneration of the Supervisory Board of Flughafen Hannover-Langenhagen GmbH, Hannover, (expense allowances and attendance fees) amounted to €37k (previous year: €36k).

In the year under review, members of the company's advisory board were:

Ms Doris Nordmann, State Secretary
Ministry of Finance of Lower Saxony
Chairwoman



Ms Jasmin Arbabian Bird
Regional Chairwoman of the Verband deutscher Unternehmerinnen of the Lower Saxony Regional Association

Ms Marina Barth
Member of the Board of Managing Directors Sparkasse Hannover

Mr Ulrich Bischooping
Group Representative for the States of Bremen and Lower Saxony, Deutsche Bahn AG

Mr Hans-Jürgen Duensing
Continental AG/Conti Tech AG
Member of the Board of Directors

Mr Alexander Ferrier
MD Planning + Engineering Integration,
System Innovation + Application Management,
FedEx

Mr Uwe Garbe
Managing Director, Fachvereinigung Spedition und Logistik in the Gesamtverband Verkehrsgewerbe Niedersachsen e.V. (GVN)

Dr Christian Grahl
Mayor of the City of Garbsen

Dr Christiane Hackerodt
Managing Partner Hackerodt Beteiligungs- und Verwaltungs GmbH & Co. KG

Ms Manuela Herbort (as of 14 December 2018)
Group Representative for the Federal States of Bremen and Lower Saxony
Deutsche Bahn

Mr Mirko Heuer
Mayor of the City of Langenhagen

Mr Henrik Homann (until 14 December 2018)
Managing Director TUI Group

Mr Hauke Jagau, Regional President
Region of Hannover

Dr Jochen Köckler
Chairman of the Board of Management Deutsche Messe AG

Mr Winfried Krause
Member of the Board of Management Finance and IT Volkswagen Nutzfahrzeuge

Mr Carsten Kröger
Managing Director International Carrier Consult GmbH

Mr Oliver Lackmann (as of 14 December 2018)
Managing Director TUIfly

Dr Volker Müller, Attorney at Law
Managing Director of the Institute of the Institut der Unternehmensverbände Niedersachsen e.V.

Dr Mehrdad Payandeh (as of 14 December 2018)
District Chairman of the Lower Saxony District of the Deutsche Gewerkschaftsbund

Dr Horst Schrage
Managing Director of the Chamber of Industry and Commerce Hannover-Hildesheim

Mr Holger Sindemann
Managing Director MTU Maintenance Hannover GmbH

Mr Hartmut Tölle (until 14 December 2018)
District Chairman of the Lower Saxony District of the Deutsche Gewerkschaftsbund

Ms Tina Voß
Managing Director Tina Voß GmbH

Mr Oliver Wagner
Member of the Management Board of Euro-wings GmbH

Dr Susanna Zapreva-Hennerbichler
Chairwoman of the Board of Directors enercity AG

Mr Thomas Zernechel
Spokesman of the Board of Management Volkswagen AG Logistics GmbH & Co.OHG

The total remuneration (attendance fees) paid to the advisory board of Flughafen Hannover-Langenhagen GmbH, Hannover, in the financial year amounted to €1k (previous year: €1k).

7. Total auditor's fee

The total fee charged by the auditor for the 2018 financial year amounts to €114k. Of this amount, €72k relates to audit services, €9k to other audit services, €14k to tax advisory services and €8k to other services.

8. Shareholding structure

FHG is the parent company within the meaning of section 290 HGB. The consolidated financial statements are published in the electronic German Federal Gazette.

(see next page)

9. Operations accounting according to section 6b Abs. 3 EnWG (German Energy Industry Act)

Flughafen Hannover-Langenhagen GmbH operates the airport network for the energy supply of Hannover Airport. In principle, the regulations of the Energy Industry Act apply to the operation of the airport network; thus also the requirements for accounting unbundling pursuant to section 6b(3) EnWG.

10. Report on events after balance sheet date

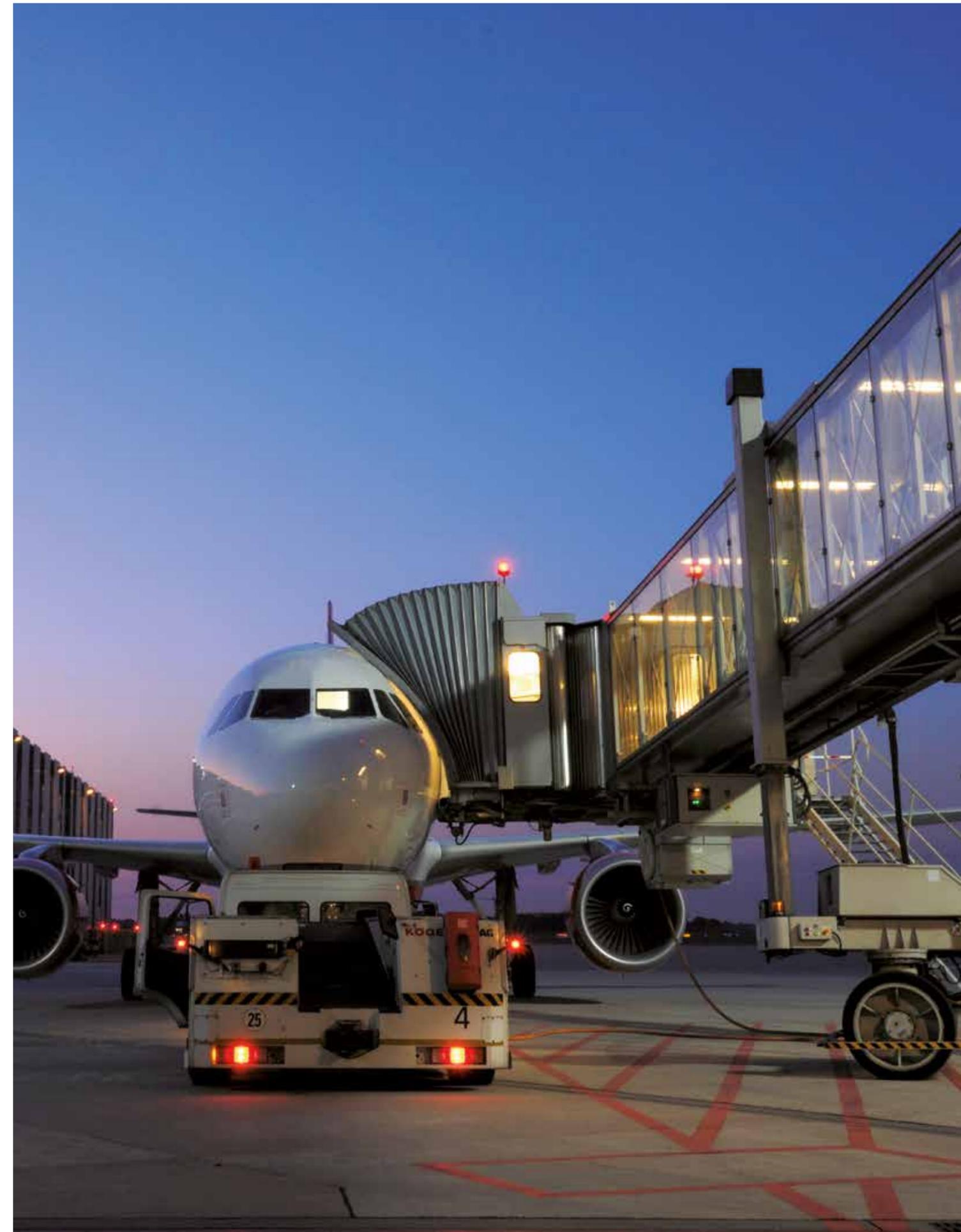
There have been no significant events after the balance sheet date affecting the asset, financial or income position of the company.

Hannover, 25 January 2019

Dr. Raoul Hille
Managing Director

- 1) There is a control and profit transfer agreement with FHG.
 2) Result for the year before profit transfer
 3) Equity after profit transfer
 4) Equity as of Dec 31, 2017
 5) Financial statements for the fiscal year ended Dec 31, 2018 not yet available
 6) Indirect investment via Hannover Aviation Ground Services GmbH
 7) Preliminary figures at the time of preparation of the annual financial statements
 8) Investment as of Jan 01, 2018

	Share	Nominal-capital	Equity as of Dec 31, 2018	Profit for the financial year 2018	Profit for the financial year 2017
	%	€k	€k	€k	€k
Fully consolidated subsidiaries pursuant to section 271 II HGB (German Commercial Code)					
Aircargo Services Hannover GmbH, Hannover	100.00	26	26 ³⁾	-358 ^{1),2)}	-116 ^{1),2)}
Hannover Aviation Ground Services GmbH, Langenhagen	100.00	26	26 ³⁾	719 ^{1),2)}	380 ^{1),2)}
AHS Hannover Aviation Handling Services GmbH, Langenhagen	51.00	100	668	122	137
RB Air Services GmbH, Langenhagen	100.00 ⁶⁾	25	24	0	0
Associated companies valued at equity pursuant to section 311, 312 HGB					
AHS Aviation Handling Services GmbH, Hamburg	29.75	500	8,408 ⁷⁾	330 ⁷⁾	5,716
AirITSystems GmbH, Hannover	50.00	2,000	4,973	740	805
Gastronomie Flughafen Hannover GmbH, Langenhagen	50.00	194	1,452	713	613
Non-consolidated companies					
Wirtschaftsförderungs-Gesellschaft Langenhagen Flughafen mbH, Langenhagen	50.00	26	105 ⁴⁾	- ⁵⁾	16
HMTG Hannover Marketing und Tourismus GmbH, Hannover	0.74	216	594 ⁴⁾	- ⁵⁾	10
Flughafen Parken GmbH, München 8)	0.74	216	594 ⁴⁾	- ⁵⁾	10



INFORMATION

on the balance sheet and income statement of electricity distribution activities



1. General information

The activity report for the power distribution was prepared in accordance with the provisions of the Dritte Buch des Handelsgesetzbuches für große Kapitalgesellschaften (Third Book of the Commercial Code for Major Corporations) and the supplementary provisions of the GmbH-Gesetz (Limited Liability Companies Act).

The profit and loss account was prepared using the aggregate cost method.

The structure of the balance sheet, the profit and loss account and the statement of assets is based on the provisions of sections 266 et seq. HGB (German Commercial Act).

In order to improve the clarity of presentation, we have included the information on inclusion in other balance sheet items in the notes.

2. Accounting and valuation methods

The accounting and valuation methods for the items of the balance sheet and profit and loss account for the electricity distribution sector correspond to those applied to the company's annual financial statements. We therefore refer to our comments in the notes to the annual financial statements.

3. Information on the Balance Sheet

3.1 Fixed assets

The development of the individual fixed asset items is shown in the attached fixed asset movement schedule.

3.2 Income subsidies received

This item relates to construction subsidies and house service connection subsidies received from connectees which were recorded in the financial statements of Flughafen Hannover-Langenhagen GmbH to reduce acquisition costs. In contrast to this, the statement of operations shows this as a special liability-side item without offsetting. This special reserve for grants received up to 2002 is released on a straight-line basis over 20 years at an annual rate of 5%. Subsidies received from 2003 onwards are reversed in accordance with the normal useful life of the subsidized assets.

3.3 Liabilities

The remaining terms of the liabilities as of December 31, 2018 (previous year in brackets) are shown in the following table:

	up to 1 year	more than 1 year	of which more than 5 years	Total
	TE	TE	TE	TE
LIABILITIES due to banks	800	2,475	1,222	3,275
	(610)	(3,331)	(1,554)	(3,941)
Other	4	0	0	4
	(7)	(0)	(0)	(7)
Total	804	2,475	1,222	3,279
	(617)	(3,331)	(1,554)	(3,948)

4. Information on the profit and loss account

4.1 Other operating income

Other operating income includes income unrelated to the accounting period; this relates to income from the reversal of income subsidies received (€ 6k; previous year € 6k) and from the reversal of provisions (€ 115k; previous year € 28k).

4.2 Other operating expenses

Other operating expenses do not include any expenses relating to other accounting periods.

4.3 Taxes on income and earnings

This item relates to the keyed share of actual trade and corporation tax expenses for the financial year.

5. Information on the allocation rules in accordance with section 6b(3) sentence 7 EnWG

In our internal accounting we keep separate accounts for the following activities:

- Electricity distribution
- Other activities within the electricity sector
- Other activities outside the electricity sector.

Business transactions that affect the profit and loss statement are posted progressively to the individual areas of activity in profit center accounting or cost center accounting. At the end of each financial year, cost centers that are not directly

assigned to individual activities are allocated to the areas of activity.

The fixed assets are also allocated directly to the individual activities on the basis of their profit center or cost center defined in the master record.

In preparing the balance sheet and the profit and loss statement for the electricity distribution activity area, assets and liabilities as well as expenses and income were directly allocated as far as possible.

The account balances, for which a direct allocation to the individual activities is not possible or would only involve unjustifiable effort, are broken down by activity area as follows:

(see chart on following page)

6. Other Information

6.1 Other financial commitments and contingent liabilities:

Contingent liabilities and other financial commitments relate to other activities outside electricity distribution. Please refer to the explanations in the Notes.

PROFIT AND LOSS ACCOUNT

for the period from January to December 31, 2018 regarding the electricity distribution grid

*Share of costs allocated in the relevant profit and loss statement item of the „electricity grid“ profit center of the previous period in the total amount of the relevant profit and loss statement item of the whole FHG in the previous period

BALANCE SHEET ITEM	ALLOCATION FORMULA
Fixed assets in the general administration area	General key (mixed key of number of employees and effort key of the electricity grid)
Inventory	Allocation key regarding the share of cost of material (t-1)*
Trade accounts receivable	Electric meter key, grid usage fee key
Other assets	Personnel key / General key
Cash and cash equivalents	Balance sheet total key
Deferred items	General key
Accruals for pensions and similar obligations	Personnel key
Tax accruals and other accruals	General key and Personnel key
Liabilities to banks	Asset key based on residual book value
Other liabilities	General key and Personnel key
PROFIT AND LOSS STATEMENT ITEM	ALLOCATION KEY
Cost of raw, auxiliary and operating materials	Allocation key regarding the share of cost of materials (t-1)*
Personnel expenditure	Allocation key regarding the share of personnel costs (t-1)*
Other operating expenses	Allocation key regarding the share of other expenses (t-1)*
Interest costs	Average interest rate on allocated liabilities to banks
Taxes on income and earnings	General key for income taxes for the current period

The business relations between the areas of activity were valued on the basis of the costs incurred.

	2018 / Euro	2017 / Euro
1. Sales revenue	3,710,318.24	3,149,131.53
2. Other own work capitalized	105,034.48	57,877.65
3. Other operating income	18,637.58	120,835.33
	3,833,990.30	3,327,844.51
4. Cost of materials		
a) Cost of auxiliary and operating materials and for purchased goods	1,348.85	1,981.55
b) Cost of purchased services	1,249,796.12	1,456,416.61
	1,251,144.97	1,458,398.15
5. Gross result	2,582,845.33	1,869,446.35
6. Personnel expenditure		
a) Wages and salaries	144,080.23	167,167.73
b) Social contributions and expenditures for pensions and other benefits - thereof for pensions: € 8,935.07 (previous year: € 6,353.82)	36,235.73	36,839.75
	180,315.73	204,016.48
7. Depreciation of intangible fixed assets and property, plant and equipment	908,350.95	917,103.13
8. Other operating expenses	905,289.75	881,804.44
9. Interest and similar expenses	154,688.79	148,884.16
10. Result of ordinary business activities Earnings before taxes (EBT)	434,200.11	-282,361.87
11. Taxes on income and earnings	53,870.12	50,928.61
12. Annual net profit / (-) annual net loss	380,329.99	-333,290.48

BALANCE SHEET OF THE ELECTRICITY DISTRIBUTION GRID

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2017

ASSETS	2018 / Euro	2017 / Euro
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights	117,729.78	182,736.71
	117,729.78	182,736.71
II. Property, plant and equipment		
1. Building, operating and site installations	7,239,261.00	6,908,444.00
2. Other installations, operating and office equipment	538,636.21	471,728.55
3. Construction in progress	12,237.02	102,094.85
	7,790,134.23	7,482,267.40
	7,907,864.01	7,665,004.12
B. CURRENT ASSETS		
I. Inventory		
1. Raw materials, auxiliary and operating materials	307.14	448.66
	307.14	448.66
II. Receivables and other assets		
1. Trade accounts receivable	2,882.33	0.00
2. Other assets	60,605.87	14,728.49
	63,488.20	14,728.49
III. Cash on hand, bank balances	4,487.83	98,443.24
C. DEFERRED ITEMS	6,728.31	1,064.14
	7,982,875.49	7,779,688.65

LIABILITIES	2018 / Euro	2017 / Euro
A. EQUITY CAPITAL		
1. Allocated equity	4,369,016.74	3,564,303.20
	4,369,016.74	3,564,303.20
B. SPECIAL RESERVES WITH AN EQUITY PORTION		
1. Income subsidies received	846.33	6,884.52
	846.33	6,884.52
C. ACCURALS		
1. Pension accruals	10,777.60	9,815.59
2. Tax accruals	87,138.89	32,458.71
3. Other accruals	236,006.21	218,003.07
	333,922.70	260,277.37
D. LIABILITIES		
1. Liabilities to banks	3,275,447.58	3,941,690.38
2. Other liabilities		
- thereof from taxes €1,310.13 (previous year: €1,231.26)		
- thereof relating to social security: €1.28 (previous year: €4.10)	3,642.14	6,533.18
	3,279,089.72	3,948,223.56
	7,982,875.49	7,779,688.65

DEVELOPMENT ASSETS „ELECTRICITY DISTRIBUTION GRID“

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2018

	ACQUISITION AND PRODUCTION COSTS					VALUE ADJUSTMENTS						NET BOOK VALUES		
	As of Jan 1, 2018 €	Adjustment balance brought forward as of Jan 1, 2018 €	Additions €	Repostings €	Disposals €	As of Dec 31, 2018 €	As of Jan 1, 2018 €	Adjustment balance brought forward as of Jan 1, 2018 €	Additions €	Attributions €	Disposals €	As of Dec 31, 2018 €	As of Dec 31, 2018 €	Previous year €
I. Intangible assets														
1. Concessions, industrial property rights	372,811.51	-68,576.16	22,342.50	15,471.03	2,253.33	339,795.55	190,074.80	-5,806.57	39,927.90	0.00	21,30.36	222,065.77	136,903.02	117,729.78
	372,811.51	-68,576.16	22,342.50	15,471.03	2,253.33	339,795.55	190,074.80	-5,806.57	39,927.90	0.00	21,30.36	222,065.77	136,903.02	117,729.78
II. Fixed assets														
1. Buildings, operating plants and site equipment	23,993,108.68	0.00	988,937.66	90,743.65	0.00	25,072,789.99	17,084,664.68	0.00	748,864.31	0.00	0.00	17,833,528.99	7,239,261.00	6,908,444.00
2. Technical installations and machinery	192,563.01	0.00	0.00	0.00	0.00	192,563.01	192,563.01	0.00	0.00	0.00	0.00	192,563.01	0.00	0.00
3. Other installations, operating and office equipment	1,949,561.48	112,823.91	154,083.19	5,247.74	131,248.10	2,090,468.22	1,477,832.92	85,554.19	119,558.74	0.00	131,113.84	1,551,832.01	538,636.21	471,728.56
4. Construction in progress	102,094.85	20,718.77	885.82	-111,462.42	0.00	12,237.02	0.00	0.00	0.00	0.00	0.00	0.00	12,237.02	102,094.85
	26,237,328.02	133,542.68	1,143,906.67	-15,471.03	131,248.10	27,368,058.24	18,755,060.61	85,554.19	868,423.05	0.00	131,113.84	19,577,924.01	7,790,134.23	7,482,267.41
	26,610,139.53	64,966.52	1,166,249.17	0.00	133,501.43	27,707,853.79	18,945,135.41	79,747.62	908,350.95	0.00	133,244.20	19,799,989.78	7,907,864.01	7,665,004.12

THE GROUP

in the fiscal year 2018



HANNOVER AVIATION GROUND SERVICES GMBH (AGS)

Hannover Aviation Ground Services GmbH (AGS) is a wholly owned subsidiary of Flughafen Hannover-Langenhagen GmbH. It was founded in 1996 as Verkehrsdienste Flughafen Hannover GmbH (VFH). In 2001 the company was renamed Hannover Aviation Ground Services GmbH. There is a control and profit transfer agreement with Flughafen Hannover-Langenhagen GmbH. The company's business activities cover the provision of ground handling services for aircraft and all related ancillary business as well as the implementation of all necessary preparatory measures. AGS acts as a subcontractor for the airport company.



AIRCARGO SERVICES HANNOVER GMBH (ASH)

Aircargo Services Hannover GmbH (ASH) is a wholly owned subsidiary of Flughafen Hannover-Langenhagen GmbH. It was founded in 1984 as Air Service Hannover GmbH. In 2011 the company was renamed Aircargo Services Hannover GmbH. There is a control and profit transfer agreement with Flughafen Hannover-Langenhagen GmbH. Its business activities include air cargo handling as an agent for airlines and the operati-

on of a warehouse. In addition, ASH offers the transport of air freight on land, the brokerage of the transport of freight by air and various other air freight-related services.



AIRITSYSTEMS GMBH (AIRIT)

AirITSystems GmbH (AirIT) was founded in 2001. Its shareholders are Flughafen Hannover-Langenhagen GmbH and Fraport AG with 50% each. The registered office of the company is Hannover. Its business activities include the provision of information and communication services for airports and other service providers. This includes planning, consulting, implementation, commissioning, operation, maintenance and service of I&C systems. Further focal points are the development and support of application systems (SAP) and extensive training as well as the development of solutions in the fields of building, IT and organizational security.



GASTRONOMIE FLUGHAFEN HANNOVER GMBH (GFH)

Gastronomie Flughafen Hannover GmbH was founded in 1979. Its shareholders are Flughafen Hannover-Langenhagen GmbH and Marché Mövenpick Deutschland GmbH, Leinfelden-Echterdingen with 50% each. The business activity of the company extends to the maintenance and operation of gastronomic facilities at Hannover-Langenhagen Airport, including the associated secondary business.



AHS HANNOVER AVIATION HANDLING SERVICES GMBH (AHS HANNOVER)

AHS Hannover Aviation Handling Services GmbH was founded in 1996. The shareholders are Flughafen Hannover-Langenhagen GmbH (51.0%) and AHS Aviation Handling Services GmbH, Hamburg (49.0%). The object of AHS Hannover is the provision of services in connection with the handling of aircraft at Hannover Airport, in particular the performance of passenger, apron and cargo handling as well as the sale of such services and the brokerage of travel and transport services.



AHS AVIATION HANDLING SERVICES GMBH (AHS HOLDING)

AHS Aviation Handling Services GmbH was founded in 1990. Its shareholders are Flughafen Hannover-Langenhagen GmbH (29.75%), Flughafen Hamburg GmbH (27.25%), Flughafen Bremen GmbH (12%), FMO Flughafen Münster/Osnabrück GmbH (10%), Flughafen Stuttgart GmbH (10%), Flughafen Köln/Bonn GmbH (10%) and AirPart GmbH, Nuremberg (1%). The AHS Group provides services at 13 German airports in connection with passenger, apron and cargo handling as well as the brokerage of travel and transport services.

CONSOLIDATED FINANCIAL REPORT

of Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2018



OVERALL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

Economic growth in Germany continued in the financial year 2018. However, special factors, which mainly resulted from global trade policy uncertainties and the WLTP problem in the automotive industry, led to a temporary slowdown in the third quarter. The labor market also continued to develop positively. Employment continued to rise and household income growth outpaced consumer price inflation. The consumer climate remained positive.

The German aviation industry also benefited from the positive consumer climate. The airlines attempted to close the gap created by the exit of Air Berlin and in some cases also increased their services with new routes. Apart from a few locations, this led to a significant upturn in demand for air transport, particularly on European routes. By contrast, passenger volume on domestic routes in Germany declined slightly.

Intense competition, bottlenecks in air traffic control and, at some airports, a shortage of available aircrafts and crews led to delays of unprecedented proportions at all locations during the summer timetable. Again, the competitive situation also led to numerous airline insolvencies in 2018. These included Small Planet Airlines Germany, which operated from Hannover until September.

BUSINESS DEVELOPMENT

The strong growth of Eurowings, who had already taken over numerous routes and aircraft from Air Berlin last year, as well as Condor, who greatly expanded its offering, and of the up-and-coming airlines WIZZ Air, Small Planet and Laudamotion led in parts to double-digit growth rates

in Hannover. This more than compensated for the loss of Air Berlin passengers from the previous year and the highest number of passengers in the history of Hannover Airport to date was reached. The two fastest growing routes were Antalya and Palma de Mallorca and further tourist destinations in Turkey and North Africa grew. In addition to strengthen the position in the tourism sector, progress was also made in expanding connections to existing international hubs and in re-connecting Warsaw. Passenger growth was based on the significant expansion of routes and the use of larger aircraft.

With competition among northern German airports remaining fierce, it was possible to achieve a positive result that clearly exceeded expectations. In addition to intensive sales activities, largely optimized cost and investment management and continued favorable loan interest rates, the balanced airline portfolio also contributed to this.

The air gateway, which TNT added to the existing road hub in the western area in November 2014, ensured a stable basic volume of flown air freight in 2018. While express freight showed a steady upward trend, the number of special freight charters and the volume of additional cargo in passenger aircraft declined, resulting in a slight overall decline in flown airfreight.

The economic situation of the Group in the financial year 2018 remains extremely sound. Despite higher selling expenses the result exceeded expectations due to a significant increase in traffic volume. As a result, we continue to aim to secure sustainable, profitable growth in the future.

INFORMATION ON THE GROUP

Hannover Aviation Ground Services GmbH (AGS), a wholly-owned subsidiary of FHG, provided ground handling services and the services of „Central Infrastructure“ on behalf of its FHG parent company, whereby AHS Hannover Aviation Handling Services GmbH, in which FHG holds a 51 % stake, dealt with passenger handling. The subsidiary Aircargo Service Hannover GmbH (ASH) mainly operated the airfreight import/export warehouse and the night airmail hall. In addition, the company holds a 29.75% interest in Aviation Handling Services GmbH, Hamburg, in which other German airports also hold an interest. The three companies with majority shareholdings together with the transport division of the parent company FHG form the „Aviation“ segment.

Gastronomie Flughafen Hannover GmbH, a joint venture with Marché Mövenpick Deutschland GmbH, provides catering services for passengers and visitors in the passenger terminal. The „Information and Communication Services“ division was outsourced to AirITSystems GmbH on 01 September 2001. Hannover Airport and Fraport AG each hold a 50% interest in this company. As a result of an amendment to IFRS 11, neither company has been included in the consolidation since 2014 (now equity valuation), so that the „Non Aviation“ segment has since then consisted exclusively of the real estate and technology divisions of the parent company FHG.

PROFIT SITUATION

In the financial year 2018, Group revenues of €156.5 million were 8.7% above the previous year's level. The increase in revenues in the aviation and non-aviation segments was mainly due to

the significant increase in passenger and movement figures as well as price increases for individual fee types. Growth was also achieved in revenues not directly related to traffic, such as advertising revenues and rental income, due to the stronger trade fair year and special events.

The only dampening effects were a billing-related decrease in pension benefits and a decrease in the reversal of reserves.

Earnings effects offsetting the positive earnings trend resulted in particular from higher plant maintenance expenses, pay-scale increases in personnel expenses, higher expenses for ground handling services due to higher traffic volumes, and higher marketing and selling expenses.

The aforementioned income and expense effects and a significant increase in income from investments improved earnings before taxes (EBT) by €3.1 million compared to approximately €5.2 million. After taking income taxes into account, the net profit for the year amounted to €4.5 million (2017: €2.3 million).

With 6,309,536 local passengers and 15,098 single transit passengers, the total volume amounted to 6,324,634. This represents an increase by 454,530 passengers or 7.7% compared to the previous year.

The local volume of airfreight flown in 2018 was 8,184t, 8.8% lower than in the previous year, and the total volume of 9,595t fell by 7.6%.

At 7,952t, local airmail volumes were slightly above the previous year's level.

Compared to the previous year, the number of take-offs and landings in scheduled and charter



traffic increased by 5.5%, while the maximum take-off weights (MTOWs) relevant to invoicing increased by 8.0%. The size of the aircraft and the number of seats offered thus increased significantly compared with the previous year.

By contrast, the number of passengers per movement on scheduled and charter services rose by only 1.7%, which was associated with a somewhat lower aircraft load factor in the year under review.

FINANCIAL AND ASSET SITUATION

Consolidated equity increased from €138.8 million to €141.6 million. Including the consolidated balance sheet profit carried forward of €3.7 million from 2017, consolidated net income of €4.5 million, minority interests of €0.1 million and distributions to shareholders of the parent company of €1.9 million, consolidated balance sheet profit amounted to €6.1 million.

The return on equity based on earnings before taxes (EBT) was +3.7 % (previous year: +1.5 %).

Investments in the fixed assets of the Flughafen Hannover-Langenhagen GmbH (FHG) Group amount to €28.6 million and mainly relate to construction measures in the southern runway area, the planning costs for the conversion of Terminals B and C scheduled for 2018 to 2020, the preparation of Terminal D to relieve traffic peaks, planning and preparation costs for the modernization of hangar 1, the conversion of control stage 1 of the multi-stage baggage control system to EU Standard 3 and a further construction phase for the new construction of the airport outer fence.

These investments are offset by depreciation of tangible and intangible assets of €20.6 million.

Long-term fixed assets of €338.4 million are covered to 41.8% by equity (€141.6 million). The debt-equity ratio decreased compared to the previous year.

RISK REPORT

The principles of the risk management system are documented in the „Group Risk Management Manual“. risk catalogs and risk portfolios for the divisions / subsidiaries / equity investments are updated and communicated on a quarterly basis using software.

At FHG, net risks in excess of €15 million are classified as „serious“, between €5 million and 15.0 million as „serious“, between €0.5 million and 5 million as „medium“ and underlying risks from €0.1 million as „low“ and weighted with their probability of occurrence (low, possible, probable and very probable).

This is closely linked to quarterly risk reporting within the FHG Group. It includes providing the management and the Supervisory Board of FHG with early information on potential risks within the FHG Group that could jeopardize the continued existence of the company. Individual risks with a probability of occurrence greater than 25% and serious individual risks with a probability of occurrence greater than 75% are defined as risks that could jeopardize the continued existence of the company. These risks are assigned to risk category 1 in the risk reporting system. If risks that could potentially jeopardize the continued existence of the company are identified between the reporting dates, the FHG management is informed on an ad hoc basis.

Risks of bad debts are mainly taken into account by advance payments or the deposit of collateral by customers. Liquidity risks and fluctuations in cash flows are covered by corresponding credit lines with banks.

The airport counters the interest rate risk when concluding variable-interest loans (underlying transactions) by concluding interest rate swaps (hedging instruments) that transform the variable interest rate into a fixed interest rate.

As part of the risk management system, no risks were identified at the end of the financial year that could potentially jeopardize the continued existence of the company or the Group and could be of significance for its future development. There are therefore no risks in risk class 1. In risk class 2, the only „serious“ risk at FHG was eliminated during the financial year.

A slowdown in the economy and restructuring and consolidation in the airline industry could dampen further traffic growth. The development of kerosene prices and the geopolitical situation could also have a negative impact on traffic development. In addition, a further tightening of regulatory requirements with one-sided burdens for airports could lead to additional financial burdens, among other things due to resulting capital expenditure.

FORECAST REPORT

Following the positive results achieved in the past four years, which enabled a dividend to be distributed again in 2018, the Group plans to continue to achieve sustained and profitable growth. Due to the after-effects of the financial and euro debt crisis, the geopolitical unrest, consolidation in the German air transport market

and the deliberately continued investment policy aimed at long-term competitiveness, there are certain limits to earnings growth.

As in the previous year, the financial performance indicator relevant to the airport is the annual result in accordance with the commercial profit and loss account. Likewise, passenger volume remains the significant non-financial performance indicator.

A slightly positive result and a passenger volume of 5,930k were planned for 2018. The strong growth of Condor and Eurowings in particular, as well as the continued recovery of tourism demand, resulted in a 6.7% increase in passenger volume compared to the planned figure. The increase in traffic resulted in a positive effect on the annual result, which was well above budget, partly due to the reversal of accruals no longer required.

A slightly positive result is expected for the year 2019, which is above the level of last year's planned result but below the last annual result. With the planned passenger volume of 6,300 thousand passengers for 2019, the company expects a consolidation phase after two years of strong growth, on the basis of which further steady growth is expected. It is assumed that the demand for tourism transport in particular will remain at a high level and that the demand for tours to Turkey will continue to recover. With sales slightly below the previous year's level, a lower annual result for 2019 than in the previous year is also expected. This is due to significant one-off effects in 2018, such as the reversal of reserves no longer required and book profits from the sale of fixed assets, but also to price increases for purchased services as well as higher personnel costs due to collective wage agreements and higher volumes.

Despite further investments in securing and optimizing operating processes, maintaining and expanding the infrastructure and meeting legal requirements, the equity ratio of the company will remain in the appropriate range at over 30%. The equity ratio is expected to continue to rise in the long term as a result of traffic and revenue increases to be expected in the medium term, a cost base that will not rise to the same extent as a result of stringent cost management, and the shareholders' dividend policy pursued to date.

Net debt should improve in the long term and remain within reasonable limits even with higher annual investment volumes.

OPPORTUNITY REPORT

In the medium term, the central location within the EU with a well-developed airside infrastructure and optimal onshore connections presents itself as an opportunity for the Group. Opportunities may arise from the expansion of the volume of air freight handled at the location and flown from Hannover, as well as the generation of growth impulses through the establishment of additional airlines or the expansion of the flight operations of existing airlines.

In addition, the existing area offers sufficient development opportunities to complement or expand both the aviation and non-aviation sectors.

Taking into account the given estimation uncertainty, the opportunities presented can make a positive contribution to earnings in the single-digit millions. There have been no significant changes in opportunities compared to the previous year.

CORPORATE GOVERNANCE STATEMENT

Due to the „Law on the Equal Participation of Women and Men in Management Positions in the Private and Public Sector“ (FührposGleichberG), which came into force on 1 May 2015, a 30% proportion of women on the supervisory board of Hannover Airport was stipulated.

For management as top management level no commitment was made, as only one managing director has been appointed.

Furthermore, a participation of 30% of women was specified for middle level management and for low level management 20%.

As of 31 December 2018, the targets for the management levels were met. The share of women at middle management level was 40% and at low management level 20.8%. With 16.7% the target value for the supervisory board was not fulfilled due to a shareholders' resolution and the election of the employee representatives to the supervisory board as a result of replacements.

Hannover, 8 February 2019

Dr. Raoul Hille
Managing Director



IFRS-CONSOLIDATED BALANCE SHEET

of Flughafen Hannover-Langenhagen GmbH as of December 31, 2018

ASSETS	Note	Dec 31, 2018 Euro	Dec 31, 2017 Euro
A. NON-CURRENT ASSETS			
I. Intangible assets	C.1.		
1. Software / Licenses		1,169,683.00	1,021,311.00
2. Goodwill and other intangible assets		622,000.00	622,000.00
3. Prepayments		257,385.90	81,805.80
		2,049,068.90	1,725,116.80
II. Property, plant and equipment	C.2.		
1. Land and buildings		294,686,312.55	297,351,527.85
2. Technical equipment and machinery		4,044,219.00	4,623,049.00
3. Other installations, operating and office equipment		10,915,661.09	10,159,191.38
4. Prepayments and assets under construction		14,630,173.14	6,151,672.17
		324,276,365.78	318,285,440.40
III. Investment Property	C.3.	5,626,955.58	5,985,865.66
IV. Financial assets			
1. Shareholdings		36,982.30	32,782.30
2. Shares in associated companies	C.4.	6,439,020.99	5,100,692.02
3. Loans to companies in which an interest is held	C.5.	0.00	358,710.08
4. Other loans		2,380.00	14,082.89
		6,478,383.29	5,506,267.29
V. Other non-current assets	C.7.	133,526.35	175,880.96
		338,564,299.90	331,678,571.11
B. CURRENT ASSETS			
I. Inventory	C.6.		
1. Raw materials, auxiliary and operating materials		909,211.00	898,458.47
		909,211.00	898,458.47
II. Receivables and other assets	C.7.		
1. Receivables		10,645,705.72	11,016,685.56
2. Receivables from companies in which an interest is held		112,392.68	101,816.59
3. Other current assets		1,245,801.09	776,362.15
4. Current income tax assets		175,486.95	261,482.12
		12,179,386.44	12,156,346.42
III. Cash on hand, bank balances		1,696,263.19	6,033,516.23
		14,784,860.63	19,088,321.12
		353,349,160.53	350,766,892.23

LIABILITIES	Note	Dec 31, 2018 Euro	Dec 31, 2017 Euro
A. EQUITY			
I. Subscribed capital	C.8.	30,700,000.00	30,700,000.00
II. Additional paid-in capital		58,127,335.30	58,127,335.30
III. Other revenue accruals		46,282,220.16	45,860,494.26
IV. Minority interests		327,141.66	334,393.78
V. Consolidated balance sheet result		6,118,431.37	3,744,193.25
		141,555,128.49	138,766,416.59
B. NON-CURRENT LIABILITIES			
1. Accruals for pensions and similar obligations responsibilities	C.9.	5,135,507.79	5,337,238.24
2. Other accrued liabilities	C.10.	9,622,868.43	10,049,798.95
3. Deferred tax liabilities	C.12.	15,515,534.05	15,439,079.36
4. Financial liabilities	C.13.	87,673,047.17	114,749,949.61
5. Derivative financial instruments	C.14.	3,722,894.76	4,134,454.41
6. Other liabilities	C.15.	424,112.66	480,420.90
		122,093,964.86	150,190,941.47
C. SHORT-TERM LIABILITIES			
1. Other accruals	C.10.	5,760,811.80	5,547,076.06
2. Current income tax liabilities	C.11.	593,010.82	266,869.68
3. Financial liabilities	C.13.	38,075,774.92	21,032,146.47
4. Trade accounts payable	C.15.	33,764,321.00	26,282,275.99
5. Other liabilities	C.15.	11,506,148.64	8,681,165.97
		89,700,067.18	61,809,534.17
		211,794,032.04	212,000,475.64
		353,349,160.53	350,766,892.23

IFRS-CONSOLIDATED PROFIT AND LOSS ACCOUNT

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2018

	Note	Jan 1 - Dec 31, 2018 €	Jan 1 - Dec 31, 2017 €
1. Sales revenue	B.1.	170,091,561.58	156,499,233.88
2. Changes in inventories of finished goods and work in progress	B.2.	0.00	0.00
3. Own work capitalised	B.2.	1,237,406.63	776,998.09
4. Other operating income	B.3.	3,758,559.21	6,385,520.16
5. Overall performance		175,087,527.42	163,661,752.13
6. Cost of materials			
a) Cost of supplies and purchased goods	B.4.	4,714,091.57	4,320,039.60
b) Costs for purchased services	B.4.	32,444,203.49	30,414,142.19
		37,158,295.06	34,734,181.79
7. Gross result		137,929,232.36	128,927,570.34
8. Personnel expenditure			
a) Wages and salaries	B.5.	59,792,729.95	57,404,744.67
b) Social security contributions	B.5.	14,650,458.80	13,312,371.40
		74,443,188.75	70,717,116.07
9. Depreciations of intangible assets and property, plant and equipment	B.6.	20,554,992.41	20,157,445.03
10. Other operating expenses	B.7.	35,357,710.90	31,934,177.40
11. Result from operating activities		7,573,340.30	6,118,831.84
12. Income from loans from financial assets	B.9.	711.70	24,765.13
13. Other interest and similar income	B.8.	4,034.35	118.11
14. Interest and similar expenses	B.8.	4,792,993.96	5,312,900.33
15. Financial result		-4,788,247.91	-5,288,017.09
16. Income from investments	B.10.	1,111,697.67	209,600.00
17. Income from associated companies	B.11.	1,338,328.97	1,095,611.32
18. Income before income taxes		5,235,119.03	2,136,026.07
19. Taxes on income and earnings	B.12.	859,346.14	658,185.28
20. Deferred tax liabilities	B.12.	-81,393.20	-844,024.74
21. Consolidated net income for the period		4,457,166.09	2,321,865.53
22. Minority interests in earnings		-59,922.53	-67,174.65
23. Group profit carried forward		3,670,097.11	3,664,133.68
24. Dividends paid to shareholders		-1,948,909.30	-2,174,631.31
25. Consolidated balance sheet result		6,118,431.37	3,744,193.25

Details to IFRS overall group earnings statement on page 62.

IFRS-CONSOLIDATED CASH FLOW STATEMENT

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2018

	2018 / €k	2017 / €k
Consolidated annual result before tax	5,235	2,136
Write-offs/write-ups of fixed assets	20,555	20,157
Balance of financial income and expenses	-2,455	-1,331
Interest payables	4,793	5,313
Increase in long-term accruals (incl. pension obligations)	-628	1,213
Decrease/increase in other accruals	214	600
Balance of other non-cash expenses and income	274	662
Profit / loss from the disposal of fixed assets (balance)	1,563	1,515
Change in inventories	-11	-99
Change in receivables and other assets	-67	-3,122
Increase in liabilities not attributable to investing or financing activities	10,251	5,942
Income tax payments/refunds	-447	-804
Cash generated from operating activities	39,277	32,182
Interest paid	-4,976	-5,470
Interest and dividends received	1,117	235
Cashflow from operating activities	35,418	26,947
Proceeds from the disposal of property, plant and equipment/intangible assets	464	175
Cash outflow for investments in property, plant and equipment/ intangible assets/ property held as financial investments	-28,537	-17,493
Proceeds from the disposal of shares in associated companies	0	0
Proceeds from the disposal of financial assets	370	1,029
Payments for investments in financial assets	-4	0
Cashflow from investment activities	-27,707	-16,289
Payments from the repayment of loans	-29,564	-12,076
Proceeds from the taking up of loans	10,000	10,000
Dividend payments to shareholders of the parent company	-1,949	-2,175
Dividend payments to minority shareholders	-67	0
Cashflow from financial activities	-21,580	-4,251
Change in cash funds from cash and cash equivalents	-13,869	6,407
Cash and cash equivalents at the beginning of the financial year	4,566	-1,841
Cash and cash equivalents at the end of the financial year	-9,303	4,566
Composition of cash and cash equivalents at the end of the financial year		
Cash and cash equivalents	1,696	6,034
Other liabilities to banks due at any time	-10,999	-1,468
	-9,303	4,566

IFRS-DEVELOPMENT OF CONSOLIDATED FIXED ASSETS

of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2018

ACQUISITION AND MANUFACTURING COSTS

VALUATION ALLOWANCES

NET BOOK VALUES

	As of Jan 1, 2018 €	Additions €	Repostings €	Disposals €	As of Dec 31, 2018 €	As of Dec 31, 2018 €	As of Jan 1, 2018 €	Additions €	Disposals €	As of Dec 31, 2018 €	As of Dec 31, 2018 €	Previous year €
I. Intangible assets												
1. Software/licenses	3,790,080.83	322,495.62	223,311.60	32,525.00	0.00	4,303,363.05	2,768,769.83	395,660.22	30,750.00	3,133,680.05	1,169,683.00	1,021,311.00
2. Goodwill	1,064,467.50	0.00	0.00	0.00	0.00	1,064,467.50	442,467.50	0.00	0.00	442,467.50	622,000.00	622,000.00
3. Payments on account	81,805.80	187,991.70	-12,411.60	0.00	0.00	257,385.90	0.00	0.00	0.00	0.00	257,385.90	81,805.80
	4,936,354.13	510,487.32	210,900.00	32,525.00	0.00	5,625,216.45	3,211,237.33	395,660.22	30,750.00	3,576,147.55	2,049,068.90	1,725,116.80
II. Property, plant and equipment												
1. Land and buildings	693,736,573.70	14,712,620.44	1,348,371.50	4,626,377.87	0.00	705,171,187.77	396,385,045.85	16,720,408.13	2,620,578.76	410,484,875.22	294,686,312.55	297,351,527.85
2. Technical installations and machinery	14,445,500.79	147,461.62	0.00	295,550.80	0.00	14,297,411.61	9,822,451.79	726,291.62	295,550.80	10,253,192.61	4,044,219.00	4,623,049.00
3. Other equipment, operating and office equipment	37,958,465.23	2,746,630.37	403,448.77	2,064,155.16	26,635.20	39,017,754.01	27,799,273.85	2,353,394.41	2,050,575.34	28,102,092.92	10,915,661.09	10,159,191.38
4. Payments on account and assets under construction	6,151,672.17	10,459,803.70	-1,962,720.27	4,985.20	13,597.26	14,630,173.14	0.00	0.00	0.00	0.00	14,630,173.14	6,151,672.17
	752,292,211.89	28,066,516.13	-210,900.00	6,991,069.03	40,232.46	773,116,526.53	434,006,771.49	19,800,094.16	4,966,704.90	448,840,160.75	324,276,365.78	318,285,440.40
III. Investment Property												
1. Real estate held as financial investment	13,397,723.08	327.95	0.00	0.00	0.00	13,398,051.03	7,411,857.42	359,238.03	0.00	7,771,095.45	5,626,955.58	5,985,865.66
IV. Financial assets												
1. Shareholdings	32,782.30	4,200.00	0.00	0.00	0.00	36,982.30	0.00	0.00	0.00	0.00	36,982.30	32,782.30
2. Shares in associated companies	5,100,692.02	1,338,328.97	0.00	0.00	0.00	6,439,020.99	0.00	0.00	0.00	0.00	6,439,020.99	5,100,692.02
3. Loans to companies in which an interest is held	358,710.08	0.00	0.00	358,710.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	358,710.08
4. Other loans	14,082.89	0.00	0.00	11,702.89	0.00	2,380.00	0.00	0.00	0.00	0.00	2,380.00	14,082.89
	5,506,267.29	1,342,528.97	0.00	370,412.97	0.00	6,478,383.29	0.00	0.00	0.00	0.00	6,478,383.29	5,506,267.29
	776,132,556.39	29,919,860.37	0.00	7,394,007.00	40,232.46	798,618,177.30	444,629,866.24	20,554,992.41	4,997,454.90	460,187,403.75	338,430,773.55	331,502,690.15

IFRS-DEVELOPMENT OF CONSOLIDATED FIXED ASSETS

of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2017

	ACQUISITION AND MANUFACTURING COSTS						VALUATION ALLOWANCES					NET BOOK VALUES		
	As of Jan 1, 2017 €	Additions €	Restorings €	Reclassification €	Disposals €	Subsidy €	As of Dec 31, 2017	As of Jan 1, 2017 €	Allocation €	Disposals €	Reclassification €	As of Dec 31, 2017 €	As of Dec 31, 2017 €	Previous year €
I. Intangible assets														
1. Internally generated intangible assets / licenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Software / licenses	3,556	271	8	0	45	0	3,790	2,478	326	35	0	2,769	1,021	1,078
3. Goodwill	1,064	0	0	0	0	0	1,064	443	0	0	0	443	622	622
4. Prepayments	6	79	-3	0	0	0	82	0	0	0	0	0	82	6
	4,627	350	5	0	45	0	4,936	2,921	326	35	0	3,212	1,725	1,706
II. Property, plant and equipment														
1. Land, rights equivalent to real property and buildings including buildings on third-party property	689,824	9,792	2,789	0	8,667	0	693,737	387,394	16,503	7,511	0	396,385	297,352	302,430
2. Technical equipment and machinery	14,329	595	4	0	473	9	14,446	9,550	746	473	0	9,822	4,623	4,779
3. Other equipment, perating and office equipment	36,306	3,076	243	0	1,638	29	37,958	27,146	2,220	1,567	0	27,799	10,159	9,160
4. Prepayments and assets under construction	5,938	3,707	-3,041	0	452	0	6,152	0	0	0	0	0	6,152	5,938
	746,397	17,169	-5	0	11,231	38	752,293	424,090	19,469	9,551	0	434,007	318,285	322,306
III. Investment Property														
1. Real estate held as financial investment	13,387	11	0	0	0	0	13,398	7,049	363	0	0	7,412	5,986	6,338
IV. Financial assets														
1. Investments accounted for using the equity method	4,005	1,095	0	0	0	0	5,100	0	0	0	0	0	5,100	4,005
2. Other investments	33	0	0	0	0	0	33	0	0	0	0	0	33	33
3. Loans to companies in which an interest is held	1,388	0	0	0	1,029	0	359	0	0	0	0	0	359	1,388
4. Other loans	14	0	0	0	0	0	14	0	0	0	0	0	14	14
	5,440	0	0	0	1,029	0	5,506	0	0	0	0	0	5,506	5,440
V. Non-current assets classified as held for sale														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	769,851	18,625	0	0	12,306	38	776,133	434,060	20,157	9,586	0	444,631	331,503	335,791

IFRS-CONSOLIDATED EQUITY SUMMARY

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2018

	Parent Company						Minority Shareholders		Consolidated capital €k	
	Capital subscribed €k	Capital accural €k	Earnings accural €k	Cash flow hedge accural €k	Revaluation accural €k	Consolidated balance sheet result €k	Equity €k	Minority capital €k		Equity €k
As of Jan 1, 2017	30,700	58,127	50,913	-3,543	-2,934	3,664	136,927	267	267	137,194
Change from valuation of cash flow hedges				1,016			1,016			1,016
Revaluations (especially insurance mat. Gains and losses)					1,056		1,056			1,056
Deferred taxes on changes recognized directly in equity				-317	-330		-647			-647
Dividends paid						-2,175	-2,175	0	0	-2,175
Consolidated net profit						2,255	2,255	67	67	2,322
Total consolidated income / loss	0	0	0	699	726	80	1,505	67	67	1,572
As of Dec 31, 2017	30,700	58,127	50,913	-2,844	-2,208	3,744	138,432	334	334	138,766
As of Jan 1, 2018	30,700	58,127	50,913	-2,844	-2,208	3,744	138,432	334	334	138,766
Change from valuation of cash flow hedges				412			412			412
Change in retained earnings			-74			74	0			0
Revaluations (especially insurance mat. Gains and losses)					94		94			94
Deferred taxes on changes recognized directly in equity				-129	-29		-158			-158
Dividends paid						-1,949	-1,949	-67	-67	-2,016
Consolidated net profit						4,397	4,397	60	60	4,457
Total consolidated income/loss	0	0	74	283	65	2,374	2,796	-7	-7	2,789
As of Dec 31, 2018	30,700	58,127	50,987	-2,561	-2,143	6,118	141,228	327	327	141,555

ANNEX

of the FHG Group for the fiscal year 2018

» » You will find the detailed IFRS-Annex in a separate PDF-Document.

IFRS-OVERALL GROUP EARNINGS STATEMENT

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2018

	2018 / Euro	2017 / Euro
Other income after taxes	4,457,166.09	2,321,865.53
Items which under certain conditions will, in future, be reclassified in profit and loss account		
Cashflow Hedges	411,559.65	1,016,322.03
Income tax effects	-128,521.99	-317,346.55
	283,037.66	698,975.48
Items which will not be reclassified in profit and loss account in future		
Remeasurements	93,918.00	1,055,726.00
Income tax effects	-29,325.90	-329,650.44
	64,592.10	726,075.56
Other income after taxes	347,629.76	1,425,051.04
Total after taxes	4,804,795.85	3,746,916.57
Share of the consolidated profit/loss for the period:		
Shareholders of the parent company	4,397,243.56	2,254,690.88
Shares of non-controlling interest	59,922.53	67,174.65
Of the total consolidated result		
Shareholders of the parent company	4,744,873.32	3,679,741.92
Shares of non-controlling interest	59,922.53	67,174.65

LIST OF SHAREHOLDINGS

of the FHG Group for the fiscal year 2018

- 1) There is a control and profit transfer agreement with FHG.
- 2) Result for the year before profit transfer
- 3) Equity after profit transfer
- 4) Equity as of Dec 31, 2017
- 5) Financial statements for the fiscal year ending Dec 31, 2018 not yet available
- 6) preliminary figures
- 7) Indirect shareholding via Hannover Aviation Ground Services GmbH
- 8) Shareholding as of Jan 01, 2018

	Share	Nominal capital	Equity Dec 31, 2018	Result 2018	Result 2017
	%	€k	€k	€k	€k
Fully consolidated subsidiaries according Article 271 II HGB (German Commercial Code)					
Aircargo Services Hannover GmbH, Hannover	100.00	26	84 ³⁾	358 ^{1),2)}	-116 ^{1),2)}
Hannover Aviation Ground Services GmbH, Langenhagen	100.00	26	522 ³⁾	719 ^{1),2)}	380 ^{1),2)}
AHS Hannover Aviation Handling Services GmbH, Langenhagen	51.00	100	668	122	137
RB Air Services GmbH Langenhagen ⁷⁾	100.00 ⁷⁾	25	24	0	0
Associated companies evaluated at equity according Articles 311, 312 HGB (German Commercial Code)					
AHS Aviation Handling Services GmbH, Hamburg	29.75	500	8,406 ⁶⁾	330 ⁶⁾	5,716
AirITSystems GmbH, Hannover	50.00	2,000	4,973	740	805
Gastronomie Flughafen Hannover GmbH, Langenhagen	50.00	194	1,452	713	613
Non-consolidated companies					
Wirtschaftsförderungs-Gesellschaft Langenhagen Flughafen mbH, Langenhagen	50.00	26	105 ⁴⁾	- ⁵⁾	16
HMTG Hannover Marketing und Tourismus GmbH, Hannover	0.74	216	594 ⁴⁾	- ⁵⁾	10
Flughafen Parken GmbH, München	16.67 ⁸⁾	25	29 ⁴⁾	- ⁵⁾	4

AUDITOR'S REPORT

for the consolidated accounts of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2018



We have audited the consolidated financial statements of Flughafen Hannover-Langenhagen GmbH, Hannover, and its subsidiaries (the Group), comprising the consolidated balance sheet as of 31 December 2018, the consolidated profit and loss statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 01 January to 31 December 2018, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Flughafen Hannover-Langenhagen GmbH for the financial year from 01 January to 31 December 2018. In accordance with German law, we have not examined the content of the corporate governance statement pursuant to section 289f(4) HGB (German Commercial Code) (disclosures on the proportion of women).

In our opinion based on the findings of our audit

- the accompanying consolidated financial statements comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to section 315e(1) HGB and give a true and fair view of the net assets and financial position of the Group as of 31 December 2018 and its results of operations for the fiscal year from 01 January to 31 December 2018, in accordance with these requirements; and
- the accompanying Group Management Report provides a suitable understanding of the Group's position. This Group Management Report is in all material respects consistent with the Consolidated Financial Statements, complies with German law and accurately presents the opportunities and risks of future development. Our audit opinion on the Group Manage-

ment Report does not extend to the content of the above mentioned Corporate Governance Statement.

>>> In accordance with section 322(3) sentence 1 HGB, we declare that our audit has not led to any objections against the correctness of the consolidated financial statements and the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility in accordance with these regulations and principles is further described in the „Responsibility of the auditor for the audit of the consolidated financial statements and the Group management report“ section of our audit opinion. We are independent of the group companies in accordance with German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements and the group management report.

OTHER INFORMATION

The legal representatives are responsible for all other information. Other information includes the corporate governance declaration we obtained prior to the date of this audit report in accordance with section 289f(4) HGB (disclosure on the proportion of women).

The annual report is expected to be made available to us after the date of the audit opinion.

Our opinion on the consolidated financial statements and the group management report does not extend to the other information, and accordingly we do not express an audit opinion or any other form of conclusion.

In connection with our audit, we have the responsibility to read the other information and, in doing so, to assess whether the other information

- is materially inconsistent with the consolidated financial statements, the group management report or our audit-related knowledge; or
- otherwise appear to be materially misrepresented.

Responsibility of the legal representatives and the supervisory board for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to section 315e(1) HGB and for the presentation of a true and fair view of the net assets, financial position and results of operations of the group in accordance with

these requirements. In addition, the legal representatives are responsible for the internal controls they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether intentional or not.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the group's ability to continue as a going concern. They are also responsible for disclosing, where relevant, matters relating to the continuation of the company's activities. In addition, they are responsible for accounting on the basis of the going concern principle, unless there is the intention to liquidate the Group or to discontinue operations or there is no realistic alternative.

Furthermore, the legal representatives are responsible for the preparation of the Group management report, which as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development in accordance with German law. Moreover, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal requirements and to provide sufficient suitable evidence for the statements in the group management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for the preparation of the consolidated financial statements and the Group management report.

Responsibility of the auditor for the audit of the consolidated financial statements and the group management report

AUDITOR'S REPORT

for the consolidated accounts of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2018

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements, whether intended or not, and whether the group management report as a whole provides a suitable view of the Group's position and suitably presents our audit opinion on the consolidated financial statements and the group management report in all material respects in accordance with German law and suitably presents the opportunities and risks of future development.

Adequate assurance is a high degree of certainty, but no guarantee that an audit conducted in accordance with section 317 HGB and taking into account the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements may result from infringements or inaccuracies and are considered material if it could reasonably be expected that they will influence the economic decisions of addressees made individually or collectively on the basis of these consolidated financial statements and the group management report.

During the examination we exercise due discretion and maintain a critical attitude. In addition

- we identify and assess the risks of material misstatements – whether intentional or not – in the consolidated financial statements and group management report, plan and perform audit procedures in response to these risks, and obtain audit evidence sufficient and appropriate to support our audit opinion. The risk that material misrepresentations are not detected is higher in the case of violations than in the case of inaccuracies, since violations may involve fraudulent interaction, forgery, intentional incompleteness, misleading representations or the repeal of internal controls;

- we gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of the precautions and measures relevant to the audit of the Group management report that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems;
- we assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives;
- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, based on the evidence obtained, whether there is a material uncertainty in connection with events or circumstances that could raise significant doubts about the group's ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the consolidated financial statements and the group management report in our audit opinion or, if this information is inappropriate, to modify our respective audit opinion. We draw our conclusions based on evidence obtained by the date of our audit opinion. However, future events or circumstances may prevent the Group from continuing its business activities;
- we have assessed the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying business transactions and events such that the consolidated financial statements give a true and fair view of the net assets,

financial position and results of operations of the Group in accordance with IFRS as adopted by the EU and the additional requirements of German law pursuant to section 315e(1) HGB;

- we obtain sufficient suitable audit evidence for the accounting information of the companies or business activities within the group to enable us to express an opinion on the consolidated financial statements and the group management report. We are responsible for the management, supervision and execution of the audit of the consolidated financial statements. We are solely responsible for our audit opinions;
- we express an opinion on the consistency of the group management report with the consolidated financial statements, its discussion of the law and the group's position as presented by it;
- we perform audit procedures on the forward-looking statements presented by the legal representatives in the group management report. On the basis of sufficient suitable audit evidence, we follow in particular the significant assumptions underlying the future-oriented statements made by the legal representatives and assess the appropriate derivation of the future-oriented statements from these assumptions. We do not express an independent opinion on these forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events could differ materially from the forward-looking statements.

We discuss with those responsible for monitoring, inter alia, the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system, which we identify during our audit.

Hannover, 13 March 2019

PricewaterhouseCoopers GmbH
Auditory firm

Moritz Meyer,
Auditor

ppa. Thomas Golüke,
Auditor

REPORT OF THE SUPERVISORY BOARD

of Flughafen Hannover-Langenhagen GmbH

Over the course of the financial year, the Supervisory Board regularly collected information about the situation and development of the Company in four meetings of the Supervisory Board, in two meetings in two meetings of the Finance, Investment and Audit Committee, in two meetings of the Personnel Committee and, in addition, by means of written and verbal reports by the Management Board, and discussed important questions of strategic orientation. In addition, the Chairman and the members of the Supervisory Board kept themselves informed about important issues at all times.

The annual financial statements as of 31 December 2018 and the consolidated financial statements as of 31 December 2018, including the accounting records, were audited by PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Hannover, which was appointed by the shareholders' meeting. An unqualified audit opinion was issued. The audit was also conducted in accordance with section 53(1) no. 1 and 2 HGrG (German Code on Budgetary Principles) and no objections were raised.

The Supervisory Board itself examined these annual financial statements dated December 31, 2018 and the consolidated financial statements dated 31 December 2018 and verified the results of the audit pursuant to section 53 HGrG. According to the results of the audit, the Supervisory Board sees no reason to raise any objections.

The Supervisory Board itself examined these annual financial statements dated December 31, 2018 and the consolidated financial statements dated 31 December 2018 and verified the results of the audit pursuant to section 53 HGrG. According to the results of the audit, the Supervisory Board sees no reason to raise any objections.

The Supervisory Board proposes that the General Meeting approves the annual statement in the version presented, to decide on the appropriation of the profit/loss, and to discharge the Managing Director, Dr Hille, for the financial year.

The Supervisory Board proposes that the General Meeting approves the consolidated financial statements in the version presented.

Hannover, 26 March 2019

The Supervisory Board
The Chairwoman

PRIMARY SEGMENT REPORTING

1st to 4th quarter 2018

in € million	Aviation		Non-Aviation		Transition	Group
	2018	2017	2018	2017		
Revenues	121.29	110.24	48.80	46.25		170.09
Other income	2.47	4.34	2.25	2.82		4.99
Income from third parties	123.76	114.58	51.32	49.08		175.08
Inter-segmental income	0.22	0.15	21.38	21.26	-21.60	0.00
Total income	123.98	114.73	72.70	70.34	-21.60	175.08
EBITDA	-2.68	-3.64	30.80	29.92		28.12
scheduled depreciation of segment assets	6.77	6.67	13.45	13.49		20.22
non-scheduled depreciation of segment assets	0.00	0.00	0.33	0.00		0.33
Segment result / EBIT	-9.45	-10.31	17.02	16.43		7.57
Financial result						-4.79
Pro rata result for the period from participations	0.00	0.00	1.11	0.21		1.11
Pro rata result for the period of the companies valued at equity	0.96	0.60	0.38	0.50		1.34
Income taxes						-0.78
Consolidated annual result						4.45
Book values of segment assets	85.86	83.91	267.49	266.85		353.35
Segment liabilities	47.55	46.96	148.14	149.34	16.11	211.80
Acquisition costs of additions to property, plant and equipment and intangible assets	12.97	9.84	15.60	7.69		28.57
Other significant non-cash expenses	0.57	0.07	0.21	0.32		0.78
Shares in companies valued at equity	3.23	2.26	3.21	2.84		6.44

› › › IMPRINT

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