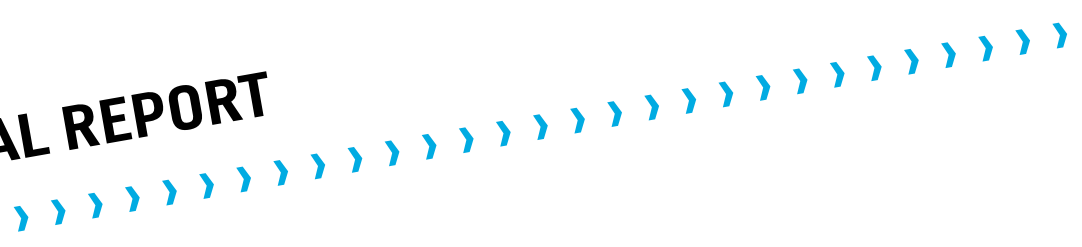


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Solid take off!

ANNUAL REPORT 2017



AT A GLANCE

5-year overview

	Unit	2017	2016	2015	2014	2013
Traffic volume						
Flight movements Index (2013 = 100)	Number %	75,256 98.9	75,711 99.5	75,695 99.4	76,031 99.9	76,060 100.0
Total passengers Index (2013 = 100)	Pers. k %	5,870 112.1	5,409 103.3	5,453 104.1	5,292 101.0	5,235 100.0
Air cargo Index (2013 = 100)	t %	10,386 277.6	9,559 255.5	7,975 213.1	4,276 114.3	3,741 100.0
Airmail Index (2013 = 100)	t %	7,885 71.4	10,650 96.4	10,328 93.5	11,018 99.8	11,039 100.0
Sales						
Passenger, landing, hangar and security fees	€k	56,783	54,310	53,030	51,138	49,944
Ground handling and special services	€k	35,769	34,980	34,360	34,351	35,611
Sales reliant on traffic	€k	92,552	89,290	87,390	85,489	85,555
Rentals and similar income	€k	36,903	35,854	36,358	35,303	34,518
Fringe benefits	€k	9,540	8,985	9,894	9,634	9,852
Internal revenues / others	€k	8,557	7,792	7,556	7,769	7,935
Other income	€k	55,000	52,631	53,808	52,706	52,305
Total sales Index (2013 = 100)	€k %	147,552 107.0	141,921 102.9	141,198 102.4	138,195 100.2	137,860 100.0
Cost of materials * Index (2013 = 100)	€k %	68,174 129.4	64,986 123.4	50,432 95.7	52,000 98.7	52,662 100.0
Personnel expenses Index (2013 = 100)	€k %	46,641 110.1	45,912 108.4	43,772 103.3	41,901 98.9	42,346 100.0
Fixed assets						
Investments	€k	16,016	19,712	16,039	13,194	10,771
Depreciation	€k	16,439	16,672	17,023	17,787	21,281
Total gain and losses						
Result of earnings before income tax	€k	26,553	27,311	27,279	26,384	23,856
Net profit / loss	€k	4,722	5,038	3,403	2,136	-3,472
Cash flow from operating activities	€k	3,898	4,689	3,255	1,945	-3,610
Assets and capital structure						
Total assets	€k	291,118	285,710	286,106	287,818	293,040
thereof fixed assets	€k	266,599	267,512	265,120	266,140	270,809
Equity	€k	103,120	101,396	96,708	93,452	91,507
Equity ratio	%	35.4	35.5	33.8	32.5	31.2
longt. borrowed funds	€k	57,355	40,336	39,094	57,287	72,254

* 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 2017



DEAR LADIES, DEAR GENTLEMEN,

Hannover Airport ended 2017 with a historic record of around 5.9 million passengers – an increase of 8.5 percent compared to the previous year. Particularly noteworthy was the peak summer: Four months in a row with double-digit growth rates. Something that has never happened before in the history of the airport.

Intensive sales activities and our balanced airline portfolio spurred our growth. The strong enthusiasm for travelling from Hannover was particularly evident in passenger increases at Eurowings, WIZZ Air, Sunexpress, TUIfly and Lufthansa.

Successful trade fairs strengthened Hannover and thus also noticeably stimulated air traffic in 2017. And weak markets are coming back: Destinations such as Turkey and North Africa experienced a significant upturn last year.

The cargo business at Hannover Airport is also developing well. The total volume of air freight flown in 2017 amounted to 10,386t. This represents an increase of 8.7% compared to the previous year.

With earnings before taxes of around 4.7 million euros, we are continuing our business profitably.

We also demonstrated our operational reliability again in 2017 and were at the top of the AirHelp passenger portal's punctuality ranking in 2017. Another milestone: At the end of the year, we completed the EASA certification process.

This puts us in a secure position for the future.

Good conditions for us to continue growing.

Sincerely,

Dr. Raoul Hille
Managing Director Hannover Airport

MANAGEMENT REPORT

of Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2017

OVERALL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

The development in Germany was marked by significant economic growth over large parts of the course of the year. This was accompanied by improved global economic data and a continued upturn in the euro zone. The labor market continued to develop positively with increasing employment and rising incomes. Private consumer demand was a key growth driver of economic development in Germany, particularly in the first half of the year.

The German aviation industry also benefited from the good overall economic development. However, the thinning of routes and subsequent insolvency of Germany's second-largest airline, Air Berlin, which also led to the insolvency of Niki at the end of the year, had a dampening effect. This led to declining effects at many locations, particularly on routes within Germany. The decreasing target areas in Turkey as a result of the worsening political situation regained greater popularity in the second half of the year. The North African holiday destinations also recorded strong growth again.

The intensive consolidation activities in the German air traffic market had not yet been completed by the end of the year. At the beginning of 2018, the aircraft and landing rights acquired by EasyJet from Air Berlin's insolvency assets are to be put into operation primarily on routes to and from Berlin. The clarification of insolvency and antitrust issues relating to the acquisition of Niki and other parts and routes of Air Berlin is also still ongoing.

BUSINESS DEVELOPMENT

Air Berlin's thinning of routes took place in Hannover with the discontinuation of connections to Vienna and Stuttgart in February, which contributed to a relatively weak traffic development in the first quarter. However, the increase in frequency on these routes and the introduction of new tourist routes by Eurowings significantly mitigated the consequences of Air Berlin's withdrawal in the further course of the year. The entry of new airlines as well as the expanded range of new and existing airlines led to strong passenger growth at the beginning of the second quarter, which continued until the end of the year. Strong trade fairs and a favorable holiday location in Lower Saxony and North Rhine-Westphalia favored this development. From the middle of the year on, the target regions Turkey and North Africa also made a significant contribution to growth again. However, passenger growth was mainly due to higher capacity utilization of aircrafts, so that the number of movements of the economically important scheduled and charter traffic increased only minimally.

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.

In passenger traffic, Eurowings, WIZZ Air, which has been operating from Hannover for the first time since the end of 2016, but also the existing carriers Sunexpress and TUIfly with significant passenger growth and Lufthansa with a high basic traffic volume contributed to the significant increase in traffic. By contrast, the withdrawal of Air Berlin alone led to major declines.



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 2017. While the growth in air freight at the beginning of the year was achieved primarily through numerous special freight charters, the volume of additional cargo in passenger aircraft in particular contributed to the growth in air freight flown in the further course of the year.

The economic situation of the Company in the financial year 2017 remains extremely sound. Despite higher selling expenses and only a slight increase in movements, pre-tax earnings exceeded expectations. Building on this, we continue to aim to secure sustainable, profitable growth in the future.

PROFIT SITUATION

In the financial year 2017, the Company's sales of €147.6 million were 4.0% above the previous year's level. The increase in revenue resulted mainly from the significant increase in passenger numbers and price increases for certain types of fees. Non-passenger revenues increased to a lesser extent in line with the only slight increase in movements and maximum permitted take-off weights, resulting in an overall disproportionately low increase in revenues compared with passenger growth.

Revenue reductions from the promotion of the numerous new routes and a slight decline in rental income and income from advertising media also had a dampening effect. By contrast, revenues from utility services rose significantly as a result of billing.

Other operating income mainly included the release of various accruals no longer required. The

previous year's figure included a large amount of income from the sale of land at Airportbusinesspark Süd and the sale of shares in Aviation Handling Services GmbH, Hamburg.

The positive earnings development was offset in particular by higher marketing and selling expenses and the creation of an accrual for a new partial retirement model introduced in 2017.

Compared to the previous year, earnings before taxes (EBT) fell by € 0.3 million to around € 4.7 million. After taking income taxes into account, the profit for the period amounted to € 3.9 million (2016: € 4.7 million).

With 5,855,540 local passengers and 14,564 single transit passengers, the total volume amounted to 5,870,104. This represents an increase by 461,290 passengers or 8.5 percent compared to the previous year.

The local volume of airfreight flown in 2017 was 8,976t, 8.3% higher than in the previous year and the total volume of 10,386t rose by 8.7%.

Local air mail volumes fell by 26.0% to 7,885t as a result of the reduction in frequencies in summer.

Compared to the previous year, the number of take-offs and landings in scheduled and charter traffic increased slightly, as did the maximum take-off weights (MTOWs) relevant to invoicing, which increased by 0.4%.

With 7.5% the number of passengers per flight increased almost to the same extent as the total number of passengers, which underlines the very high capacity utilization of aircrafts in the year under review.

FINANCIAL AND ASSET SITUATION

Equity increased from € 101.4 million to € 103.2 million. Including the profit carried forward of € 2.2 million from 2016, net profit for the year amounted to € 6.1 million.

The return on equity based on earnings before taxes (EBT) was +4.6% (previous year: +5.0%).

The investments in the fixed assets of Flughafen Hannover-Langenhagen GmbH (FHG) amount to € 16.4 million and mainly relate to the construction of a crossing between the Lima, Foxtrott and Mike taxiways as an important measure to expand the freight aprons in the western area, the planning costs for the planned conversion of Terminals B and C between 2018 and 2020, the modernization of Car Park 3, planning costs for the modernization of Hangar 1, the renewal of lighting under the priority Terminal A/B and the removal of contaminated sites on the former DWD site.

These investments are offset by depreciation of tangible and intangible assets of € 16.8 million.

Long-term fixed assets of € 274.9 million are covered to 37.5% by equity (€ 103.2 million). The debt-equity ratio remained almost unchanged 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. 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 simultaneously 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. FHG identified a single risk with a "serious" net loss amount. However, the probability of this risk occurring is only "low". Adequate measures have also been introduced to counter risks. The total number of risks reported and the resulting risk capital have decreased compared to the previous year, in particular due to the closure of two risks classified as serious.

Continued consolidation and restructuring in the airline sector and the geopolitical situation could have a negative impact on the further development of air traffic. Similarly, 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 2017, the Company plans to continue to achieve sustained 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 5,600k were planned for 2017. In particular,

the expansion of routes and the growth of existing carriers, the market entry of WIZZ and Norwegian as well as the recovery in tourism demand enabled passenger volume to be 4.8% higher than planned despite Air Berlin's market exit. 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 2018, which is at the level of last year's planned result but below the last annual result. The planned growth in passenger volume to 5,930k passengers is based on a further stabilization of growth, a further recovery in tourist traffic demand, particularly in Turkey, and the further expansion of the tourism market share in northern Germany. Although the growth in traffic volume will lead to rising revenues, the annual result for 2018 is expected to be lower. This is due to significant non-recurring effects in 2017, such as the reversal of accruals no longer required, rising personnel costs due to collective bargaining agreements and increasing IT expenses due to increasing digitization.

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, benefiting from expected medium-term increases in traffic and thus in revenues and a cost base that will not increase to the same extent as a result of stringent cost management.

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 May 1, 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 December 31, 2017, 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%. The target figure of 25% for the Supervisory Board was not met on shareholder resolution due to subsequent appointments.

Hannover, January 15, 2018

Dr. Raoul Hille
Managing Director

ANNEX TO THE MANAGEMENT REPORT

according to EntgTranspG

The Act regarding the promotion of pay transparency between women and men (EntgTranspG), which came into force on June 30, 2017, aims to enforce the requirement of equal pay for women and men for equal or equivalent work.

This Act provides for a reporting obligation for employers with normally more than 500 employees, after which reporting on the 2016 financial year is to take place for the first time in 2018.

The application of the TVöD (public service wage agreement) makes Flughafen Hannover-Langenhagen GmbH an employer bound by collective agreements within the meaning of section 5(4) of the EntgTranspG.

In TVöD, the amount of the remuneration is determined according to the type of activity and does not contain any gender-specific characteristics. An operational procedure for checking and establishing equal charges is therefore not possible and also not required under section 18(3) sentence 2.

The same applies to individual agreements which were only concluded with a very small number of employees. For these employees, too, the type of work and the area of responsibility are decisive for the amount of remuneration.

Flughafen Hannover-Langenhagen GmbH therefore refrains from reporting on measures to promote equality and to establish equal pay.

Flughafen Hannover-Langenhagen GmbH had the following average number of employees in 2016:

(Numbers pursuant to DeaTranspG)	Part-time	Full-time	Total
Women	39	95	134
Men	6	586	592
Total	45	681	726

AUDITOR'S REPORT

for Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2017

We have audited the annual financial statements of Flughafen Hannover-Langenhagen GmbH, Hannover, comprising the balance sheet as of December 31, 2017 and the profit and loss statement for the fiscal year from January 1, 2017 to December 31, 2017, and 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 January 1, 2017 to December 31, 2017. In accordance with German law, we have not examined the content of the corporate governance statement pursuant to section 289f(4) HGB (German Commercial Act) (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 December 31, 2017 and of its financial position for the fiscal year from January 1, 2017 to December 31, 2017 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 declaration on corporate governance.

>>> 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 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 the 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-references 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 annual financial statements and the 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.

In 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

the management report as a whole provides a suitable view of the Company's position and suitably presents the opportunities 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.
- we perform 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 section 6b(3) EnWG. In addition, we have audited the activity report for the electricity distribution business, comprising the balance sheet as at

December 31, 2017 and the profit and loss statement for the financial year from January 1 to December 31, 2017, including information on the rules under which assets and liabilities as well as expenses and income were allocated to the accounts managed in accordance with section 6b(3) sentences 1 to 4 EnWG.

In our opinion

- the accounting obligations 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.

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, March 2, 2018

PricewaterhouseCoopers GmbH
Auditing firm

Moritz Meyer
Auditor

ppa. Thomas Golüke
Auditor

BALANCE SHEET

of Flughafen Hannover-Langenhagen GmbH as of December 31, 2017

ASSETS	2017 / Euro	2016 / Euro
A. FIXED ASSETS		
I. Intangible assets		
1. Software and licenses acquired in return for payment	1,019,602.00	1,074,888.00
2. Advance payments	81,805.80	5,778.00
	1,101,407.80	1,080,666.00
II. Fixed assets		
1. Land and buildings, including buildings on third-party property	251,921,108.26	253,840,836.04
2. Technical installations and machinery	1,651,497.00	2,013,724.00
3. Other equipment, operating and office equipment	7,202,631.00	6,049,570.00
4. Advance payments and assets under construction	5,823,970.17	5,607,405.82
	266,599,206.43	267,511,535.86
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	3,367,904.82	3,367,904.82
4. Loans to companies in which an interest is held	358,710.08	1,387,826.03
5. Other lendings	14,082.89	14,431.09
	7,154,096.56	8,183,560.71
	274,854,710.79	276,775,762.57
B. CURRENT ASSETS		
I. Inventory		
1. Auxiliary and operating materials	898,458.47	798,723.35
II. Receivables and other assets		
1. Trade accounts receivable	7,674,677.78	5,307,482.15
2. Receivables from affiliated companies	1,127,034.32	1,237,174.07
3. Receivables from companies in which an interest is held	101,816.59	127,677.23
4. Other assets	459,470.21	292,602.70
	9,362,998.90	6,964,936.15
III. Cash on hand, bank balances	5,353,371.36	600,757.26
	15,614,828.73	8,364,416.76
C. DEFERRED ITEMS	648,324.76	570,204.59
	291,117,864.28	285,710,383.92

LIABILITIES	2017 / Euro	2016 / 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	2,174,631.31	-339,458.94
V. Annual net profit	3,897,818.60	4,688,721.56
	103,119,579.18	101,396,391.89
B. ACCURALS		
1. Profit / loss carried forward	3,815,704.24	4,471,450.32
2. Tax accruals	351,398.33	483,585.50
3. Other accruals	40,990,051.71	32,531,530.63
	45,157,154.28	37,486,566.45
C. LIABILITIES		
1. Liabilities towards banks	135,803,437.08	139,393,288.69
2. Trade accounts payable	1,567,596.42	2,625,135.25
3. Liabilities to affiliated companies	58,864.57	96,767.26
4. Liabilities to companies in which an interest is held	1,505,505.25	941,869.92
5. Other liabilities		
- thereof from taxes: € 478,639.06 (previous year: € 421,511.63)		
- thereof relating to social security: € 1,592.86 (previous year: € 0,00)		
	3,001,483.34	2,990,037.50
	141,936,886.66	146,047,098.62
D. DEFERRED ITEMS	672,589.57	780,326.96
E. DEFERRED TAX LIABILITIES	231,654.59	0.00
	291,117,864.28	285,710,383.92

PROFIT AND LOSS ACCOUNT

of Flughafen Hannover-Langenhagen GmbH as of December 31, 2017

	2017 / Euro	2016 / Euro
1. Sales revenue	147,552,258.51	141,921,391.37
2. Other own work capitalized	776,998.09	888,539.98
3. Other operating income	5,289,067.10	5,635,426.89
	153,618,323.70	148,445,358.24
4. Cost of materials		
a) Cost of auxiliary and operating materials and of purchased goods	3,800,817.42	4,183,914.67
b) Cost of purchased services	64,373,317.98	60,801,925.53
	68,174,135.40	64,985,840.20
5. Gross result	85,444,188.30	83,459,518.04
6. Personnel expenditure		
a) Wages and salaries	37,948,543.45	36,144,605.69
b) Social security and other costs for pensions and other employee benefits - thereof for pensions: € 2,057,731.09 (previous year: € 3,151,396.24)	8,692,250.03	9,767,392.08
	46,640,793.48	45,911,997.77
7. Depreciation of intangible fixed assets and property, plant and equipment	16,762,823.29	16,990,099.76
8. Other operating expenses	12,250,286.37	10,236,656.34
9. Income from participations - of which from affiliated companies: € 0.00 (previous year: € 43,327.78)	209,600.00	727,655.06
10. Income from profit transfer agreements	466,439.09	513,113.21
11. Expenses from loss transfers	116,348.33	592,210.52
12. Income from long-term financial assets - of which from affiliated companies: € 135,135.00 (previous year: € 135,135.00)	159,900.17	199,959.02
13. Other interest and similar income	104.28	617.26
14. Interest and similar expenses	5,788,328.07	6,132,358.20
15. Earning before taxes (EBT)	4,721,652.30	5,037,540.00
16. Taxes on income and earnings	592,179.11	348,818.44
17. Deferred tax liabilities	231,654.59	0.00
18. Profit after tax / Annual net income (-)	3,897,818.60	4,688,721.56
19. Profit / Loss carried forward (-)	4,349,292.62	-339,458.94
20. Profit distribution for previous years	-2,174,631.31	0.00
21. Net profit	6,072,449.91	4,349,262.62



DEVELOPMENT OF FIXED ASSETS

of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2017

	ACQUISITION AND PRODUCTION COSTS				VALUE ADJUSTMENTS					NET BOOK VALUES		
	As of Jan 1, 2017 Euro	Additions Euro	Repostings Euro	Disposals Euro	As of Dec 31, 2017 Euro	As of Jan 1, 2017 Euro	Additions Euro	Disposals Euro	Repostings Euro	As of Dec 31, 2017 Euro	As of Dec 31, 2017 Euro	Previous year Euro
I. Intangible assets												
1. Software and licenses acquired in return for payment	3,460,147.07	271,277.64	7,789.80	45,192.09	3,694,022.42	2,385,259.07	323,843.44	34,682.09	0.00	2,674,420.42	1,019,602.00	1,074,888.00
2. Advance payments	5,778.00	78,725.80	-2,698.00	0.00	81,805.80	0.00	0.00	0.00	0.00	0.00	81,805.80	5,778.00
	3,465,925.07	350,003.44	5,091.80	45,192.09	3,775,828.22	2,385,259.07	323,843.44	34,682.09	0.00	2,674,420.42	1,101,407.80	1,080,666.00
II. Property, plant and equipment												
1. Land and buildings including buildings on third-party properties	703,487,436.69	9,802,521.82	2,789,040.51	8,667,424.51	707,411,574.51	449,646,600.65	14,211,663.48	8,367,366.51	-431.37	455,490,466.25	251,921,108.26	253,840,836.04
2. Technical installations and machinery	9,046,396.93	191,408.05	0.00	426,046.00	8,811,758.98	7,032,672.93	553,635.05	426,046.00	0.00	7,160,261.98	1,651,497.00	2,013,724.00
3. Other installations, operating and office equipment	27,990,873.97	2,642,868.47	242,940.64	1,107,840.91	29,768,842.17	21,941,303.97	1,673,681.32	1,049,205.49	431.37	22,566,211.17	7,202,631.00	6,049,570.00
4. Advanced payments and assets under construction	5,607,405.82	3,379,176.90	-3,037,072.95	125,539.60	5,823,970.17	0.00	0.00	0.00	0.00	0.00	5,823,970.17	5,607,405.82
	746,132,113.41	16,015,975.24	-5,091.80	10,326,851.02	751,816,145.83	478,620,577.55	16,438,979.85	9,842,618.00	0.00	485,216,939.40	266,599,206.43	267,511,535.86
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	0.00	0.00	0.00	3,367,904.82	0.00	0.00	0.00	0.00	0.00	3,367,904.82	3,367,904.82
4. Loans to companies in which an interest is held	1,387,826.03	0.00	0.00	1,029,115.95	358,710.08	0.00	0.00	0.00	0.00	0.00	358,710.08	1,387,826.03
5. Other loans	14,431.09	0.00	0.00	348.20	14,082.89	0.00	0.00	0.00	0.00	0.00	14,082.89	14,431.09
	8,679,460.71	0.00	0.00	1,029,464.15	7,649,996.56	495,900.00	0.00	0.00	0.00	495,900.00	7,154,096.56	8,183,560.71
	758,277,499.19	16,365,978.68	0.00	11,401,507.26	763,241,970.61	481,501,736.62	16,762,823.29	9,877,300.09	0.00	488,387,259.82	274,854,710.79	276,775,762.57

ANNEX

of Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2017

» » A. GENERAL INFORMATION

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

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.

The **property, plant and equipment assets** 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 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) are written off in full in the year of acquisition in accordance with section 6 (2) EStG (German Income Tax Act) and listed as disposals. In addition, low-value assets are collectively (acquisition and production costs of € 150.01 to € 1,000.00) depreciated over 5 years in accordance with section 6(2a) EStG. Since January 1, 2009, interest on borrowed capital (interest during construction period) has been regarded and capita-

lized as production costs of the respective asset in accordance with Section 255(3) HGB for significant investments. Interest during construction period amounting to €114k was accrued in 2017 (previous year € 138k). The interest relates exclusively to land and buildings.

In connection with the extensive renovation work on Car Park 3, which was completed in the reporting year, the management reassessed the remaining useful life, which previously provided for an end of use in its previous form as of September 30, 2022. Management now assumes that, from a technical and economic point of view, Car Park 3 will fulfill its purpose as intended by September 30, 2032, if properly maintained. This extension of the remaining useful life led to a reduction in depreciation of € 513k in the year under review.

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 adjustment for trade recei-

vables 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, 17		DEC 31, 16	
	€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 Service Worldwide Frankfurt/M	9,210	30	9,210	30
	30,700	100	30,700	100

Accruals 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 accrual amount was calculated at an imputed interest rate of 3.68% (previous year 3.99%) 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 new contractual regulations, a salary trend was no longer applied in the year under review (previous year +2.0%

p.a.). The „2005G 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 € 563k.

Accruals 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 June 19, 2013. The accrual amount was calculated using the simplification rule pursuant to section 253(2) sentence 2 HGB with an imputed interest rate of 2.81% (previous year 3.20%) for a remaining term of 15 years. An interest rate of 2.60% was applied to the accrual for the new operational program for a remaining term of 12 years. The assumed trend in future salary increases (+2.0% p.a.) and a fluctuation probability of 0.0% was maintained unchanged for all three obligations. The “2005G 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 AltZG (German Partial Retirement Act)) are carried at fair value and offset against the relevant accruals in accordance with the offsetting requirement of section 246(2) sentence 2 HGB.

Tax accruals 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 accruals are created for uncertain liabili-



ties and for deferred maintenance expenses. They are recognized at the settlement amount required in accordance with sound business judgment. Accruals 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 fixed asset movement schedule (Appendix to these Notes).

Financial assets

Loans to companies in which an interest is held include a shareholder loan granted in 2010 and 2011 and approved by the Supervisory Board to AHS Aviation Handling Services GmbH, Ham-

burg, in the amount of € 359k (previous year: € 1.388k). FHG has declared a qualified subordination for this loan including interest in 2010. The company rescinds with it repayment claim including interest behind all claims of all current and future non-subordinated creditors of AHS; AHS will guarantee that the loan granted by FHG has the same subordination in relation to other shareholder loans.

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 amount to € 1,127k (previous year: € 1.237k). They amount to € 300k (previous year € 385k) from Hannover Aviation Ground Services GmbH (AGS) and to € 827k (previous year € 852k) from Aircargo Services Hannover GmbH (ASH). Receivables from AGS comprise the balance of receivables from profit and loss transfer in the amount of € 466k (including a trade tax allocation of € 87k) and trade accounts payable in the amount of € 166k; receivables from ASH comprise trade accounts receivable in the amount of € 943k netted against liabilities from loss absorption in the amount of € 116k.

Receivables from companies in which an interest is held relate to trade in goods and services with Gastronomie Flughafen Hannover GmbH in the amount of € 77k (previous year: € 63k). Also included are receivables from AHS Handling Services GmbH, Hamburg amounting to € 25k (previous year: € 65k). These are exclusively interest receivables for a shareholder loan for which a

qualified subordination has been declared (including interest).

Of the other assets, € 206k (previous year: € 208k) relate to income tax refund claims. Also included are current sales tax refund claims amounting to € 195k (previous year: € 25).

Of the other assets, € 1k (previous year: € 2k) 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 € 21k (previous year: € 36k).

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 amounting to € 2,175k and the net income for 2017 amounting to € 3,898k, equity totals € 103,120k.

Tax accruals

Tax accruals relate to accruals for trade taxes (€ 179k), corporation tax (€ 85k) for the years 2016 and 2017 respectively, electricity tax for the 2017 financial year (€ 37k) and for outstanding property taxes (€ 50k).

Other accruals

Other accruals mainly include accruals for outstanding invoices (€ 25,876k), noise protection

measures (€ 4,227k), partial retirement arrangements (€ 6,068k), holiday and overtime obligations (€ 1,000k) and for deferred maintenance, which will be made up in the first three months of the following financial year (€ 1,117k).

The settlement amount for partial retirement accruals amounting to € 6,271k was calculated in accordance with section 246(2) HGB at the fair value of € 204k (acquisition costs: € 191k) 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 (§ 8a of the partial retirement law). The fair value was determined at the stock exchange price determined on the balance sheet date. The difference between fair value and acquisition cost, taking deferred taxes into account, is subject to the distribution block in Section 268 (8) HGB.

Liabilities

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

Dec 31, 2017	Total	of which with a remaining term of		
		up to 1 year	more than 1 year	of which more than 5 years
	€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

Dec 31, 2016	Total	of which with a remaining term of		
		up to 1 year	more than 1 year	of which more than 5 years
	€k	€k	€k	€k
Liabilities due to banks	139,393	20,432	118,961	35,865
for deliveries and services	2,625	2,625	0	0
to affiliated companies	97	97	0	0
to companies in which an interest is held	942	942	0	0
Other	2,990	2,990	0	0
	146,047	27,086	118,961	35,865

In addition to current account and conventional fixed-rate loans, the Company's liabilities to banks as of December 31, 2017 also include an interest rate swap for €1 0.0 million concluded on June 30, 2009 with a term of 15 years. The underlying transaction to be hedged with an identical amount and term and the same repayment structure (each as of June 30 of a year) 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 point of view) of the interest rate swap as of December 31, 2017 amounts to € -1,095k (previous year: € -1.329k). 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 variable interest rates based on the 3-month Euribor for 10 years, which was rescheduled to another banking partner after expiry of the fixed-interest period as a result of the rescheduling of the remaining liability of another loan, a forward swap agreement in the amount of the corresponding remaining liability of the underlying transac-

tion was concluded in the 2012 financial year with identical repayment structure and term. This created the conditions for anticipatory hedging. The negative fair value (from FHG's perspective) of the forward interest rate swap as of December 31, 2017 amounts to € -903k (previous year: € -1.184k). 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 December 17, 2013. The underlying transaction to be hedged with an identical amount and term and the same repayment structure (on December 16 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 December 31, 2017 amounts to € -476k (previous year € -631k). 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 July 21, 2014 with a term from July 1, 2016 to July 1, 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 December 31, 2017 amounts to € -717k (previous year € -955k). The underlying transaction was combined with the interest rate swap using the freezing method to form a valuation unit.

Another derivative concluded on July 21, 2014 is an interest rate swap for € 10.0 million with a term from July 3, 2017 to July 1, 2027 with a fixed interest rate and quarterly redemption structure. The underlying transaction concluded in the 2017 financial year 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 December 31, 2017 amounts to € -944k (previous year € -1,052k).

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 EURIBOR 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 € 59k (previous year: € 98k) and relate exclusively to trade in goods and services.

Liabilities to companies in which participations are held relate exclusively to trade in goods and services with AirtSystems GmbH amounting to € 1,506k (previous year: € 942k).

Deferred taxes

Balance sheet items in €k	As of Dec 31, 2017	As of Dec 31, 2016	Changes
Deferred tax assets			
Fixed assets			
Financial assets	155	155	0
Accruals			
Pension accruals	486	594	-108
Other accruals	2,806	2,362	444
	3,292	2,956	336
Deferred tax assets from loss carried forward	826	739	87
Total deferred tax assets	4,273	3,850	423
Balance sheet items in €k			
	As of Dec 31, 2017	As of Dec 31, 2016	Changes
Deferred tax liabilities			
Fixed assets			
Property, plant and equipment	-4,505	-3,620	-885
Current assets			
Other assets	0	-1	1
Total deferred tax liabilities	-4,505	-3,621	-884
Surplus (- = deferred tax liabilities)	-232	229	-461

In the financial year 2017, there was an excess of deferred tax liabilities of € 232k requiring an accrual for the first time. In the previous year, the option of capitalizing the excess of deferred tax assets (€ 229k) in accordance with section 274(1) sentence 2 HGB (new version) was not used.

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:



2017 €k	
Deferred tax assets	
Income before income taxes	4,722
Expected tax expense/income 1)	1,474
Effects from tax-free income	-62
Effects from other permanent differences trade tax additions and deductions, non-deductible expenses, etc.)	179
Effects from loss carried forward	-549
Taxes from unrelated accounting periods	-185
other discrepancies	-33
Income tax as per profit and loss statement	824
Thereof	
- factual	592
- deferred income taxes	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, deferred tax refunds were not taken into account for corporate tax loss carried forward of € 1,147,000 (previous year: € 3,642,000), as no compensation can be expected 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 Sales by activities

100% of the sales are generated in Germany.

	2017	2016
	€k	€k
Airport fees and revenue from ground handling services	92,552	89,290
Rents and leases, concession fees	36,903	35,854
Utilities and other services	9,540	8,985
Internal sales with wholly-owned subsidiaries	7,467	7,450
Non-period sales income	801	46
Revenues unrelated to the accounting period	289	296
	147,552	141,921

2.2 Other operating income

The other operating income of the company includes in particular income from the release of provisions amounting to € 4,217k (previous year: € 2,472k), income from the disposal of fixed assets amounting to € 595k (previous year: € 2,535k), income from incoming payments for written-off receivables of € 1k (previous year: € 50k) and other income unrelated to the accounting period in the amount of € 82k (previous year: € 86k), which are mainly attributable to bonus credits and the derecognition of liabilities.

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, from January 1, 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 con-

tributions for 2017 amounted to € 33.45 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

As in the previous year, this item includes only scheduled depreciation.

2.5 Other operating expenses

The other operating expenses of the company include additions to value adjustments to receivables of € 109k (previous year: € 16k) and book losses from the disposal of fixed assets of € 446k (previous year: € 90k) included. This item also includes other taxes in the amount of € 954k (previous year: € 924k).

2.6 Income from long-term loans

Of the income from long-term loans, € 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 accruals. 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 accruals amounting to € 669k (previous year: € 538k) were incurred. As in the previous year, this item does not include any amounts owed to affiliated companies.

2.9 Taxes on income and earnings

In the year under review, the item for current income taxes includes amounts for the year under review in the amount of € 778k (previous year: € 24k) and income unrelated to the accounting period for the completed tax audit for the years 2010 to 2013 and their subsequent effects in the amount of € 185k (previous year: expenses of € 325k). In the 2017 financial year, there was an excess of deferred tax liabilities of € -232k for the first time. In the previous year, the option of capitalizing the excess of deferred tax assets (€ 229k) in accordance with section 274(1) sentence 2 HGB (new version) was not used.

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 its associated company AirIT from rental and leasing contracts amounting to € 9,773k (previous year: € 8,888k) in 2017. These obligations to third parties amount to € 506k (previous year: € 376k). As a rule, the contracts have a term of 1 to 4 years.

Purchase commitments as at December 31, 2017 amount to € 786k, of which € 33k to associated companies (previous year: total liability € 3,793k, of which to associated companies € 176k).



3. Average number of employees

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

	2017	2016
Full-time employees	623	627
Part-time employees and workers in minor employment	63	59
Trainees	29	30
On payroll	715	716

4. Proposal for the appropriation of net income

Of the net income of € 3,898k for the year under review, an amount of € 1,949k is to be distributed to the shareholders and the remaining amount of € 1,949k carried forward to new account.

5. 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 accruals for pensions for former members of the management and their surviving dependents amounts to € 1,068k (previous year: € 1.548k).

Payments to former managing directors and their surviving dependents amounted to € 150k (previous year: € 176k).

In the year under review, the company's **Supervisory Board** was composed of members:

State Secretary Doris Nordmann

Ministry of Finance of Lower Saxony
Chairwoman

Mayor Klaus Dieter Scholz
State capital Hannover
Deputy Chairman

Mr Martin Adam
Team leader Ramp Service AGS, trainer in the training center Flughafen Hannover-Langenhagen GmbH

Councilor Angelo Alter
State capital Hannover

Former State Secretary Daniela Behrens (until December 15, 2017)
Ministry of Economics, Labor, Transport and Digitalization of Lower Saxony

Ministerial Councilor Corinna Gottschalk (until December 15, 2017)
Ministry of Finance of Lower Saxony

Mrs Britta Jansohn
Employee of AHS Aviation Handling Services,
Member of the Works Council AHS

Mr Michael Koch
Deputy Chairman of the Works Council Flughafen Hannover-Langenhagen GmbH

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

State Secretary Dr Berend Lindner (from December 15, 2017)
Ministry of Economics, Labor, Transport and Digitalization of Lower Saxony

State Secretary Dr Jörg Mielke (from December 15, 2017)
State Chancellery of Lower Saxony

Mr Christoph Nanke
Senior Executive Manager, Acquisition and Investments of Fraport AG

First Councilor Sabine Tegtmeier-Dette
Department of Economics and Environment of the City of Hannover

Dr Matthias Zieschang
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 €36k (previous year: €36k).

In the year under review, members of the Company's **Advisory Board** were:

Ministerial Director Doris Nordmann
Ministry of Finance of Lower Saxony
Chairwoman

Mrs Jasmin Arbabian-Bird
State Chairwoman Association of German Women Entrepreneurs State Association of Lower Saxony

Mrs 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 Executive Board

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

Mr Uwe Garbe
Managing Director of the Forwarding and Logistics Association of the German Freight Forwarding and Logistics Association Transport Industry Lower Saxony e.V. (GVN)

Prof Dr Klaus E. Goehrmann (until March 20, 2017)
Chairman of the Board International Neurobiology Foundation

Mr Dr Christian Grahl
Mayor of the City of Garbsen

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

Mr Sepp D. Heckmann (until March 20, 2017)
former Chairman of the Board of Management of Deutsche Messe AG

Mr Mirko Heuer
Mayor of the City of Langenhagen

Mr Henrik Homann
Managing Director TUI Group

Mr Hauke Jagau
President of the Region Hannover region



Dr Jochen Köckler (from December 15, 2017)
Chairman of the Executive Board Deutsche
Messe AG

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

Mr Carsten Kroeger
Managing Director International Carrier Consult
GmbH

Dr Volker Müller, attorney at law
Managing Director of the Institut der Unterneh-
mensverbände Niedersachsen e.V.

Mr André Neiß (until December 21, 2017)
Chairman of üstra Hannoversche Verkehrsbe-
triebe AG

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

Mr Holger Sindemann
Managing Director MTU Maintenance Hannover
GmbH

Mr Hartmut Tölle
Chairman of the District of Lower Saxony of the
Confederation of German Trade Unions

Mrs 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 Executive Board Stadtwerke
Hannover AG

Mr Thomas Zernechel
Spokesman of the Board of Management Volks-
wagen AG Logistics GmbH & Co.OHG

The total remuneration (attendance fees) of the
Advisory Board of Flughafen Hannover-Langen-
hagen GmbH, Hannover, amounted to €1k (pre-
vious year: €1k).

6. Total auditor's fee

The total fee charged by the auditor for the 2017
financial year amounts to € 88k. Of this amount,
€ 60k relates to audit services, € 9k to other au-
dit services, € 13k to tax advisory services and €
6k to other services.

7. Shareholdings structure

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

(see next page)

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

Flughafen Hannover-Langenhagen GmbH opera-
tes 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.

9. Report on events after balance sheet date

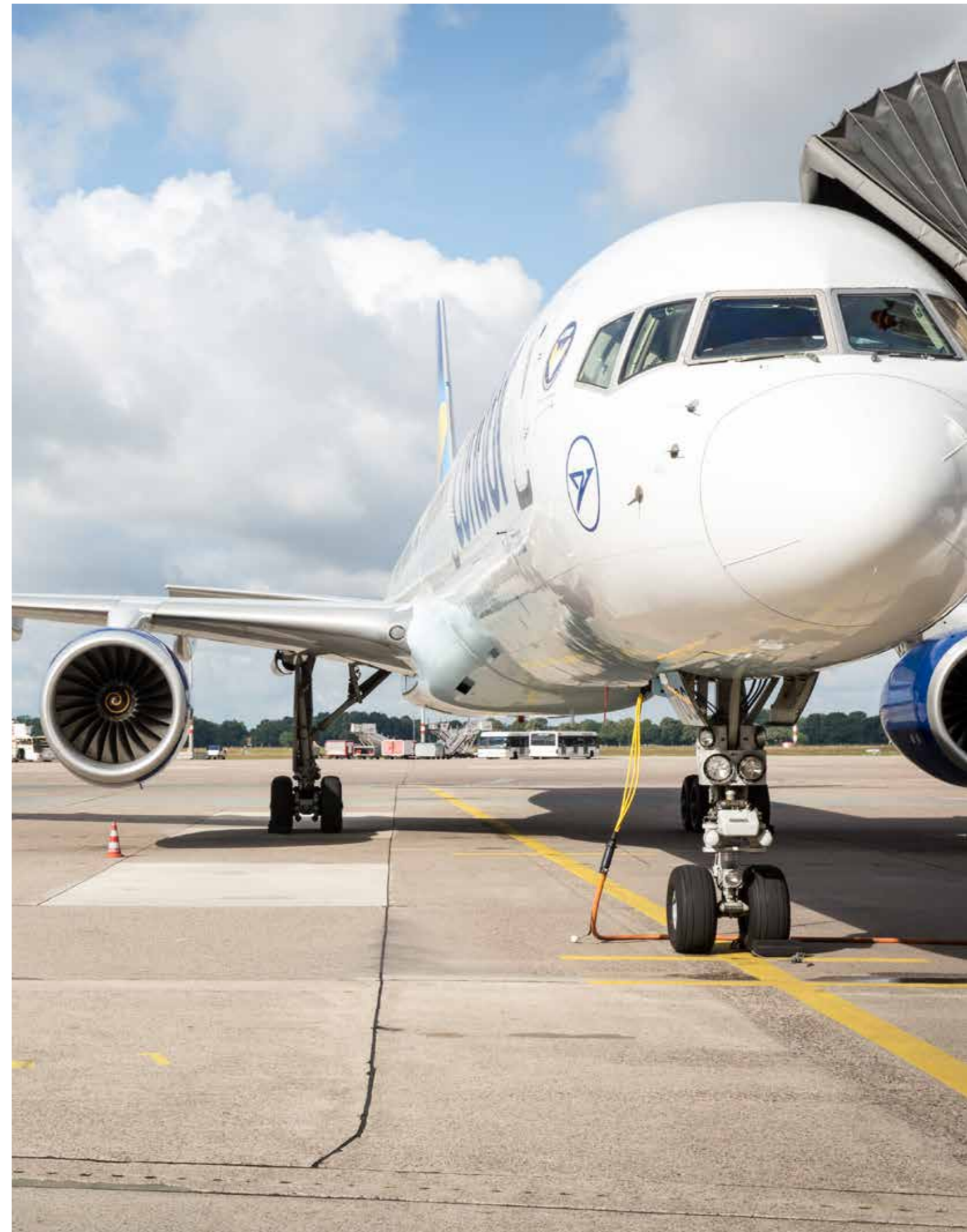
There have been no significant events after the
balance sheet date affecting the net assets, finan-
cial position or results of operations of the Compa-
ny.

Hannover, January 15, 2018

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, 2016
 5) Financial statements for the fiscal year ended Dec 31, 2017 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

	Share	Nominal- capital	Equity as of Dec 31, 2017	Profit for the finan- cial year 2017	Profit for the finan- cial 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⁾	-116 ^{1),2)}	-592 ^{1),2)}
Hannover Aviation Ground Services GmbH, Langenhagen	100.00	26	26 ³⁾	380 ^{1),2)}	423 ^{1),2)}
AHS Hannover Aviation Handling Services GmbH, Langenhagen	51.00	100	682	137	74
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	5,047 ⁷⁾	1,685 ⁷⁾	3,665
AirITSystems GmbH, Hannover	50.00	2,000	4,332	805	714
Catering Flughafen Hannover GmbH, Langenhagen	50.00	194	1,352	613	419
Non-consolidated companies					
Wirtschaftsförderungs-Gesellschaft Langenhagen Flughafen mbH, Langenhagen	50.00	26	95 ⁴⁾	- ⁵⁾	19
HMTG Hannover Marketing und Tourismus GmbH, Hannover	0.74	216	584 ⁴⁾	- ⁵⁾	7



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, 2017 (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
	€k	€k	€k	€k
LIABILITIES				
due to banks	610 (579)	3,331 (3,607)	1,554 (1,087)	3,941 (4,186)
from deliveries and services	0 (90)	0 (0)	0 (0)	0 (90)
Other	7 (5)	0 (0)	0 (0)	7 (5)
Total	617 (674)	3,331 (3,607)	1,554 (1,807)	3,948 (4,281)

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, 2017 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.

	2017 / Euro	2016 / Euro
1. Sales revenue	3,149,131.53	2,928,407.70
2. Other own work capitalized	57,877.65	8,347.72
3. Other operating income	120,835.33	5,779.29
4. Cost of materials	3,327,844.51	2,942,534.71
a) Cost of auxiliary and operating materials and for purchased goods	1,981.55	2,343.32
b) Cost of purchased services	1,456,416.61	1,146,737.85
5. Gross result	1,869,446.35	1,793,453.54
6. Personnel expenditure		
a) Wages and salaries	167,167.73	159,501.54
b) Social contributions and expenditures for pensions and other benefits - thereof for pensions: € 6,353.82 - previous year € 9,547.28	36,839.75	39,590.71
	204,016.48	199,092.24
7. Depreciation on intangible assets	917,103.13	856,167.50
8. Other operating expenses	881,804.44	705,940.69
9. Interest and similar expenses	148,884.16	164,362.05
10. Result of ordinary business activities Earnings before taxes (EBT)	-282,361.87	-132,108.95
11. Taxes on income and earnings	50,928.61	1,123.27
12. Annual net profit / (-) annual net loss	-333,290.48	-133,232.22

BALANCE SHEET OF THE ELECTRICITY DISTRIBUTION GRID

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2017

ASSETS	2017 / Euro	2016 / Euro
A. FIXED ASSETS		
I. Intangible assets		
1. Concessions, industrial property rights	182,736.71	113,644.17
	182,736.71	113,644.17
II. Property, plant and equipment		
1. Building, operating and site installations	6,908,444.00	7,601,463.00
2. Other installations, operating and office equipment	471,728.55	283,240.86
3. Construction in progress	102,094.85	10,751.75
	7,482,267.40	7,895,455.61
	7,665,004.12	8,009,099.78
B. CURRENT ASSETS		
I. Inventory		
1. Raw materials, auxiliary and operating materials	448.66	445.23
	448.66	445.23
II. Receivables and other assets		
1. Other assets	14,728.49	12,483.31
	14,728.49	12,483.31
III. Cash on hand, bank balances	98,443.24	1,263.20
C. DEFERRED ITEMS	1,064.14	1,136.67
	7,779,688.65	8,024,428.19

LIABILITIES	2017 / Euro	2016 / Euro
A. EQUITY CAPITAL		
1. Allocated equity	3,564,303.20	3,420,644.92
	3,564,303.20	3,420,644.92
B. SPECIAL RESERVES WITH AN EQUITY PORTION		
1. Income subsidies received	6,884.52	12,922.71
	6,884.52	12,922.71
C. ACCURALS		
1. Pension accruals	9,815.59	6,986.64
2. Tax accruals	32,458.71	6,719.78
3. Other accruals	218,003.07	296,507.13
	260,277.37	310,213.55
D. LIABILITIES		
1. Liabilities to banks	3,941,690.38	4,185,818.91
2. Trade accounts payable	6,533.18	90,163.76
3. Other liabilities		
- of which from taxes € 1,231.26 (previous year: € 658.61)		
- thereof in the context of social security: € 4.10 (previous year: € 2.49)	6,533.18	4,664.34
	3,948,223.56	4,280,647.01
	7,779,688.65	8,024,428.19

DEVELOPMENT ASSETS „ELECTRICITY DISTRIBUTION GRID“

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2017

	ACQUISITION AND PRODUCTION COSTS					VALUE ADJUSTMENTS						NET BOOK VALUES		
	Jan 1, 2017 €	Adjustment balance brought forward as of Jan 1, 2017 €	Additions €	Repostings €	Disposals €	As of Dec 31, 2017 €	As of Jan 1, 2017 €	Adjustment balance brought forward as of Jan 1, 2017 €	Additions €	Attributions €	Disposals €	As of Dec 31, 2017 €	As of Dec 31, 2017 €	Previous year €
I. Intangible assets														
1. Concessions, industrial property rights	226,496.75	63,337.72	85,426.52	510.15	2,959.63	372,811.51	112,852.58	44,411.72	35,081.83	0.00	2,271.33	190,074.80	182,736.71	113,644.17
	226,496.75	63,337.72	85,426.52	510.15	2,959.63	372,811.51	112,852.58	44,411.72	35,081.83	0.00	2,271.33	190,074.80	182,736.71	113,644.17
II. Property, plant and equipment														
1. Buildings, operating plants and site equipment	24,399,233.96	-5,568.21	82,378.76	804.15	483,739.98	23,993,108.68	16,797,770.96	-1,778.21	772,411.91	0.00	483,739.98	17,084,664.68	6,908,444.00	7,601,463.00
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	1,310,532.72	522,589.62	173,081.46	15,910.18	72,552.50	1,949,561.48	1,027,291.86	409,644.14	109,609.39	0.00	68,712.47	1,477,832.92	471,728.56	283,240.86
4. Construction in progress	10,751.75	0.00	92,147.25	-804.15	0.00	102,094.85	0.00	0.00	0.00	0.00	0.00	0.00	102,094.85	10,751.75
	25,913,081.44	517,021.41	347,607.47	15,910.18	556,292.48	26,237,328.02	18,017,625.83	407,865.93	882,021.30	0.00	552,452.45	18,755,060.61	7,482,267.41	7,895,455.61
	26,139,578.19	580,359.13	433,033.99	16,420.33	559,252.11	26,610,139.53	18,130,478.41	452,277.65	917,103.13	0.00	554,723.78	18,945,135.41	7,665,004.12	8,009,099.78

THE GROUP

in the fiscal year 2017



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 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.



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.

CONSOLIDATED FINANCIAL REPORT

of Flughafen Hannover-Langenhagen GmbH
for the fiscal year 2017



OVERALL ECONOMIC AND INDUSTRY-SPECIFIC CONDITIONS

The development in Germany was marked by significant economic growth over large parts of the course of the year. This was accompanied by improved global economic data and a continued upturn in the euro zone. The labor market continued to develop positively with increasing employment and rising incomes. Private consumer demand was a key growth driver of economic development in Germany, particularly in the first half of the year.

The German aviation industry also benefited from the good overall economic development. However, the thinning of routes and subsequent insolvency of Germany's second-largest airline, Air Berlin, which also led to the insolvency of Niki at the end of the year, had a dampening effect. This led to declining effects at many locations, particularly on routes within Germany. The decreasing target areas in Turkey as a result of the worsening political situation regained greater popularity in the second half of the year. The North African holiday destinations also recorded strong growth again.

The intensive consolidation activities in the German air traffic market had not yet been completed by the end of the year. At the beginning of 2018, the aircraft and landing rights acquired by EasyJet from Air Berlin's insolvency assets are to be put into operation primarily on routes to and from Berlin. The clarification of insolvency and antitrust issues relating to the acquisition of Niki and other parts and routes of Air Berlin is also still ongoing.

BUSINESS DEVELOPMENT

Air Berlin's thinning of routes took place in Hannover with the discontinuation of connections to Vienna and Stuttgart in February, which contributed to a relatively weak traffic development in the first quarter. However, the increase in frequency on these routes and the introduction of new tourist routes by Eurowings significantly mitigated the consequences of Air Berlin's withdrawal in the further course of the year. The entry of new airlines as well as the expanded range of new and existing airlines led to strong passenger growth at the beginning of the second quarter, which continued until the end of the year. Strong trade fairs and a favorable holiday location in Lower Saxony and North Rhine-Westphalia favored this development. From the middle of the year on, the target regions Turkey and North Africa also made a significant contribution to growth again. However, passenger growth was mainly due to higher capacity utilization of aircrafts, so that the number of movements of the economically important scheduled and charter traffic increased only minimally.

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.

In passenger traffic, Eurowings, WIZZ Air, which has been operating from Hannover for the first time since the end of 2016, but also the existing carriers Sunexpress and TUIfly with significant passenger growth and Lufthansa with a high basic traffic volume contributed to the significant increase in traffic. By contrast, the withdrawal of Air Berlin alone led to major declines.

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 2017. While the growth in air freight at the beginning of the year was achieved primarily through numerous special freight charters, the volume of additional cargo in passenger aircraft in particular contributed to the growth in air freight flown in the further course of the year.

The economic situation of the Group in the financial year 2017 remains extremely sound. Despite higher selling expenses and only a slight increase in movements, pre-tax earnings exceeded expectations. Building on this, 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 September 1, 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 2017, Group sales of € 156.5 million were 6.0% above the previous year's level. The increase in revenue resulted mainly from the significant increase in passenger numbers and price increases for certain types of fees. Non-passenger revenues increased to a lesser extent in line with the only slight increase in movements and maximum permitted take-off weights, resulting in a disproportionately low overall increase in revenues.

Revenue reductions from the promotion of the numerous new routes and a slight decline in rental income and income from advertising media also had a dampening effect. By contrast, revenues from utility services rose significantly as a result of billing.

Other operating income mainly included the release of various accruals no longer required. The previous year's figure included a large amount of income from the sale of land at Airportbusinesspark Süd and the sale of shares in Aviation Handling Services GmbH, Hamburg.

The positive earnings development was offset in particular by higher marketing and selling expenses and the creation of an accrual for a new partial retirement model introduced at the group's parent company in 2017.



Compared to the previous year, earnings before taxes (EBT) fell by € 2.6 million to around € 2.1 million. After taking income taxes into account, consolidated profit for the period amounted to € 2.3 million (2016: € 2.8 million).

With 5,855,540 local passengers and 14,564 single transit passengers, the total volume amounted to 5,870,104. This represents an increase by 461,290 passengers or 8.5% compared to the previous year.

The local volume of airfreight flown in 2017 was 8,976t, 8.3% higher than in the previous year and the total volume of 10,386t rose by 8.7%.

Local air mail volumes fell by 26.0% to 7,885t as a result of the reduction in frequencies in summer.

Compared to the previous year, the number of take-offs and landings in scheduled and charter traffic increased slightly, as did the maximum take-off weights (MTOWs) relevant to invoicing, which increased by 0.4%.

With 7.5% the number of passengers per flight increased almost to the same extent as the total number of passengers, which underlines the very high capacity utilization of aircrafts in the year under review.

FINANCIAL AND ASSET SITUATION

Consolidated equity increased from € 137.2 million to € 138.8 million. Including the consolidated retained earnings brought forward of € 3.7 million from 2016, the consolidated net income of € 2.3 million, the minority interests of € 0.07 million and the distribution to shareholders of € 2.2 million resulted in consolidated retained earnings of € 3.7 million.

The consolidated return on equity based on earnings before taxes (EBT) was +1.5% (previous year: +3.4%).

The investments in the fixed assets of the Flughafen Hannover-Langenhagen GmbH (FHG) Group amount to €17.5 million and mainly relate to the construction of a crossing between the Lima, Foxtrott and Mike taxiways as an important measure to expand the freight aprons in the western area, the planning costs for the planned conversion of Terminals B and C between 2018 and 2020, the modernization of Car Park 3, planning costs for the modernization of Hangar 1, the renewal of lighting under the priority Terminal A/B and the removal of contaminated sites on the former DWD site.

These investments are offset by depreciation on property, plant and equipment, intangible assets and investment property of € 20.2 million.

Long-term fixed assets of € 331.5 million are covered to 41.9% by equity (€ 138.8 million). The debt-equity ratio remained almost unchanged 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. 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 simultaneously 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. FHG identified a single risk with a "serious" net loss amount. However, the probability of this risk occurring is only "low". Adequate measures have also been introduced to counter risks. The total number of risks reported and the resulting risk ca-

pital have decreased compared to the previous year, in particular due to the closure of two risks classified as serious.

Continued consolidation and restructuring in the airline sector and the geopolitical situation could have a negative impact on the further development of air traffic. Similarly, 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 2017, the Group plans to continue to achieve sustained 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 5,600k were planned for 2017. In particular, the expansion of routes and the growth of existing carriers, the market entry of WIZZ and Norwegian as well as the recovery in tourism demand enabled passenger volume to be 4.8% higher than planned despite Air Berlin's market exit. 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 2018, which is at the level of last year's planned result but below the last annual result. The planned growth in passenger volume to 5,930k passengers is based on a further stabilization of growth, a further recovery in tourist traffic demand, particularly in Turkey, and the further expansion of the tourism market share in northern Germany. Although the growth in traffic volume will lead to rising revenues, the annual result for 2018 is expected to be lower. This is due to significant non-recurring effects in 2017, such as the reversal of accruals no longer required, rising personnel costs due to collective bargaining agreements and increasing IT expenses due to increasing digitization.

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, benefiting from expected medium-term increases in traffic and thus in revenues and a cost base that will not increase to the same extent as a result of stringent cost management.

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 "Act on the Equal Participation of Women and Men in Management Positions in the Private and Public Sector" (FührposGleichberG), which came into force on May 1, 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 December 31, 2017, 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%. The target figure of 25% for the Supervisory Board was not met on shareholder resolution due to subsequent appointments.

Hannover, January 15, 2018

Dr. Raoul Hille
Managing Director

IFRS-CONSOLIDATED BALANCE SHEET

of Flughafen Hannover-Langenhagen GmbH as of December 31, 2017

ASSETS	Note	Dec 31, 2017 Euro	Dec 31, 2016 Euro
A. NON-CURRENT ASSETS			
I. Intangible assets	C.1.		
1. Software / Licenses		1,021,311.00	1,078,503.00
2. Goodwill and other intangible assets		622,000.00	622,000.00
3. Prepayments		81,805.80	5,778.00
		1,725,116.80	1,706,281.00
II. Property, plant and equipment	C.2.		
1. Land and buildings		297,351,527.85	302,429,693.55
2. Technical equipment and machinery		4,623,049.00	4,778,855.00
3. Other installations, operating and office equipment		10,159,191.38	9,159,555.27
4. Prepayments and assets under construction		6,151,672.17	5,938,154.83
		318,285,440.40	322,306,258.65
III. Investment Property	C.3.	5,985,865.66	6,337,901.74
IV. Financial assets			
1. Shareholdings		32,782.30	32,782.30
2. Shares in associated companies	C.4.	5,100,692.02	4,005,080.70
3. Loans to companies in which an interest is held		358,710.08	1,387,826.03
4. Other loans		14,082.89	14,431.09
		5,506,267.29	5,440,120.12
V. Other non-current assets	C.7.	175,880.96	302,203.68
		331,678,571.11	336,092,765.19
B. CURRENT ASSETS			
I. Inventory	C.6.		
1. Raw materials, auxiliary and operating materials		898,458.47	798,723.35
		898,458.47	798,723.35
II. Receivables and other assets	C.7.		
1. Receivables		11,016,685.56	7,853,048.14
2. Receivables from companies in which an interest is held		101,816.59	127,677.23
3. Other current assets		776,362.15	665,731.75
4. Current income tax assets		261,482.12	149.47
		12,156,346.42	8,646,606.59
III. Cash on hand, bank balances		6,033,516.23	1,125,025.28
		19,088,321.12	10,570,355.22
		350,766,892.23	346,663,120.41

LIABILITIES	Note	Dec 31, 2017 Euro	Dec 31, 2016 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		45,860,494.26	44,435,443.22
IV. Minority interests		334,393.78	267,219.13
V. Consolidated balance sheet result		3,744,193.25	3,664,133.68
		138,766,416.59	137,194,131.33
B. NON-CURRENT LIABILITIES			
1. Accruals for pensions and similar obligations responsibilities	C.9.	5,337,238.24	6,389,413.32
2. Other accrued liabilities	C.10.	10,049,798.95	8,337,000.03
3. Deferred tax liabilities	C.12.	15,439,079.36	15,636,107.11
4. Financial liabilities	C.13.	114,749,949.61	118,939,386.05
5. Derivative financial instruments	C.14.	4,134,454.41	5,150,776.44
6. Other liabilities	C.15.	480,420.90	538,067.23
		150,190,941.47	154,990,750.18
C. SHORT-TERM LIABILITIES			
1. Other accruals	C.10.	5,547,076.06	4,946,639.91
2. Current income tax liabilities	C.11.	266,869.68	151,555.35
3. Financial liabilities	C.13.	21,032,146.47	20,417,461.64
4. Trade accounts payable	C.15.	26,282,275.99	20,024,047.90
5. Other liabilities	C.15.	8,681,165.97	8,938,534.10
		61,809,534.17	54,478,238.90
		212,000,475.64	209,468,989.08
		350,766,892.23	346,663,120.41

IFRS-CONSOLIDATED PROFIT AND LOSS ACCOUNT

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2017

	Note	Jan 1 - Dec 31, 2017 €	Jan 1 - Dec 31, 2016 €
1. Sales revenue	B.1.	156,499,233.88	147,644,627.87
2. Changes in inventories of finished goods and work in progress	B.2.	0.00	0.00
3. Own work capitalised	B.2.	776,998.09	888,539.98
4. Other operating income	B.3.	6,385,520.16	6,505,993.96
5. Overall performance		163,661,752.13	155,039,161.81
6. Cost of materials			
a) Cost of supplies and purchased goods	B.4.	4,320,039.60	4,638,349.69
b) Costs for purchased services	B.4.	30,414,142.19	29,822,385.86
		34,734,181.79	34,460,735.55
7. Gross result		128,927,570.34	120,578,426.26
8. Personnel expenditure			
a) Wages and salaries	B.5.	57,404,744.67	53,975,253.63
b) Social security contributions	B.5.	13,312,371.40	13,098,524.91
		70,717,116.07	67,073,778.54
9. Depreciations of intangible assets and property, plant and equipment	B.6.	20,157,445.03	20,114,244.41
10. Other operating expenses	B.7.	31,934,177.40	24,569,834.51
11. Result from operating activities		6,118,831.84	8,820,568.80
12. Income from loans from financial assets	B.9.	24,765.13	64,824.02
13. Other interest and similar income	B.8.	118.11	742.56
14. Interest and similar expenses	B.8.	5,312,900.33	5,819,820.20
15. Financial result		-5,288,017.09	-5,754,253.62
16. Income from investments	B.10.	209,600.00	684,327.28
17. Income from associated companies	B.11.	1,095,611.32	964,653.74
18. Income before income taxes		2,136,026.07	4,715,296.20
19. Taxes on income and earnings	B.12.	658,185.28	386,202.48
20. Deferred tax liabilities	B.12.	-844,024.74	1,511,101.16
21. Consolidated net income for the period		2,321,865.53	2,817,992.56
22. Minority interests in earnings		-67,174.65	-36,307.03
23. Group profit carried forward		3,664,133.68	882,448.15
24. Dividends paid to shareholders		-2,174,631.31	0.00
25. Consolidated balance sheet result		3,744,193.25	3,664,133.68

Details to IFRS overall group earnings statement on page 62.

IFRS-CONSOLIDATED CASH FLOW STATEMENT

of Flughafen Hannover-Langenhagen GmbH for the fiscal year 2017

	2017 / €k	2016 / €k
Consolidated annual result before tax	2,136	4,715
Write-offs/write-ups of fixed assets	20,157	20,114
Balance of financial income and expenses	-1,331	-1,715
Interest payables	5,313	5,820
Increase in long-term accruals (incl. pension obligations)	1,213	1,555
Decrease/increase in other accruals	600	-98
Balance of other non-cash expenses and income	662	-442
Profit / loss from the disposal of fixed assets (balance)	1,515	-2,717
Change in inventories	-99	3
Change in receivables and other assets	-3,122	1,322
Increase in liabilities not attributable to investing or financing activities	5,942	2,075
Income tax payments/refunds	-804	-514
Cash generated from operating activities	32,182	30,118
Interest paid	-5,470	-6,096
Interest and dividends received	235	750
Cashflow from operating activities	26,947	24,772
Proceeds from the disposal of property, plant and equipment/intangible assets	175	2,189
Cash outflow for investments in property, plant and equipment/ intangible assets/ property held as financial investments	-17,493	-20,666
Proceeds from the disposal of shares in associated companies	0	1,285
Proceeds from the disposal of financial assets	1,029	734
Payments for investments in financial assets	0	0
Cashflow from investment activities	-16,289	-16,458
Payments from the repayment of loans	-12,076	-16,399
Proceeds from the taking up of loans	10,000	10,000
Dividend payments to shareholders of the parent company	-2,175	0
Dividend payments to minority shareholders	0	0
Cashflow from financial activities	-4,251	-6,399
Change in cash funds from cash and cash equivalents	6,407	1,915
Cash and cash equivalents at the beginning of the financial year	-1,841	-3,756
Cash and cash equivalents at the end of the financial year	4,566	-1,841
Composition of cash and cash equivalents at the end of the financial year		
Cash and cash equivalents	6,034	1,125
Other liabilities to banks due at any time	-1,468	-2,966
	4,566	-1,841

IFRS-DEVELOPMENT OF CONSOLIDATED FIXED ASSETS

of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2016

	ACQUISITION AND MANUFACTURING COSTS					VALUATION ALLOWANCES					NET BOOK VALUES		
	As of Jan 1, 2016 €	Additions €	Restorings €	Reclassification €	Disposals €	As of Dec 31, 2016	As of Jan 1, 2016 €	Allocation €	Disposals €	Reclassification €	As of Dec 31, 2016 €	As of Dec 31, 2016 €	Previous year €
I. Intangible assets													
1. Internally generated intangible assets / licenses	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Software / licenses	3,140	507	5	0	95	3,557	2,253	321	95	0	2,479	1,078	887
3. Goodwill	1,065	0	0	0	0	1,065	443	0	0	0	443	622	622
4. Prepayments	0	6	0	0	0	6	0	0	0	0	0	6	0
	4,205	513	5	0	95	4,628	2,696	321	95	0	2,922	1,706	1,509
II. Property, plant and equipment													
1. Land, rights equivalent to real property and buildings including buildings on third-party property	673,585	14,854	5,688	-259	4,046	689,822	374,994	16,502	4,013	-89	387,394	302,430	298,593
2. Technical equipment and machinery	14,039	486	0	0	193	14,332	9,019	724	193	0	9,550	4,778	5,016
3. Other equipment, perating and office equipment	36,267	1,320	48	0	1,334	36,301	26,257	2,202	1,313	0	27,147	9,161	10,016
4. Prepayments and assets under construction	8,201	3,525	-5,741	0	47	5,938	0	0	0	0	0	5,938	8,201
	732,092	20,185	-5	-259	5,620	746,393	410,270	19,428	5,519	-89	424,090	322,306	321,826
III. Investment Property													
1. Real estate held as financial investment	13,159	0	0	259	32	13,386	6,595	366	0	89	7,049	6,337	6,565
IV. Financial assets													
1. Investments accounted for using the equity method	33	0	0	0	0	33	0	0	0	0	0	33	33
2. Other investments	3,040	1,059	0	0	94	4,005	0	0	0	0	0	4,005	3,040
3. Loans to companies in which an interest is held	2,121	0	0	0	733	1,388	0	0	0	0	0	1,388	2,121
4. Other loans	15	0	0	0	0	15	0	0	0	0	0	15	15
	5,209	1,059	0	0	827	5,441	0	0	0	0	0	5,441	5,209
V. Non-current assets classified as held for sale													
	656	0	0	0	656	0	0	0	0	0	0	0	656
	755,321	21,757	0	0	7,230	769,848	419,559	20,115	5,614	0	434,057	335,791	335,765

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	39	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 2017

	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, 2016	30,700	58,127	50,913	-2,978	-2,464	883	135,181	272	272	135,453
Change from valuation of cash flow hedges				-821			-821			-821
Revaluations (especially insurance mat. Gains and losses)					-676		-676			-676
Deferred taxes on changes recognized directly in equity				256	206		462			462
Dividends paid							0	-41	-41	-41
Consolidated net profit						2,781	2,781	36	36	2,817
Total consolidated income / loss	0	0	0	-565	-470	2,781	1,746	-5	-5	1,741
As of Dec 31, 2016	30,700	58,127	50,913	-3,543	-2,934	3,664	136,927	267	267	137,194
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

ANNEX

of the FHG Group for the fiscal year 2017

» » 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 2017

	2017 / Euro	2016 / Euro
Other income after taxes	2,321,865.53	2,817,992.56
Items which under certain conditions will, in future, be reclassified in profit and loss account		
Cashflow Hedges	1,016,322.03	-820,602.94
Income tax effects	-317,346.55	256,233.26
	698,975.48	-564,369.68
Items which will not be reclassified in profit and loss account in future		
Remeasurements	1,055,726.00	-676,881.00
Income tax effects	-329,650.44	206,137.15
	726,075.56	-470,743.85
Other income after taxes	1,425,051.04	-1,035,113.53
Total after taxes	3,746,916.57	1,782,879.03
Share of the consolidated profit/loss for the period:		
Shareholders of the parent company	2,254,690.88	2,781,685.53
Shares of non-controlling interest	67,174.65	36,307.03
Of the total consolidated result		
Shareholders of the parent company	3,679,741.92	1,746,572.00
Shares of non-controlling interest	67,174.65	36,307.03

LIST OF AFFILIATES OF THE FHG GROUP

for the fiscal year 2017

- 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) Indirect investment via Hannover Aviation Ground Services GmbH
- 5) Financial statements for the fiscal year ended at December 31, 2017 not yet available
- 6) Preliminary figures at the time of preparation of the annual financial statements

	Share	Nominal capital	Equity Dec 31, 2017	Equity Dec 31, 2016	Result 2017	Result 2016
	%	€k	€k	€k	€k	€k
Fully consolidated subsidiaries according Article 271 II HGB (German Commercial Code)						
Aircargo Services Hannover GmbH, Hannover	100.00	26	80 ³⁾	69 ³⁾	-116 ¹⁾	-592 ¹⁾
Hannover Aviation Ground Services GmbH, Langenhagen	100.00	26	479 ³⁾	411 ³⁾	380 ¹⁾	423 ¹⁾
AHS Hannover Aviation Handling Services GmbH, Langenhagen	51.00	100	682	552	137	74
RB Air Services GmbH Langenhagen ⁷⁾	100.00 ⁴⁾	25	24	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	5,047 ⁶⁾	3,362	1,685 ⁶⁾	3,665
AirITSystems GmbH, Hannover	50.00	2,000	4,322	3,520	805	714
Gastronomie Flughafen Hannover GmbH, Langenhagen	50.00	194	1,352	1,158	613	419
Non-consolidated companies						
Wirtschaftsförderungs-Gesellschaft Langenhagen Flughafen mbH, Langenhagen	50.00	26	- ⁵⁾	95	- ⁵⁾	19
HMTG Hannover Marketing und Tourismus GmbH, Hannover	0.74	216	- ⁵⁾	584	- ⁵⁾	7

AUDITOR'S REPORT

for the consolidated accounts of Flughafen Hannover-Langenhagen GmbH in the fiscal year 2017



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 December 31, 2017, the consolidated profit and loss statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2017, 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 business year from January 1 to December 31, 2017. In accordance with German law, we have not examined the content of the corporate governance statement pursuant to section 289f(4) HGB (German Commercial Act) (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 December 31, 2017 and its results of operations for the fiscal year from January to December 31, 2017, 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 management 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 the 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 re-

sults 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

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 in the group management report, plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to form the basis for 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, in-

tentional 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, March 5, 2018

PricewaterhouseCoopers GmbH
Auditing 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 three meetings of the Supervisory Board, in two meetings of the Finance and Audit Committee, in two meetings of the Human Resources Committee and, in addition, through oral and written reports of management and deliberated important issues concerning the strategic orientation of the Company. In addition, the Chairwoman and the members of the Supervisory Board kept themselves at all times informed about important issues.

The annual financial statements as of December 31, 2017 and the consolidated financial statements as of December 31, 2017 as well as the accounting, were audited by PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Hannover, elected as auditors by the General Meeting. PricewaterhouseCoopers AG issued an unqualified audit opinion. The audit was also conducted in accordance with section 53(1) No. 1 and 2 HGrG (German Budgetary Principles Act) and has not led to any objections.

The Supervisory Board itself examined these annual financial statements as of December 31, 2017 and the consolidated financial statements as of December 31, 2017 and concurred with the results of the audit in accordance with 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, March 19, 2018

The Supervisory Board

The Chairwoman



› › › IMPRINT

Publisher

Flughafen Hannover-Langenhagen GmbH
Corporate Communications

Editor-in-chief

Sönke Jacobsen

Photo credits

Hannover Airport picture library

Design

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