**Schiphol Group**

*Amsterdam Airport Schiphol is Schiphol Group’s key asset: a strong Hub airport in Europe with all key infrastructure in place*

### Company overview (2008)

- #5 airport group in Europe with 50.1 million PAX \(^{(1)}\)
- #3 for cargo with 1.6 million tonnes
- Voted #1 airport in Europe for quality of service \(^{(2)}\)
- Revenue: €1,154 million
- Operating result: €294 million
- Investments / Capex: €350

### Key infrastructure

- **Terminal with 7 piers**
  - 199 aircraft stands (96 connected, 103 remote)
  - Capacity: 60 million PAX, extendable to 65 million
  - Cargo capacity: 2 million tonnes

- **5 main runways**
  - Nominal capacity: 110 ATM / hour
  - 2008: 428k ATM
  - 510k ATM authorized, another 70k through regional Dutch airports

### Passenger distribution Amsterdam Airport Schiphol:

- **Transfer**
  - 43%
- **Origin & Destination**
  - 57%

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\(^{(1)}\) In 2008 (in Europe), including 47.4 million PAX via Amsterdam Airport Schiphol  
\(^{(2)}\) Source: Business Traveller 2008
Strategy
Sharpened strategic focus based on two pillars

**Socio-economic function**
- ‘Serving The Netherlands’
- Schiphol as an important driver for the Dutch economy and the regional competitive position
- Schiphol as a sustainable and efficient multimodal hub which connects The Netherlands with the rest of the world
- Anticipate on future selective growth by countercyclical investments in capacity and quality
- Corporate Social Responsibility
  - Safety
  - Sustainability
  - Innovation
  - Public support

**Entrepreneurial management**
- Competitive and innovative management, pro-active, client focused, lean & mean, inspired and welcoming
- Financially robust corporation
- For the short term focus will be on cost reduction, for the long term on reduction cost per WLU
- Apply aviation charges as an instrument to improve competitive position in Europe
- Variable return Aviation is acceptable, provided that in the long term the WACC will be met
- Consumers and Real Estate must realise economic profit
## Business Areas
*Complementary and inextricably linked*

<table>
<thead>
<tr>
<th>Schiphol Group: Four Business Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aviation</strong></td>
</tr>
<tr>
<td>Revenue: €640 million</td>
</tr>
<tr>
<td>% of total: 65%</td>
</tr>
<tr>
<td>Operating result: €51 million</td>
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<tr>
<td>% of total: 17%</td>
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<tr>
<td><strong>Consumers</strong></td>
</tr>
<tr>
<td>Revenue: €302 million</td>
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<tr>
<td>% of total: 26%</td>
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<tr>
<td>Operating result: €138 million</td>
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<tr>
<td>% of total: 47%</td>
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<tr>
<td><strong>Real Estate</strong></td>
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<tr>
<td>Revenue: €135 million</td>
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<td>% of total: 11%</td>
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<tr>
<td>Operating result: €93 million</td>
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<tr>
<td>% of total: 32%</td>
</tr>
<tr>
<td><strong>Alliances &amp; Participations</strong></td>
</tr>
<tr>
<td>Revenue: €77 million</td>
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<tr>
<td>% of total: 7%</td>
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<tr>
<td>Operating result: €12 million</td>
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<tr>
<td>% of total: 4%</td>
</tr>
</tbody>
</table>

1. Based on notional value including hedged amounts.
## Aviation: dual till regulation

**Supportive regulatory environment in the Netherlands**

### Activities regulated
- Take-off, landing and parking of aircraft
- Handling of aircraft passengers and their baggage
- Implementation of security measures for passengers and their baggage

### Principles of regulation
- Regulated through Aviation Act and Decrees
- Regulatory authority: NMa (Netherlands Competition Authority)
- Benchmark for setting charges based on
  - Forecast return over regulated asset base (RAB)
  - WACC: based on predetermined formula
- Allocation system
  - Based on cost, revenues and asset allocation approved by NMa
- Security based on similar principles but as a separate box

### Procedural framework

<table>
<thead>
<tr>
<th>Event</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>Submission proposal</td>
<td>Minimum 5-month period during which users may request a review by NMa</td>
</tr>
<tr>
<td>Review of proposal</td>
<td></td>
</tr>
<tr>
<td>Effective 01 Nov. or 01 Apr.</td>
<td></td>
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<tr>
<td>01 year</td>
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</table>

“**Schiphol Group to use aviation charges as an instrument to improve competitive position**”
Shareholder structure, Corporate Governance and Financing

Independent and commercial enterprise with two-tier board structure and supportive long-term oriented shareholders

Large majority of shares owned by Dutch State

- Supportive and long-term oriented
- Connecting is top priority: “Serving the Netherlands”
- Allows for temporary lower returns
- Offers room for anti-cyclical investments

Corporate Governance

- Two-tier board structure
  - Supervisory Board with maximum of 8 independent members
  - Management Board (currently 4 members): President, CFO, COO and CCO
- General Meeting of Shareholders

Shareholders (per 1 December 2008):

- Aéroports de Paris: 8.0%
- City of Amsterdam: 20.1%
- City of Rotterdam: 2.2%
- Dutch State: 69.7%

A-rated: financing via (market) debt instruments

- Interest bearing debt
- Shareholders equity
- Leverage

Leverage:

0% 5% 10% 15% 20% 25% 30% 35% 40% 45%

2004 2005 2006 2007 2008

EUR m

2.093 2.245 2.722 2.957 2.887

32% 29% 25% 23% 39%

985 936 898 907 1.817
Selective investments and continued cost control
Focus on quality, innovation and lower visit costs

- Runway/terminal infrastructure investments limited to pier/gate expansion to increase peak capacity

- Significant investments in overall quality and sustainability of the airport and its Hub function continue
  - Improving baggage handling & screening
  - Improving check-in systems
  - Integral approach to incorporate sustainability in investment decisions

- Continued focus on lowering overall visit costs
  - Measures/innovations that help airlines to avoid and reduce visit costs
  - Organizational changes at Schiphol Group: headcount reduction of between 10% and 25%, including attrition, outsourcing and job cuts
  - Targeting significantly lower non-payroll operating costs in 2009 and 2010 (mainly in Aviation and at group level)
  - Lower airport (including security) charges per April 2009 and no increase per November 2009
  - Successful lobby that resulted into abolition of the Air Passenger Tax (ticket tax) per 1 July 2009 (which was introduced in July 2008 by Dutch Government).
Challenges and Opportunities

Schiphol Group aims for shared success when dealing with new challenges

- Creating green airports with a clear pay-back for the airport, airlines and passengers
  - Amsterdam Airport Schiphol ambition: CO2 neutral for our own activities by 2012

- Competitive cost level
  - Focus on core activities and cost efficiencies
  - Initiatives to limit increases in security and other exogenous costs (often caused by new Government measures)

- Hub-bypassing and airline consolidation
  - A380, Boeing 787 (Dreamliner)

- Competition from middle-east and low cost airlines operating from (secondary) airports in the catchment area

- Monopoly or monopsony? True partnership is what counts!

- Creating Win/Win situations for airports and airlines