

An aerial photograph of Schiphol Airport, showing the terminal, runways, taxiways, and surrounding green fields under a cloudy sky. The text is overlaid on the upper portion of the image.

# Schiphol Group

OECD Workshop – International Transport Forum

*Leipzig, 26 May 2009*

Jos Nijhuis, President & CEO Schiphol Group

Schiphol Group



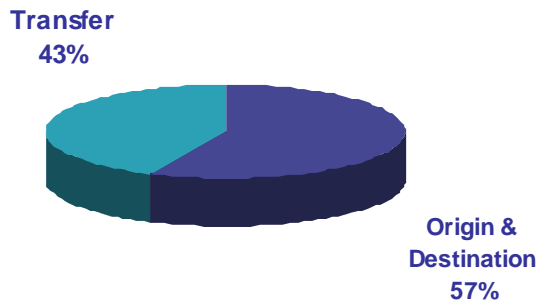
# Schiphol Group

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 <sup>(1)</sup>
- #3 for cargo with 1.6 million tonnes
- Voted #1 airport in Europe for quality of service <sup>(2)</sup>
- Revenue: €1,154 million
- Operating result: €294 million
- Investments / Capex: €350

- Passenger distribution Amsterdam Airport Schiphol:



## Key infrastructure

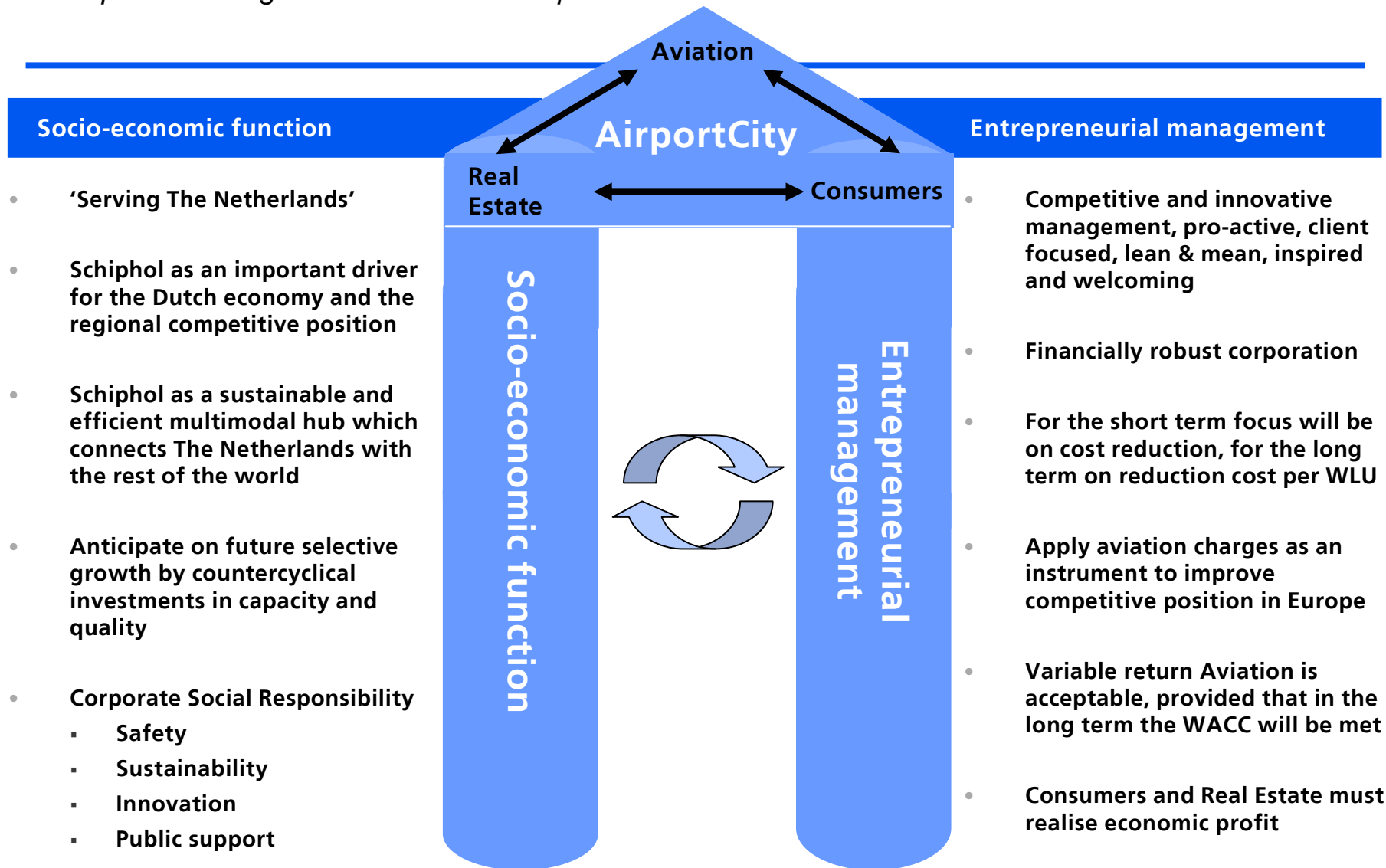


- **Terminal with 7 piers**
  - 199 aircraft stands (96 connected, 103 remote)
  - Capacity: 60 million PAX, extendable to 65 million
  - Cargo capacity: 2 million tonnes
- **5 main runways**
  - Nominal capacity: 110 ATM / hour
  - 2008: 428k ATM
  - 510k ATM authorized, another 70k through regional Dutch airports

(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



1 Based on notional value including hedged amounts

# Business Areas

*Complementary and inextricably linked*

**Schiphol Group:  
Four Business Areas**

**Regulated** ■  
**vs.**  
**Non-regulated** ■

Aviation	Consumers	Real Estate	Alliances & Participations
			
<p><b>Revenue: €640 million</b> % of total: 65%</p> <p><b>Operating result: €51 million</b> % of total: 17%</p>	<p><b>Revenue: €302 million</b> % of total: 26%</p> <p><b>Operating result: €138 million</b> % of total: 47%</p>	<p><b>Revenue: €135 million</b> % of total: 11%</p> <p><b>Operating result: €93 million</b> % of total: 32%</p>	<p><b>Revenue: €77 million</b> % of total: 7%</p> <p><b>Operating result: €12 million</b> % of total: 4%</p>

1 Based on notional value including hedged amounts

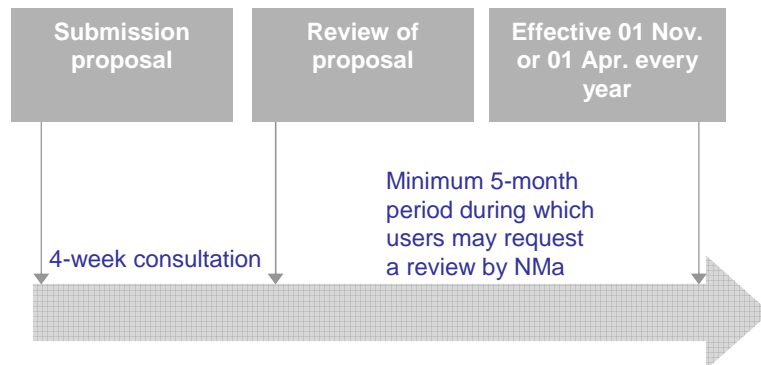
# Aviation: dual till regulation

*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

## Procedural framework



## 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

***“Schiphol Group to use aviation charges as an instrument to improve competitive position”***

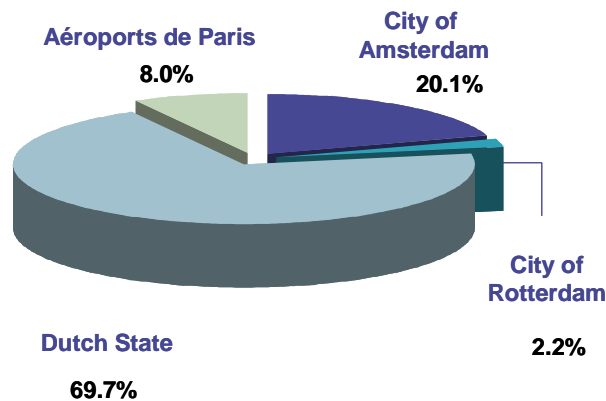
# Shareholder structure, Corporate Governance and Financing

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

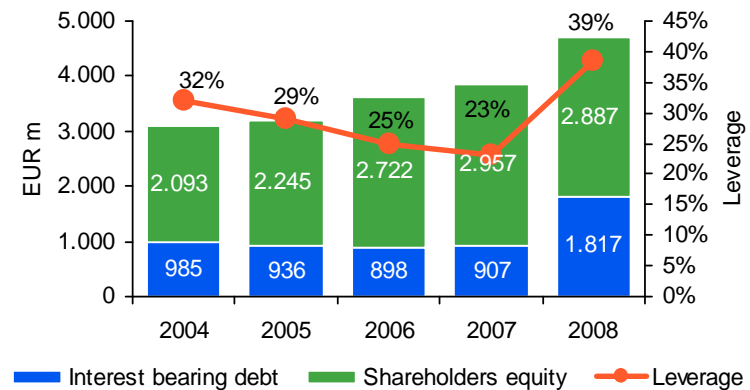
- Shareholders (per 1 December 2008):



## 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

## A-rated: financing via (market) debt instruments



## Selective investments and continued cost control

*Focus on quality, innovation and lower visit costs*

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- 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*

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- **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**



