



Schiphol Group

2008 Annual Results Presentation

Press Briefing

19 February 2009

Schiphol Group



Disclaimer

This release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Schiphol Group and certain of the plans and objectives of Schiphol Group with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements and forecasts are based upon current data and historic experience which are not necessarily indicative of future outcomes or the financial performance of Schiphol Group and should not be considered in isolation.

Agenda

1. Key Highlights

2. Group Results 2008

3. Developments per Business Area in 2008

4. Outlook

5. Sharpened strategic focus

Agenda

1. Key Highlights

2. Group Results 2008

3. Developments per Business Area in 2008

4. Outlook

5. Sharpened strategic focus

Key Highlights

- **Decrease in 2008 net result was expected from the outset, but developments in last 6 months of 2008 were worse than anticipated**
- **Outlook 2009: Schiphol Group expects at least 50% lower net result**
 - **Traffic is set to decrease by 6% to 10% at Amsterdam Airport Schiphol**
 - **Cargo is expected to decrease by approximately 15%**
 - **Lower revenue and results in non-aviation (Consumers and Real Estate)**
- **Industrial co-operation with Aéroports de Paris and 8% cross-shareholding important strategic step**
- **Sharpened strategic focus on public function in combination with a continued focus on economic efficiency, entrepreneurial drive and market discipline**



Agenda

1. Key Highlights

2. Group Results 2008

3. Developments per Business Area in 2008

4. Outlook

5. Sharpened strategic focus

Financial highlights 2008

Decrease in 2008 net result expected from the outset, but traffic and result development worse than expected due to deterioration economic climate

- **Revenue growth of 0.7% to EUR 1,154m was outpaced by growth in operating expenses of 4.8%**
 - Decrease in airport charges prescribed by the Dutch Competition Authority (NMa) as per 1 November 2007; effect EUR 31m
 - Increase in airport charges per 1 November 2008 offered no compensation for strong negative revenue impact in first 10 months of 2008
 - Increased security costs, increase in personnel costs and higher maintenance costs main reasons for higher operating expenses
- **Net result 41% lower at EUR 187m** (2007: EUR 316m)
 - Fair value gains amount to EUR 19m compared to EUR 112m the year before
 - One-off tax gain of EUR 1.7m (2007: EUR 22m)
- **Net result adjusted for fair value gains 26% lower at EUR 173m**
(2007: EUR 233m).



Schiphol Group Key Financial Figures

Earnings per share 41% lower in 2008

EUR millions unless otherwise stated	2008	2007	+/-	2006
Revenue	1,154	1,146	0.7 %	1,037
Fair value gains on property	22	115	-81.2 %	39
Operating expenses	881	841	4.8 %	759
Operating result	294	420	-29.9%	316
Result before tax	251	395	-36.6%	291
Adjusted net result ⁺	173	233	-25.8%	198
Net result	187	316	-40.8 %	527
Ratios				
Leverage	38.6%	23.5%		24.8%
FFO Interest coverage ratio	6.5x	7.7x		8.3x
Earnings per share (euro)	1,083	1,844	-41.2%	3.077



Schiphol Group Key Financial Figures

Decrease in Total equity includes effect of super dividend of EUR 500 million and issue of EUR 370 million in new shares to AdP

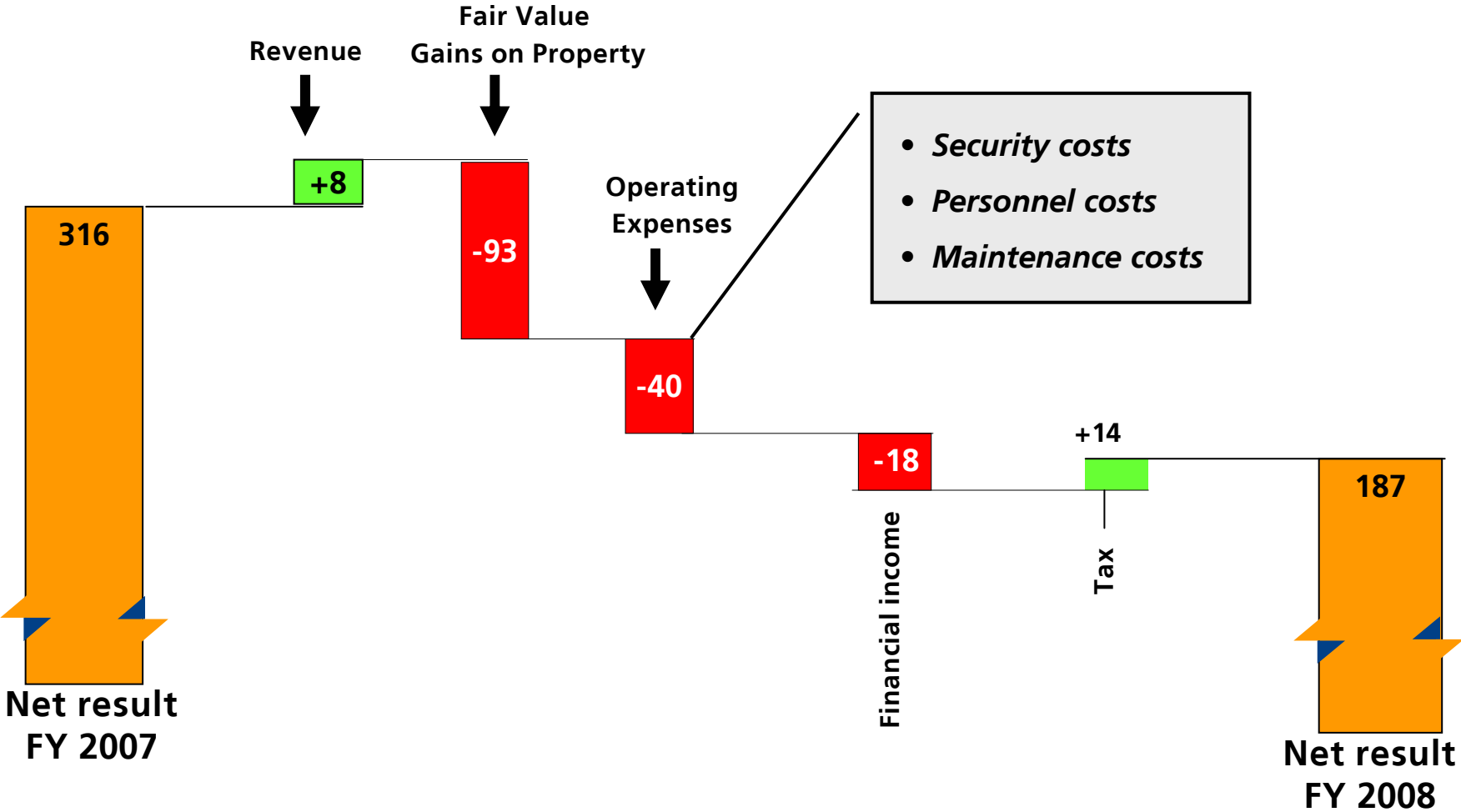
EUR millions	31/12/08	31/12/07
Total equity	2,887	2,957
Total assets	5,409	4,287
Investments PPE	350	375
Cash flow from operating activities	421	313
Interest-bearing debt	1,817	907
Cash position	398	142

- **Credit Rating:** S&P's changed rating to single A flat with negative outlook and Moody's changed rating to A1 with stable outlook. Both ratings reflect possible distribution of up to EUR 1 billion in super dividend. S&P's negative outlook also reflects a more cautious view on our liquidity following our joint announcement with AdP on industrial co-operation, including international activities
- **Financing:** Borrowings increased by EUR 910m to EUR 1,817m, mainly by attracting long-term finance via an EUR 800m 2014 Eurobond issue and an EUR 120m 30-year private placement in Japanese Yen.



FY '07 Net Result bridge to FY '08 Net Result

Higher operating expenses and lower fair value gains



Agenda

1. Key Highlights

2. Group Results 2008

3. Developments per Business Area in 2008

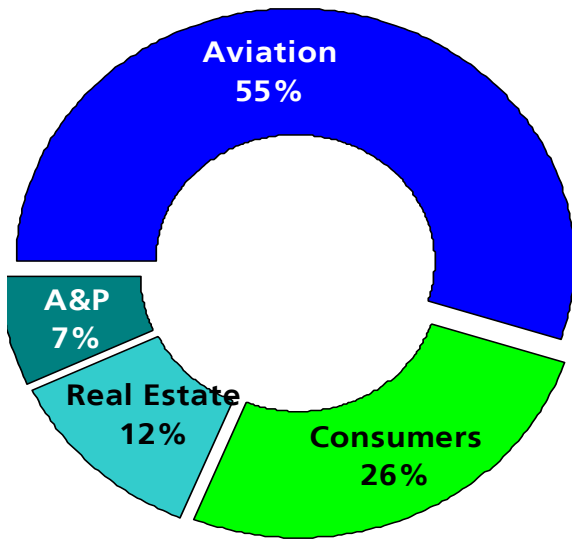
4. Outlook

5. Sharpened strategic focus

Breakdown by Business Area

Consumers and Real Estate account for 79% of operating result
 Aviation accounts for 62% of total Investments

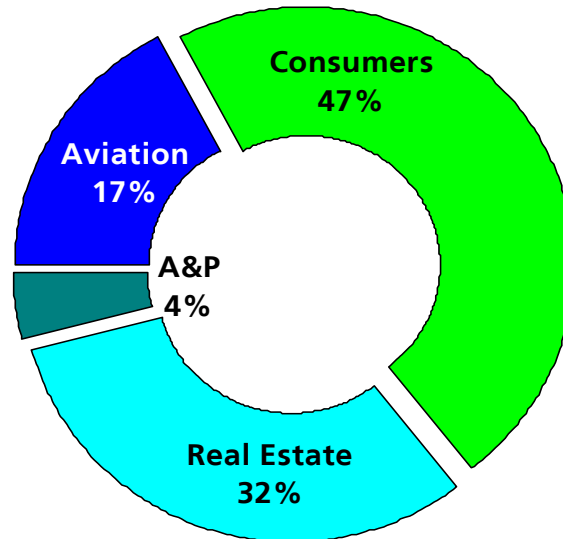
Revenue



2008	2007	+/-
1,154	1,146	+0.7%

EUR million

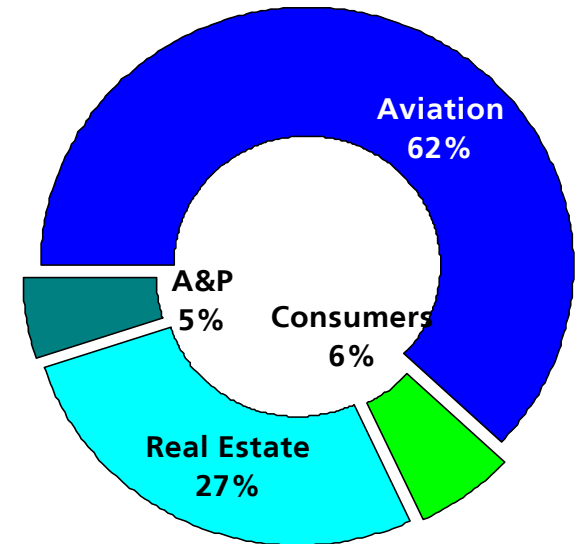
Operating Result



2008	2007	+/-
294	420	-29.9%

EUR million

Capex/Investments



2008	2007	+/-
350	375	-6.8%

EUR million

Aviation business area



<i>EUR million</i>	2008	2007	+/-	2006
Revenue	640	650	-2%	631
Operating expenses	589	555	6%	558
EBITDA	170	216	-21%	190
Operating result	51	95	-46%	73
CAPEX	216	208	4%	173

The Aviation business area operates solely at Amsterdam Airport Schiphol. Aviation provides services and facilities to airlines, passengers and handling agents. The Netherlands Competition Authority (NMa) regulates the charges which are levied.

Sources of revenue: airport charges (aircraft, passenger and security charges) and concession fees (paid by oil companies for the right to provide aircraft refueling services).

Aviation

Revenue decreases due to lower airport charges and a decrease in traffic



- **Revenue down by 1.6% to EUR 640m (EUR 650m)**
 - Decrease in airport charges per 1 November 2007: EUR -/-31m
 - Tariff increases per 1 November 2008 and higher MTOW: EUR +15.7m
 - Traffic decrease: EUR -/-8.1m
 - Higher security charges: EUR +7.0m
 - PRM(*) charges and other activities: EUR +6.5m
- **Operating expenses up by 6.0% to EUR 589m (EUR 555m)**
 - Increase in costs of EUR 15.2m due to increased security measures
 - Increase in personnel costs of EUR 8.9m
 - Cost related to PRM programme of EUR 5.3m
 - Higher maintenance cost of EUR 5.3m
- **Operating result 46% lower at EUR 51m (EUR 95m) reflects decreasing revenue and increasing operating expenses.**

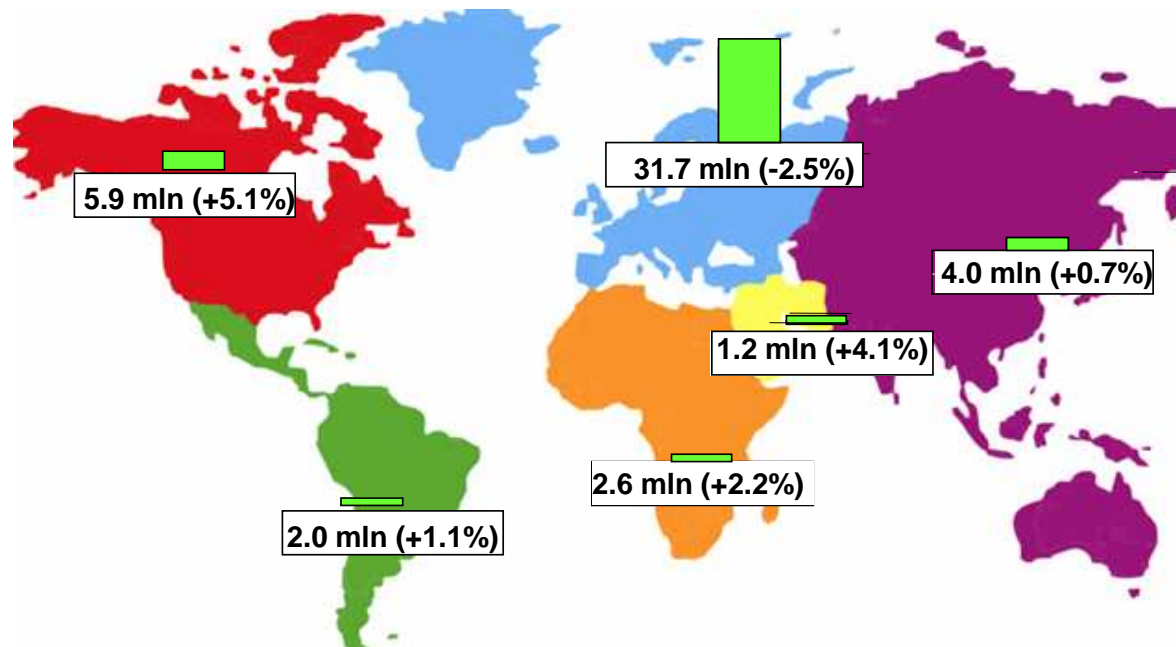


Aviation

Passenger numbers at Amsterdam Airport Schiphol decreased 0.8% to 47.4 million



- **Traffic at Amsterdam Airport Schiphol:**
 - 0.8% decrease in passengers to 47.4 million / -2.6% in cargo / -1.8% in ATMs
 - AF-KLM and partners (SkyTeam) grew by 2.7% to 30 million passengers
 - Low-cost carriers decreased by 15% to 5.1 million passengers



Aviation

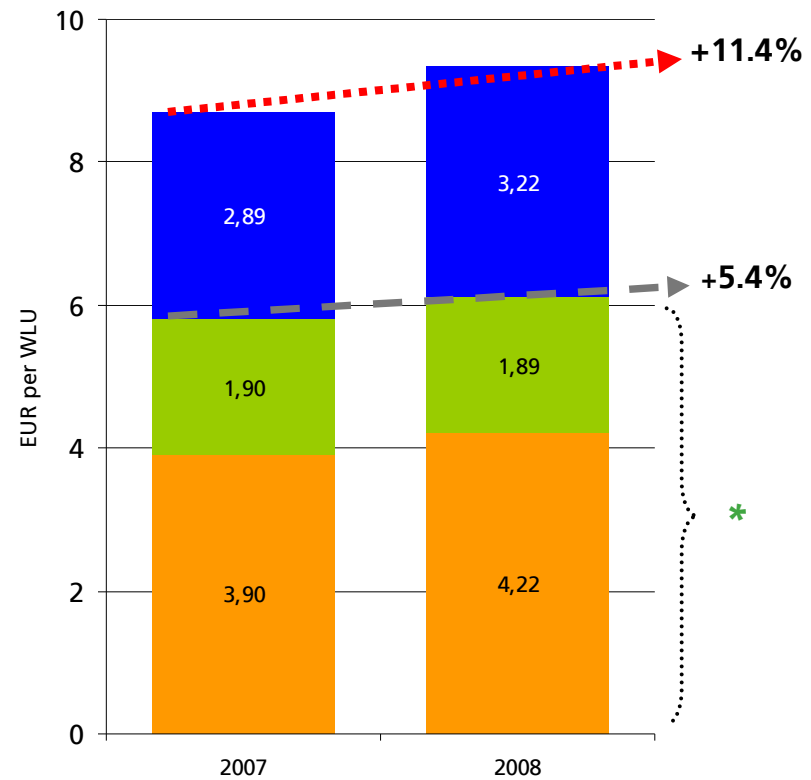
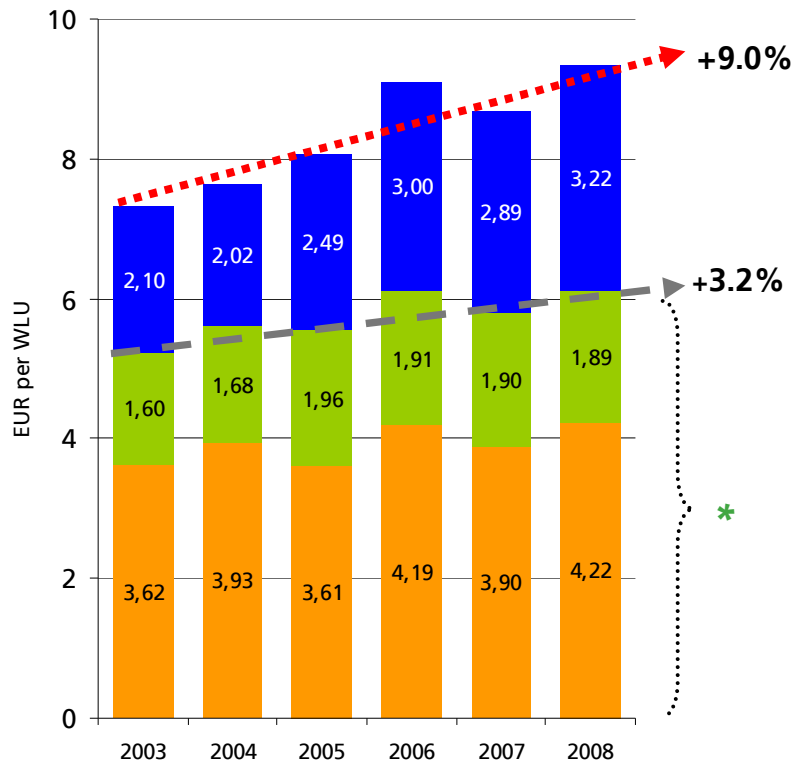
Continued investment: critical for Schiphol Group and the future of the mainport



- **Operational capacity: EUR 216m invested in 2008**
 - **Key projects: 70MB baggage system, security projects and maintenance**
- **Environmental capacity**
 - **1 October: 'Alders-Platform' (Alders-tafel) issued proposal to the government for controlled growth for Schiphol until 2020:**
 - **580,000 ATM in 2020**
 - ***of which* 70,000 non-main-port-related ATMs through regional airports**

Aviation - cost per WLU

Costs per WLU increased in 2008 due to higher security and operating costs and lower passenger and cargo numbers



■ Costs (excl depreciation & security) ■ Depreciation ■ Security

* Schiphol Group can only directly influence its operating costs and to a limited extent its depreciation costs. Security costs are determined by legislation and other external factors.

Consumers business area



<i>EUR million</i>	2008	2007	+/-	2006
Revenue	302	301	0%	231
Operating expenses	164	157	5%	94
EBITDA	163	166	-2%	151
Operating result	138	144	-4%	136
CAPEX	22	48	-54%	12

The activities of the Consumers business area concern the independent operation of retail outlets and car parks, the granting and management of concessions for airport shopping and café, bar and restaurant facilities, and the marketing of advertising and media opportunities at Amsterdam Airport Schiphol. The business area also has activities outside the Netherlands, such as the operation of retail outlets via management contracts.

Sources of revenue: retail sales, parking fees, concession fees, advertising and management fees.

Consumers

Result lower due to new investments in organisation in combination with a flat revenue development



- **Revenue flat at EUR 302m (EUR 301m)**
 - Concessions stable at EUR 112.3m (EUR 112.8m)
 - Retail sales marginally lower at EUR 64.2m (EUR 64.4m)
 - Parking up 2.2% to EUR 81.6m (EUR 79.8m)
 - Advertising & media up 13% to EUR 17.4m (EUR 15.2m)
 - Lower revenues from other activities
- **Operating expenses up 4.5% to EUR 164m (EUR 157m)**
 - Increase in employee benefits costs (+9% increase in FTE)
 - Increase in depreciation of EUR 2.7m
- **Operating result down 4% to EUR 138m (EUR 144m)**



Real Estate business area



<i>EUR million</i>	2008	2007	+/-	2006
Revenue	135	124	9%	109
Result on the sale of property	2	3	-12%	10
Fair value gains on property	19	112	-83%	28
Operating expenses	64	68	-6%	47
EBITDA	111	192	-42%	120
Operating result	93	171	-46%	101
CAPEX	93	109	-15%	69

The Real Estate business area develops, manages, operates and invests in property at and around airports at home and abroad. The greater part of the portfolio, comprising both airport buildings and commercial properties, is located at and around Amsterdam Airport Schiphol.

Sources of revenue: rents, including ground rents. The business area also makes a significant contribution to Schiphol Group results via other property results (sales, the fair value gains or losses on property and the lease of land).

Real Estate

Results decreased due to EUR 93 million lower fair value gains compared to 2007, however, adjusted results were up 29%



- **Revenue up 9% to EUR 135m (EUR 124m)**
 - This includes EUR 14m from increased rental income
 - Higher occupancy rate at 91.4% (2007: 88.1%)
 - 6.2% increase in size of portfolio to 526,166m² (2007: 495,513m²)
- **Result on sale and fair value gains on property 81% lower at EUR 22m (2007: EUR 115m)**
 - EUR 47m of pre-tax fair value gain is attributable to projects and the increase in the size of the property portfolio
 - The balance (EUR 28m negative) is attributable to market developments
 - EUR 2 million gain on sale of Malpensa office building
- **Operating result 46% lower at EUR 93m (EUR 171m)**
 - Excluding fair value gains the operating result was EUR 71m, which is 29% higher compared to EUR 56m in 2007.



Real Estate

*Investments were at a significantly lower level compared to 2007
Operating expenses also decreased by 6%*



- **Operating expenses down 6% to EUR 64m (EUR 68m)**
 - Lower costs for services to tenants
 - Lower ground lease payments to third parties
- **Investments 15% lower at EUR 93m (EUR 109m)**
 - Investments continued in cargo building Panalpina, the Outlook multi-tenant offices and other projects.



Alliances & Participations business area



<i>EUR million</i>	2008	2007	+/-	2006
Revenue	77	71	9%	66
Fair value losses on property	-0.2	-0.4	-49%	0.3
Operating expenses	65	61	6%	61
EBITDA	23	20	14%	17
Operating result	12	10	27%	6
CAPEX	19	10	84%	6

The Alliances & Participations business area rolls out the AirportCity formula internationally. Alliances & Participations consists of Schiphol Group's interests in the regional airports as well as its interest in airports abroad, other investments and Utilities.

Sources of revenue: mainly airport charges and parking fees. The airports abroad contribute to group results through performance fees and dividends as accounted for in share in results, through interest income and through Intellectual Property fees. The Utility activities generate revenue from the transport of electricity and gas and from the supply of water to third parties. As a result of the equity method, changes in the fair value of the investments are not reflected in the results.

Alliances & Participations

Continued traffic growth at Eindhoven Airport, a drop in traffic at Rotterdam Airport



- **Financial**

- Revenue up 8.7% to EUR 77m (EUR 71m)
- Operating Expenses up 6.2% to EUR 65m (EUR 61m)
- Operating Result up 26.6% to EUR 12m (EUR 10m)

- **Domestic**

- The domestic activities reported a decrease in Rotterdam, compensated by an increase in activity in Eindhoven
- Eindhoven: 5.6% up to 1.63m passengers
- Rotterdam: 7.3% down to 1.01m passengers
- Lelystad: Ministry of Transport resumed the airport operations ruling procedure for the expansion of Lelystad Airport. The procedure is based on growth to 1.5 million passengers.



Alliances & Participations

Industrial co-operation with Aéroports de Paris important strategic step



- **Industrial co-operation with Aéroports de Paris and 8% cross-participation**
 - Long-term agreement (12 years) of great strategic importance
 - Clear governance structure and Board representation
 - First 30 initiatives to be implemented in 2009
- **Other international**
 - International activities contributed EUR 10.9m to group net result (including income from minority share dividend and interest)
 - Brisbane: 4.2% up to 18.8m passengers
 - JFK IAT: 4.0% up to 9.3m passengers
- **Other investments and activities also contribute to positive results**
 - Schiphol Telematics, Dartagnan, Utilities.

Agenda

1. Key Highlights

2. Group Results 2008

3. Developments per Business Area in 2008

4. Outlook

5. Sharpened strategic focus

Outlook

Negative traffic developments and lower non-aviation revenue to hit 2009 results

- **Traffic at Amsterdam Airport Schiphol expected to decrease by 6% to 10% as direct consequence of the global financial and economic crisis and the introduction of the ticket tax in 2008. Cargo approximately 15% down**
- **Planned investments in 2009 of EUR 285m (19% lower compared to EUR 350m of investments in 2008)**
- **Total headcount is expected to decrease in 2009 and 2010 as a consequence of announced reorganisation (10% to 25% reduction by end 2010 at the Schiphol location)**
- **No super dividend in 2009**
- **Net result 2009 is expected to be at least 50% lower compared to 2008 as a consequence of lower traffic and lower non-aviation revenue**



Agenda

1. Key Highlights

2. Group Results 2008

3. Developments per Business Area in 2008

4. Outlook

5. Sharpened strategic focus

Competitive position of the mainport under pressure

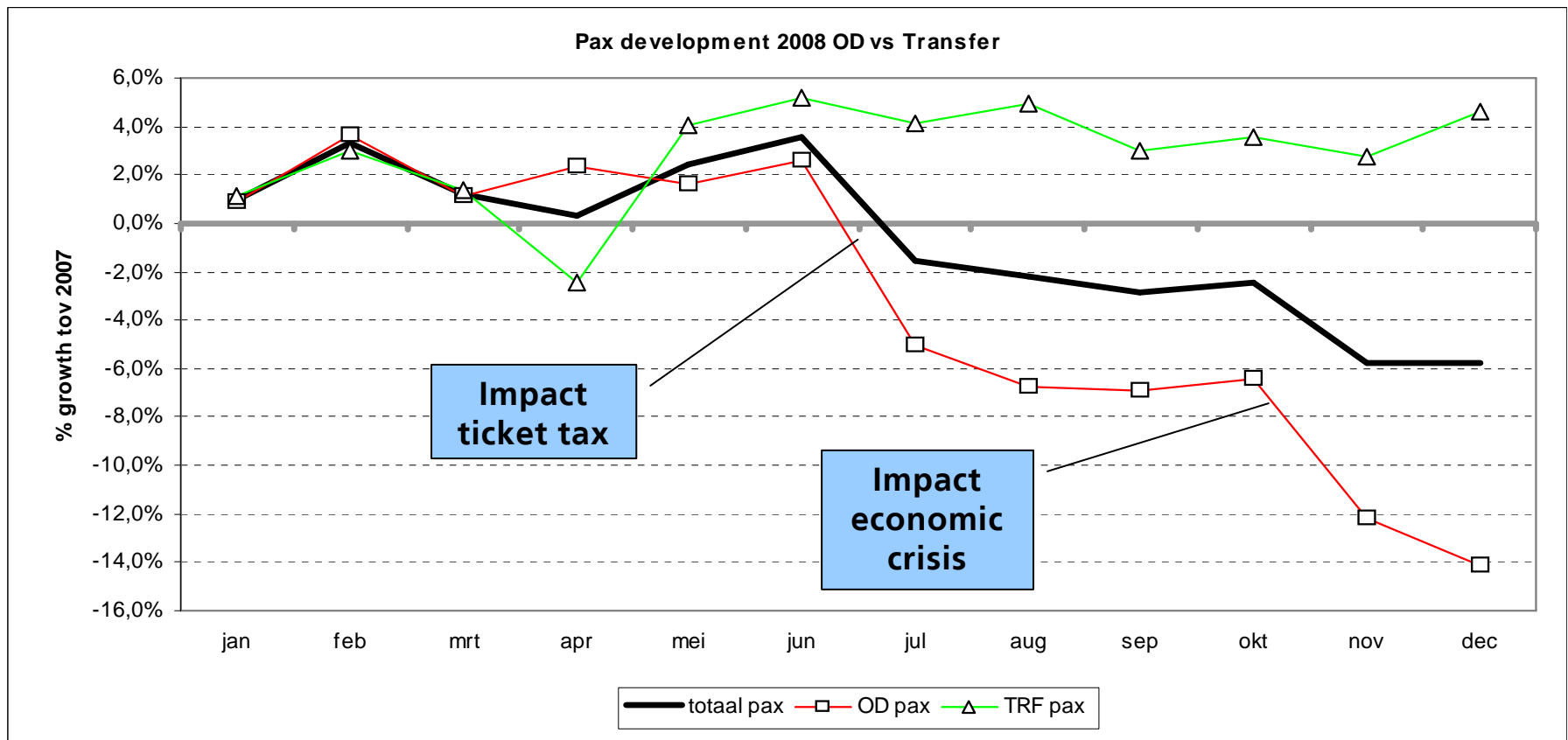
- **Emerging competing hubs**
- **Airline consolidation (larger aircraft, hub bypassing)**
- **Government imposed charges and levies (ticket tax, security)**



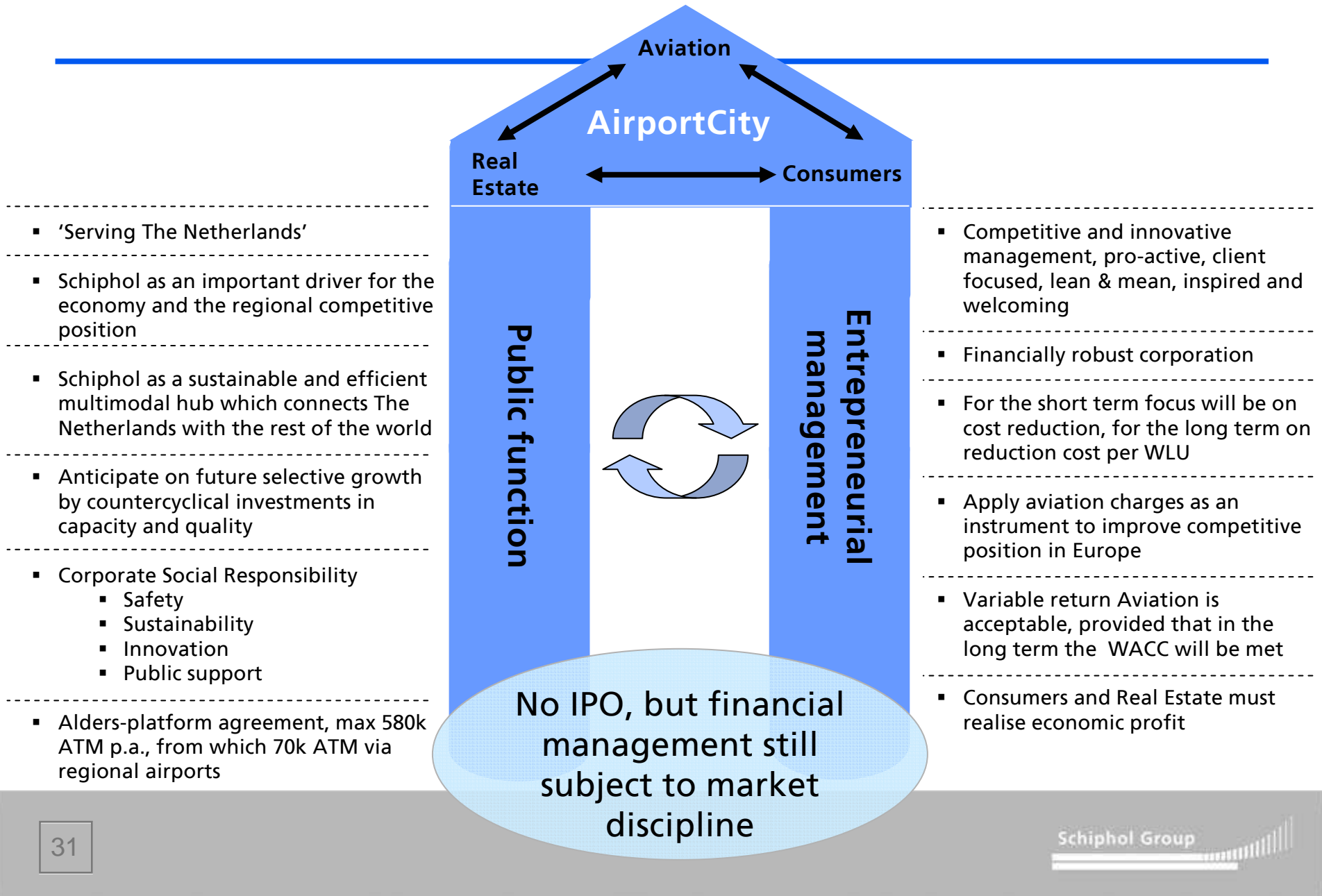
Traffic in 2008

Significant decline in passengers due to ticket tax and economic downturn

- 2008: PAX down 0.8%, OD down 3.4% and Transfer up 3.0%
- 2009: Transfer has started to decline as well

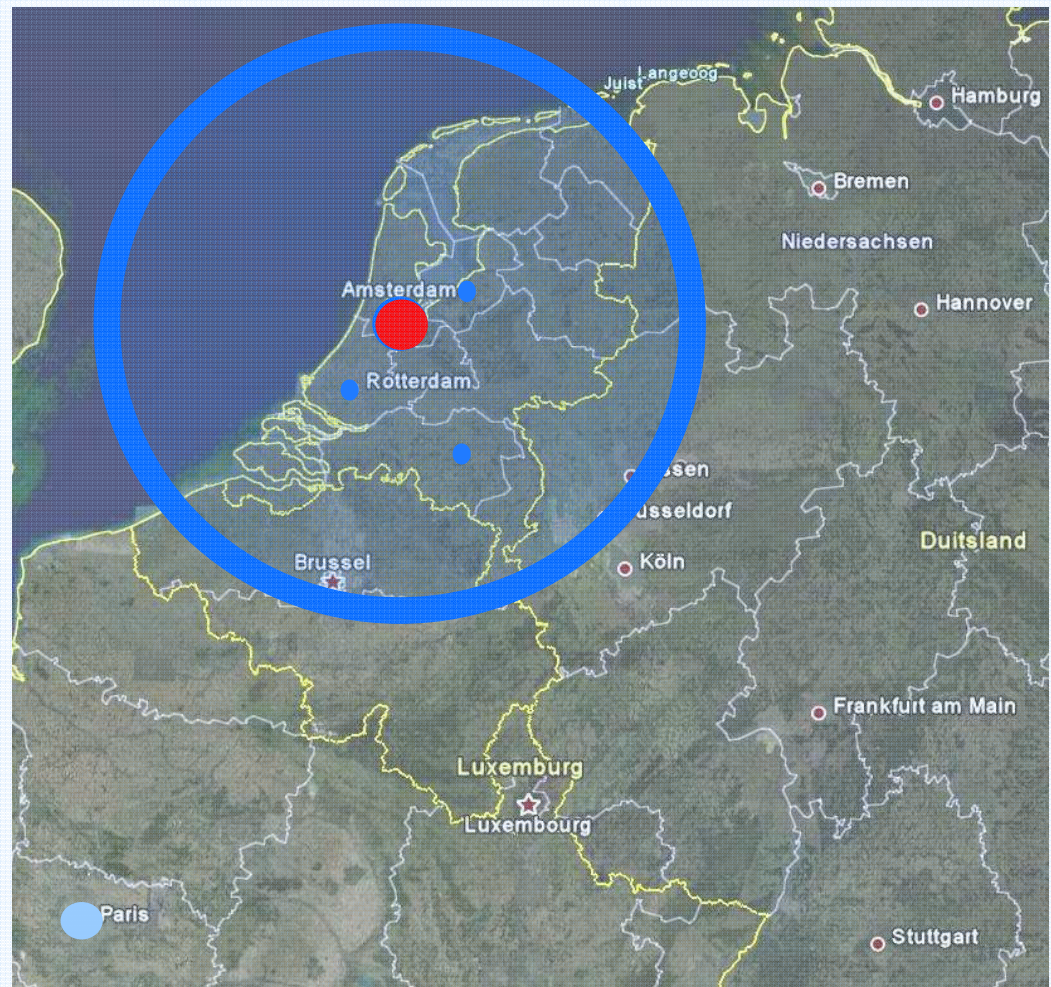


Schiphol's strategy is based on two pillars



Ambition for Schiphol

- **Amsterdam Airport Schiphol**
'Most preferred airport in Europe'
- **Regional airports**
Develop further as 'low visit cost regional airports' for specific point-to-point traffic, at the right moment in time
- **International activities**
Focus on SkyTeam airports: cooperation with AdP and strengthen participation in JFK



Sharpened strategic focus

Core function is “connecting”

- **Core function Amsterdam Airport Schiphol is “connecting”**: to be a sustainable, reliable and efficient multimodal connection point with the world. **“Serving the Netherlands”** will be the central theme in our mission!
- **Aviation (passengers, cargo and airlines) is most important business driver and generator for all other activities on and around Schiphol location, including our Consumers and Real Estate activities**
- **Sustainability, innovation and quality are essential for our license to operate and to distinguish ourself from our competitors. Sustainability and innovation are to be implemented on a robust financial basis.**



Our response

We are taking swift action to become the most preferred airport

- **Lean and mean organization: cost reduction plan in place**
- **Lower tariffs per April and no increase per November 2009**
- **Intensified marketing efforts**

Level playing field

- **Network is vulnerable and should not be taken for granted**
- **The competitive position of the Randstad and the Netherlands is under pressure**
- **We need a level playing field in Europe eg no ticket tax**



