

1.1

Introduction

BP 2010-2014: Our path to recovery

Valt niet onder het verzoek.

Valt niet onder het verzoek.

Continued Aviation investments are driven by peak capacity, security and quality improvement

Valt niet onder het verzoek.

- Continued significant investments in the Hub function (e.g. 70MB), the quality, safety, sustainability and security of Amsterdam Airport Schiphol (AAS) are included in order to fulfil our socio-economic function: "Serving the Netherlands". We will continue to evaluate other important infrastructure expansion options (e.g. A-pier or A'-pier), but have not included these in BP 2010-2014 given the current traffic outlook

Valt niet onder verzoek

- There is commercial (KLM, Easyjet), political and government pressure (V&W) to minimize future tariff increases despite economic regulation that allows us to seek compensation for increasing costs related to peak capacity and other key infrastructure investments. Although, the airport charges in the BP period reflect compensation for the full use of 70MB, inflation and a break-even situation in security, they do not fully cover our cost of capital. Therefore we expect a negative economic profit for Aviation throughout the BP 2010-2014 period.

1.1 Introduction

Financial outlook Schiphol Group

Business Plan growth of financials (revenue, EBITDA) to outpace market growth (passengers).	Key figures (EUR million)	2008 ACTUAL	2009 LE	2010 BP	2014 BP	CAGR 08-14	CAGR 10-14	
								Valt niet onder het verzoek.
								Valt niet onder het verzoek.
	Capex	350			10.1.c			
	Balance sheet							
								Valt niet onder het verzoek.
	Key financials							
								Valt niet onder het verzoek.
	Personnel							
								Valt niet onder het verzoek.

1.1

Introduction

Financial outlook Business Area's

Valt niet onder het verzoek.	
Valt niet onder verzoek	<p>▪ Capex of EUR 946 mil over the plan period includes a.o. 70 MB phase 1 10.1.c Maintenance 10.1.c Security 10.1.c Fire prevention 10.1.c Redesign Passenger Process 10.1.c Other large (capacity) projects have been postponed.</p> <p>Valt niet onder het verzoek.</p>
	<p>▪ Capex over the plan period of 10.1.c includes a.o. Hilton 10.1.c mil, Area 70 office 10.1.c, GA Terminal 10.1.c, Parking P1 WTC 10.1.c and Office K8 10.1.c</p> <p>Valt niet onder het verzoek.</p>
	<p>Capex 216 10.1.c</p> <p>Valt niet onder het verzoek.</p>
	<p>Capex 93 10.1.c</p> <p>Valt niet onder het verzoek.</p>
	<p>▪ Capex over the plan period of 10.1.c includes a.o. Lounge 3 redevelopment 10.1.c, Parking capacity 10.1.c renovation P1 and P2 10.1.c</p> <p>Valt niet onder het verzoek.</p>
	<p>▪ Capex over the plan period of 10.1.c includes a.o. capital replacement (Rotterdam, 10.1.c the realization of a hotel (Eindhoven, 10.1.c and investments by Utilities in Elzenhof in 2012 10.1.c and Schiphol Centrum in 2014 10.1.c).</p> <p>Valt niet onder het verzoek.</p>
<p>Capex 22 10.1.c</p> <p>Valt niet onder het verzoek.</p>	
<p>Capex 19 10.1.c</p> <p>Valt niet onder het verzoek.</p>	

1.2

Strategic agenda
Actions required to fulfill Schiphol Group's objectives and strategy

Schiphol Group	
Valt niet onder het verzoek.	
Aviation	Consumers
Valt niet onder het verzoek.	Valt niet onder het verzoek.
■ Focus on development of Schiphol Centre: finalize 70MB phase 1 (included in this businessplan) and prepare for Masterplan Zuid (not in this businessplan)	
Valt niet onder het verzoek.	
Real Estate	A&P
Valt niet onder het verzoek.	Valt niet onder verzoek

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Schiphol Group

1.2 Strategic dilemma's and issues

10.1.c

The Aviation investments planned over the business plan period are predominantly driven by peak capacity demand from the transfer market

- Strengthening OD position of AAS almost impossible with ever increasing investments primarily for the Transfer market (70MB backbone) being (over)charged to OD passengers

10.1.c

Valt niet onder het verzoek.

Valt niet onder het verzoek.

Valt niet onder het verzoek.

■ Increase in airport charges are assumed for PMC Aviation (mainly related to 70 MB) and PMC Security (to break even in 2012). Feasibility of these increases is uncertain, as is the reaction of politics and airlines (might decide to stop visiting AAS) and public opinion

10.1.c

Valt niet onder verzoek

Real Estate

Valt niet onder het verzoek.

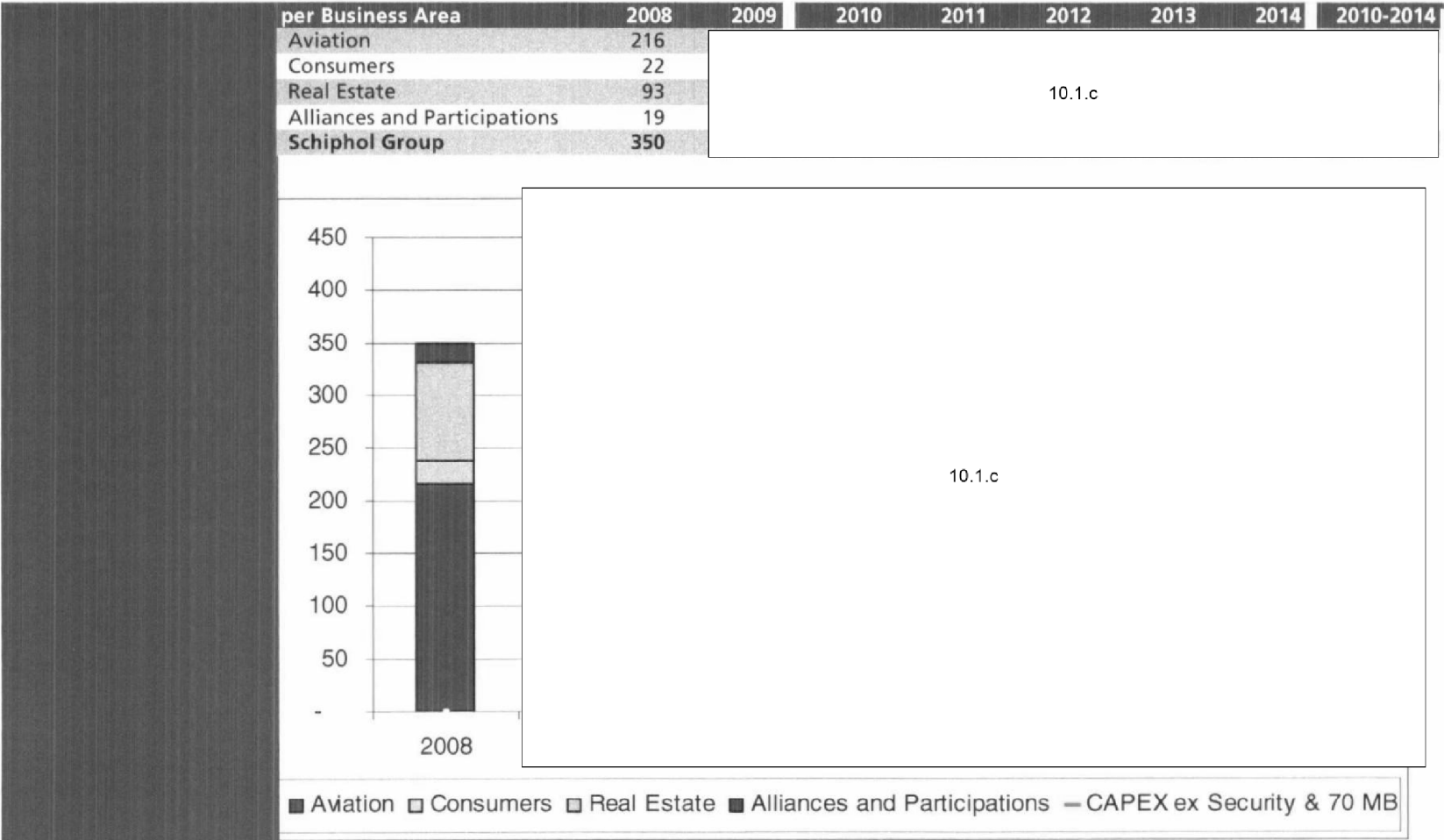
Consumers

Valt niet onder het verzoek.

A&P

Valt niet onder verzoek

1.6 Investments CAPEX overview



* These figures present the total investments by the BA's in (in)tangible fixed assets. The cash flow statement 'investing activities' in 2009 also reflects a payment from RGD, divestments and investments in financial fixed assets.

1.6

Investments

Main investments projects per Business Area

Aviation CAPEX in EUR mil		2009	2010	2011	2012	2013	2014	2010-2014
Bagage 70 MB		10.1.c						
Maintenance								
Security								
Fire prevention								
Redesign Passenger Process								
Other projects								
Total								
Consumers CAPEX in EUR mil		2009	2010	2011	2012	2013	2014	2010-2014
Parking capacity Park&Travel 3		10.1.c						
Lounge 3								
Renovation P1 and P2								
Excellence Parking								
Other projects								
Total								
Real Estate CAPEX in EUR mil		2009	2010	2011	2012	2013	2014	2010-2014
Schiphol:Hilton		10.1.c						
Regional: Rotterdam Airport								
International: Malpensa								
Schiphol: Area 70 - Office								
Other projects								
Total								
A&P CAPEX in EUR mil		2009	2010	2011	2012	2013	2014	2010-2014
Utilities		10.1.c						
Rotterdam								
Telematics								
Eindhoven								
Other projects								
Total								

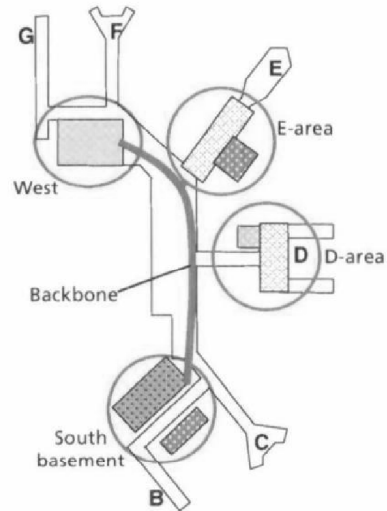
1.6

Investments

Pax / Bax process improvement projects

70MB and implementation passenger process improvements most important projects

Impact of 70MB on CAPEX and related depreciation is presented in annex.



Baggage - Implementation 70 MB

- Objective is to enable AAS to handle 70 million bags per year and providing higher quality, lower costs per suitcase, increasing productivity of personnel, better working conditions and higher reliability
- Program involves construction of a backbone, further development of the South basement and new unloading quays
- Due to the renewal of the baggage system behind departures 1 and 2 one check-in block will be out of order during construction

Tailored implementation passenger process

- Focus is on increasing the quality, capacity and improving the efficiency of the passenger process
- Project involves self-service check-in, baggage drop-off, transfer and border passage

Security - Progress

To be able to handle future growth and possible new regulations new concepts will be developed



1.6

Investments

Masterplan South (Masterplan Zuidelijke Ontwikkeling)

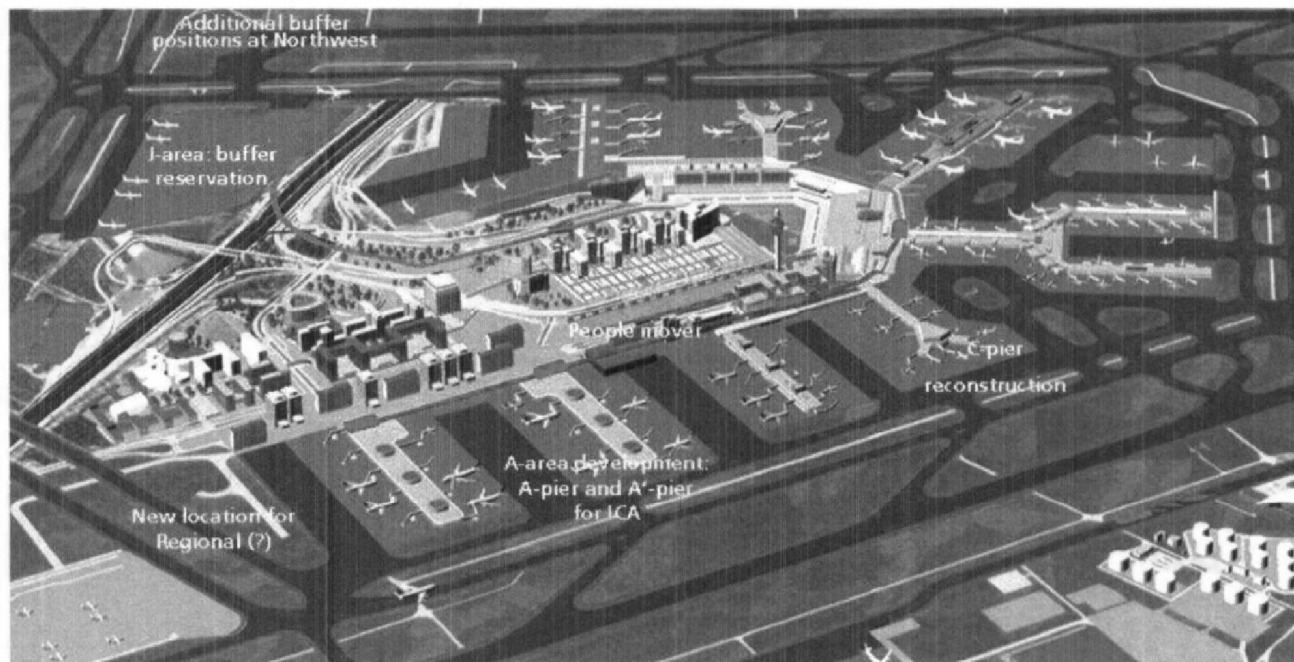
Postponed beyond current plan period

Mid term vision:

A-pier construction and concentration cargo in South-East

Due to current economic crisis decision made to delay investments

Nevertheless year and peak hour capacity will eventually be needed.



Eventually necessity to expand gate and terminal capacity to accommodate growth in peak (economic crisis driven). Therefore intensive planning activities started

- Aircraft handling: Construction of A-pier (and people mover) to accommodate ICA growth in morning peak and fleet renewal program of AF-KLM (larger aircraft)
- Passenger handling: Efficient use of central area, departures and lounges. Focus on terminal expansion is southward – terminal 0 with additional check-in, reclaim and baggage handling capacity.
- Cargo to be moved out to South-east

1.6 Investments

Quality improvement and dissatisfier reduction initiatives

**Chain management:
focus on cycle time
passengers**



**Focus on dissatisfiers
and hospitality**



**Improve accessibility
for both passengers
and employees.**



Cycle time management improves quality of our primary processes

- Chain management: focus on cycle time (instead of productivity) of passengers, incl. baggage, and cargo
- Improve gate waiting comfort

Focus on elimination of customer dissatisfiers

- Waiting lines of security filters
- Gate perception
- Check-in efficiency

Sources: KPO Airlines, ACM voice of the customer, PAX quality monitor, ASQ and Airlines on Airports

Hospitality Cornerstones

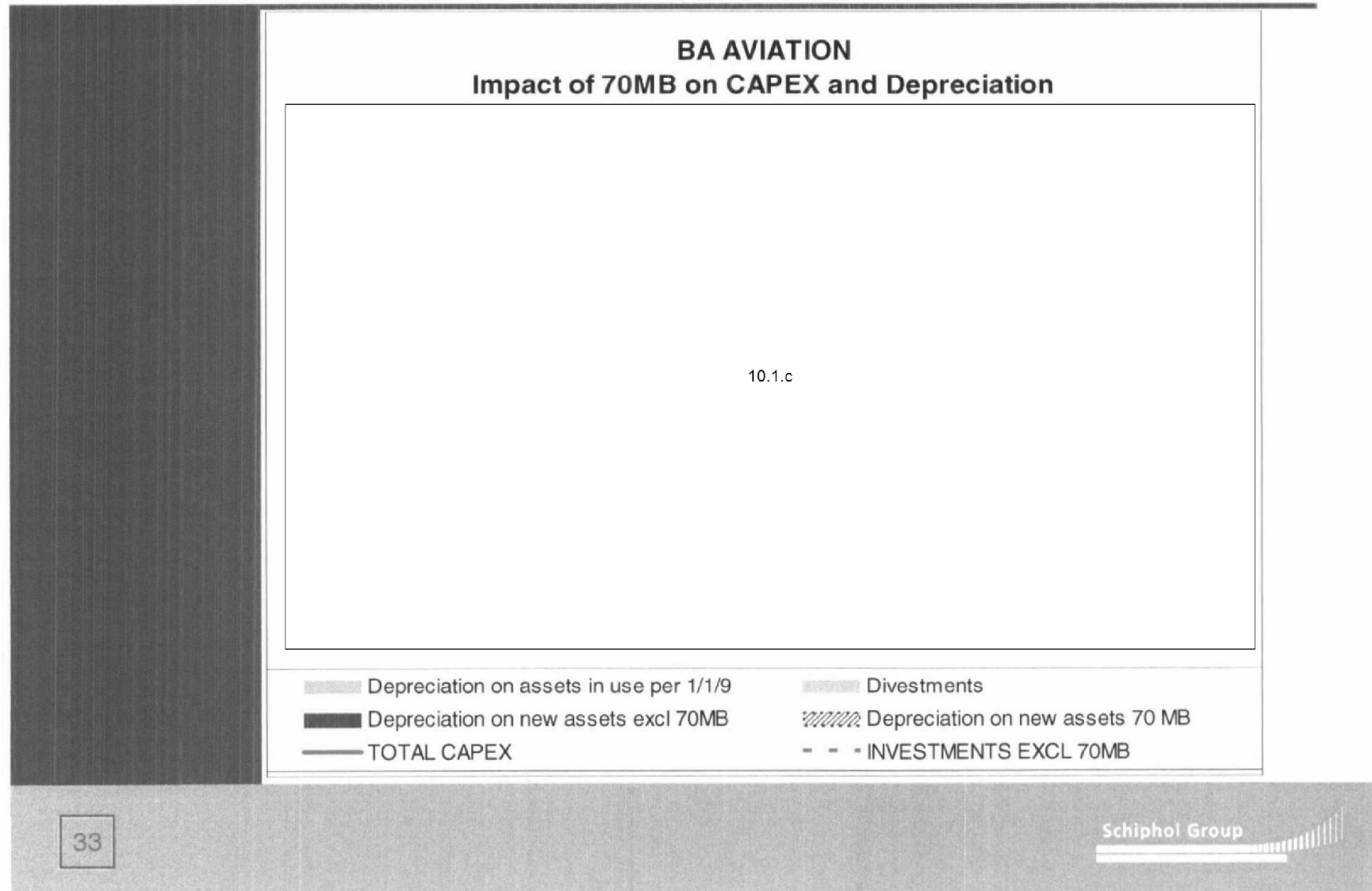
- Exceed customer expectations! (surprise/ differentiate; impressive experience for pax) Attentive, service-oriented, customer-friendly, provide certainty

Accessibility: sustainable mobility

Realize agreement of 11 november 2008 "Kopgroep Mobiliteit": 10% mobility reduction

- Mobility management through terms of employment
- Development of high-grade public transport
- Specific approach per traffic lane / area
- Frontports: change to public transport at a remote location to reduce vehicle movements at the airport

A.2. Aviation: impact of 70MB on CAPEX and Depreciation



A.7. Investments

Initial and final investment plans

Initial
investment
plans for

10.1.c

10.1.c

By cutting back
on the following
items, the final
plans amount to

10.1.c

Final plans still
indicate approx.
10.1.c in
Aviation capex

Initial

per Business Area	2008	2009	2010	2011	2012	2013	2014	2010-2014
Aviation								
Consumers								
Real Estate								
Alliances and Participations								
Schiphol Group								

- 70 MB fase 2
- Masterplan A-pier development (MPZO)
- Newport
- The Grounds/60 Ha
- Terminal 0
- Lounge 2
- Transfercity phase 1 (Business Parking + Car Rentals)
- Improvement water quality
- Ecobarrier

Total reduction investment program

10.1.c

Final

per Business Area	2008	2009	2010	2011	2012	2013	2014	2010-2014
Aviation	216							
Consumers	22							
Real Estate	93							
Alliances and Participations	19							
Schiphol Group	350							

10.1.c

Schiphol Group

Business Plan 2011-2015 – Briefing pack



Confidential

BP 2011-15: Growth returns, ambition to double results

Valt niet onder het verzoek.

3. Reduced investments of 10.1.c in Aviation despite ambitious growth plans, which is only feasible by facilitating part of this growth in off-peak periods

Valt niet onder verzoek

*WLU = Work Load Unit is used to measure productivity and is equal to 1 passenger or 100kg of cargo

Schiphol Group BP 2010-2015 overview

BP years 2011-2015	Aviation	Consumers	Real Estate	A&P*	Schiphol Group
(EUR mln, unless stated otherwise)					
Cumulative EBITDA	Valt niet onder het verzoek.				
Cumulative Capex	10.1.c				
Cumulative EP**					
Average Net Assets					
Average FTE	Valt niet onder het verzoek.				
Average RONA					
WACC					

10.1.c					
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Aviation: Passenger segregation

Goals:

- Improve quality for departing passengers
 - Quality at gate
 - One stop security for US
 - Centralised security, no work (scattered!) at the gates
 - No more checks for Schengen – Non Schengen transfer passengers
- Reduction of security workforce
- Sustainable solution in response to changing security regulations.

Impact on P&L:

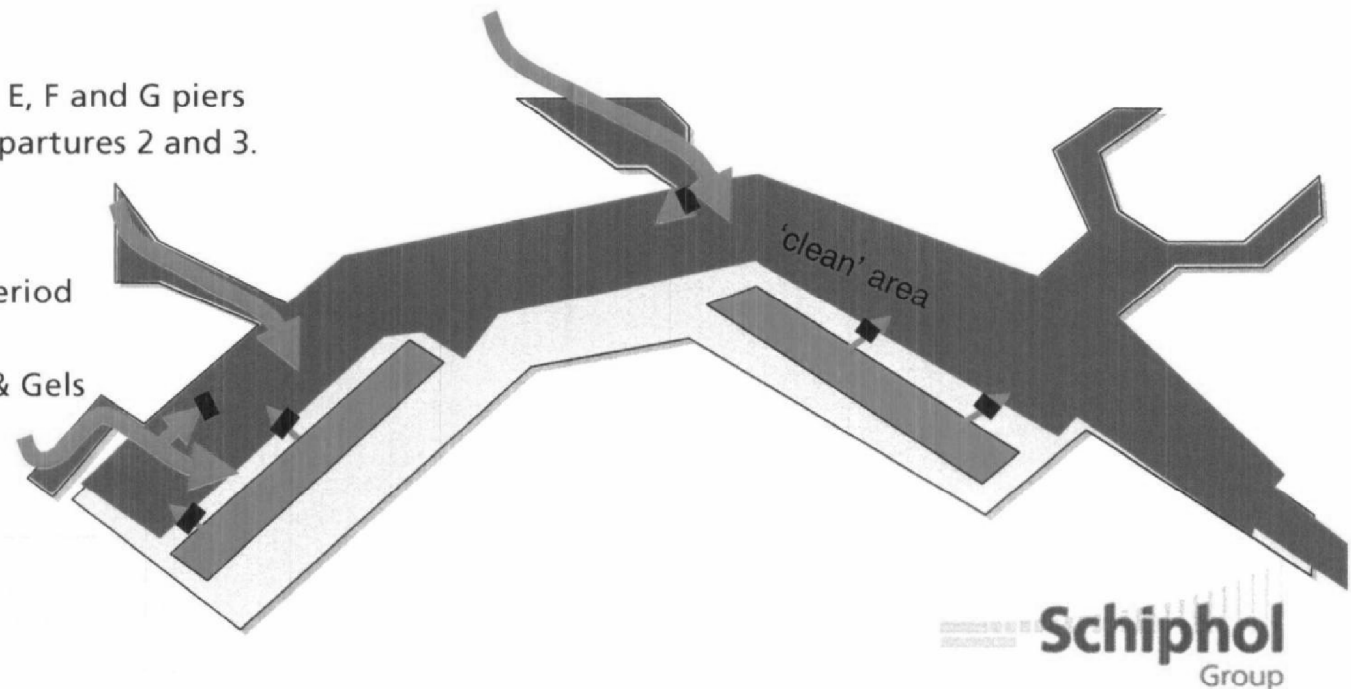
- Security savings from 2014 onwards of 10.1.c
- Additional maintenance/cleaning from 2014 onward 10.1.c
- Loss of revenue Consumers of 10.1.c

Solution:

- Constructing corridors on E, F and G piers
- Centralised security in Departures 2 and 3.

Investments:

- 10.1.c in plan period
- Completed early 2014
- Dispensation for Liquids & Gels
- No subsidies.



Consumers: *Redevelopment of Lounge 3*

From:



Lounge 3 Redevelopment:

- Investment of 10.1.c
- Revenue loss of 10.1.c
- Spend SBF per pax: 10.1.c

New design Lounge 3 in order to:

- Improve quality perception
- Optimise revenue mix
- Increase revenue

To:



Real Estate: *Hilton*

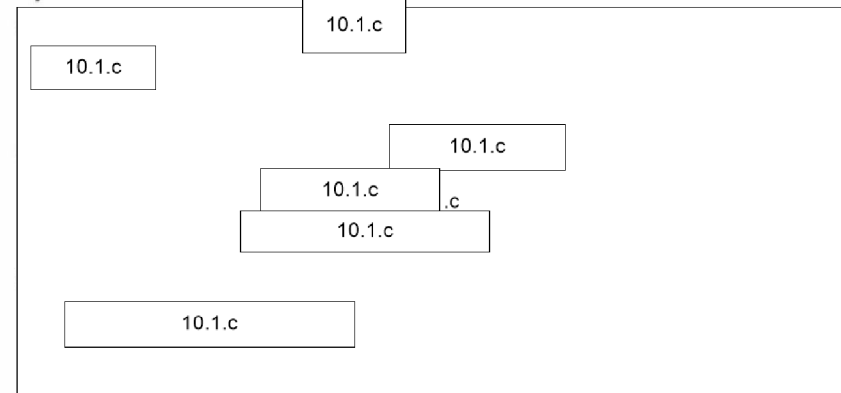
Project and contract:

- Construction of new Hilton hotel
- Management contract with Hilton Group

Investments (CAPEX):

- 10.1.c in plan period
- Completed early 10.1.c

Impact on P&L:



Alliances & Participations: *JFK expansion*

JFK IAT / New York

- Terminal 4 is currently under our management in accordance with the recently revised JFKIAT and SUSA LLC operating agreements.

- Opportunity to enlarge our footprint at JFK by negotiating an extension of the term of the current contract until 2043, expanding terminal 4 and tailoring part of the terminal 4 facility into a SkyTeam hub by 2013 jointly with Delta Airlines.

- Delta is a member of SkyTeam. Strategic focus Delta is on JFK (transatlantic and pacific traffic). Terminals 2 and 3 are outdated and inefficient facilities Delta's ideal redevelopment includes Terminal 4. The cost of such effort

10.1.c

- Given the uncertainties surrounding this project, not all the potential changes to the business model (still under discussion) were incorporated in this business plan.

