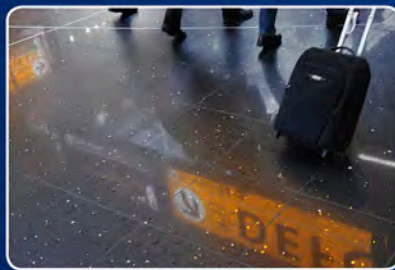
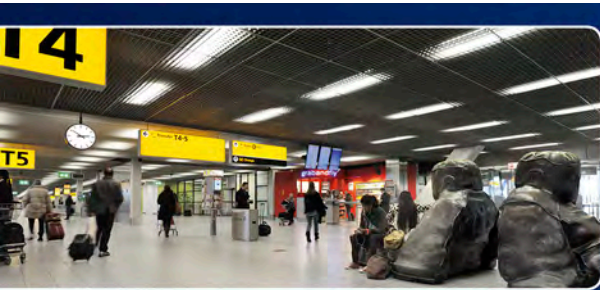


Schiphol Group
Annual Report
2012



Schiphol Group strategy

To remain Europe's preferred airport, Schiphol Group seeks to further develop the airport as a high-quality hub. To this end, we work together closely with and aim to provide optimal facilities for our home carrier KLM. We strive to further improve the strong competitive position of the Mainport Schiphol, not just as an airport with a worldwide network but also as a multimodal hub in the Netherlands and as a driving force of the Dutch economy. We seek cooperation at national and regional levels. In this light, Schiphol Group identified four long-term strategic themes in 2012: Top Connectivity, Excellent Visit Value, Competitive Marketplace and Sustainable Performance.



Mainport Schiphol: more than an airport

Schiphol airport, the KLM and SkyTeam hub network and the surrounding metropolitan Amsterdam area have, together, developed into the Mainport Schiphol. Mainport Schiphol is, therefore, more than just an airport with a worldwide network. It functions as a complex of mutually reinforcing companies and activities. Together, they form an international and multimodal hub of flows of people, goods, money, information, knowledge and culture.

The Mainport Schiphol has become a first-rate hub that connects the Netherlands through an extensive network to important economic, political and cultural centres in Europe and the rest of the world. As a result, the activities at Schiphol are an important driving force of the Dutch economy and employment. It also makes the Amsterdam region an attractive location for internationally oriented companies and institutions.

A Mainport requires a high-quality network of connections. Its network makes Schiphol one of the four main airports of Europe. A unique performance, considering its small domestic market, the Netherlands.

Regional and international activities

In addition to Amsterdam Airport Schiphol, Schiphol Group also invests in other airport companies in the Netherlands and abroad. The Dutch regional airports Eindhoven Airport, Rotterdam The Hague Airport and Lelystad Airport play an increasingly important strategic role. These airports strengthen the regional economy through their network of destinations and service the non-business (leisure) segment. In the future, Eindhoven Airport and Lelystad Airport will also play an important role in the realisation of what is called selective growth. This growth is aimed at increasingly servicing destinations that are not Mainport-related, such as holiday destinations, from these regional airports.

Our international activities are aimed at strengthening Mainport Schiphol and the network of destinations that is supported by our home carrier KLM. Through participations in and alliances with major airports in other countries, Schiphol can continue to improve its products and processes and share knowledge with other airport operators, from which all parties involved benefit. Important examples are the SkyTeam hubs John F. Kennedy Airport in New York and Paris Charles de Gaulle. The industrial collaboration and cross-shareholding with Aéroports de Paris is an excellent platform for the further development of the hub system and



the AirportCity formula. Together, we strengthen the dual hub system of Air France and KLM by realising synergy benefits such as cost savings, exchange of best practices, innovations and better service for airlines and passengers.

Robust financial policy

The starting point in the implementation of our strategy is a sound financial policy with the aim of maintaining the creditworthiness of Schiphol Group and good access to capital markets. This is also reflected in a credit rating of at least A by S&P's and A2 by Moody's. This requires a solid capital structure and a certain degree of liquidity, whereby we aim for a minimum FFO/Total debt ratio of 20% and a liquidity that always covers our net financing needs for at least the next twelve months.

Strategic themes

Top Connectivity

Mainport Schiphol owes its success and its reason for existence to the extensive network of connections with the rest of the world. This network is the result of the successful collaboration between home carrier KLM, the government and the airport. Schiphol Group is constantly improving its

facilitating function and expanding it in the interest of multimodal transport possibilities for passengers and cargo. Both an extensive network of connections and a certain freedom of choice for passengers and cargo carriers are important in this respect. The excellent hub network that has been developed in the past must be cherished. Schiphol and its partners also strive to enhance the accessibility of the Mainport by road and by rail.

Excellent Visit Value

To safeguard and further enhance the competitive position of Schiphol Mainport, Schiphol Group seeks to offer customers, airlines and other users an competitive price-quality ratio. We strive to continuously improve the efficiency of our operations and the quality of the products and services at our airports, always keeping in mind the balance between cost and quality.

Competitive Marketplace

Schiphol Group is developing Schiphol Airport as an attractive location to work, to stay, to establish a business, to meet and to relax. For Schiphol as a business location to compete with other national and international locations, it is important that it offers an attractive marketplace. Essential elements are the retail and real estate strategy. We

also strive to improve Schiphol's strength as a cargo distribution point.

Sustainable Performance

Schiphol Group conducts its business with respect for people, the community and the environment. The airport creates sustainable value for its customers and stakeholders. Efficient and financially healthy and sound business

operations are a requirement for a future-proof company, always keeping in mind the balance between people, planet and profit. Schiphol assumes its responsibility with respect to five key socio-economic themes: sustainable employment, accessibility and air quality, climate-friendly aviation, commodity shortages and noise and local community.

Strategic objectives

Our strategic objectives for the period 2013-2017, clustered by strategic theme.

Top Connectivity

1. Facilitating the further development of a high-quality, distinctive and competitive network of, in particular, intercontinental connections.
2. Further enhancement of an extensive, reliable and accessible landside network of multimodal connections.

Excellent Visit Value

1. Further enhancement of passengers' travel convenience.
2. Realisation of a competitive price/quality ratio for airlines.
3. Providing a high-quality and outstanding airport to passengers.

Competitive Marketplace

1. Providing an attractive business climate at the airport.
2. Realising flexible logistics solutions for handling agents and forwarders.
3. Offering an attractive and up-to-date portfolio of products and services.

Sustainable Performance

1. Ensuring a proper balance in the relationship between people, planet and profit.
2. Guaranteeing financially sound and efficient business operations to enable further development of the Mainport and to generate value for all stakeholders.
3. Continuation of the stakeholder dialogue within the Alders Platform and with the parties in the Schiphol Regional Consultative Committee.

Main risks

Top Connectivity

Fluctuations in demand

The continuing economic crisis may lead to a decrease in the number of passengers, lower spending per passenger, a reduction of capacity and a change in the dynamics of the sector.

Major projects

Implementation of major infrastructure projects could involve delays and budget overruns, as a result of which a project is no longer sufficiently in line with actual demand.

Excellent Visit Value

Operational risks Aviation

Safety incidents, unexpected interruptions of business operations or insufficient commitment of parties on which our operations depend could disrupt operations, damage our reputation and negatively affect the financial result.

Changing laws and regulations

Political developments, evolving viewpoints and new or adapted European or national laws and regulations that affect the aviation sector as well as the sale of consumer products at the airport can have a major impact on our business.

Economic regulation

Economic regulation of Schiphol Airport affects the financial soundness of Schiphol Group and the scope for investment in the Mainport.

Competitive Marketplace

Competition

Insufficient investment in quality and capacity may result in an inability to guarantee the competitiveness of the Mainport.

Market developments real estate

Changing market conditions can lead to lower occupancy levels in the property portfolio and lower rent levels, resulting in a decrease in property value.

Sustainable Performance

Exceeding noise and environmental standards

Non-compliance with national and international noise and environmental regulations has negative financial and operational consequences.

Financial risks

Schiphol Group faces a variety of financial risks, such as currency, price and interest rate risks, liquidity risk and counterparty risk.

International operations

International operations offer benefits and opportunities but also entail specific risks that do not apply in the Netherlands.

SWOT

Strengths

- Large network of connections and frequencies
- Home carrier with a strong transfer product
- Modern and well-equipped airport
- Reliable operations with high peak capacity
- International reputation and image
- Well-developed non-aviation activities
- Attractive employer

Opportunities

- Expansion of destinations network and frequencies
- Traffic and transport from emerging economies
- Positioning as gateway between China, Europe and South America
- Strengthening function as a cargo hub
- New investments in capacity and quality
- Expansion of SkyTeam alliance
- Integration of sustainability aspects in all airport processes
- Improvement of high-speed connections to and from the airport (motorways, high-speed rail, regional bus lines)

Weaknesses

- Limited international diversification
- Increasing pressure on operations due to planned large-scale alterations
- Small domestic market and limited catchment area
- Considerable dependency on competitive transfer market
- No constant utilisation of runways; large demand for peak capacity
- Complex system for use of runways and airspace

Threats

- Legislative and regulatory changes and changes in economic and non-economic airport regulations
- Geographic shift of trade and transport flows
- Accessibility of Amsterdam Airport Schiphol
- Large investments in capacity and quality made by competing airports (Heathrow, Frankfurt and Paris Charles de Gaulle)
- Changing attitudes towards flying
- Increasing security requirements
- Adverse economic conditions and low consumer confidence