Schiphol Group: strong rise in net result for the first half of 2007, chiefly due to results from real estate projects

Press Release

Schiphol, 23 August 2007

- The net result reported by Schiphol Group, including fair value gains on property, for the first half of 2007 was up by 62.3% compared with the corresponding period in 2006, from EUR 88.0 million to EUR 142.8 million.
- Excluding fair value gains on property amounting to EUR 45.3 million, the net result rose by 42.3%, from EUR 76.6 million to EUR 109.1 million. 70% of these fair value gains are related to the development, purchase and renovation of property and 30% are linked to fair value gains on the existing property portfolio.
- Excluding fair value gains on the property portfolio and excluding a non-recurring tax credit of EUR 12.7 million arising from the provisional settlement of the tax return for 2004, the net result rose by 25.8%, from EUR 76.6 million to EUR 96.4 million.
- Schiphol Group's revenue for the first half of 2007 increased by 11.4%, from EUR 486.0 million to EUR 541.4 million.
- The operating result rose by 28.7%, from EUR 139.4 million to EUR 179.3 million.
- EBITDA increased by 19.8%, from EUR 221.4 million to EUR 265.2 million.
- Earnings per share rose by 62.3%, from EUR 514 to EUR 834.

Summary of main business results

- The number of passengers using Amsterdam Airport Schiphol, Rotterdam Airport and Eindhoven Airport rose by 4.7% to 23.6 million, of whom 22.4 million travelled through Amsterdam Airport Schiphol (3.9%).
- The costs of the government imposed security measures at Amsterdam Airport Schiphol increased by EUR 3.2 million (3.3%) to EUR 101.0 million. The revenue from the Security Service Charge in the first half of 2007 lagged behind by EUR 0.5 million.
- The Consumers business area saw a decline in average expenditure in the See Buy Fly shops at Amsterdam Airport Schiphol from EUR 17.09 to EUR 16.55 per international departing passenger, due in part to the measures concerning liquids and gels.
- The Real Estate business area reported a sharp increase in fair value gains on property from EUR 16.1 million in 2006 to EUR 45.3 million, chiefly due to development, purchases and renovation of property within the portfolio.
- The international activities of the Alliances & Participations business area contributed EUR 11.2 million to the result before tax for Schiphol Group in the form of interest income and dividends (first half of 2006: EUR 6.9 million).

Gerlach Cerfontaine, President & CEO of Schiphol Group, commented:

"We are pleased with the financial results achieved in the first half of 2007. Once again, the AirportCity concept has proved its worth. We will continue to develop and expand this concept. We are maintaining our expectation that for the full year 2007, the number of passengers at Amsterdam Airport Schiphol will increase by approximately 4%."

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Key figures

EUR million unless stated otherwise	**HY 07**	HY 06	+/-	2006
Revenue	**541.4**	486.0	11.4%	1,037
Result from sales of property	**2.8**	0.0	-	10
Fair value gains on property	**45.3**	16.1	180.6%	29
Operating expenses	**410.1**	362.7	13.1%	759
Operating result	**179.3**	139.4	28.7%	316
Result before tax	**173.2**	124.1	39.6%	291
Net result (result attributable to shareholders)	**142.8**	88.0	62.3%	527
Net result excl. fair value gains on property [1]	**109.1**	76.6	43.3%	198
Depreciation, amortisation and impairment	**85.9**	82.0	4.8%	162
EBITDA [2]	**265.2**	221.4	19.8%	478
Investments in intangible assets and property, plant & equipment	**180.4**	103.7	74.0%	260
Cash flow from operating activities [3]	**139.8**	116.5	20.0%	362
Ratios				
Leverage [4] as at 30 June	**23.3%**	28.8%		24.8%
FFO interest coverage [5]	**5.4x**	5.1x		8.1x
Earnings per share	**834**	514	62.3%	3.077
Business volume (in numbers)				
Air transport movements [6]	**227,089**	214,993	5.6%	450,166
Passenger movements (x 1,000) [6]	**23,623**	22,571	4.7%	48,287
Cargo (x 1,000 ton) [6]	**765**	739	3.6%	1,527
Average effective work force based on FTEs	**2,446**	2,266	7.9%	2,293

[1] 2006 does not include non-recurring income arising from the opening balance for tax purposes of EUR 309 million
[2] EBITDA: operating result plus depreciation, amortisation and impairment
[3] See cash flow statement for details
[4] Leverage: interest-bearing debt / (total equity + interest-bearing debt)
[5] (Cash flow from operational activities corrected for operating capital plus gross interest expenses) / gross interest expenses
[6] Concerns Schiphol Group: Amsterdam Airport Schiphol, Rotterdam Airport and Eindhoven Airport

Revenue
The revenue reported by Schiphol Group for the first half of 2007 amounted to EUR 541.4 million. Compared to the EUR 486.0 million achieved during the corresponding period in 2006, this represented an increase of 11.4%. The revenue is divided among the four business areas as follows:

EUR million	**HY 07**	HY 06	+/-	2006
Aviation	**306.9**	294.2	4.3%	631
Consumers	**140.0**	109.5	27.9%	231
Real Estate	**61.0**	52.4	16.4%	109
Alliances & Participations	**33.5**	29.9	12.0%	66
Revenue	**541.4**	486.0	11.4%	1,037

The revenue generated by the Consumers business area in particular showed a considerable increase. With effect from 2007, this figure includes the revenue from the sales of liquor and tobacco in the shops taken over from KLM as at 3 January. This revenue amounted to EUR 30.8 million in the first half of 2007.

Other property results
The other property-related results amounted to EUR 48.1 million, representing an increase of EUR 31.9 million compared with the first half of 2006. This was due to higher fair value gains on property in 2007 and the sale of the Flight Square office building in Eindhoven.

Operating expenses
The operating expenses for the first half of 2007 were up by 13.1% to EUR 410.1 million.

- Total costs of outsourced work and external charges rose by 16.7% from EUR 199.8 tot EUR 233.1 million. With effect from 2007, the cost price of sales for liquor and tobacco is a part of this item (EUR 19.0 million in the first half of 2007). In addition, there were higher security costs at Amsterdam Airport Schiphol. For the first half of 2007, spending on security at Schiphol amounted to EUR 101.0 million. Compared with the corresponding period in 2006, this represents an increase of EUR 3.2 million (+3.3%). The remaining increase was due to higher costs of working for third parties and the insourcing of external personnel, higher commercial costs (in connection with the liquids and gels measures and the airline reward programme), higher consultancy costs (in connection with the Six Sigma programme) and higher investment-related expenses;
- Employee benefits rose by 11.7%, from EUR 75.7 million to EUR 84.5 million, partly as a result of the increase compared to 2006 of the average number of staff members by 180 FTEs (7.9%) to 2,446 FTEs in 2007. Part of this increase (more than 100 FTEs) is related to the takeover of the liquor and tobacco retail activities from KLM as at 3 January 2007. Furthermore, the increase in employee benefits was due in part to the new collective labour agreement concluded in the spring of 2007;
- Depreciation and amortisation charges were up by 4.8%, from EUR 82.0 to EUR 85.9 million, primarily resulting from higher amortisation on contract-related intangible assets and automated applications, along with additional depreciation on runways;
- Other operating expenses increased by EUR 1.4 million, from EUR 5.3 to EUR 6.7 million.

Operating result
The operating result for the first half of 2007 was up by 28.7%, from EUR 139.4 million to EUR 179.3 million. EBITDA (the operating result after depreciation, amortisation and impairment) amounted to EUR 265.2 million, compared to EUR 221.4 million for 2006. The 11.4% revenue increase is lower than the rise in operating costs, which amounted to 13.1%. The liquor and tobacco retail activities have a lower margin than the existing activities of the Consumers business area. Furthermore, in the Real Estate business area both the revenue and costs of low margin work for third parties (tenants) increased. If adjusted to account for these effects, the revenue grew 1.0% more than the operating expenses.

Financial income and expenses
Net financial income and expenses (net expense) for the first half of 2007 came in at EUR 14.5 million, compared to EUR 20.0 million for the corresponding period in 2006. The first half of 2006 still showed negative translation differences amounting to EUR 3.4 million on amounts owed by associated companies (Brisbane Airport Corporation Ltd). This exchange risk was hedged with effect from September 2006 with the help of a forward exchange transaction. Furthermore, in 2007, an additional amount of EUR 1.0 million in construction period interest was capitalised on investment projects.

Net result
For the first half of 2007, the net result of Schiphol Group rose by 62.3%, from EUR 88.0 million to EUR 142.8 million. This increase can be attributed in part to the rise of fair value gains on the group's property portfolio, from EUR 11.4 million after tax in 2006 to EUR 33.7 million in 2007 (before tax, EUR 16.1 million and EUR 45.3 million respectively). In addition, a non-recurring tax credit of EUR 12.7 million is accounted for in the net result, arising from the provisional settlement of the tax return for 2004. Excluding the fair value gains on property and the non-recurring tax credit, net result rose by 25.8%, from EUR 76.6 million to EUR 96.4 million. The remaining difference is largely accounted for by the one-off higher costs made last year related to aeration of the drainage ditches (EUR 4.7 million), lower financial expenses (EUR 5.6 million), improved share in results of associates (EUR 3.6 million) and a decrease in the corporate tax rate from 29.6% in 2006 to 25.5% in 2007 (EUR 5.1 million).

Prospects
Due to good results from the property portfolio, the Board of Management expects the net result for the year 2007, excluding non-recurring income arising from the settlement of the tax return for 2004 to be 20-25% higher compared to the net result in 2006, excluding the non-recurring positive result arising from the finalisation of the opening balance for tax purposes in 2006.
Schiphol Group's Board of Management is maintaining its profit projection contained in the 2006 annual report. The net result for the whole of 2007, is expected to show an increase of 5-10% on 2006, excluding fair value gains of the property portfolio and excluding the aforementioned non-recurring income from tax gains.
The investment level for 2007 is expected to be higher than the previously estimated amount of EUR 370 million. The higher investment level is linked to investments in the baggage systems, property, and contract-related intangible fixed assets.

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Developments in the individual business areas

Aviation
The Aviation business area is active 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 and sets limits on the returns generated. Sources of revenue: airport charges (aircraft, passenger and security charges) and concession fees (paid by oil companies for the right to provide aircraft refuelling services). In the first half of 2007, the business area accounted for 56.7% of Schiphol Group's revenues and 16.9% of the operating result.

EUR million	**HY 07**	HY 06	+/-	2006
Revenue	**306.9**	294.2	4.3%	631
Operating expenses	**276.6**	267.0	3.6%	558
EBITDA	**92.3**	86.0	7.3%	190
Operating result	**30.4**	27.2	11.6%	73
Investments in intangible assets and property, plant & equipment	**79.5**	73.0	8.9%	173

In the first six months of 2007, the revenue reported by Aviation rose by 4.3% to EUR 306.9 million, due mainly to a 5.1% increase in revenue from airport charges to EUR 297.5 million. Of this increase, 3.6% is the result of an increase in the number of passengers (by 3.9% to 22.4 million) and the number of air transport movements (by 5.2% to 212,704). These developments were partially cancelled out by a 1.4% drop in the average MTOW, from 98.6 to 97.3 tonnes, a consequence of the use of smaller aircraft on average.
The remaining 1.5% of the higher income from airport charges was due to an increase as at 1 April 2006 of aircraft-related fees (by an average of 2%), passenger-related fees (by 2%) and the Security Service Charge (by 7.4%). Thanks in part to the charge increase of the Security Service Charge, the loss from security activities in the first six months of 2007 only amounted to EUR 0.5 million, compared to a loss of EUR 3.9 million for the corresponding period in 2006.

Operating expenses rose by 3.6% to EUR 276.6 million. Apart from security, the costs of hired and company staff and the costs of major maintenance and depreciation also rose, partly in connection with the problems in late 2006 with the top layer of Runway 18L–36R (Aalsmeer runway). The mild winter led to lower costs related to winter weather countermeasures, and, in contrast to 2006, limited costs with respect to the aeration of drainage ditches.

The business area saw the costs per workload unit (WLU), a measure of efficiency, increase marginally by 0.3% in the first half of 2007 compared with the first half of 2006, reaching a figure of EUR 9.25. One WLU equals one passenger or 100 kg cargo.

Investment in property, plant and equipment at Amsterdam Airport Schiphol in the first half of 2007 totalled EUR 79.5 million, including new baggage handling facilities (an increase in capacity and screening equipment for hand baggage), Lounge 1, the Rinse Hofstra ring road and fire safety. Runway 18L–36R (Aalsmeer runway) was given a new top layer, and major repairs were carried out on the 18R-36L (Polder runway). The first half of 2007 saw the start of a pilot programme where travellers can scan their passports themselves. Also, the security scan was used to screen passengers for the first time. Using the security scan reduces the number of manual searches.

As in the previous year, out of the four largest European airports Schiphol had the lowest IR rate – the percentage of baggage items that do not arrive at the destination at the same time as the passenger – for the first six months of the year. Punctuality for arrivals lagged behind in the first six months of 2007, with a figure of 80.8% compared to 82.0% in 2006; for departures, punctuality fell by 2.8 percentage points to 71.9%. This is due mainly to bad weather in the month of June.

Regulatory Developments
In April, the Netherlands Competition Authority (NMa) approved the allocation system proposed by Schiphol Group relating to assets, expenses and revenues, for the determination of the aviation-related charges at Amsterdam Airport Schiphol. The system was in part used to establish the charges that will be effective from 1 November 2007. Airlines lodged objections to both the Allocation system as well as to the aforementioned airport charges. The charges will increase for noisy aircraft, night flights and transfer passengers; the charges will decrease for quieter aircraft and passengers boarding locally. The net effect of the charge increase and decrease will be nil, if the traffic volume remains unchanged.

Consumers
The activities of the Consumers business area concern the operation of shops and car parks, the granting of concessions (including shops, bar and restaurant facilities) and the marketing of advertising opportunities at Amsterdam Airport Schiphol. The Consumers business area also has activities outside the Netherlands involving amongst others the operation of retail outlets via management contracts.
Sources of revenue: retail sales, parking charges, concession fees, advertising and management fees.
In the first half of 2007, the business area accounted for 25.9% of Schiphol Group's revenue and 36.4% of the operating result.

EUR million	**HY 07**	HY 06	+/-		2006
Revenue	**140.0**	109.5	27.8%		231
Operating expenses	**74.7**	45.4	64.5%		94
EBITDA	**75.9**	72.0	5.4%		151
Operating result	**65.3**	64.1	1.9%		136
Investments in intangible assets and property, plant & equipment	**35.4**	5.2	579.1%		12

In the first six months of 2007, revenue rose by 30.5 million (27.8%) to EUR 140.0 million. With effect from 2007, this includes the revenue from retail sales of liquor and tobacco in the shops taken over from KLM as at 3 January 2007. Until the end of 2006, these revenues were earned by KLM based upon which the Consumers business area received a concession fee.
Concession income fell due to this acquisition, and also because of security measures with respect to liquids and gels. Higher income from other concessions (bars and restaurants and other shops) compensated in part for this drop. The average See Buy Fly spending per international departing passenger at Amsterdam Airport Schiphol decreased by 3.2% in the first half year, from EUR 17.09 to EUR 16.55. In the first half of 2007, a new sealable plastic bag was introduced, which made it possible to terminate the gate delivery system implemented in 2006.
Income generated from parking at Amsterdam Airport Schiphol increased by 6%, or EUR 2.1 million, to EUR 37.8 million, partly owing to more people parking and a longer average parking duration. Parking revenues per passenger, excluding transfer passengers, rose by 1.0%, from EUR 2.89 in 2006 to EUR 2.92 in 2007.

Operating expenses increased, due in part to the cost price and other expenses related to the liquor and tobacco activities, and because of higher commercial costs in connection with the measures relating to liquids and gels. In the first half of 2007, the operating result rose by 1.9% to EUR 65.3 million.

The 27.8% revenue increase lagged behind the 64.5% increase in operating expenses. The margin of the liquor and tobacco activities is lower than that of the existing activities of the Consumer business area.

The business area's investments in intangible assets and plant, property and equipment in the first six months of 2007 totalled EUR 35.4 million. Investments included contract-related intangible fixed assets (in connection with the takeover of the retail activities for liquor and tobacco) and in the expansion of long stay parking facilities.

The first Starbucks location in the Netherlands was opened in the area beyond Passport Control. In addition, Schiphol Plaza saw the opening of an America Today shop and the Airport Business Point. The latter is a comfortable lounge where business people can relax after they arrive while they wait for their driver.
The Privium programme, which employs iris recognition to enable frequent travellers to quickly pass the border, was introduced at Amsterdam Airport Schiphol in 2001. This programme now has nearly 38,000 members; over 8,000 more than at the end of the first half of 2006.

New cooperation agreements
In March 2007, Schiphol Group and Guangdong airport in Guangzhou, China signed an agreement for the development of commercial retail activities and bar and restaurant facilities at the airport in Guangzhou. Based on a business plan, the parties intend to create a long-term alliance for non-aviation activities at the airport in Guangzhou.

On 3 May 2007, Schiphol Group and The Nuance Group AG signed a letter of intent to establish a joint venture, which will encompass Schiphol Group's liquor and tobacco concession and The Nuance Group AG's chocolate shops.

Real Estate
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 on and around Amsterdam Airport Schiphol.
Sources of revenue: rents, including ground rents. The business area also makes a significant contribution to Schiphol Group results with the other property results (sales, release of land for development and the fair value gains or losses on property).
In the first half of 2007, Real Estate accounted for 11.3% of Schiphol Group's revenues and 44.5% of the operating result.

EUR million	**HY 07**	HY 06	+/-	2006
Revenue	**61.0**	52.4	16.4%	109
Result from sales of property	**2.8**	-	-	10
Fair value gains on property	**45.4**	16.1	181.3%	28
Operating expenses	**29.1**	23.2	25.7%	47
EBITDA	**88.4**	55.7	58.6%	120
Operating result	**79.9**	45.3	76.3%	101
Investments in intangible assets and property, plant & equipment	**59.1**	22.8	158.8%	69

Rental income rose by 8.8%, from EUR 49.6 to EUR 54.0 million, partly owing to non-recurring income of EUR 2.5 million from an early termination penalty payment of a rental contract, growth in the property portfolio (from 427,297 m^2 as at December 2006 to 480,809 m^2 as at June 2007) and due to an increase in the occupancy rate of the properties owned by the business area (from 92.8% as at December 2006 to 94.4% as at June 2007, excluding office buildings 70 and 72). The revenue from other activities increased from EUR 1.4 to EUR 5.4 million, primarily due to higher proceeds from work for third parties.

In the first half of 2007, property was sold for an amount of EUR 8.6 million, resulting in a book profit of EUR 2.8 million. No properties were sold in the first half of 2006.

The fair value gains on property rose sharply in the first half of 2007, from EUR 16.1 million in 2006 to EUR 45.4 million in 2007. This increase was thanks to the development, purchase and renovation of new properties and a rise in the appraised value of existing properties. Largely on the basis of this, the operating result of the Real Estate business area rose considerably by EUR 34.6 million to EUR 79.9 million in the first half of 2007. Excluding fair value gains on property, the operating result increased by 18.2%, from EUR 29.2 million to EUR 34.5 million.

Operating expenses increased by EUR 5.9 million to EUR 29.1 million. EUR 3.1 million of this increase is due to an increase in work for third parties. These activities carry virtually no margin which therefore contributed to the lower revenue growth in relation to the increase in operating expenses.

Real Estate's investments in property, plant and equipment in 2007 totalled EUR 59.1 million. This investment was mainly in the construction of a multi-tenant office building at Schiphol-Centre, which will be home to Microsoft and other companies and will have a total floor area of 32,000 m^2.

The construction of Cargo Building 9 at Cargo World Schiphol Southeast was completed. Menzies Aviation and Skylink, two cargo handling agents, lease 75% of this building. The remaining 25% was leased to World Flight Services with effect from July 2007. The building has a warehouse area of 24,600 m^2 and 3,900 m^2 of office space. Real Estate also purchased two cargo buildings at Schiphol-South.

A contract was concluded with Panalpina, one of the world's largest logistics service providers, for the development of a cargo building on the apron at Schiphol-Southeast, consisting of a warehouse of 10,000 m^2 and 2,000 m^2 of office space.

At Malpensa Airport in Italy, construction was completed on a second-line cargo building with an area of 12,000 m^2 at the Avioport Logistics Park. This building has been leased in full to Agusta Westland.

Alliances & Participations
The task of the Alliances & Participations business area is to roll out the AirportCity formula internationally. Alliances & Participations consists of Schiphol Group's interests in the domestic airports, airports abroad and other investments.
Sources of revenue from domestic airports: 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, the interest they pay on loans and through Intellectual Property fees. The other investments include Schiphol Telematics and Utilities. Schiphol Telematics provides telecom services at and around the airport. The Utility activities generate revenue from the transport of electricity and gas and from the supply of water. In the first half of 2007, the business area accounted for 6.2% of Schiphol Group's revenue and 2.2% of the operating result. By applying the equity accounting method, changes in the market value of the investments are not reflected in the results.

EUR million	**HY 07**	HY 06	+/-	2006
Revenue	**33.5**	29.9	12.0%	66
Fair value gains on property	**-0.1**	-	-	-
Operating expenses	**29.7**	27.2	9.5%	61
EBITDA	**8.7**	7.6	14.4%	17
Operating result	**3.8**	2.8	37.1%	6
Investments in intangible assets and property, plant & equipment	**6.4**	2.7	137.7%	6

Domestic airports
Both Rotterdam Airport and Eindhoven Airport achieved higher revenue from airport charges, Rotterdam mainly due to an increase in the charges as at 1 April 2007 and Eindhoven primarily because of a sharp rise in the number of passengers. Both airports also saw growth in their revenue from parking. The operating result of Eindhoven Airport remained at the same level as in 2006, owing to increasing costs and some non-recurring costs. Rotterdam Airport, however, saw a rise in its operating result.

Passenger numbers at Eindhoven Airport grew by 40.0% in the first half of the year, to more than 710,000, primarily due to the addition of four new low-cost destinations. The number of passengers at Rotterdam Airport was up by 1.2% in the first half of 2007 (from 516,000 in 2006 to 522,000 in 2007).

The Lelystad Municipal Council agreed to a proposal from the Municipal Executive to endorse the growth of Lelystad Airport to a maximum of 4 million passengers annually. The Environmental Impact Assessment for extending the runway to 2,100 metres and using the airport for commercial traffic was accepted by the Ministry of Transport, Public Works and Water Management in June.

International airports
The international activities of the business area contributed a total of EUR 11.2 million in the form of interest income and dividends to Schiphol Group's result before tax (first half of 2006: EUR 6.9 million). The biggest contribution was made by Brisbane Airport (EUR 10.1 million). This includes an extra dividend payment of EUR 3.1 million resulting from a non-recurring tax benefit.

The number of passengers using Terminal 4 at JFK Airport, New York, in the first six months of 2007 rose by 17.3% to 4.1 million. In the first six months of 2007, 8.5 million passengers travelled through Brisbane Airport; 9.1% more than in the corresponding period in 2006.

Schiphol International did not succeed in establishing a strategic partnership with Nanjing Lukou International Airport in China. Part of the partnership would have involved an investment in the share capital of the airport. Nanjing ended up selecting another party.

Other participations
A small drop in the operating result of Utilities (by EUR 0.4 million) was compensated for by a slight increase in the operating result of Schiphol Telematics (by EUR 0.8 million).

Other developments
In March 2007, Schiphol Group published its Spatial Development Plan (*Ruimtelijk Ontwikkelingsplan*) (see www.schipholgroup.com). This plan sets out the entirety of the planned spatial programme until 2015. With this plan, Schiphol Group wants to provide clarity to the City of Haarlemmermeer, other government bodies and stakeholders about its plans for expansion in the next ten years and its underlying rationale and arguments. The Spatial Development Plan offers a basis for new zoning plans to be drawn up.

In May 2007, Schiphol Group published its long-term vision under the title 'A worldwide network for a competitive Randstad' (*Een wereldwijd netwerk voor een concurrerende Randstad*) (see www.schipholgroup.com). This vision encompasses the middle to long-term period from 2015/2025 to 2030. Schiphol Group compiled this vision document to give shape to the Dutch government's request arising from the publication of its Standpoint on Schiphol (2006). In their paper, the Cabinet announces an exploratory exercise to clarify the options to deal with potential long-term capacity problems at main port Schiphol.

In June 2007, Schiphol Nederland BV and the unions reached a final agreement on a new two-year collective labour agreement. The new agreement provides for structural wage increases of 2.75% as at 1 April 2007 and 1 April 2008. Non-recurring payments of 0.25% were also agreed on for December 2007 and December 2008. In addition, agreement was reached on the extension of the profit sharing scheme.

On 5 July, the Lower House of the Dutch Parliament endorsed the "Alders table" agreement to allow Schiphol to grow to 480,000 air transport movements annually until 2010. This proposal is linked to several disturbance-reducing measures and a number of other measures to improve the quality of life around the airport. These measures are set out in two covenants, which are explained in further detail on page 17 of this press release. The Alders table is a consultative committee of local stakeholders and representatives from the aviation sector, led by the Royal Commissioner in Groningen, Hans Alders.

On 13 July, the Minister of Transport, Public Works and Water Management and the Minister of Housing, Spatial Planning and the Environment accepted the Environmental Impact Assessment (MER) for the short term (until 2010). Compiled by Schiphol Group and Air Traffic Control the Netherlands (LVNL), this MER maps out the environmental impact based on a scenario of 480,000 air transport movements that meets the criteria established by the government.
On this basis, a new Airport Traffic Decision will be drawn up in the second half of 2007, which is expected to enter into force at the start of 2008. Based on this proposed resolution, the Inspectorate of Transport, Public Works and Water Management will enforce anticipatory measures regarding nuisance at the airport for the use year 2007. This means that the noise impact at the enforcement points around Schiphol will be tested against the new limits of the draft decision rather than against the 'old' limits.

Credit Rating
Standard & Poor's (AA- with negative outlook) and Moody's Investor Service (Aa3 with stable outlook) have reaffirmed their credit rating for NV Luchthaven Schiphol and Schiphol Nederland BV as at 20 July 2007 and 9 February 2007 respectively.

Events after the balance sheet date
During the first half of 2007 and shortly after the balance sheet date, a number of developments occurred with respect to the Groenenberg site. For brevity's sake, please refer to the explanation provided on page 16 of this press release.

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Interim consolidated financial report

Consolidated profit and loss account for the first half of 2007

(in thousands of euros)	Note	HY 2007	HY 2006
Revenue	**1**	**541,387**	**485,984**
Sales of property		8,622	-
Cost of sales of property		5,842	-
Result on sales of property		2,780	-
Fair value gains and losses on property		45,291	16,143
Other income, from property	**2**	**48,071**	**16,143**
Costs of outsourced work and other external charges		233,068	199,796
Employee benefits		84,508	75,664
Depreciation and amortisation		85,866	81,957
Impairment		-	-
Other operating expenses		6,667	5,315
Total operating expenses		**– 410,109**	**– 362,732**
Operating result		**179,349**	**139,395**
Financial income and expenses		– 14,493	– 20,044
Share in results of associates		8,393	4,768
Result before tax		**173,249**	**124,119**
Corporate income tax	3	– 30,438	– 35,719
Result		**142,811**	**88,400**
Attributable to:			
Minority interests		– 16	401
Shareholders (net result)		**142,827**	**87,999**
Earnings per share (in euros)		834	514
Diluted earnings per share (in euros)		834	514

Consolidated balance sheet as at 30 June 2007

Assets (in thousands of euros)	**Note**	**30 June 2007**	**31 December 2006***
Non-current assets			
Intangible assets	**4**	**45,853**	22,938
Assets used for operating activities		**2,073,064**	2,068,640
Assets under construction or development		**480,835**	483,896
Investment property	**5**	**802,859**	690,057
Deferred tax	**6**	**259,063**	283,231
Investments in associates		**45,416**	45,654
Loans to associates		**48,195**	45,628
Other financial interests		**15,351**	15,624
Lease receivables		**10,024**	10,771
Other loans		**4,788**	4,142
Derivative financial instruments		**1,698**	459
Other non-current receivables		**9,896**	10,306
		3,797,042	**3,681,346**
Current assets			
Lease receivables		**1,449**	1,363
Other loans		**177**	327
Assets held for sale		**15,851**	15,851
Trade and other receivables		**166,684**	158,128
Cash and cash equivalents	**11**	**102,842**	307,577
		287,003	**483,246**
		4,084,045	**4,164,592**

*) Restated for comparison purposes.

Equity and liabilities (in thousands of euros)	**Note**	**30 June 2007**	**31 December 2006***
Share capital and reserves attributable to shareholders			
Issued share capital		**77,712**	77,712
Retained profits	**7**	**2,675,611**	2,611,841
Other reserves	**8**	**11,428**	14,322
		2,764,751	2,703,875
Minority interests		**18,431**	18,489
Total equity		**2,783,182**	**2,722,364**
Non-current liabilities			
Borrowings	**9**	**691,461**	652,737
Lease liabilities		**123,862**	125,027
Employee benefits		**52,059**	52,751
Other provisions	**10**	**10,000**	10,000
Derivative financial instruments		**14,750**	16,031
Other non-current liabilities		**71,300**	71,379
		963,432	**927,925**
Current liabilities			
Borrowings	**9**	**28,932**	116,860
Lease liabilities		**3,058**	3,247
Derivative financial instruments	**9**	**3,473**	40,858
Corporate income tax		**55,594**	93,519
Trade and other payables		**246,374**	259,819
		337,431	**514,303**
		4,084,045	**4,164,592**

Condensed consolidated statement of changes in shareholders' equity

(in thousands of euros)	Note	Attributable to shareholders: Issued share capital	Retained profits	Other reserves	Minority interests	Total
Balance as at 31 December 2005		**77,712**	**2,140,230**	**4,710**	**22,658**	**2,245,310**
Gains and losses recognised directly in equity	**8**	-	-	9,056	-	9,056
Result	**7**	-	87,999	-	401	88,400
Sum of the result and gains and losses recognised directly in equity		-	87,999	9,056	401	97,456
Dividend paid		-	– 55,300	-	-	– 55,300
Other movements		-	– 1	-	1	-
Balance as at 30 June 2006		**77,712**	**2,172,928**	**13,766**	**23,060**	**2,287,466**
Gains and losses recognised directly in equity		-	-	556	-	556
Result		-	438,910	-	825	439,735
Sum of the result and gains and losses recognised directly in equity		-	438,910	556	825	440,291
Dividend paid		-	-	-	– 111	– 111
Increase of share in subsidiaries		-	-	-	– 5,284	– 5,284
Other movements		-	3	-	– 1	2
Balance as at 31 December 2006		**77,712**	**2,611,841**	**14,322**	**18,489**	**2,722,364**
Gains and losses recognised directly in equity	**8**	-	-	– 2,894	69	– 2,825
Result	**7**	-	142,827	-	– 16	142,811
Sum of the result and gains and losses recognised directly in equity		-	142,827	– 2,894	53	139,986
Dividend paid	**7**	-	– 79,057	-	– 111	– 79,168
Balance as at 30 june 2007		**77,712**	**2,675,611**	**11,428**	**18,431**	**2,783,182**

	dividend for 2006, paid in 2007	**dividend for 2005, paid in 2006**
Dividend attributable to shareholders (in euros)	**79,057,000**	55,300,000
Average number of shares in issue during the year	**171,255**	171,255
Dividend per share (in euros)	**462**	323

Condensed consolidated cash flow statement for the first half of 2007

(in thousands of euros)	Note	HY 2007	HY 2006
Cash flow from operations		**205,829**	**178,670**
Corporate income tax and interest paid and dividend received		– 65,995	– 62,167
Cash flow from operating activities		**139,834**	**116,503**
Cash flow from investing activities		**– 171,831**	**– 115,293**
Free cash flow		**– 31,997**	**1,210**
Cash flow from financing activities		**– 164,578**	**– 59,353**
Net cash flow	**11**	**– 196,575**	**– 58,143**
Balance of cash and cash equivalents as at 1 January		299,256	261,860
Net cash flow		– 196,575	– 58,143
Exchange differences		79	– 76
Balance of cash and cash equivalents as at 30 June		**102,760**	**203,641**

(in thousands of euros)		30 juni 2007	30 juni 2006
Cash and cash equivalents		102,842	203,723
Bank overdrafts		– 82	– 82
	11	**102,760**	**203,641**

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Notes to the interim consolidated financial report

General information

NV Luchthaven Schiphol is a public limited liability company based at Schiphol in the municipality of Haarlemmermeer. The address of the company's registered office is Evert van der Beekstraat 202, 1118 CP, Schiphol, the Netherlands. NV Luchthaven Schiphol trades under the name of Schiphol Group.

Schiphol Group is an airport operator and, more particularly, an operator of AirportCities. It is our ambition to rank among the world's leading airports. Our aim is to create sustainable value for our stakeholders by developing AirportCities and by positioning Amsterdam Airport Schiphol as a leading, highly efficient air, rail and road transport hub offering its visitors and locally based businesses all the services they require on a 24/7 basis.

Accounting policies

This interim consolidated financial report ('report') was prepared in accordance with IAS 34 Interim Financial Reporting. This report has not been audited. This report should be read in conjunction with the Schiphol Group financial statements for the year ended 31 December 2006.

Full details of the accounting policies used in this report can be found in the 2006 financial statements of Schiphol Group. There has been no change in the accounting policies in 2007. With effect from 2007, Schiphol Group is required to apply one new standard and one new interpretation: IFRS 7, Financial Instruments: Disclosures and IFRIC 10, Interim Financial Reporting and Impairment. These two new standards do not have any impact on the notes and financial information in this interim report.

The abovementioned policies are in accordance with IFRS[1] and have been consistently applied to all the information presented in this report except where otherwise indicated. During the first half of 2007, no new IFRS standards or interpretations were published which will be mandatory for reporting on financial years ending 31 December 2007. Nor has Schiphol Group voluntarily applied any IFRS standards or interpretations that do not come into force until a later date in this interim report.

Financial information is presented in thousands of euros except where otherwise stated.

With effect from 2007, only the interest-earning assets or interest-bearing liabilities from financial lease contracts will still be recognised on the lines lease assets (fixed and floating) and lease liabilities (long-term and current) on the consolidated balance sheet. The assets and liabilities arising from rental incentives and the lump sums received to purchase long leases are not interest earning or bearing and, for this reason, will be accounted for under other assets (fixed and floating) and other liabilities (long-term and current) with effect from 2007. The comparative figures for 2006 have been adjusted accordingly.

Information on seasonal effects

Operating airports is a seasonal business. The income and expenses included in this report for the first six months of 2007 relate to approximately 48% (first six months of 2006: 48%) of the expected air transport movements for the full year and approximately 47% (first six months of 2006: 47%) of the expected passenger movements for the full year.

[1] Any reference to IFRS means the entire set of rules included in International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Standing Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as endorsed for use in the EU.

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Segment information

Revenue by business segment was as follows:

(in thousands of euros)	HY 2007	HY 2006*
Aviation	313,934	298,231
Consumers	149,497	110,571
Real Estate	80,827	75,700
Alliances & Participations	57,323	53,485
Total revenue	**601,581**	**537,987**
Eliminations	-/- 60,194	-/- 52,003
Revenue	**541,387**	**485,984**

*) Restated for comparison purposes.

The operating result by business segment was as follows:

(in thousands of euros)	HY 2007	HY 2006
Aviation	30,361	27,225
Consumers	65,321	64,114
Real Estate	79,896	45,306
Alliances & Participations	3,771	2,750
Operating result	**179,349**	**139,395**

Other notes

1. Revenue

Revenue by activity and business area:

(in thousands of euros)	Aviation	Consumers	Real Estate	Alliances and Participations	HY 2007
Airport charges	297,495	-	-	12,693	**310,188**
Concessions	5,318	52,603	1,071	978	**59,970**
Rents and leases	162	6,808	53,961	1,209	**62,140**
Parking fees	-	37,782	521	3,911	**42,214**
Retail sales	-	30,763	-	-	**30,763**
Other activities	3,966	12,027	5,413	14,706	**36,112**
	306,941	**139,983**	**60,966**	**33,497**	**541,387**

(in thousands of euros)	Aviation	Consumers	Real Estate	Alliances and Participations	HY 2006
Airport charges	283,085	-	-	11,631	**294,716**
Concessions	5,382	57,184	795	639	**64,000**
Rent and leases	324	6,081	49,617	1,110	**57,132**
Parking fees	-	35,643	555	2,832	**39,030**
Retail sales	-	-	-	-	**-**
Other activities	5,379	10,608	1,425	13,694	**31,106**
	294,170	**109,516**	**52,392**	**29,906**	**485,984**

In 2006, Schiphol Group reached final agreement with KLM NV on the full acquisition of the liquor and tobacco concession in the See Buy Fly area. With effect from 3 January 2007, the takeover date, these activities will be carried out by Schiphol Airport Retail BV (a wholly owned subsidiary of Schiphol Nederland BV). The revenue from retail sales of EUR 30.8 million in 2007 concerns the proceeds from these retail activities. The cost of sales of EUR 19 million related to this revenue is accounted for on the line 'Costs of outsourced work and other external charges' under operating expenses. Previously, these activities were performed by KLM Tax Free Services, and Schiphol Group received a concession fee. Up to and including 2006, this fee was accounted for under income from concessions.

2. Other results from property
The result from sales of property amounted to EUR 2.8 million in 2007 (nil in 2006). This concerned the sale of the Flight Square office building in Eindhoven.
In 2007, fair value gains on property amounted to EUR 45.3 million (EUR 16.1 million in 2006). 70% of these fair value gains are related to the development, purchase and renovation of property and 30% are linked to fair value gains on the existing property portfolio.

3. Tax on profits
In the first half of 2007, the effective tax burden amounted to 17.6% (28.8% in 2006) at a standard tax rate of 25.5% (29.6% in 2006). The larger positive difference in 2007 between the effective tax rate and the standard tax rate is the result of a non-recurring tax credit of EUR 12.7 million from the provisional settlement of the 2004 tax return. The non-recurring income of EUR 309 million arising from the opening balance sheet for tax purposes was accounted for in the second half of 2006.

4. Intangible assets
The amount of EUR 27.9 million relating to the takeover of the liquor and tobacco concession is equal to the net fair value of the identifiable assets and liabilities. A significant part of the acquisition fee (EUR 24.3 million) was allocated to the concession contracts that were taken over from KLM Tax Free Services. These contracts are accounted for as contract-related intangible assets in Schiphol Nederland BV. This is the main cause of the increase in the intangible assets balance sheet item. These assets are amortised according to the straight-line method over a period of five years, and taken to the depreciation/amortisation item in the profit and loss account. The remaining part of the acquisition fee (EUR 3.6 million) is allocated to other assets, other liabilities and cash and cash equivalents accounted for within Schiphol Airport Retail BV. No goodwill was recognised as a result of the takeover.

5. Investments in property
In 2007, the investments in the property item rose by EUR 112.8 million. This was due in part to the completion of new buildings with a book value as at 30 June 2007 of EUR 60.1 million (Cargo terminal 9 and Avioport Logistics Park Warehouse B) and the purchase of buildings with a book value as at 30 June 2007 of EUR 52.5 million (Cargo terminal 5 and Valkweg 1).

6. Deferred taxation
The on balance deferred tax asset fell by EUR 24.2 million in 2007. This drop was primarily related to the creation of deferred tax liabilities to an amount of EUR 11.7 million in connection with the abovementioned fair value gains on property of EUR 45.3 million and the write-down of deferred tax assets to an amount of EUR 10.8 million in connection with the settlement of several derivatives with a value of EUR 42.2 million (see also point 9).

7. Retained profits
The net result (result attributable to shareholders) of EUR 142.8 million for 2007 (EUR 88.0 million for 2006) was added to the retained profits.

After the resolution approving the proposed profit appropriation presented in the 2006 financial statements was passed by the General Meeting of Shareholders on 12 April 2007, a dividend totalling EUR 79.1 million was distributed to shareholders in 2007. This corresponds to a dividend of EUR 462 per share.

8. Other reserves
Other reserves comprises the conversion differences reserve, the reserve for other financial interests and the reserve for hedging transactions.
The movement in the reserve for hedging transactions in 2007 amounted to EUR 2.9 million, mainly relating to the settlement of several hedging transactions concerning the repayment of two loans from the EMTN programme. The movement in 2006 of EUR 9.1 million primarily related to the revaluation of EMTN loans and the associated derivatives.

9. Loans and derivatives
In June 2007, Schiphol Group repaid two loans from the EMTN programme. This concerns a loan of JPY 5 billion and a loan of USD 75 million. At the same time, two derivatives associated with these loans were settled; a currency swap of JPY 5 billion and a currency interest swap of USD 75 million. These transactions resulted in a joint cash outflow totalling EUR 25.1 million.
In June 2007, a new loan of EUR 50 million was placed under the EMTN programme with a term of 1.5 years and a variable interest rate (Euribor + margin).

10. Other provisions
It was established in 2004 that Schiphol Group faced a liability in connection with several claims and disputes. As in 2006, the provision of EUR 10 million recognised in respect of the combined amount of these claims and disputes in 2004 remained unchanged in the first half of 2007.

The most important of the above claims and disputes concerns the consequences of the ban on development of the Groenenberg site. Based on the insights available in 2003, development of the Groenenberg site could seriously compromise the use of Runway 18L–36R. In February 2003, The State Secretary at the Ministry of Transport, Public Works and Water Management accordingly issued a ban on development for this site under the provisions of Section 38 of the Aviation Act (old act). In June 2003, the beneficial owner of the site (Chipshol) filed a claim against Schiphol Group for the losses resulting from the imposition of this development ban. On 12 January 2005, the Court at Haarlem ruled in an interlocutory judgment that Schiphol Group was liable to pay compensation of an amount to be determined. In its judgement of 4 April 2007, the Court at Haarlem determined in principle that the amount of the compensation would be set at EUR 16 million, plus interest payable with effect from 21 March 2003 to the date the compensation is paid in full. In this provisional determination of compensation, no account was taken of the supplementary recommendations of the panel of experts with respect to tax losses, nor of the possibility of lifting the ban on development. In its judgement, the Court at Harlem acknowledged that the lifting of the ban on development could limit the losses considerably.

On 28 June 2007, in response to the request from Schiphol Group and Chipshol, the Minister of Transport, Public Works and Water Management lifted the ban on development. Based on enhanced insight and new data, the Minister decided that it was no longer necessary to maintain the ban on development for the entire site. This means that, taking into account the legal provisions applicable at the present time, the Groenenberg site may still be developed. Schiphol Group asked the Court at Haarlem to take account of the lifting of the ban on construction in its current principal proceedings. The Court may decide to consent to this, or it may decide that it is necessary to commence new proceedings because of the consequences resulting from the lifting of the ban on development. A final determination of the compensation cannot be expected in the short term, due to the various procedural developments (including an appeal against the interlocutory judgment).

Chipshol asked the Court at Haarlem to issue a provisional judgement in which Schiphol Group is ordered to start with the payment of the abovementioned compensation including interest (a total of EUR 19 million). In its judgement of 13 June 2007, the Court endorsed the payment from Schiphol to Chipshol, in the form of an advance. As a condition, however, the Court stated that Chipshol first had to provide a bank guarantee of EUR 21.5 million to Schiphol, as security in the event that Chipshol is ordered to repay the amount in the follow-up to the principal proceedings. On 19 July, after receiving the abovementioned bank guarantee on 18 July, Schiphol Group paid an amount of EUR 19 million to Chipshol.

On the basis of recent developments, the management believes that, at present, the estimate drawn up with respect to Schiphol Group's liabilities during the compilation of the 2006 financial statements does not need to be revised.

11. Net cash flow, cash and cash equivalents
The net cash flow in 2007 amounted to EUR 196.6 million negative, compared to EUR 58.1 million negative in 2006. Partly as a result, the balance of cash and cash equivalents fell from EUR 307.6 million from 31 December 2006 to EUR 102.8 million by 30 June 2007. The main cause of the larger net cash outflow was higher expenditure under investments and financing arrangements. The expenditure arising from investments amounted to EUR 171.8 million in 2007, compared to EUR 115.3 million in 2006, and largely concerned contract-related intangible assets, assets for operational activities and property. Expenditure arising from financing amounted to EUR 164.6 million in 2007, compared to EUR 59.4 million in 2006 and concerns, among others, a higher dividend payment and the repayment of loans and settlement of derivatives.

Contingent assets and liabilities

General
The 2006 financial statements included a note on the contingent assets and liabilities as at 31 December 2006. No new contingent assets and liabilities of a material nature have been identified during the first half of 2007 nor have there been any important developments relating to the existing contingent assets and liabilities as at 31 December 2006, apart from the following:

Diversion of the A9 motorway
In the spring of 2007, Schiphol Group and the Haarlemmermeer Municipal Authority reached agreement on a contribution of EUR 14.8 million from the Elzenhof area development budget for the diversion of the A9 motorway. This amount will be indexed. To this contribution Schiphol Group has attached the condition that irrevocable planning cooperation must be provided to the development of 100,000 m2 of the Elzenhof site that is owned by Schiphol Group. This cooperation may be in the form of an exemption from Article 19 or in the form of zoning plans. The latter co-determines the time at which Schiphol Group will make the abovementioned payment, and the relevant instalments.

As also stated in the 2006 financial statements, Haarlemmermeer Municipal Authority and Schiphol Nederland BV and other parties reached an agreement as early as in 2005 concerning how the diversion of the A9 motorway in Badhoevedorp should be financed. At the time, Schiphol Group agreed to a conditional contribution to the diversion costs with a maximum of EUR 15 million, which will be payable in 2011 according to the current planning. This contribution will also be indexed annually, but the indexation has not been included in the abovementioned amount.

Covenants "quality of life" and "disturbance-reducing measures at Schiphol"
In June 2007, the Minister of Transport, Public Works and Water Management and the Minister of Housing, Spatial Planning and the Environment, the Province of North Holland, the cities of Haarlemmermeer, Amsterdam and Amstelveen, Air Traffic Control the Netherlands, NV Luchthaven Schiphol (Schiphol Group) and Koninklijke Luchtvaart Maatschappij NV concluded two covenants.

"Quality of life" covenant
The objective of this covenant is to draw up two implementation plans, in an integrated fashion and no later than on 1 January 2008. The first plan concerns the environmental projects at micro-climate level for the short term, which will contribute to the improvement of the environmental quality in specific residential areas (Zwanenburg, Halfweg, Aalsmeer, Uithoorn, Amstelveen). The second plan concerns the so-called 'distressing cases': cases of residents and businesses which, in the spirit of the law, are, but to the letter of the law, are not eligible for legal compensation, and which can be characterised as 'distressing'. The Province of North Holland keeps a list of these cases and, in cooperation with Schiphol Group, draws up a framework on the basis of which individual cases can be financially compensated. In 2006, Schiphol Group made a one-off amount of EUR 10 million available with respect to distressing cases. Moreover, the covenant dictates that the parties will set up an administrative committee to be chaired by the Province of North Holland, and that this administrative committee will establish a foundation to promote the quality of the residential, working and living environment in the Schiphol region, for example by implementing the covenant, the approved plans and the associated engagements. Finally, the covenant establishes that the parties will conclude a covenant for the medium term, no later than in January 2008 and following on from the short-term plans. From their own position and responsibilities and in the shortest possible term, the parties will study the options and the desirability of financing the implementation of the planned projects. The requirement to assist in the financing of the projects concerned will be imposed on the municipalities cities in which these projects will be realised.

"Disturbance-reducing measures at Schiphol" covenant
The goal of this covenant is to realise measures that will reduce noise disturbance from air traffic and improve the utilisation of the environmental area. In cooperation with one or more of the other parties involved, Schiphol Group has in particular a role in the promotion of quiet air traffic by means of charges differentiation and the prioritisation of slots, the limitation of disturbance from ground noise in the north of Hoofddorp through the construction of a ridged noise barrier (under certain conditions, no later than in September 2009) and research into further disturbance-reducing measures behind this noise barrier, research into disturbance-reducing measures for the residents of Amstelveen, the continuation of the current activities with respect to noise measurement (NOMOS) and the limited expansion thereof, and the development of an environmental simulator (no later than in March 2008), which will provide clarity into the perception of aircraft noise on the ground. Finally, Schiphol Group will make efforts to

move approximately 10,000 flights from Schiphol airport to Lelystad airport before 2010 and to adapt the local airport infrastructure in a timely manner for this purpose. Other planned measures will include the adaptation of runway use and flight routes and research into custom solutions for noise disturbance. Schiphol Group and Air Traffic Control the Netherlands will determine in consultation how the measures included in this covenant will be funded. Any problem areas that arise will be submitted to the committee of parties involved in the covenant (the 'Alders table').

The Schiphol Group management is not yet able to draw up a reliable estimate of the investments and costs Schiphol Group will have to bear in the coming years on the basis of these covenants.

Joint venture with Nuance

In May 2007, Schiphol Group and The Nuance Group AG drew up a letter of intent with the objective of continuing the retail activities of Schiphol Airport Retail BV (liquor and tobacco) and the retail activities of The Nuance Group (Netherlands) BV (chocolate) in the See Buy Fly area in the form of a joint venture. It is expected that this joint venture will be operational in the second half of 2007. To this end, Nuance will acquire a 50% interest in Schiphol Airport Retail BV (phase 1). After this, Schiphol Airport Retail BV will acquire the activities of The Nuance Group (Netherlands) BV (phase 2).

Schiphol, 22 August 2007

For the interim consolidated financial report for the first half of 2007

Supervisory Board

P.J. Kalff, Chairman

A. Ruys, Vice Chairman
H. van den Broek
F.J.G.M. Cremers
T.A. Maas-de Brouwer
W.F.C. Stevens
T.H. Woltman

Board of Management

Prof G.J. Cerfontaine, President
Dr. P.M. Verboom, Member of the Board of Management/Chief Financial Officer
A.P.J.M. Rutten, Member of the Board of Management/Chief Operations Officer

To the Shareholders, Supervisory Board and Board of Management of NV Luchthaven Schiphol

Review report

Introduction

We have reviewed the accompanying consolidated interim financial information for the six-month period ended 30 June 2007, of NV Luchthaven Schiphol, Schiphol, which comprises the balance sheet as at 30 June 2007, the profit and loss account, the condensed consolidated statement of changes in equity, the condensed cash flow statement for the six-month period then ended and the notes thereto. The Board of Directors is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 June 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 22 august 2007
PricewaterhouseCoopers Accountants NV

J.A.M. Stael RA