


An aerial photograph of Schiphol Airport in the Netherlands, showing the runway, taxiway, and surrounding landscape of fields and urban areas. The sky is blue with some clouds.

Presentation

Schiphol Group 2008 Interim Financial Results

21 August 2008 – Interim Results

Schiphol Group

The Schiphol Group logo consists of the text "Schiphol Group" in a sans-serif font, positioned above a stylized graphic element. This graphic element is a horizontal bar with a gradient from blue on the left to red on the right, and a series of vertical lines of varying heights extending upwards from the right side, resembling a stylized 'S' or a signal.

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.

Key highlights

- **Satisfied with net result and passenger volume growth in first half of 2008**
- **Outlook full-year 2008 more or less unchanged as Schiphol Group continues to expect a lower net result compared to 2007 and no traffic growth at Amsterdam Airport Schiphol**
- **Concerns expressed about competitive position of Schiphol due to introduction the Air Passenger Tax and increasing Security costs**
- **Current high kerosene prices and worldwide deterioration of the economic climate are hurting the Aviation industry and may further dent our traffic growth expectations.**

Financial highlights first 6 months 2008

Decrease in net result in first half 2008 in line with expectations of the Board of Management

- **Revenue growth of 1.7% (EUR 550m) was outpaced by operating expenses growth of 3.3%**
 - Decrease in airport charges prescribed by the Dutch Competition Authority (NMa) as per 1 November 2007; effect EUR 17.8m
 - Increased security cost not covered by Security Service Charge; effect EUR 5.0m
- **Net result 32.9% lower at EUR 95.8m** (HY 2007: EUR 142.8m)
 - Fair value gains amount to EUR 7.4m compared to EUR 33.7m the year before
 - *Less completions and sales of property; stabilisation of market value / fair value adjustments*
 - One-off tax gain of EUR 12.7m in 2007 (related to the 2004 fiscal year)
- **Net result 8.3% lower at EUR 88.4m if adjusted for fair value gains and one-off tax gain** (HY 2007: EUR 96.4m).

Schiphol Group Key Financial Figures

Earnings per share 32% lower in first half of 2008

EUR millions unless otherwise stated	HY '08	HY '07*	+/-	2007
Revenue	549.5	540.2	1.7 %	1.146
Fair value gains on property	9.9	45.3	-78.2 %	112
Operating expenses	422.2	408.9	3.2 %	841
Operating result	137.2	179.3	-23.5 %	420
Result before tax	128.8	173.2	-25.6 %	395
Adjusted net result ⁺	88.4	109.1	-18.9 %	233
Net result	95.8	142.8	-32.9 %	316
Ratios				
Leverage	26.8%	23.3%		23.5%
FFO Interest coverage ratio	8.1x	6.3x		7.7x
Earnings per share (euro)	559	834	-32,9%	1,844

* Adjusted for comparison

+ excluding fair value gains on property after tax (€ 7.4m)

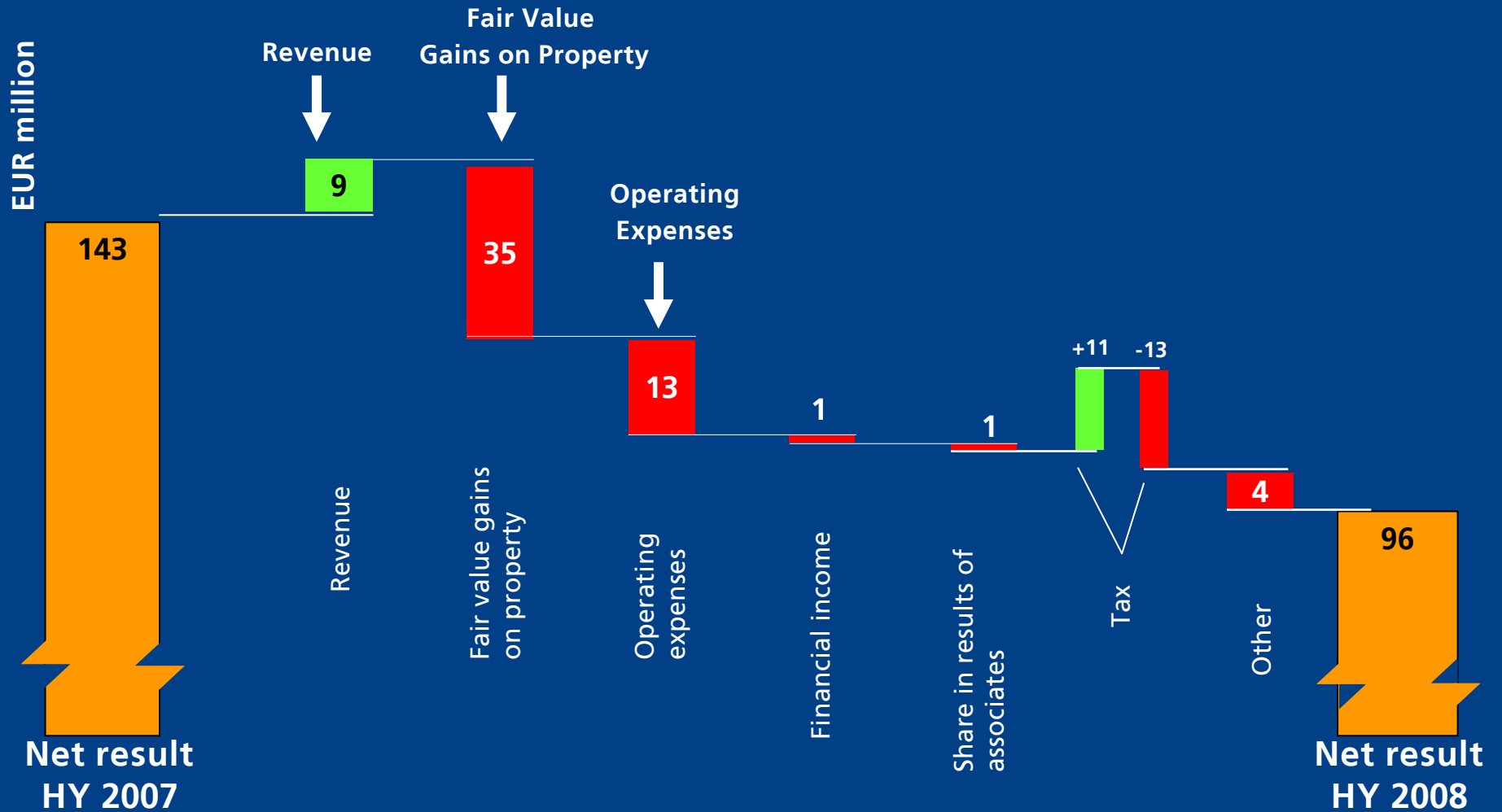
Schiphol Group Key Financial Figures

Decrease in Total equity mainly reflects effect of the distribution of regular dividend and a super dividend of EUR 500 million

EUR millions	30/06/08	31/12/07
Total equity	2,459	2,957
Total assets	4,339	4,287
Investments PPE	145	375
Cash flow from operating activities	232	313
Interest-bearing debt	899	907
Cash position	118	142

- **Credit Rating:** S&P has adjusted rating to single A flat with stable outlook and Moody's has adjusted rating to A1 with stable outlook, both due to the planned distribution of super dividend
- **Financing:** In June 2008, Schiphol Group launched a Euro-commercial paper programme with a limit of EUR 750 million.

HY '07 Net Result bridge to HY '08 Net Result

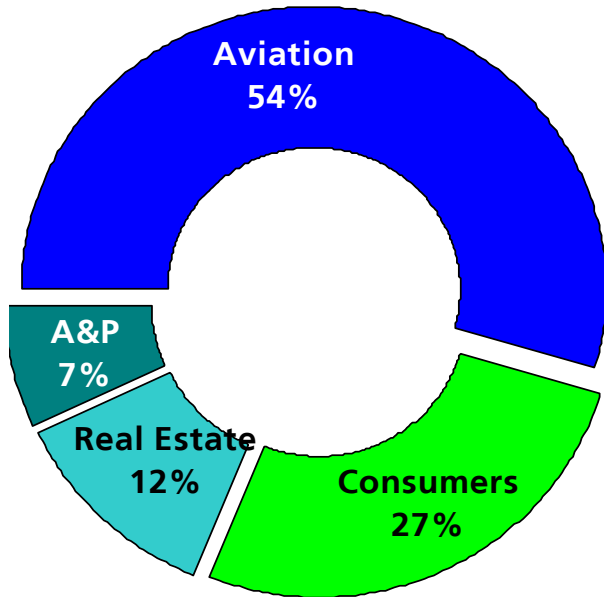


Breakdown by Business Area

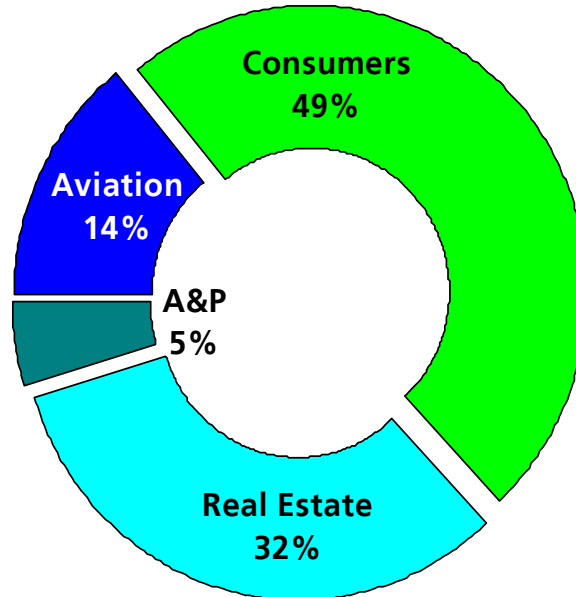
Consumers and Real Estate account for 81% of operating result

Lower investments in the Consumers and Real Estate business areas

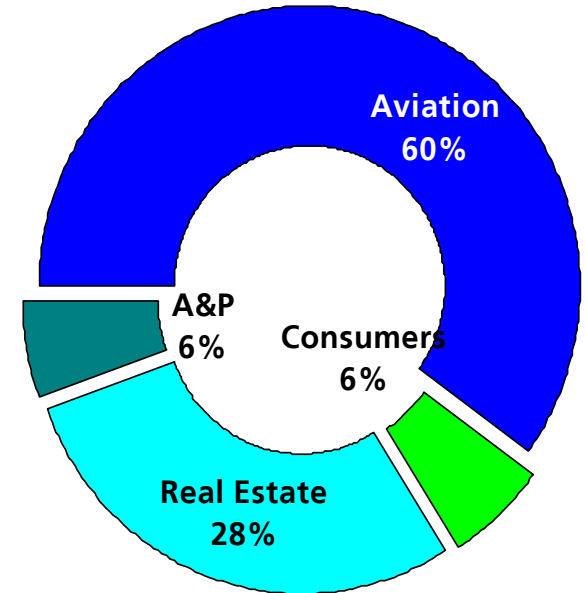
Revenue



Operating Result



Capex/Investments*



HY 08	HY 07	+/-
550	540	1.7%

EUR million

HY 08	HY 07	+/-
137	179	-23.5%

EUR million

HY 08	HY 07	+/-
145	180	-19.7%

EUR million

Aviation business area



<i>EUR million</i>	HY08	HY07	<i>+/-</i>	2007
Revenue	300	307	-2.3%	650
Operating expenses	281	277	1.4%	555
EDITDA	78	92	-15.0%	216
Operating result	19	30	-36.1%	95
CAPEX	87	79	9.2%	208

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 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 refueling services).

Aviation

Revenue decreases due to lower airport charges caused by a decrease in the passenger and airline charges



- **Revenue down by 2.3% to EUR 300m**
 - **Airport charges decreased 3.5% to EUR 287m. (-/- EUR 10.4m)**
 - Decrease in airport charges per 1 November, 2007: -/- EUR 17.8m;
 - Compensated by an increase in the number of passengers and MTOW: + EUR 7.4m
- **Operating expenses up by 1.4% to EUR 280m (EUR 3.8m)**
 - **Increase in costs (EUR 5.0m) due to increased security measures;**
 - **Costs higher (EUR 6.2m) due to higher energy costs (tariffs and consumption), maintenance and employee benefits;**
 - **Costs lower (EUR 5.9m) due to depreciation, consultancy, investment-related expenses and insurance costs**
- **Operating result 36.1% lower at EUR 19.4m reflects decreasing revenue and increasing operating expenses.**

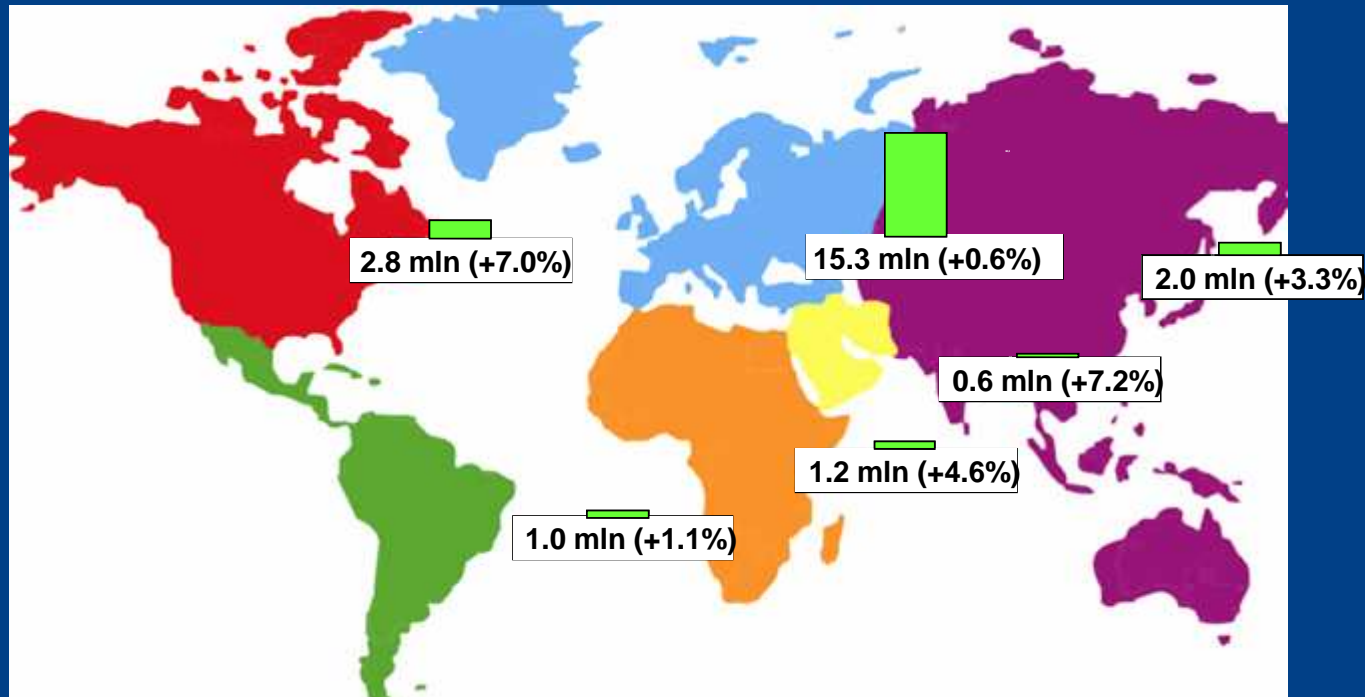


Aviation

Passenger growth at Amsterdam Airport Schiphol 2.0% to 22.8 million passengers



- Traffic growth at Amsterdam Airport Schiphol:
 - 2.0% passenger growth to 22.8 million / +5.1 % cargo / -0.6% ATMs
 - AF-KLM and partners (SkyTeam) grew by 3.9% to 14.6 million passengers
 - Low-cost carriers decreased by 8.4% to 2.7 million passengers



Aviation

Securing growth capacity: critical for Schiphol Group and for the future of the main port



- **Operational capacity: EUR 87m invested in HY 2008**
 - **Key projects: 70MB baggage system, security projects and maintenance**
- **Environmental capacity**
 - **March: Implementation of pilot projects with an aim to reduce noise. These measures are part of two covenants agreed upon at the 'Alders-tafel'**
 - **April: The Lower House accepted a new airport traffic ruling (LVB: Luchthavenverkeerbesluit) permitting growth to 480,000 ATM (Air Transport Movements) until 2010**
 - **June: 'Alders-Platform' (Alders-tafel) has not yet issued the government with any proposals for growth possibilities for Schiphol between 2010 and 2020.**

Aviation

Efficient operations and competitive charges are our main focus



- **Efficient Operations**

- **Baggage Handling IR-rate performance of first six months of 2008: ranked second of 4 largest European airports**

- **Competitive airport charges**

- **Lower charges set as of 1 November 2007, but increase set as of 1 November 2008**
- **No applications for modification of a decision have been submitted for the charges set as of 1 November 2008**
- **Verdict issued on appeal by KLM and BARIN concerning the Allocation System: Court rejected 7 points put forward by the airlines and instructed the NMa to elaborate on 1 decision.**

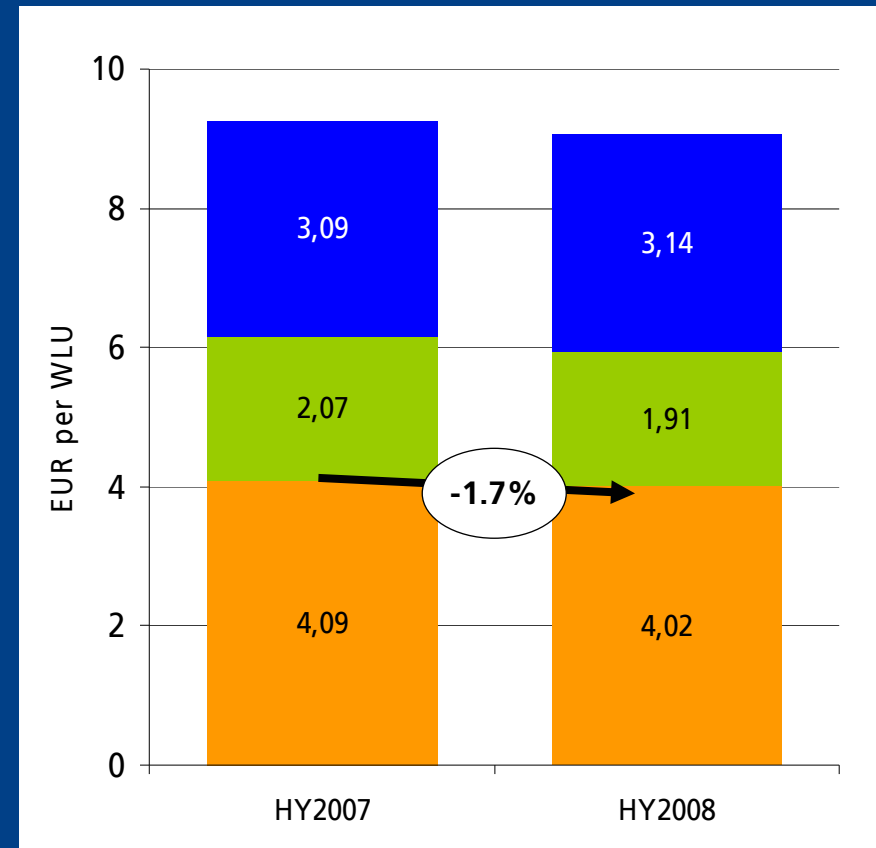
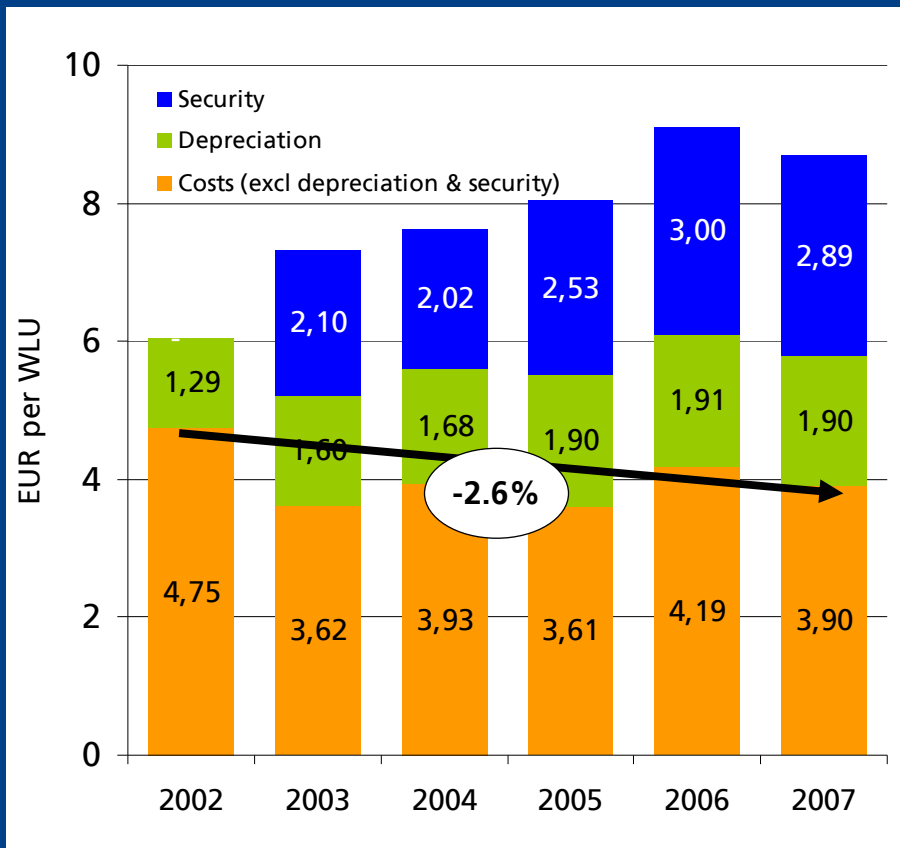


Aviation - cost per WLU

Costs per WLU decreased by 1.7% in HY '08 and by 2.6% over the previous 5-years



EUR per WLU



Consumers business area



<i>EUR million</i>	HY08	HY07	<i>+/-</i>	2007
Revenue	147	139	5.5%	301
Operating expenses	79	73	7.7%	157
EDITDA	80	76	5.0%	166
Operating result	67	65	3.2%	144
CAPEX	9	35	-75.1%	48

The activities of the Consumers business area concern the independent operation retail outlets and car parks, the granting of concessions for airport shopping and café, bar and restaurant facilities, and the marketing of advertising 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

Revenue growth in all activities



- **Revenue up 5.5% to EUR 147m**
 - **Concessions up 3.6% to EUR 63m** (See Buy Fly and new bars/restaurant outlets)
 - **Retail sales up 6.4% to EUR 31m** (new shops)
 - **Parking up 6.6% to EUR 40m** (increase parking duration & product differentiation)
 - **Advertising up 28.3% to EUR 8m**
- **Operating expenses up 7.7% to EUR 79m**
 - Increase in employee benefits due to increase in number of employees
 - Increase in depreciation
- **Operating result up 3.2% to EUR 68m**

Real Estate business area



<i>EUR million</i>	HY08	HY07	+/-	2007
Revenue	66	61	7.6%	124
Result on the sale of property	0	3	-100%	3
Fair value gains on property	10	45	-78.6%	112
Operating expenses	31	29	6.0%	68
EDITDA	53	88	-40.4%	192
Operating result	44	80	-44.4%	171
CAPEX	41	59	-29.9%	109

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

Result lower due to stabilisation of fair value development for real estate property



- **Revenue up 7.6% to EUR 66m**
 - This increase includes EUR 6.4m from rental income
 - Slightly lower occupancy rate at 92.7% (June 2007: 93.4%)
 - 1.6% increase in size of portfolio to 488,461m² (June 2007: 480,809m²)
- **Result on sale and fair value gains on property 79.9% lower at EUR 10m (HY '07: EUR 48m)**
 - EUR 2.3m of pre-tax fair value gain is attributable to projects and the increase in the size of the property portfolio
 - The balance (EUR 7.4m) is attributable to market developments
- **Operating result 44.4% lower at EUR 44m**
 - Excluding fair value gains the operating result was EUR 35m, which is similar to the level in 2007.



Real Estate

Operating expenses were up, but investments were at a significant lower level compared to HY '07



- **Operating expenses up 6.0% to EUR 31m**
 - Increase in employee benefits due to increase in employees
 - Higher cost for property tax
- **Investments 29.9% lower at EUR 41m**
 - Investments continued in cargo building Panalpina, the Outlook multi-tenant offices and other projects.



Alliances & Participations business area



<i>EUR million</i>	HY08	HY07	+/-	2007
Revenue	38	33	12.2%	71
Fair value losses on property	0	-0.1	-100.0%	-0.4
Operating expenses	32	30	6.3%	61
EDITDA	11	9	28.0%	20
Operating result	6	4	59.1%	10
CAPEX	8	6	22.6%	10

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 the interest they pay on loans 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

Strong traffic growth at Eindhoven Airport



- **Financial**

- Revenue up 12.2% to EUR 38m
- Operating Expenses up 6.3% to EUR 32m
- Operating Result up 59.1% to EUR 6m

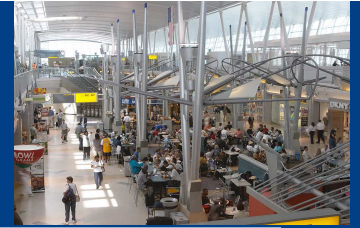
- **Domestic**

- The domestic activities reported a revenue increase, mainly due to an increase in passengers and airport charges in Eindhoven
- Eindhoven: +9.4% passengers
- Rotterdam: -3.2% passengers
- Lelystad: Ministry of Transport, Public Works and Management resumed the airport operations ruling procedure for the expansion of Lelystad Airport. The procedure is based on growth to 1.0 million to 1.5 million passengers.



Alliances & Participations

International activities are strong contributor within the business area



- **International**

- International activities contributed EUR 9.3m to group net result (including income from minority share dividend and interest), EUR 11.2m in 2007. The difference is due to a one-off tax gain in Brisbane
- Brisbane: +5% passengers
- JFK IAT: +13% passengers
- International projects: Agreement between the USA and the Netherlands that will speed up passport check for travellers between Schiphol and the USA. In the Netherlands the check will be performed by the already available Privium-technology. For subsidiary Dartagnan this agreement opens new possibilities to market this technology internationally

- **Other investments and activities also contribute to positive results**

- Schiphol Telematics
- Utilities.



Outlook 2008

Unchanged full-year outlook, except for the lower expected level of investments in the Consumers and Real Estate business areas

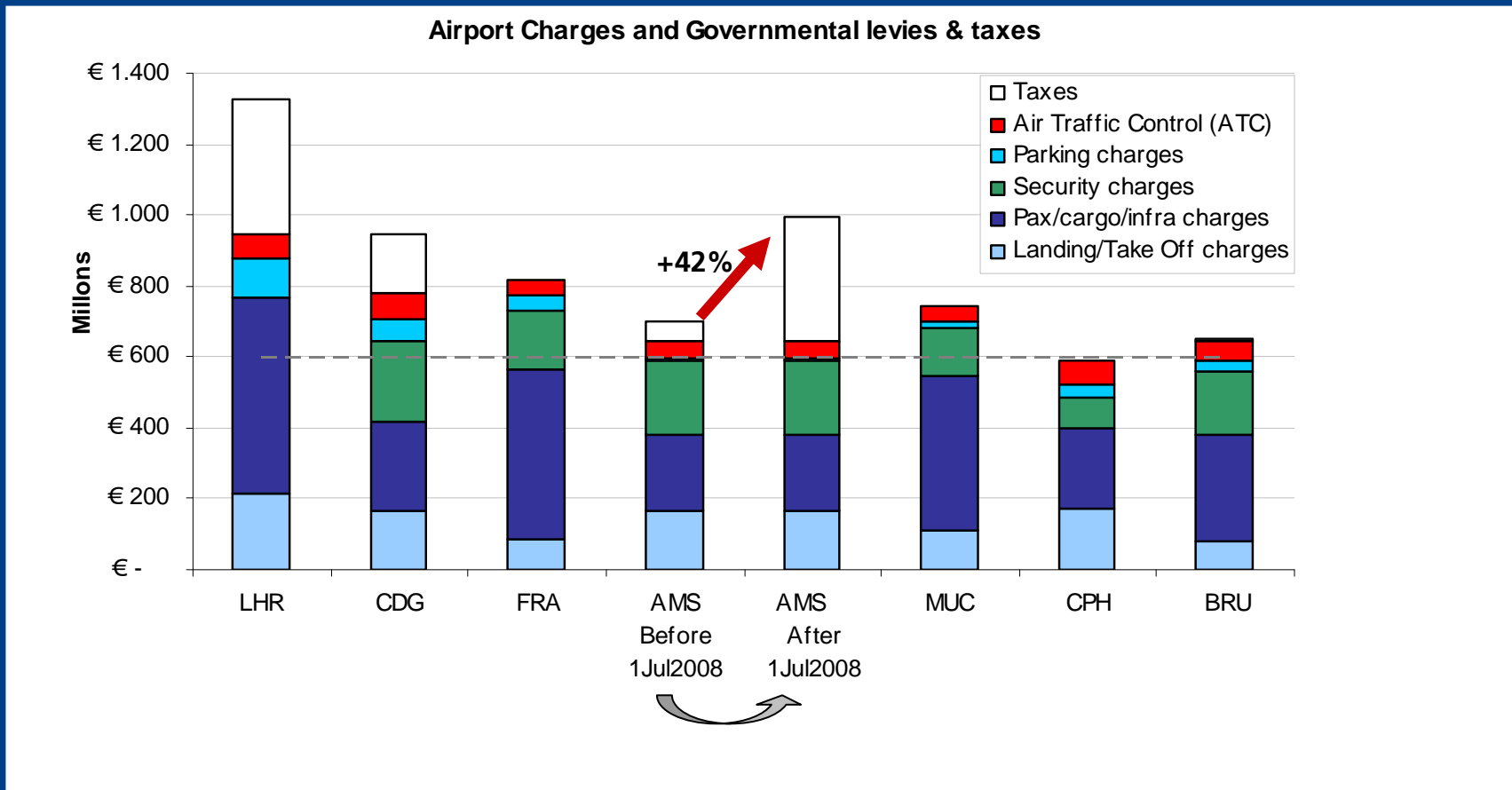
- **No traffic growth at Amsterdam Airport Schiphol (47.8m pax; 433k Air Transport Movements)**
- **2008 net result (excluding fair value gains) still expected to be lower than 2007 net result due to:**
 - **Implementation of Air Passenger Tax as per 1 July 2008**
 - **Decrease in airport charges (as per 1 November 2007)**
 - **High kerosene prices and weakening economic conditions**
- **Investments in 2008 are now expected to be approximately EUR 125m lower than the previously estimated amount of EUR 550m**
 - **Due to lower investments in the Consumers and Real Estate business areas**
 - **High level of investments in Aviation unchanged.**

Competitive position under pressure

From mid-position before 1 July 2008, the Air Passenger Tax pushes Amsterdam Airport Schiphol into more expensive category

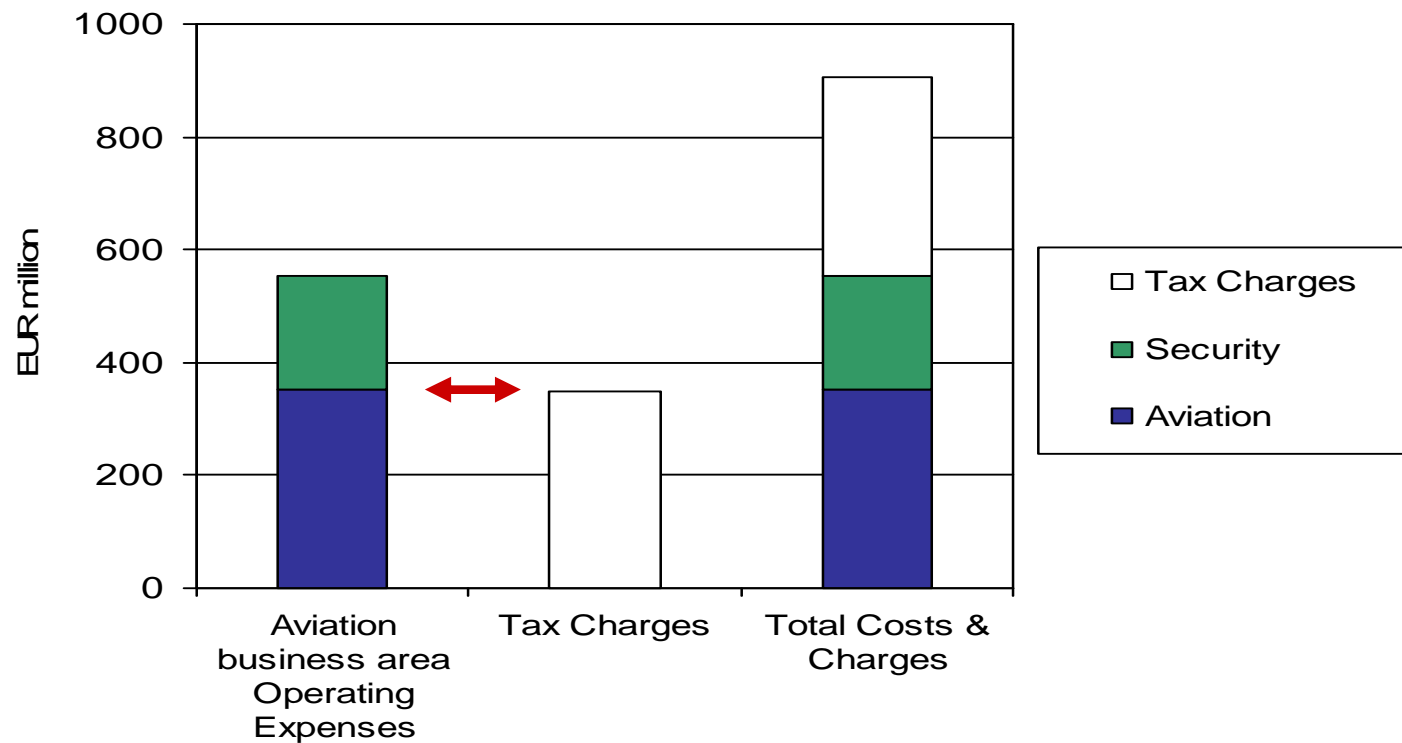


Benchmark analysis: Tariff structure (airport charges + government levies & taxes) of peers applied to Schiphol's volume data of 2007



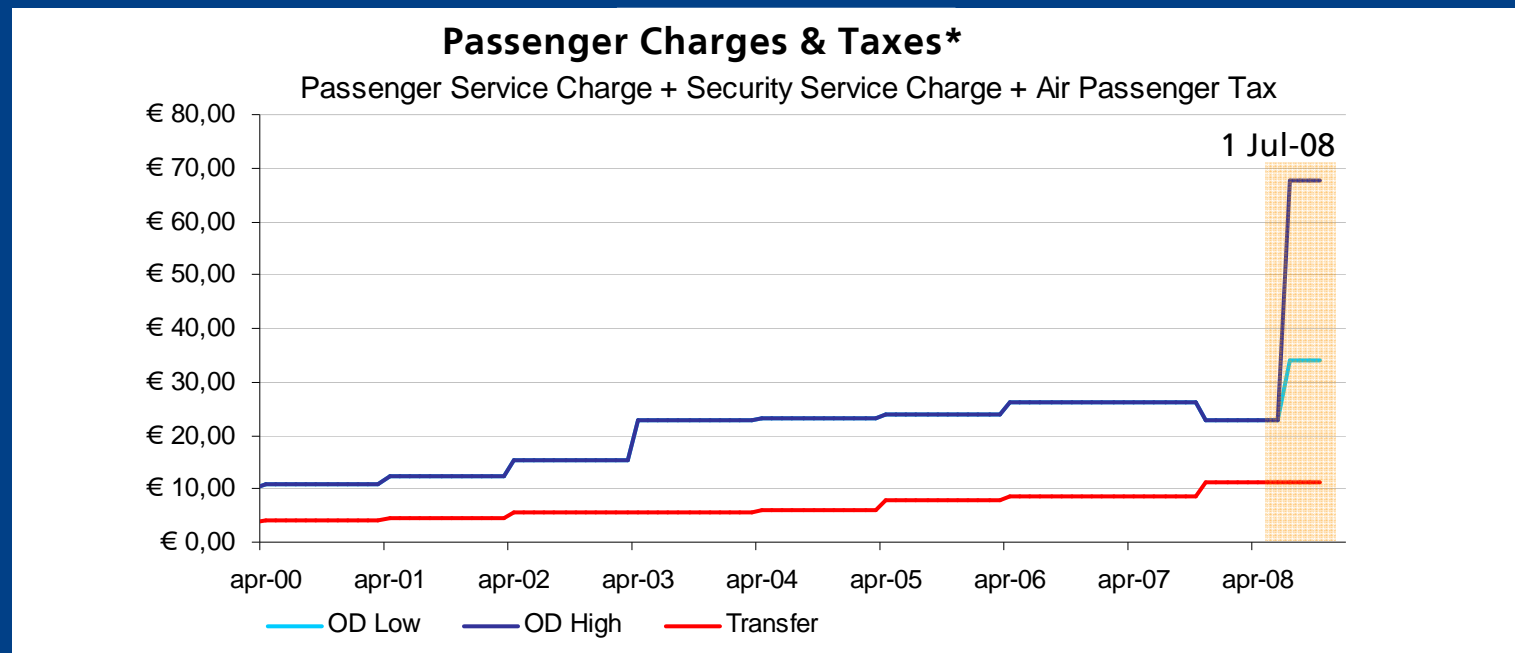
Exceptionally large Tax burden

Proceeds expected by government of EUR 350m almost equal to full-year 2007 Aviation operating expenses



Impact Air Passenger Tax

Dutch government introduced the Air Passenger Tax on 1 July 2008, resulting in huge increase in passenger charges & taxes



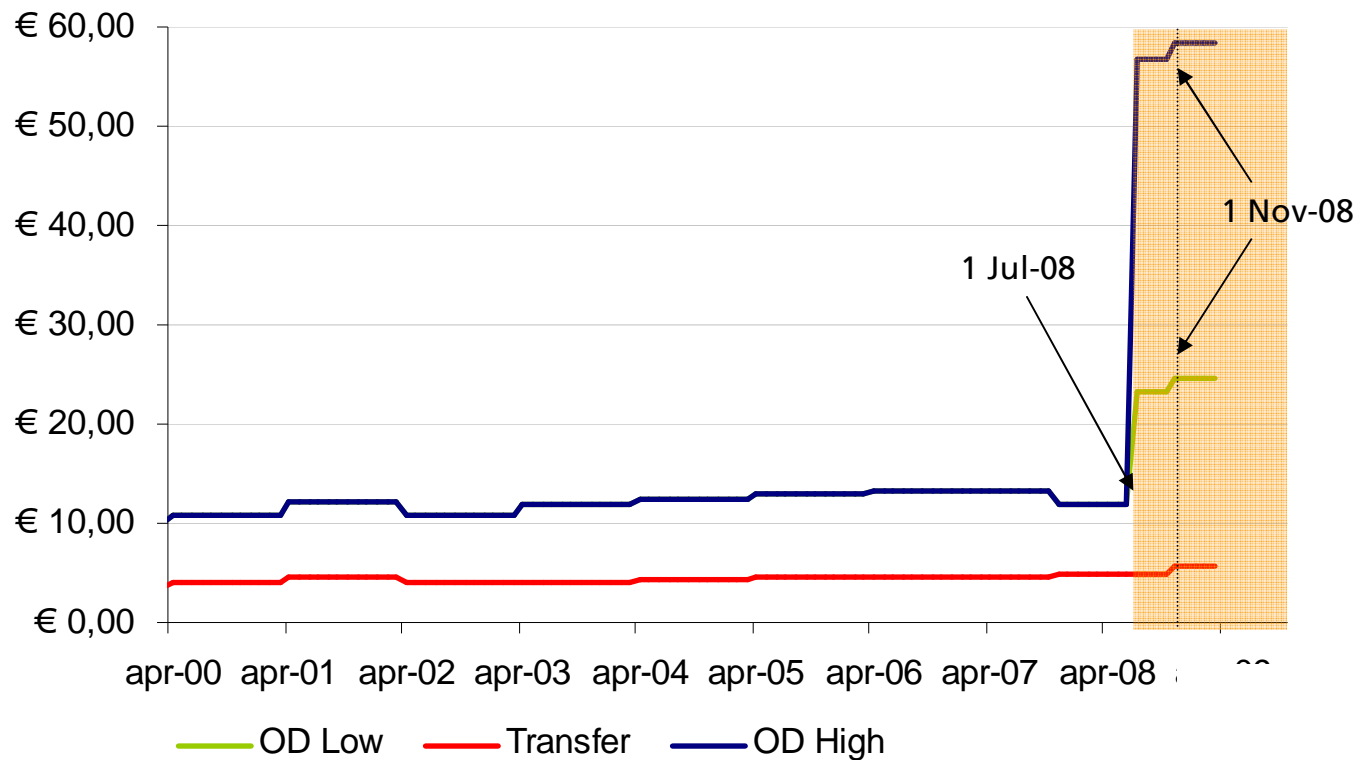
- The tax is applicable per local boarding passenger and amounts to:
 - €11,25 for destinations within Europe plus Turkey and Morocco (OD low)
 - €45,00 in all other situations (OD high).

Competitive Service Charges maintained

Excluding the significant additional Security Charges, Schiphol has kept Passenger Service Charges well under control over the years

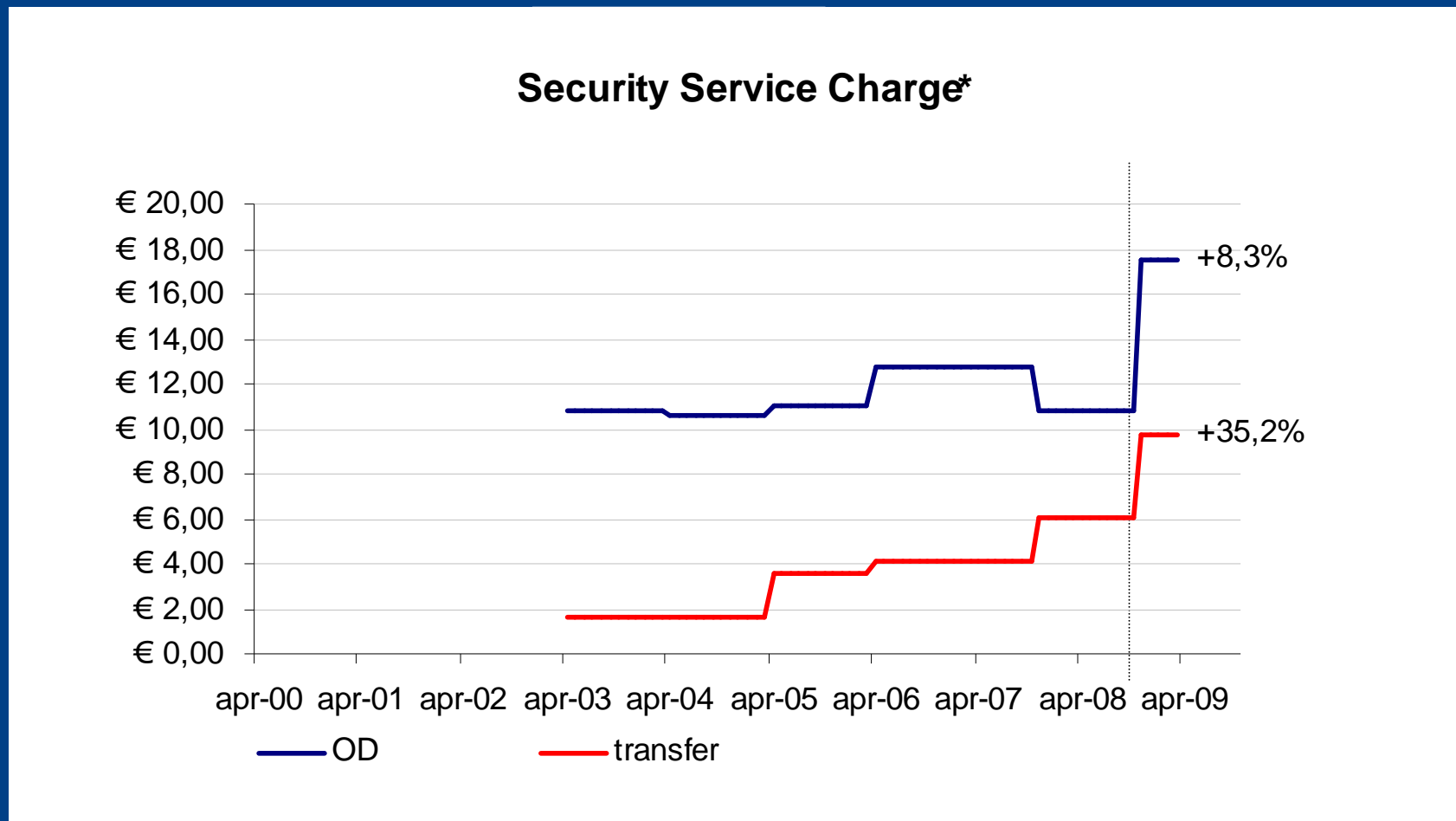
Passenger Charges & Taxes, excluding Security Charges*

Passenger Service Charge + Air Passenger Tax



Security Service Charge development

Since introduction of Security Service Charge the average annual increase has been 8.3% for OD and 35.2% for Transfer passengers (incl. new tariffs as of 1 Nov 2008)



* Average annual growth rate over the whole measurement period (since introduction in 2003) and including the new tariffs as of 1 November 2008.

Conclusions & Recommendations

Government requested to take action

- **Government imposed taxes and increasing Security costs threaten competitive position of Schiphol**
- **In order to prevent accumulation of government imposed taxes, we request the government to discontinue the Air Passenger Tax**
 - **As soon as possible, but at the latest when aviation is included in ETS (Emission Trading Scheme) in 2012**
- **To mitigate the increasing Security costs that are currently passed on to passengers, we request the government to take for own account that part of the costs directly attributed to protection of society.**