

Interim Results 2010

Press Release

Schiphol, 30 August 2010

Key points

- Net revenue of EUR 545 million and net result of EUR 69.2 million.
- The Aviation business area suffers an operational loss
 - due to previous lowering and subsequent freezing of charges
 - due to high security costs and rates that do not cover costs.
- The volcanic ash cloud resulted in approx. 690,000 fewer passengers (approx. 1.5% of the annual volume), approx. 6,500 fewer air transport movements, and a negative effect of approx. EUR 12 million in revenues and approx. EUR 15 million on the operating result.
- One-off result related to the JFK IAT transaction had a positive effect of EUR 17.2 million (after tax).
- First positive effects of organisational change.

A word from President & CEO Jos Nijhuis

"We are reasonably satisfied with the results achieved. The organisational change programme is going according to plan. Despite the negative effects of the ash cloud, there is net growth in the number of passengers and in cargo volumes. Our consumer revenue growth has outpaced growth in number of passengers. Spend per passenger is increasing as well. The quality of the rental income from our first class real estate portfolio is stable and the unrealised fair value losses appear to be bottoming out.

We are not happy with the losses in Aviation. We are currently in discussion with our customers to seek a solution that gets us to a reasonable positive return whereby the tariff structure of our airport charges should support the continued development of the Main Port."

Key figures

| EUR million | HY 10 | HY 09 | +/- | 2009 |
|---|---------|---------|--------|---------|
| Revenue | 545.0 | 553.5 | -1.5% | 1,154 |
| Result from sales of property | -0.1 | - | 100.0% | - |
| Fair value gains on property | -8.3 | -26.1 | 68.1% | -40 |
| Operating expenses | 436.6 | 464.6 | -6.1% | 927 |
| Operating result | 100.1 | 62.9 | 59.2% | 187 |
| Result before tax | 96.7 | 25.7 | 275.9% | 123 |
| Net result (result attributable to shareholders) | 69.2 | 22.4 | 209.2% | 132 |
| Net result excluding fair value gains on property and restructuring provision | 80.7 | 66.7 | 21.0% | 204 |
| Depreciation, amortisation and impairment | 92.3 | 90.7 | 1.7% | 196 |
| EBITDA 1) | 192.3 | 153.6 | 25.2% | 383 |
| Investments in intangible assets and property, plant & equipment | 128.0 | 108.8 | 17.6% | 215 |
| Cash flow from operating activities | 76.7 | 147.3 | -47.9% | 327 |
| Ratio's | | | | |
| Leverage as at 30 June 2) | 40.3% | 40.1% | 0.4% | 40.5% |
| FFO interest coverage 3) | 2.8x | 4.3x | -34.9% | 4.4x |
| Earnings per share | 372 | 120 | 209.2% | 710 |
| Business volume (in numbers) | | | | |
| Air transport movements 4) | 198,437 | 205,965 | -3.7% | 418,672 |
| Passenger movements (x 1.000) 4) | 21,888 | 21,460 | 2.0% | 46,227 |
| Cargo (x 1.000 ton) 4) | 719 | 591 | 21.7% | 1,286 |
| Average effective work force based on FTEs | 2,350 | 2,539 | -7.4% | 2,496 |

¹⁾ EBITDA: operating result plus depreciation, amortisation and impairment

²⁾ Leverage: interest-bearing debt / (total equity + interest-bearing debt)

³⁾ Funds from operations plus gross interest expense / gross interest expense

⁴⁾ Schiphol Group: Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport

Revenue

The net revenue for the first six months of 2010 was EUR 545 million and was divided as follows among the four business areas:

| EUR million | HY 10 | HY 09 | +/- | 2009 |
|----------------------------|--------------|--------------|--------------|----------------|
| Aviation | 318.1 | 330.1 | -3.6% | 687.6 |
| Consumers | 137.6 | 133.9 | 2.8% | 284.4 |
| Real Estate | 86.4 | 86.2 | 0.2% | 171.8 |
| Alliances & Participations | 69.0 | 69.3 | -0.5% | 142.6 |
| Intercompany elimination | -66.1 | -66.0 | -0.1% | -132.6 |
| Revenues | 545.0 | 553.5 | -1.5% | 1,153.8 |

The net result for the first half of 2010 was negatively affected by the airspace closures in April and May as a result of the volcanic ash cloud that drifted over large parts of Europe. This reduced the number of passengers and air transport movements at Amsterdam Airport Schiphol by approx. 690,000 and 6,500 respectively, and caused around EUR 12 million in lost revenue. Furthermore, revenue fell as a result of a lowering of the airport charges in 2009 and the subsequent freezing of charges.

During the first half of 2010, 2% more passengers and 22% more cargo were handled, against a 3.7% drop in the number of air transport movements. The number of passengers at Amsterdam Airport Schiphol rose by 1.1% to 20.5 million against a drop in the number of air transport movements by 4.8% to 182,601.

Operating expenses

Operating expenses for the first half of 2010 amounted to EUR 436.6 million (EUR 464.6 million in 2009). This fall is primarily attributable to the costs of the organisational change, which amounted to EUR 7.1 million in 2010 and EUR 33.5 million in 2009.

The changes to our organisation brought staff costs down by 3.3%. Staff costs over the first six months of 2010 amounted to EUR 88.7 million.

Operating result and net result

The value of the property portfolio declined by EUR 8.3 million in the first half of 2010 (compared with a decline of EUR 26.1 million in the first half of 2009). Including this effect, the operating result for the first half of 2010 stood at EUR 100.1 million (EUR 62.9 million in 2009). The closure of the airport owing to the ash cloud had a negative effect on the operating result of approx. EUR 15 million, including the impact on the results of regional airports and other associates.

The net financial expense in the first half of 2010 amounted to EUR 44.4 (EUR 46.4 million in 2009). The share in results of associates amounted to EUR 41.1 million in the first six months of 2010 (EUR 9.2 million in 2009). More than half of this figure is attributable to the JFK IAT transaction, which yielded a one-off share in the result of associates of EUR 28.1 million (before tax).

The result attributable to shareholders (net result) for the first half of 2010 was EUR 69.2 million (EUR 22.4 million in 2009). Excluding the fair value loss on property and the costs of the organisational change, the net result for the first half of 2010 amounted to EUR 80.7 million (EUR 66.7 million in 2009).

Aviation business area

| Aviation business area <i>EUR million</i> | HY 10 | HY 09 | +/- |
|--|-------|-------|---------|
| Total revenue | 318.1 | 330.1 | -3.6% |
| Operating expenses | 319.9 | 317.2 | 0.9% |
| EBITDA | 65.9 | 70.3 | -6.3% |
| Operating result | -1.8 | 12.9 | -114.2% |
| Investments in intangible assets and property, plant & equipment | 76.2 | 76.6 | -0.6% |

The negative operating result for the Aviation business area is largely attributable to the inability to set-off the high level of security costs. While revenues from airport charges rose by 1.2% to EUR 193.2 million, revenues from security activities fell by 11.1% to EUR 106 million, entirely as result of a lowering of security rates by around 26% as of 1 April 2009 and unchanged rates as of 1 April 2010.

The forced closure of the airspace in April and May as a result of the volcanic ash cloud from Iceland reduced total revenues from airport charges by around EUR 9.7 million.

The continued rise in security-related operating expenses was caused partly by higher depreciation owing to the introduction of new security systems. In addition, the security costs went up in comparison with 2009, partly as a result of additional and temporary security measures following the security incident at the end of 2009. Because revenues fell and costs increased, the security activities generated a negative operating result of EUR 14.9 million in the first half of 2010 (EUR 1.3 million positive in 2009).

Consumers business area

| Consumers business area <i>EUR million</i> | HY 10 | HY 09 | +/- |
|--|-------|-------|--------|
| Total revenue | 137.6 | 133.9 | 2.8% |
| Operating expenses | 76.3 | 95.1 | -19.7% |
| EBITDA | 71.8 | 57.0 | 26.0% |
| Operating result | 61.3 | 38.8 | 58.0% |
| Investments in intangible assets and property, plant & equipment | 16.3 | 6.4 | 154.7% |

The higher revenues compared with the first six months of 2009 are primarily the result of higher concession income and retail sales driven by the growth in passenger numbers and higher levels of passenger spending. The average spend per departing passenger in the See Buy Fly shops rose by 3.4%, from EUR 15.22 to EUR 15.74. Car parking revenues were under pressure in the first half of 2010. Alternative modes of transport and increased competition in the immediate vicinity of Amsterdam Airport Schiphol resulted in a loss of market share.

The closure of airspace in April and May reduced total revenues of the Consumers business area by EUR 2.7 million.

Real Estate business area

| Real Estate business area <i>EUR million</i> | HY 10 | HY 09 | +/- |
|--|-------|-------|--------|
| Total revenue | 86.4 | 86.2 | 0.2% |
| <i>of which external</i> | 68.0 | 67.4 | 1.0% |
| Fair value gains on property | -8.3 | -26.1 | 68.2% |
| Operating expenses | 46.0 | 50.4 | -8.9% |
| EBITDA | 40.1 | 18.6 | 115.3% |
| Operating result | 32.2 | 9.7 | 231.5% |
| Investments in intangible assets and property, plant & equipment | 23.1 | 19.8 | 16.7% |

The portfolio grew from 542,349 m² as at the end of June 2009 to 548,193 m² as at the end of June 2010. The occupancy rate over the first six months of 2010 was at 87.9% (91.3% in 2009).

Thanks to the location and quality of the portfolio, the negative trend in the valuation of the property portfolio continued to only a limited extent in the first half of 2010. The fair value losses on our portfolio remained relatively small in comparison with the property market as a whole. The value of our property investments declined by EUR 8.3 million in the first half of 2010, which represents 1% of the total value of the property portfolio. The decline in value in 2009 amounted to EUR 26.1 million (or 3.6%).

Alliances & Participations business area

| Alliances & Participations business area <i>EUR million</i> | HY 10 | HY 09 | +/- |
|--|-------|-------|--------|
| Total revenue | 69.0 | 69.3 | -0.5% |
| <i>of which external</i> | 38.8 | 38.7 | 0.3% |
| Operating expense | 60.6 | 67.8 | -10.7% |
| EBITDA | 14.5 | 7.7 | 88.5% |
| Operating result | 8.4 | 1.5 | 461.1% |
| Share in investments, interest charges and results | 47.2 | 12.1 | 290.1% |
| Investments in intangible assets and property, plant & equipment | 12.4 | 6.0 | 106.7% |

Total revenue generated by the three domestic airports in the first half of 2010 amounted to EUR 24.5 million (EUR 23 million in 2009). This increase is largely the result of a 27% increase in the number of passengers using Eindhoven Airport in the first six months, to nearly 924,000.

The international activities of this business area contributed EUR 47.2 million to the result before tax (EUR 12.1 million in 2009) in the form of share in results of associates, interest income and dividends. The largest portion of this result is associated with the JFK IAT transaction. This resulted in a one-off share in results of associates of EUR 28.1 million before tax. The estimated share in the results of Aéroports de Paris is EUR 11.3 million (EUR 10 million in 2009), despite the negative impact of the ash cloud.

Outlook

Taking into account the one-off share in results of associates related to the JFK IAT transaction, Schiphol Group is increasing its profit projection to a net result for 2010 of approximately EUR 160 million (this was EUR 132 million). This is in spite of the negative impact of the airspace closures as a result of the volcanic ash cloud. This projection is based on effective cost control, in line with that of the past six months, and 1.5% to 2.0% growth in passenger numbers at Amsterdam Airport Schiphol for the whole of 2010.

Notes for editors/investors:

- Schiphol Group's Interim Results 2010 are available on www.schipholgroup.com
- Schiphol Nederland BV also published its interim financial statements 2010 on www.schipholgroup.com. Schiphol Nederland BV is the legal entity issuing debt in order to finance Schiphol Group.

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