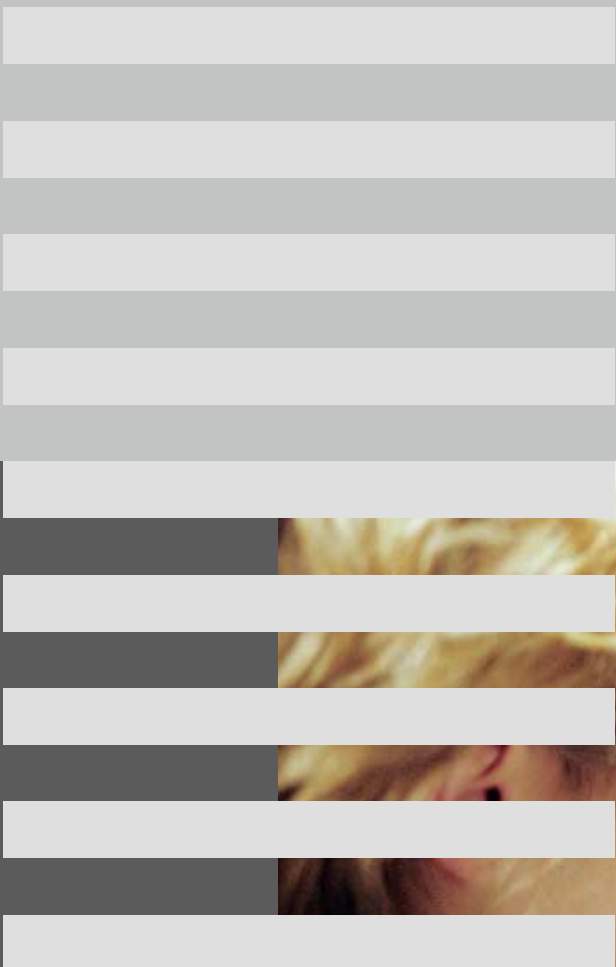




# 2001



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**Schiphol Group is member of Pantares**

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## Business areas Schiphol Group

(in € million, unless stated otherwise)

|                                                                                | Aviation                                                                                                 |       | Consumers                                                                                  |       | Real Estate                                                                                                             |       | Alliances and Participations                                                                          |        |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------|--------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------|--------|
| Most import activities                                                         | Planning, coordination, capacity management and information for aviation processes at Amsterdam Schiphol |       | Retail, parking, advertising, e-business and space rental in Amsterdam Schiphol's terminal |       | Development, management and operation of investments in real estate on and around Amsterdam Schiphol and other airports |       | Pantares<br>Rotterdam Airport<br>Eindhoven Airport<br>Lelystad Airport<br>JFK IAT<br>Brisbane Airport |        |
|                                                                                | 2001                                                                                                     | 2000  | 2001                                                                                       | 2000  | 2001                                                                                                                    | 2000  | 2001                                                                                                  | 2000   |
| RONA                                                                           | 5.0%                                                                                                     | 4.4%  | 28.3%                                                                                      | 30.2% | 7.4%*                                                                                                                   | 6.4%* | -/- 2%**                                                                                              | 0.9%** |
| Total operating income                                                         | 348                                                                                                      | 317   | 249                                                                                        | 242   | 73                                                                                                                      | 54    | 35                                                                                                    | 34     |
| EBITDA                                                                         | 121                                                                                                      | 118   | 129                                                                                        | 131   | 64                                                                                                                      | 44    | 0                                                                                                     | -/- 1  |
| Operating Profit/Loss                                                          | 59                                                                                                       | 48    | 99                                                                                         | 103   | 58                                                                                                                      | 40    | -/- 5                                                                                                 | -/- 3  |
| Average fixed assets                                                           | 1,181                                                                                                    | 1,080 | 350                                                                                        | 342   | 791                                                                                                                     | 620   | 129                                                                                                   | 118    |
| Investments                                                                    | 152                                                                                                      | 171   | 50                                                                                         | 41    | 118                                                                                                                     | 69    | 18                                                                                                    | 8      |
| Profit on the revaluation of the property portfolio                            |                                                                                                          |       |                                                                                            |       | 100                                                                                                                     | 67    |                                                                                                       |        |
| RONA incl. profit on the revaluation of the property portfolio before taxation |                                                                                                          |       |                                                                                            |       | 20.0%                                                                                                                   | 17.2% |                                                                                                       |        |

\* RONA (return on net assets) excluding profit on the revaluation of the property portfolio. This concerns unrealised profit on property value increases.

\*\* In calculating RONA (return on net assets), the group's share of participating interests' profit has been taken into account.

Financial fixed assets are included in average fixed assets.

# Schiphol Group



## Schiphol Group Profile

Schiphol Group\* is an airport operator primarily involved in creating and developing so-called AirportCities to create sustainable value for its stakeholders. The company's strategy is focused on strengthening its international competitive position by further building on the AirportCity concept. Schiphol Group aims to grow into a leading, international airport enterprise.

An AirportCity is an efficient, multi-modal hub for air, rail and road transport. It is a location that offers 24-hour services and facilities (shops, restaurants, hotels, information and communications technology, office space, business centres and recreation facilities), seven days a week to its visitors (passengers, staff and those meeting and greeting people) as well as to the international companies situated there (airlines, handling companies, logistics companies and business service providers).

The Schiphol Group flagship is Amsterdam Airport Schiphol, which reflects the most advanced development of the AirportCity concept. The experience and expertise acquired here is applied to adapt the concept to other international airports.

Schiphol Group owns and operates Amsterdam Airport Schiphol, Rotterdam Airport and Lelystad Airport and also has a 51% share in Eindhoven Airport. Outside the Netherlands Schiphol USA Inc. has a share in JFK IAT, which operates Terminal 4 at John F. Kennedy Airport, New York. Schiphol Australia has a share in Brisbane Airport Corporation, which manages Brisbane Airport in Australia.

Around half of Schiphol Group's turnover is derived from airport fees. In addition Schiphol Group generates income from retail activities, car-parking fees, real estate and business participations. The information in the 2001 annual report has been prepared in accordance with these revenue sources from the company's four business areas: Aviation, Consumers, Real Estate and Alliances and Participations.

In 2001 Schiphol Group generated a turnover of € 695 million and a net profit of € 183 million. Schiphol Group employs over 2,000 people on a full-time basis (average over 2001).

\* N.V. Luchthaven Schiphol trades under the name of Schiphol Group. Throughout these financial statements, references to Schiphol Group shall be taken to include the Group's subsidiaries, unless the contrary is explicitly stated or clear from the context.

# Key Figures

(in € million)

Previous years' figures have been adjusted to the current accounting policies

|                                                      | 2001      | 2000      | 1999      | 1998      | 1997      |
|------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Performance</b>                                   |           |           |           |           |           |
| Net turnover                                         | 695       | 637       | 575       | 553       | 504       |
| Operating profit                                     | 211       | 188       | 178       | 181       | 146       |
| Net profit                                           | 183       | 144       | 127       | 158       | 128       |
| Depreciation/Amortisation                            | 103       | 103       | 79        | 80        | 77        |
| Cash flow from operating activities <sup>1)</sup>    | 215       | 251       | 290       | 283       | 237       |
| <b>Balance sheet data</b>                            |           |           |           |           |           |
| Shareholders' equity                                 | 1,778     | 1,544     | 1,362     | 1,223     | 1,080     |
| Total assets                                         | 2,845     | 2,471     | 2,209     | 2,001     | 1,776     |
| <b>Ratios</b>                                        |           |           |           |           |           |
| Return on average equity (ROE)                       | 11.0      | 9.9       | 9.8       | 13.7      | 12.6      |
| Return on capital expenditure (ROCE) <sup>2)</sup>   | 8.8       | 9.0       | 9.4       | 10.5      | 9.4       |
| Interest-bearing debt/total assets                   | 0.24      | 0.21      | 0.21      | 0.23      | 0.26      |
| <b>Operating indicators</b>                          |           |           |           |           |           |
| Punctual arrivals (%) <sup>3)</sup>                  | 75.6      | 75.7      | 73.2      | 69.5      | 75.4      |
| Punctual departures (%) <sup>4)</sup>                | 64.1      | 64.1      | 61.9      | 57.2      | 67.7      |
| <b>Business volume (in quantities)</b>               |           |           |           |           |           |
| <b>Schiphol Group</b>                                |           |           |           |           |           |
| Air transport movements                              | 447,742   | 455,925   | 430,360   | 411,599   | 386,064   |
| Passengers (x 1,000)                                 | 40,557    | 40,645    | 37,668    | 35,248    | 32,308    |
| Cargo (x 1,000 kg)                                   | 1,183,969 | 1,223,377 | 1,182,319 | 1,173,787 | 1,163,266 |
| Of which:                                            |           |           |           |           |           |
| <b>Amsterdam Airport Schiphol</b>                    |           |           |           |           |           |
| Air transport movements                              | 416,462   | 414,928   | 393,606   | 376,810   | 349,476   |
| Passengers (x 1,000)                                 | 39,531    | 39,607    | 36,772    | 34,420    | 31,570    |
| Cargo (x 1,000 kg)                                   | 1,183,208 | 1,222,594 | 1,180,717 | 1,171,256 | 1,161,234 |
| <b>Personnel</b>                                     |           |           |           |           |           |
| Average effective workforce in full-time equivalents | 2,039     | 1,864     | 1,868     | 1,928     | 1,791     |

1) See the cash flow statement for a breakdown.

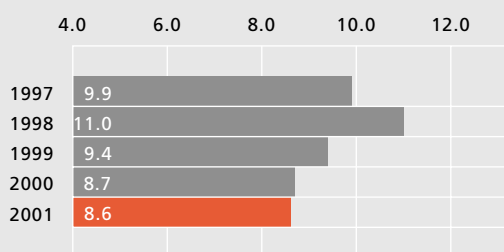
2) Operating profit / average (liabilities less non-interest bearing current liabilities).

3) Percentage of flights that arrived within 15 minutes of schedule.

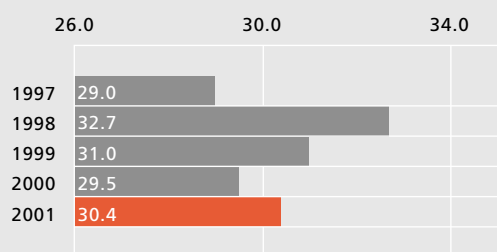
4) Percentage of flights that departed within 15 minutes of schedule.

**Return on Net Assets (RONA)**

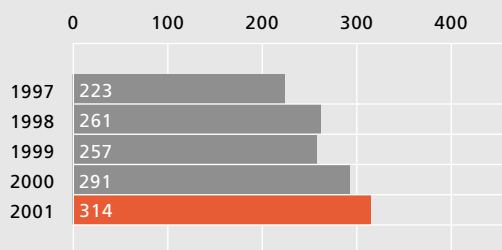
Operating profit (loss) / average fixed assets

**Operating profit**

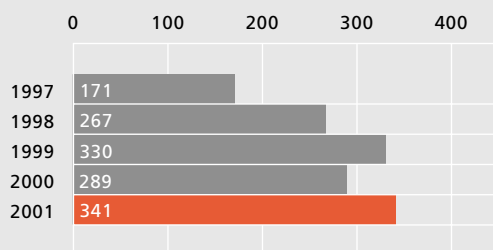
As a % of net turnover

**EBITDA**

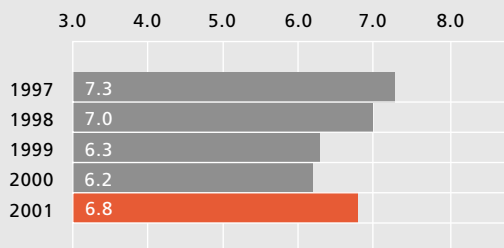
Earnings before interest, taxation, depreciation and amortisation in € million

**Capital expenditure**

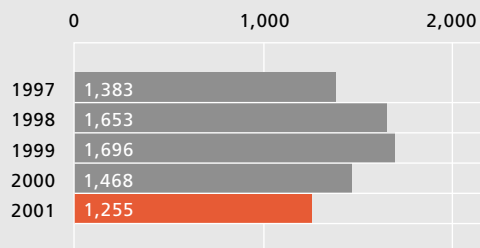
in € million

**Interest coverage ratio**

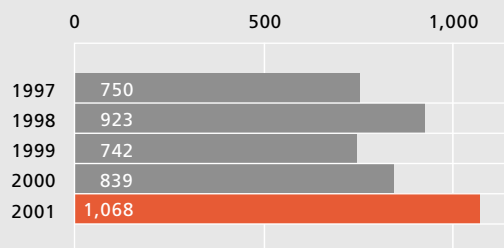
Operating profit (loss) / net financial items

**Operating cash flow per share**

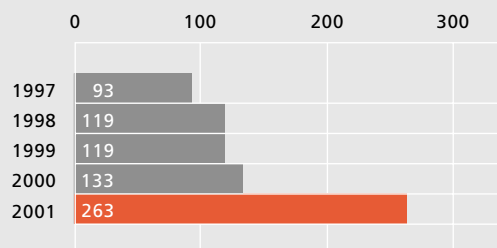
(in euros)

**Earnings per share**

(in euros)

**Dividend per share**

(in euros)



## Information for Shareholders

### Share capital

The authorised capital of Schiphol Group (N.V. Luchthaven Schiphol) is NLG 300 million (€ 136.1 million), divided into 300,000 shares with a nominal value of NLG 1,000 (€ 453.78) each. The issued capital is NLG 171,255,000 (€ 77,712,130). The shareholders in Schiphol Group are:

|                              |       |
|------------------------------|-------|
| The State of the Netherlands | 75.8% |
| The City of Amsterdam        | 21.8% |
| The City of Rotterdam        | 2.4%  |

The Dutch government announced in late 2000 that it planned a phased sell-off of its entire holding. Should the state indeed sell its shares, the City of Rotterdam has announced that it will follow suit. Negotiations with the City of Amsterdam about the sale of their shares are underway.

### Dividend policy

In consultation with the shareholders, the dividend for 2001 was set at approximately 25% of net profit, as a first step towards a dividend policy in line with market trends.

### Important dates

Annual General Meeting of Shareholders  
15 April 2002

Publication of 2002 interim results  
23 August 2002

Publication of figures for 2002  
21 February 2003

Publication of 2002 annual report  
24 March 2003\*

Annual General Meeting of Shareholders  
14 April 2003\*

\* These dates are subject to change.



## Report of the Supervisory Board

In the course of 2001, the Supervisory Board held five ordinary meetings. In addition to its usual business of discussing budget-to-actual analyses and operating profit, adopting the financial statements and the six months figures and making preparations for the 2002 Corporate Budget, the Supervisory Board devoted a generous share of its time to preparations for the forthcoming Initial Public Offering (IPO). It has also supervised the legal restructuring, part of which has been completed with the split-off of the domestic operations and their incorporation in Schiphol Nederland B.V.

As regards the phasing of investments, the Supervisory Board focused on getting a selective investment programme adopted whose priorities are the fifth runway, luggage handling, and additional investments in safety and security.

Following the introduction of the euro, the Supervisory Board amended the Board of Management's authorities. It also approved the establishment of a property fund, to which part of Schiphol Real Estate BV's property portfolio will be transferred and which is open to outside investors.

The Supervisory Board had regular discussions on the progress of Schiphol Group companies abroad. To name but two of the items on the agenda: the Pantares joint venture and the project to acquire a share in MAHB, the company that owns Kuala Lumpur International Airport and local and regional airports in Malaysia.

The Board also had one or two members present at each Central Works Council's consultative meeting.

The Remuneration Committee met a number of times to discuss and set the directors' remuneration. The Supervisory Board evaluated its own performance and adopted the retirement schedule. The Financial Committee convened twice on which occasions the financial statements for 2000, the 2001 interim report, the internal audit, and other internal matters were dealt with.

### Corporate Governance

The Supervisory Board's strategy for enhancing Corporate Governance was pursued further in the past year, as is evidenced by the implementation of the retirement schedule and the method for filling vacancies.

### Composition of the Supervisory Board

The following changes occurred in 2001: Supervisory Board members Roelof Nelissen (Chairman), Adriaan van Es, Hans Simons and Schelto Patijn stood down. The last two vacancies were filled by Peter van Dijk and Job Cohen. Trude Maas-de Brouwer was appointed as Mr van Es' successor. Peter-Jan Kalff was appointed the new Chairman. The Supervisory Board wishes to thank its parting members for their commitment, notably Mr Nelissen, who served on the Board since 1973 and played a unique role in the growth and development of N.V. Luchthaven Schiphol. Furthermore, Ruud Uijlenhoet stepped down from the Board of Management. The Supervisory Board wishes to thank him for his hard work and great dedication to the company.

### Financial Statements

We have discussed the interim results, financial statements, financial reporting and quality of the company's internal controls with our external auditor,

PricewaterhouseCoopers. The Report of the Board of Management and the financial statements were compiled by the Board as at 6 February 2002.

A sum of € 1,777,000 will be added to the reserve for participating interests. The Supervisory Board concurs with the Board of Management's proposal to distribute a dividend to the sum of € 45,000,000 on the paid-in capital and to add the remaining € 136,028,000 to the other reserves.

In accordance with the articles of association, the Supervisory Board adopted the financial statements in its meeting of 28 February 2002. PricewaterhouseCoopers has audited the statements and issued an unqualified opinion on them (see page 64). The Supervisory Board will present the financial statements for approval to the Annual General Meeting of Shareholders on 15 April 2002. The Supervisory Board proposes that these financial statements be approved and the Board of Management and the Supervisory Board discharged.

Finally, the members of the Supervisory Board would like to take this opportunity to express their appreciation to all management and staff of N.V. Luchthaven Schiphol and its subsidiaries for a job well done in what were often difficult circumstances.

28 February 2002

*The Supervisory Board*

## Supervisory Board, Board of Management and Central Works Council

### Supervisory Board

**Peter-Jan Kalff (1937), Chairman** <sup>1)</sup> <sup>2)</sup> <sup>3)</sup>

Member since 1997 (second term of office expires in 2005).

Former Chairman of the Board of ABN AMRO Holding N.V.

**Hans van den Broek (1936)** <sup>3)</sup>

Member since 2000 (first term of office expires in 2004).

Former member of the European Commission and former Foreign Secretary.

**Geert Dales (1952)**

Member since 2000 (first term of office expires in 2004).

Amsterdam City Councillor, Chairman of the Finance, and Port and Airport Committees.

**Jan-Michiël Hessels (1942)** <sup>2)</sup> <sup>3)</sup>

Member since 1994 (second term of office expires in 2002).

Former Chairman of the Board of Koninklijke Vendex KBB N.V.

**Johan Kremers (1933)** <sup>1)</sup> <sup>3)</sup>

Member since 1994 (second term of office expires in 2002).

Former Vice-Chairman of Robeco Group's Policy Committee and former Managing Director of Rodamco N.V.

**Geert van Maanen (1951)** <sup>1)</sup> <sup>2)</sup>

Member since 1999 (first term of office expires in 2003).

Secretary General, Dutch Ministry of Finance.

**Toon Woltman (1937)** <sup>1)</sup> <sup>3)</sup>

Member since 1998 (first term of office expires in 2002).

Former Chairman of the Amsterdam Chamber of Commerce and Industry.

**Job Cohen (1947), Vice-Chairman**

Member since 2001 (first term of office expires in 2005).

Mayor of Amsterdam.

**Peter van Dijk (1949)**

Member since 2001 (first term of office expires in 2005).

Rotterdam City Councillor, Chairman of the Port and Economic Affairs Committee.

**Trude Maas-de Brouwer (1946)**

Member since 2001 (first term of office expires in 2005).

President of the HayVision Society.

**Joris Backer (1953), Secretary**

### Board of Management

**Gerlach Cerfontaine (1946)**

Chairman of the Board of Management

**Marika van Lier Lels (1959)**

Member of the Board of Management/Chief Operational Officer

**Pieter Verboom (1950)**

Member of the Board of Management/Chief Financial Officer

### Members of the Central Works Council

**Henk Bank (1945)**

**Anand Binda (1956)**

**Cees Breems (1945)**

**Jaap Brouwer (1948), Secretary**

**Catharina Coepijn (1973)**

**Bart van Doorn (1974)**

**Jan van Enthoven (1945)**

**Marja Goeman-Scheltema (1953)**

**Onno Hagers (1961)**

**Bob Hilgeman (1949)**

**Theo van Heijningen (1953)**

**Jac Koomen (1946)**

**Inna Ratieva (1963)**

**Lex Oude Weernink (1953), Chairman**

**Luuk Pol (1946)**

**Meike Verhaest (1945)**

<sup>1)</sup> Member of the Remuneration Committee.

<sup>2)</sup> Member of the Financial Committee.

<sup>3)</sup> Member of the Privatisation Committee.



## Board of Management Report

### Foreword by the Chairman of the Board of Management

The year 2001 was overshadowed by the September 11 tragedy in the United States, which brought about a sharp decline in passenger and cargo transport in the worldwide aviation industry. Before that date, however, there was question of limited growth in passenger numbers and decreasing cargo volume influenced by less favourable economic circumstances.

Amsterdam Airport Schiphol was able to develop reasonably well initially in 2001, with a 3.5 % increase in passengers during the first half-year. Following the September 11 tragedy, travel – especially along U.S. and Middle East routes – dropped sharply. The decrease peaked in October and November. Although Schiphol Group's figures compare favourably with those of other major European airports, it remains to be seen whether the tragedy will have any long-term psychological effects on traffic and transport.

#### **Problems in the Aviation Industry**

The worldwide drop in passenger numbers and cargo volume is having a dramatic effect on the airlines. This is manifest in growing losses, tougher competition and company rationalisations. Recently, Sabena, Swissair and Ansett ceased operations and many more are in serious trouble. The unfavourable market situation will force many airlines to reconsider their position. Evaluation of their networks and (re)consideration of cooperative agreements will be inevitable. The past year saw constructive collaboration with KLM, our biggest client, in order to resolve the negative impact of the issues that have arisen since September 11.

#### **Schiphol's Market Share on the Rise**

Despite the sombre outlook, Schiphol Group developed relatively favourably in 2001. Amsterdam Airport Schiphol increased its European market share for both passengers and cargo and certainly achieved good financial results considering the circumstances. This was partly attributable to cost-saving measures taken earlier in the year in response to the decline in the aviation sector.

#### **Highest Priority for Security**

Following the September 11 events security is receiving heightened attention, with all parties involved in the aviation process assuming their own responsibility. Amsterdam Airport Schiphol is already one of the most secure airports in Europe. We plan to undertake every effort to carry out further improvements in the future. Huge investments have already been made in security in recent years. In 2001 this was evidenced by the introduction of centralised security and automatic border passage employing iris recognition.

We will continue to invest heavily in security in the years to come. This is in part in response to more stringent Dutch government requirements but we ourselves believe it is vital for passengers to feel secure when boarding an aircraft. In 2001 we requested the government to commission an independent audit of Amsterdam Airport Schiphol's centralised security. The results will be published in early 2002. We believe it would also be extremely useful for other airports to have a similar security audit carried out.

From left to right:

P.M. Verboom

M.E. van Lier Lels

G.J. Cerfontaine

A great deal of attention was focused on fire safety and fire prevention as well, partly as a consequence of the two fires at Schiphol Plaza in 2001. A number of projects were implemented to improve fire safety. Until 2005 over € 100 million will be spent on fire safety improvement projects.

### **Schiphol within Noise Zones**

It is pleasing to confirm that Schiphol remained within the statutory noise zones in 2001. This is a good performance particularly since winds were highly unfavourable for prolonged periods of time early in the operating year. A good working relationship between all parties, timely initiation of suitable measures and generally good weather conditions later on in the year helped avoid noise zone breaches.

### **New Passenger Services**

Good progress was made in e-business. Our revamped website [www.schiphol.nl](http://www.schiphol.nl) offers a fast-growing variety of possibilities. Website visitors can order airline tickets, buy articles from the See Buy Fly shopping centre, and reserve rental cars or taxi transport online via Schiphol Travelport. The site has become one of the most visited travel sites in the Netherlands.

Schiphol Group also launched the Privium service programme, a key feature of which is automatic border passage employing iris recognition. Schiphol Travel Taxi, offering combined on-call taxi transport to and from the airport, also commenced services in 2001.

### **Policy Continues to Focus on Sustainable Growth**

Although the current market outlook does not appear to be optimistic, we see no reason to be pessimistic about the future. We are convinced that the volume of air transport will continue to grow structurally,

even if periodic fluctuations resulting from the normal economic cycle or events such as those in 2001 occur. History has demonstrated that a similar downturn is always followed by recovery and that the previous growth rate ultimately picks up.

Schiphol Group's long-term policy will therefore continue to target sustainable growth. Since growth in the short term is unlikely to meet the earlier forecast, a number of major investment projects have either been put on hold or halted. This applies to the planned extension of the airport terminal's west wing and to construction of the J Pier. In the longer term these expansion projects will indeed be necessary to absorb structural growth in passenger numbers. The construction of the fifth runway and new baggage facilities are proceeding according to schedule.

The company's strong financial position provides sufficient leeway to carry out continued investments. This applies not only to airport-related investments at Amsterdam Airport Schiphol but also to shops and restaurants, real estate and international activities. Internationalisation continues to be a fundamental part of our policy. Export of the AirportCity concept and participation in foreign airports will, in time, generate additional revenue and spread risk, and thus serve to strengthen our competitive position.

### **New JFK Terminal Open**

Among our current foreign operations, the JFK IAT joint venture – in which Schiphol USA Inc. has a 40% interest – opened the new Terminal 4 at JFK Airport in New York. The project was heavily affected by the September 11 events. Brisbane Airport, in which Schiphol Australia has a 16% stake, has been rated

as Australia's best airport. A consortium, in which Schiphol Group participates through the Pantares Alliance – our cooperation agreement with Fraport – was selected to develop a logistics centre at Hong Kong Airport.

Schiphol Group did not enter into any new airport participations in 2001. Following the September tragedy, Schiphol Group – acting through Pantares – withdrew from the tendering process for Sydney Airport in Australia. However, intensive negotiations on acquiring a stake in the company operating the Malaysian airports are ongoing. We expect to receive more clarity on the project in 2002.

#### **Initial Public Offering (IPO)**

In view of Schiphol Group's proposed stock market listing a legal framework has been created, which we believe safeguards the public interest in respect of safety and the environment, preservation of Amsterdam Schiphol's mainport position and the interests of airport users.

In early 2002, Dutch Parliament's Lower House will discuss a ruling concerning the government's intent to float a portion of its Schiphol Group shares on the stock market. In view of the guarantees to safeguard the public interest, we are confident that the outcome will be positive. Should that be the case, an Initial Public Offering within the foreseeable future will certainly be possible. More distance from the government and capital market access are vital for Schiphol Group to develop further.

#### **New Aviation Act**

Another important aspect of Schiphol Group's future is that in 2001, the Lower House agreed with the general principles underlying the new Aviation Act. The new Act defines environmental and safety standards for Amsterdam Airport Schiphol and will take effect when the fifth runway opens. Together with the new runway, scheduled for completion at year-end 2002, it is expected that these standards will offer aviation at Amsterdam Schiphol sufficient growth potential for the coming years.

These standards will simultaneously assure the people living around the airport that their interests are being taken into consideration.

#### **Confidence in the Future**

Despite the turbulent environment in which we are now operating, we have every reason to have faith in the future. Schiphol Group operates in a structural growth market, has a solid financial foundation and employs highly specialist and loyal staff. With these factors as a basis, there is every prospect of sustainable growth.

*Gerlach Cerfontaine*

On account of the impact of the September 11, 2001 events on the aviation industry, we have asked the European Transport Commissioner and the Executive Secretary of the European Civil Aviation Conference (ECAC), the inter-governmental organisation of aviation authorities in Europe, to let us have their views on 'airport security'. Their contributions can be found on the opposite page and on page 25.

*The Board of Management.*



*'The importance of good airport security and what airports should do to regain the passenger confidence in air travel'*

## Mrs. Loyola de Palacio

*European Commission Vice-President*

**T**he aviation world was changed irrevocably on 11 September 2001. The terrorist attacks undertaken on that date and their dramatic consequences in Washington and New York have highlighted the need for improved, common security measures in aviation. They have also shown the high degree of interdependency of the air transport security system. Since any aircraft can be hijacked on departure from any airport and used as a bomb against any city within its flying range, the safety of both aircraft passengers and of the general public at large is dependent on the preventive security measures taken at every single airport. It is also clear that both domestic and international flights are equally vulnerable to terrorist action.

Against this background the European Commission has initiated in October 2001 legislation to mandate on an EU basis uniform security standards at all Community airports. There was a strong political belief that such an initiative was necessary in order to restore passenger confidence in air travel in Europe.

The key elements of this forthcoming legislation are the establishment of common standards for airports security measures and the definition of technical specifications for equipment in support of aviation security. The legislation will also establish a collective control mechanism to check that good airport security is effectively put in place at all Community airports.

As the events of September 11 so clearly showed it is not sufficient to have security measures in place in theory – they must also be implemented in practice.

It is clear that technology can make a significant contribution to improve airport security. However, technological solutions to reduce accurately the security risk should reconcile high performance with passenger friendliness. In this context, the European Commission shall follow with interest the outcome of the pilot programme based on biometric identification of passengers that has been launched at Schiphol airport.

In addition to the conventional airport security measures that have been applied at most airports around the world, an adequate response to the new threat to civil aviation will require innovative, accurate and high performing solutions.

In order to further stimulate technical developments in this field the European Commission will also propose that a part of the forthcoming 6th Framework Programme on Research shall be dedicated to aviation security.

At this stage the focus of the work of the European Commission is security of airports since the primary goal is the prevention of incidents on board planes. However, security is not exclusively an airport issue. If and when the need arises the Commission may propose to extend its scope of activity to cover security issues within aircraft.





## Strategy and Objectives

- **Creating sustainable value for stakeholders**
- **Further development of the AirportCity concept**
- **RONA used to measure added value**

Schiphol Group's key general objective is to create and develop AirportCities to create sustainable value for its stakeholders. These are the shareholders, airlines, handling companies, shipping companies, passengers, staff, suppliers, authorities and local residents. The company's financial objective is to create value for its shareholders.

### **Strategy aimed at Sustainable Growth**

On the one hand our strategy focuses on sustainable growth at Amsterdam Schiphol and, international expansion on the other. The market offers ample opportunity to carry this out because aviation is considered a structural growth industry even though upward trends may suffer from fluctuations from year to year.

At Amsterdam Schiphol, we aim to continuously develop the AirportCity concept, strengthen our competitive position within the defined environmental and safety standards, and maintain and expand our mainport position as a multi-modal transportation hub. To achieve our goal ongoing investments are required to increase capacity and enhance the quality of the operational processes. On an international level, Schiphol Group aims to build up a network of airports to which (parts of) the AirportCity concept can be applied and further developed.

To achieve these objectives, we aim to:

- Offer high-quality products and services at a competitive price level.
- Strengthen Schiphol Group's reputation and lead position, nationally and internationally.
- Create a stimulating working environment for our staff.
- Generate the financial funds required for international expansion and other activities.

### **Emphasis on Operational Excellence**

Our company considers operational excellence a main factor in retaining Amsterdam Airport Schiphol among the best airports in Europe. We must therefore deliver excellent performance throughout all areas of the operational process including punctuality, customer-friendliness and baggage handling. Safety and the environment will be explicitly taken into account.

### **Creating Value using Value-Based Management**

At Schiphol Group, we apply Value-Based Management to conduct our activities and define investments with the objective to create value. With the exception of Aviation, all business areas are required to create value, i.e. generate a yield over time exceeding the Weighted Average Cost of Capital (WACC). The objective of Aviation, which operates in an environment regulated by the authorities, is to increase yield over time to match capital expenditure.

Value creation (while taking political risks into account) is an important criterion for selecting acquisitions, as is the contribution new participations can make to enhance the AirportCity concept. It is therefore important that participations be not only financial in nature but that they encompass sufficient influence on policy.



Return on Net Assets (RONA), which we use to measure value creation, must be higher than WACC. In the absence of a stock exchange listing WACC after taxes is estimated at 8%. In 2001 Schiphol Group achieved a RONA before taxes of 8.6%, excluding an increase in the real estate portfolio value.



## Financial Developments

- **Net profit rises to € 183 million**
- **RONA amounts to 8.6%**
- **Balance sheet ratios remain strong**

### Net profit up again

Schiphol Group posted a net profit of € 183 million in 2001, € 39 million more than in 2000. It should be noted that profit in 2000 was reduced by approximately € 18 million in extraordinary expenses, which were incurred primarily in connection with future privatisation.

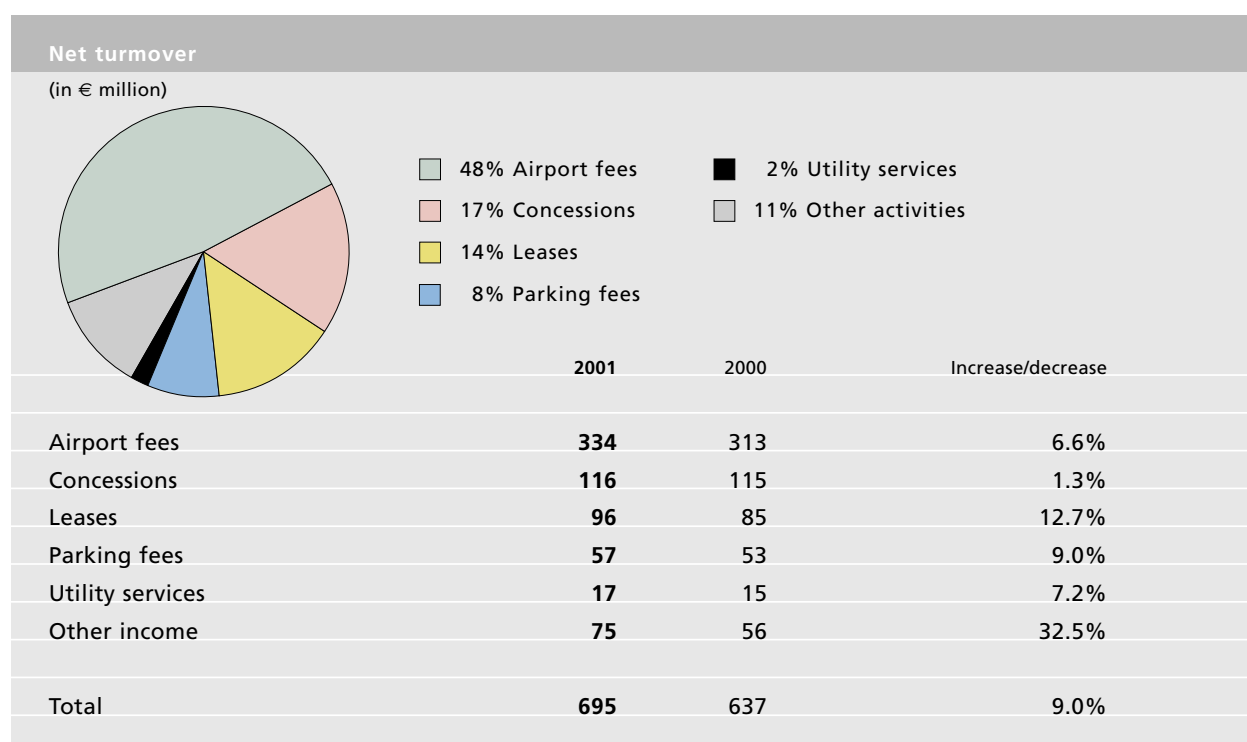
Return on net assets (RONA) in 2001 was 8.6% (8.7% in 2000). RONA including profit on the revaluation of

the property portfolio rose to 12.7%, compared with 11.8% in 2000. Return on equity (ROE) was 11.0%, up from 9.9% in 2000.

Despite the attacks of 11 September, which reduced profits by approximately € 23 million, net profits were higher than expected. This is partly due to the fact that no corporate income tax was due in 2001. As of 1 January 2002, this has changed, and the Schiphol Group has become liable to corporate income tax.

### Net turnover

Net turnover increased by 9.0% in 2001 to € 695 million. Broken down by category, the picture looks as follows:



| Important financial items                                 |         |         |                  |
|-----------------------------------------------------------|---------|---------|------------------|
| (in € million)                                            |         |         |                  |
|                                                           | 2001    | 2000    | Change<br>as a % |
| <b>Financial performance</b>                              |         |         |                  |
| Net turnover                                              | 695     | 637     | 9.0              |
| Own work capitalised                                      | 11      | 9       | 12.9             |
| Total operating income                                    | 706     | 646     | 9.4              |
| Total operating expenses before depreciation/amortisation | -/- 392 | -/- 355 | 10.5             |
| EBITDA                                                    | 314     | 291     | 8.0              |
| Depreciation/Amortisation                                 | -/- 103 | -/- 104 | -/- 0.5          |
| Operating profit                                          | 211     | 188     | 12.2             |
| Financial items                                           | -/- 31  | -/- 30  | 2.3              |
| Share in operating profits of participating interests     | 3       | 5       | -/- 45.8         |
| Taxation                                                  | 0       | -/- 1   | -/- 140.0        |
| Profit from ordinary activities after taxation            | 183     | 162     | 12.8             |
| Extraordinary expenses                                    | 0       | -/- 18  | -/- 100.0        |
| Minority interests                                        | 0       | 0       |                  |
| Net profit                                                | 183     | 144     | 27.2             |
| <b>Balance sheet development</b>                          |         |         |                  |
| Balance sheet total                                       | 2,845   | 2,471   | 15.1             |
| Fixed assets                                              | 2,618   | 2,284   | 14.6             |
| Shareholders' equity                                      | 1,778   | 1,544   | 15.2             |
| Long-term liabilities                                     | 394     | 382     | 3.1              |

Because the group increased its share in Schiphol Telematics to 50% in early 2001, this company is included in the consolidation for 50%. As a result, total net turnover increased by 1.3%

The increase in airport fees is mainly attributable to price rises in late 2000 and mid-2001. The number of passengers fell slightly, whereas the numbers of take-offs and landings rose slightly, as did the mean take-off weight. Mean take-off weight is one of the criteria for determining take-off and landing fees.

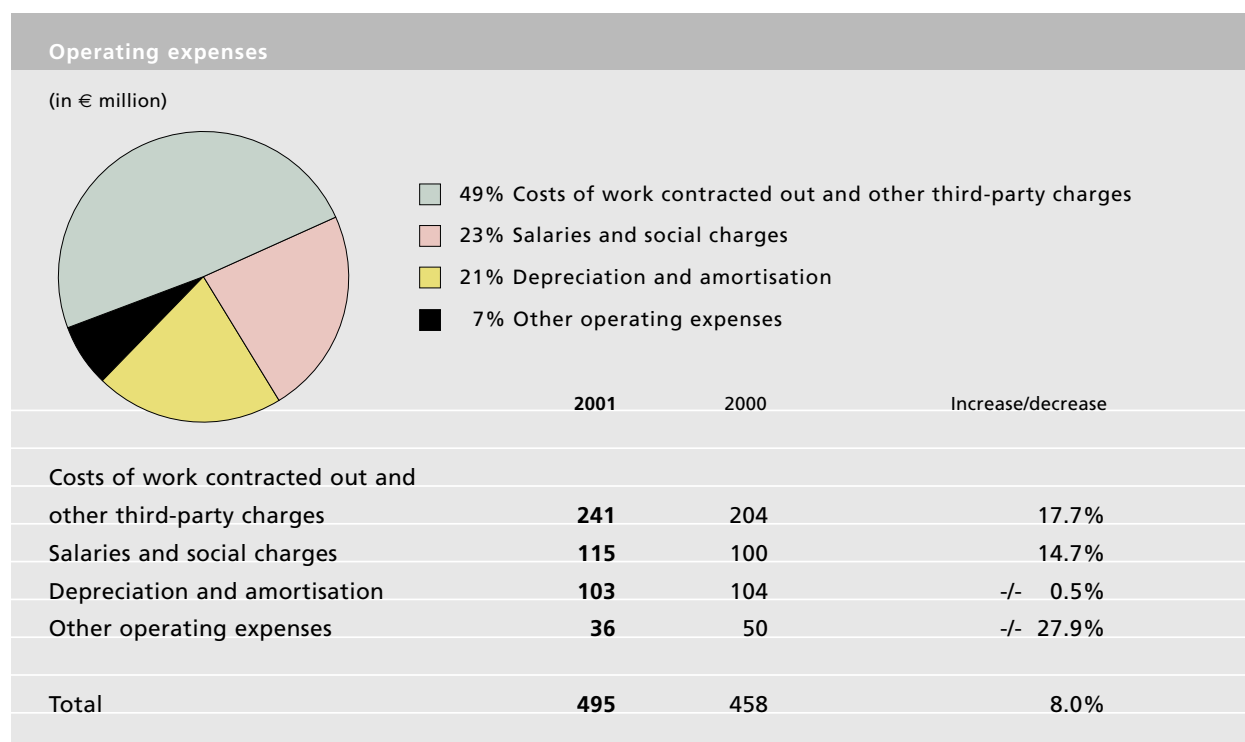
Income from concessions was virtually the same as last year. The forecast growth did not materialise, most likely because the passenger numbers remained unchanged and per-passenger spending dropped, particularly after September 11.

Income from leases continued to rise, thanks to an increase in lettable surface area, exceptionally high occupancy rates and further increases in lease prices.

Income from car parking fees rose as a result of an increase in the number of long-term parkers. Income from other activities increased partly as the result of the sale of land. Income from consultancy fell as these services are being phased out.

## Operating expenses

Operating expenses increased by 8% to € 495 million. They break down as follows:



The consolidation of Schiphol Telematics accounts for 1.5% of the cost increase.

The rise in external costs was due to inflation, the introduction of centralised security, and increases in work contracted out and maintenance costs. Another factor was extraordinary expenses, such as the write-off of the FIS 2000 flight information system and acquisition costs. The rising costs were largely set off by the effects of cost-cutting measures introduced in the course of the year. Our drive to improve quality and security has led us to take on extra staff, which accounts for the increase in salaries and social charges.

Depreciation and amortisation were the same as last year. In 2000, depreciation and amortisation charges were higher (€ 7.5 million) than in 2001 due to disposals and impairment. Before disposals, depreciation and amortisation were higher in 2001 because of tangible fixed assets following increased investment.

Other operating expenses fell sharply, thanks to cost-cutting measures and active cost control. Another reason for the more favourable figure for 2001 is that in 2000 a one-off addition to the provision for ICT was made in the amount of € 17 million, and substantial sums were invested in e-business.

## Operating profit

The above trends in income and costs resulted in an operating profit of € 211 million, as against € 188 million in 2000. EBITDA in 2001 was € 314 million (€ 292 million in 2000).

On balance, financial expenses were the same as in the previous year, with the positive effect of lower interest rates offset by a higher average amount of outstanding loans.

The group's share of participating interests' profit decreased considerably, primarily because the share in the profit of Schiphol Telematics was accounted for differently (now partly consolidated), and because Eindhoven Airport and the JFK IAT joint venture posted lower profits.

## Investment and financing

Even though some large investment projects were put on hold following the events of September 11, the reporting year saw record investments of € 341 million. Most of these went towards further improving and extending facilities at Amsterdam Airport Schiphol. The most important project was the construction of the fifth runway, which will be completed by the end of 2002. Major investments

were also made in the luggage handling system, security, and fire prevention and safety. In the reporting year, the group made use of the Euro Medium-Term Note (EMTN) programme, which was launched in 1999. At 31 December 2001, € 391 million had been raised. The group proposes to extend the programme in 2002 to up to € 1 billion. For this reason, the existing current liabilities due after one year will be refinanced.

Schiphol Group has a € 68 million committed credit line facility with ABN AMRO that expires by year-end 2002.

### **Financial position**

The group's financial ratios were again excellent. Shareholders' equity was up from € 1,544 million to € 1,778 million. Most of the increase was attributable to retained profit, while € 100 million profit on the revaluation of the property portfolio was added to equity. At year-end, interest-bearing debt accounted for 24% of total assets, as against 21% at the end of 2000. The group's financial position is such that it will be able to finance further expansion in the next few years.

### **Legal restructuring**

In December 2001, a legal restructuring of N.V. Luchthaven Schiphol took place. The company has been transformed into a holding company and will, in principle, no longer conduct any operating activities. The domestic operations have been transferred to Schiphol Nederland BV, which was established in 2001, the international operations to Schiphol International BV. Once the restructuring is complete, the group's structure will be more transparent and thus better suited to a player on the international markets.

## Risk Management

### General

Risk management is more than managing financial risks. Risks are uncertainties inherent to the company's business. That makes risk management an organic aspect of its day-to-day running. Schiphol Group uses several systems to manage these risks.

In addition to inherent business risks, the group also faces risk from its environment. Events beyond the group's control may have a material impact on its business and performance. And although such risks are hard to control, the group can and should do its best to prepare for the consequences of such risks.

### Aviation risks

Although the effects of the attacks of September 11 are also being felt by Amsterdam Airport Schiphol, the diversity and spread of the group's operations have softened their direct impact. Indirectly, however, the attacks have caused uncertainties as many carriers are suffering the consequences. With carriers strapped for cash, Schiphol Group runs an increased credit risk. In addition, carriers are likely to reconsider their networks, joint ventures and alliances. This may in turn affect the position of hubs such as Schiphol Airport.

Schiphol Group is doing its utmost to prepare for any such changes by presenting Amsterdam Airport Schiphol as an attractive airport offering excellent facilities, effective processes and competitive rates. The group is also pursuing a strategy of international expansion in order to reduce its dependence on the performance of a single location.

KLM Royal Dutch Airlines has appealed against the Dutch Ministry of Transport's endorsement of the 2000 increase in airport fees, and has paid the fees under

protest since. There are some other claims against the company and/or its group companies as well. All claims are being contested, and although their outcomes obviously cannot be predicted with certainty, our legal advisors and the information available to us give us reason to assume that there will be no material consequences for the group's financial position. For this reason, it was decided not to create any provisions or debtors.

### Financial risk

Schiphol Group has its own manuals and procedures for managing its exchange rate and interest rate risks. The management tools used include standard derivatives. For participating interests, in addition to shareholders' equity, use is made of loan capital, preferably denominated in the local currencies. As the group intends to hold on to these participations in the long term, it has taken no further steps to hedge equity exposure. Loan capital is raised as much as possible on a non-recourse basis.

### Safety and the environment

Schiphol Group has extensive procedures for managing environmental and safety risks. These procedures are firmly rooted in the group's organisations and set down in company manuals. All procedures do, of course, take account of existing and proposed laws, and rules and regulations governing safety and the environment. For more details, please refer to the community report.



## Human Resources

- **Review structure with more focus on objectives**
- **Staff grows by 12%**
- **Increased staff satisfaction**

### **Organisation with more focus on objectives**

The company adapted its review structure in the reporting year in an effort to more sharply focus the organisation on objectives. The new system consists of an AirportCity Executive (ACE), an Amsterdam Airport Schiphol Management Team (MT AAS) and an International Management Team (MTI).

Under the leadership of Schiphol Group's Chairman of the Board of Management, ACE focuses on further developing the AirportCity concept, in particular on developing new consumer products and services.

MT AAS is led by the Chief Operating Officer. The team co-ordinates operational and commercial policy plus master planning at the Schiphol location. Business Development and Airport Development staff departments were set up to support the decision-making process.

MTI is led by the Chief Financial Officer. The team's task is to market products, services and models developed at Amsterdam Schiphol, preferably together with Fraport within the framework of the Pantares alliance.

### **PRO Supports Infrastructure Investments**

The new support unit PRO (Schiphol Project

Management) was set up as part of the focus on business areas. The new unit carries out project management for business units that make infrastructure investments at the Schiphol location. International consulting activities previously carried by Schiphol Project Consult (SPC) are being reduced. Long-term airport development has been placed under the responsibility of the Airport Development staff department.

### **Staff Numbers Increase**

At year-end 2001 staff numbers based on full-time equivalents (FTEs) totalled 2,107.7 (2,198 people) compared to 1,878.8 a year earlier (up 12.2%). The most important growth factor was the further increase in the number of operational departments within the Passenger, Airlines and Retail business units. The supplementation stems from the objective to increase operational excellence, become less dependent on external parties and safeguard specific knowledge. In addition the growth in personnel numbers resulted from the inclusion of Schiphol Telematics in the figures. Another contributing factor is the fact that day-shift staff working within the system of variable working hours spent more hours working. The average number of FTE staff members totalled 2,039 in 2001 (1,864 in 2000).

In addition to the 2,198 working staff at the end of 2001, another 18 Schiphol Nederland BV staff members were officially defined as being redundant following the 1999 reorganisation. A year ago that number was 32. Another 89 people aged 55 and above took up the special early retirement scheme (104 in 2000). For both categories of non-working personnel, financial arrangements had already been made. They were therefore not included as part of the active workforce.



### **Management Development**

Following the 'Schiphol Group Competencies' programme developed in 2000, we began a training programme for developing leadership qualities in 2001. Training courses on motivational leadership were started for two target groups: new academics and middle management. A training course for Management Team members will be added in early 2002. In addition, the relationship between centralised and decentralised career guidance has been further worked out. Pursuant to an analysis of the available succession potential, we have decided to select a number of individuals with sufficient potential to reinforce succession planning at management level.

### **Employee Satisfaction Improves**

In 2001 a personnel survey was again carried out to determine whether departmental improvements stemming from previous surveys had brought about noticeable change. The survey shows that general employee satisfaction has increased from 56% to 72%.

Personnel positively assessed work satisfaction, cooperation within the department and development opportunities within the company. Weaker points include cooperation between the business units and efficiency. To spearhead a programme of further improvement, we are using the slogan 'Cooperation in a Culture of Enterprise'.

Similar to last year, the survey results are being used to introduce new areas of improvement at departmental level. The purpose of the personnel monitor is to gain insight into our employees' perception of their work and maintain an ongoing process of improvement in the workplace.

### **New Collective Labour Agreement**

In April 2001 we signed a new, two-year Collective Labour Agreement (CAO) for the Schiphol location. The agreement includes two salary increases of 4% each and agreements on a gradual phase-out of non-statutory benefits for the unemployed; previously known as the half-pay scheme (*wachtgeldregeling*). Furthermore, we have agreed on a scheme to allow older personnel carrying out continuous shift work to take early retirement if they continue to work night shifts.

We have also agreed to carry out a study into introducing a new result-oriented salary system, which

is more in line with market standards. This will also involve an evaluation and job assessment system. Finally, we have agreed to give further form and substance to an Individual Development Plan.

### **Labour Conditions**

We have further enhanced the health and safety review system. We have appointed Health and Safety Coordinators within each business unit. The coordinators manage specific health and safety issues and monitor the processes to maintain widespread awareness for working conditions. In 2001 we again focused considerable attention on Repetitive Strain Injury (RSI) prevention. Investments in 2000 and 2001 in special furniture and training appear to be paying off. We met – and exceeded – the objective defined last year to achieve a 10% reduction in RSI-related complaints.

### **Employee Participation**

In 2001 Schiphol Group management met with the Central Works Council eleven times to discuss issues such as cooperation with Fraport within the framework of Pantares, the possible IPO, legal restructuring, internationalisation policy and development of the organisation.



## Safety and Accessibility

- Major investments in security and fire safety
- Border passage employing iris recognition
- Drop in public transport use by passengers

### Safety and Security

#### Heightened Attention to Safety

The September 11 tragedy induced a reorientation of security at airports and their environs. Every effort must be undertaken to restore the passenger's belief in flying as still being the safest form of transportation. This should not only encompass security but flight safety, and fire safety and fire prevention – the latter relates largely to the terminal.

Amsterdam Airport Schiphol is one of the most secure airports in Europe. We will nevertheless continue to invest in improvements that enable us to monitor our passengers efficiently without causing unacceptable waiting times. In 2001 we invested € 24.5 million in security; investments for 2002 are estimated at € 55 million. This will include projects imposed by the authorities as well as projects deemed necessary for passenger safety.

#### Responsibilities

The level of security at Amsterdam Airport Schiphol is determined by the Ministry of Justice because the responsibility for airport security is principally carried by the authorities. The Dutch Border Police (*Koninklijke Marechaussee*) are responsible for security

checks of passengers, carry-on baggage and hold baggage. These checks are carried out by a security company contracted by the Ministry of Justice utilising the facilities made available by the airport. The airport carries responsibility for controlling the entry of staff working in the secure areas, such as lounges and platforms, as well as for the infrastructure (fencing and passageways etc.), and for the issue of the required passes. Finally, the airlines carry responsibility for the security of their own flight operations, with the exemption of so-called high risk flights for which the authorities take additional measures.

#### Centralised Security and Iris Recognition

One important security development at Amsterdam Airport Schiphol was the introduction of centralised security in June 2001. In the new setup, passenger security checks take place immediately after passport or ticket control instead of at the gate. This serves to compress waiting times and enables passengers to board more quickly. We have asked the authorities to have an independent body audit the centralised security system. The results of the audit will be published early in 2002.

After September 11 we initiated supplementary security measures such as stricter carry-on baggage checks.

In October, Amsterdam Airport Schiphol became the world's first airport to introduce automatic border passage for passengers using iris recognition. This is a major step forward in airport security. Passengers who become members of the Privium service programme are entitled to use the new system, which was launched as a pilot programme. Members are entitled to priority

parking right next to the terminal and faster check-in service as well.

In 2002 we will be renewing the Schiphol Pass for employees at Amsterdam Airport Schiphol and adapting the system for issuing the pass. The new pass will employ iris recognition, thereby improving airport security. The changeover will take more than a year.

### **Inventory of Dangerous Situations**

In order to take suitable measures to increase flight safety in the future, greater insight into the possible cause of accidents is required. Amsterdam Airport Schiphol maintains two systems. The Integral Safety Management System (*Integraal Veiligheids Management Systeem* or *IVMS*) monitors potentially dangerous situations arising during takeoff, flight, landing, taxiing and parking. All parties concerned – such as airlines, air traffic control and the handling companies – contribute to the process. Within this framework, the Airside Safety Management System focuses specifically on the airside activities of the Business Unit Airlines.

### **Fire Safety Standards**

We are focusing a great deal of attention to fire safety in the terminal; in the interest of protecting passengers and staff, our standards often exceed requirements set by the local or national authorities. For each part of the building, we draw a distinction between type of use, intensity of use, and the people using it. Based on these considerations, specific standards are defined.

After experiencing two fires at Schiphol Plaza in the first half of 2001, attention to fire safety was intensified and a number of projects were implemented to enhance fire safety. We have further decided to expand our existing fire safety plan. Within this framework, we will be investing € 100 million between 2002 and 2005 in measures to prevent or limit the risk of fire.

## **Accessibility**

### **Aim to Reduce Individual Transport**

Our policy focuses on encouraging the greatest possible use of public or collective transport to and from Amsterdam Airport Schiphol. We are working together with other parties, such as the Dutch Railways and the authorities. Good public transport

connections are vital if the use of individual transport is to be reduced. This is essential considering the shortage of space at and degree of congestion on roads around the airport. Amsterdam Airport Schiphol is contributing by discouraging mainly short-term parking using price differentiation.

In 2001, 43.6% of all passengers travelled to and from Amsterdam Schiphol either by public or collective transport, representing a 1% drop compared with 2000. One important factor was the negative publicity hitting the Dutch Railways associated with strikes and delays. As a result, the general public's use of public transport dropped from 35.7% to 34.2%. Other forms of collective transport – including hotel, charter and taxi-buses – did see some growth. The use of individual transport nevertheless grew to 55.5%.

### **Schiphol Travel Taxi into Operation**

In April, Schiphol Travel Taxi – a transport service set up in cooperation with the Dutch Cooperative Taxi Companies – went into operation. The system constitutes combined on-call transport, using mini-buses to transport passengers and their luggage to and from their homes. The project aims to stimulate collective transport to and from the airport. In 2001, Schiphol Travel Taxi transported 50,000 passengers. The service will be extended further in 2002.

### **Zuidtangent Commissioned**

In early 2002, a shuttle bus service using a dedicated bus lane (*Zuidtangent*), commissioned by the Province of North Holland, went into operation. The central bus line runs from Haarlem to Schiphol North. This will also contribute to improving public transport around Amsterdam Airport Schiphol; especially commuter traffic.

### **Optimising the High-Speed Rail Link**

In 2001, operation of the Southern High-Speed Rail Link was awarded to a consortium consisting of KLM and the Dutch Railways. We are now discussing with the consortium how to make the best possible use of the link, which will offer a good alternative to short-haul flights. Bearing that in mind, we regret that the authorities have chosen to use the existing rail link for the planned Eastern High-Speed Rail Link from Amsterdam Airport Schiphol to Germany.



*'Auditing of airports is essential  
to ensure security in Europe'*

## Raymond Benjamin

*Executive Secretary of ECAC*

**T**he tragic events of 11 September 2001 in the United States have changed civil aviation for ever and have posed a major challenge for the civil aviation industry world-wide and, of course, also in Europe.

The European Civil Aviation Conference (ECAC) reacted immediately by convening its Security Working Group which established specialist Task Forces to develop at short notice reinforced security measures for application in all 38 Member States. Already in December, their recommendations were adopted for inclusion in a revised version of ECAC's security policy document, Doc 30.

The central role of ECAC in civil aviation security was supported by the initiatives taken by the European Union in this field and which resulted in the development of civil aviation regulation for application in the 15 EU Member States. Close co-operation between ECAC and the European Commission ensured, and will continue to do so, that aviation security measures are, to the greatest extent possible, harmonised with the security policy valid in 38 ECAC Member States.

Of great importance in the future, and an essential element in the constant efforts to ensure security in Europe, will be the auditing of airports. Such audits verify whether provisions adopted by ECAC States and laid down in Doc 30 are in fact being implemented in practice. ECAC

was the first regional aviation organisation to adopt an Airport Audit Programme. Schiphol Airport counted among the very first airports to be audited by a European team of experts, all of which were trained at the European Aviation Security Training Institute and certificated by ECAC.

The introduction, by 31 December 2002, of the Programme of 100% hold baggage screening is a crucial project with a view to further increasing security. In terms of cost and infrastructure, this Programme has been a great challenge to all European Airports.

The international character of civil aviation necessitates a harmonised security system not only in Europe but also world-wide. In this connection ECAC Member States fully supported the objectives of the high-level, Ministerial Conference convened by the International Civil Aviation Organisation (ICAO) in February 2002 and played an active role in its deliberations. The endorsement of expert level work at a political level by Ministers will certainly help to maintain the momentum behind the civil aviation security measures being developed as a direct response to the events of 11th September.



## Business area Aviation

- **Market share grows despite drop in traffic**
- **Punctuality remains the same**
- **No breaches of statutory noise zones**

The business area Aviation provides services and facilities to the airlines and their passengers at Amsterdam Airport Schiphol. One of its key objectives is to maintain Amsterdam Airport Schiphol's standing as one of the favourite major airports in Europe. To achieve the objective, it must continue to increase the level of service quality and build on Amsterdam Schiphol's role as a mainport – without ever losing sight of key issues such as safety and the environment.

### Sharp Decline after September 11

2001 was a turbulent year for the aviation industry, as well as for Amsterdam Airport Schiphol. Transport of passengers – and, to a greater extent cargo – was put under extreme pressure as a result of the deteriorating economic climate and cutbacks at KLM, Amsterdam Schiphol's main carrier. Passenger numbers at Amsterdam Airport Schiphol nevertheless increased 4% prior to September 11. Following the U.S. tragedy, passenger numbers and flights declined. By the end of the year, however, a slight recovery occurred.

The drop in passenger numbers was mainly seen in transfer traffic; the share of transfer passengers dropped from 42.1% to 40.8%. Throughout 2001, the total number of passengers dropped by 0.2% to 39.5 million while cargo transport dropped by 3.2% to

### Financial items

| (in € million)         | 2001  | 2000  |
|------------------------|-------|-------|
| RONA (in %)            | 5.0   | 4.4   |
| Total operating income | 348   | 317   |
| EBITDA                 | 121   | 118   |
| Operating profit       | 59    | 48    |
| Average fixed assets   | 1,181 | 1,080 |
| Investments            | 152   | 171   |

1,183,208 tons. However, because other major airports were not performing better, Amsterdam Airport Schiphol managed to maintain its fourth place ranking in Europe for both passengers and cargo. The airport even gained some market share in both areas. The number of air transport movements rose by 0.4% to 416,462.

Amsterdam Schiphol's market share increase was due to a number of factors. Firstly, London and Frankfurt – our direct competitors – depend more on traffic from the U.S. and the Middle East, both of which experienced the greatest decline in the last few months of 2001. Secondly, domestic flights also suffered heavily from the economic slowdown. These are negligible for Amsterdam Schiphol compared to other major European airports. Thirdly, Amsterdam Airport Schiphol benefited from the relapse at Zurich and Brussels following the problems of Swissair and Sabena. Finally, the advent of the 'low-cost carriers' played a role. These are reasonably well represented at Amsterdam Schiphol – more so than at many other major airports.



### Number of Destinations

Although the airlines were forced to reduce their frequencies following the decline after 11 September – mainly when introducing their winter schedules – the number of destinations scarcely decreased.

At year-end 2001, passengers were able to fly from Amsterdam Airport Schiphol directly to 204 scheduled service destinations; nine less than in 2000. During the year under review, ten airlines terminated services at Amsterdam Schiphol while seven initiated services there. At year-end 2001, 86 scheduled service airlines were operating at Amsterdam Schiphol.

### Punctuality Practically Unchanged

In 2001, the punctuality with which flights were carried out remained more or less the same compared with 2000. Of all arriving flights, 75.6% came in on time compared with 75.7% the previous year. Departure punctuality remained exactly the same at 64.1%. In September, punctuality was at its lowest level. This largely resulted from bad weather and, to a lesser extent, the U.S. tragedy. Finnair and Garuda won the Punctuality Awards for 2001 for having the lowest number of delays in European and intercontinental traffic to and from Amsterdam Schiphol, respectively.

### Top Ranking

In the IATA ranking of airports with more than 25 million passengers, Amsterdam Schiphol maintained

its first place in Europe in 2001. The British magazine *Business Traveller* rated Amsterdam Schiphol as Best European Airport for the twentieth time since 1980. Amsterdam Airport Schiphol's own Quality Monitor revealed that appreciation among arriving passengers remained the same while that of departing passengers increased.

### Major Investments

Within the framework of extending capacity and improving operational excellence and security, a total of € 150 million was invested in aviation facilities at Amsterdam Schiphol in 2001. The most important investment project was the construction of the airport's fifth runway, which began in 2000. The project is running on schedule and completion is expected in November of 2002. Another project was INFOS 2001 involving renewal of all signage throughout the terminal.

In pursuit of operational excellence, we have installed new information desks in the lounges. We have also made major investments in a new baggage handling system and in the introduction of centralised security. Following the fall in air traffic and the relevant adjusted passenger forecast, we deemed it necessary to postpone a number of projects, such as the extension of the west wing of the terminal and the J Pier.

#### Passenger movements at European airports

(x 1,000)

|         |                      |
|---------|----------------------|
| 105,587 | London <sup>1)</sup> |
| 71,025  | Paris <sup>2)</sup>  |
| 48,569  | Frankfurt            |
| 39,531  | <b>Amsterdam</b>     |
| 33,987  | Madrid               |
| 26,284  | Rome <sup>3)</sup>   |
| 25,707  | Milan <sup>4)</sup>  |
| 23,647  | Munich               |
| 20,971  | Zurich               |
| 20,748  | Barcelona            |

1) Heathrow, Gatwick and Stansted.

2) Charles de Gaulle and Orly.

#### Cargo transport at European airports

(x 1,000 tonnes)

|         |                      |
|---------|----------------------|
| 1,627.7 | London <sup>1)</sup> |
| 1,476.4 | Frankfurt            |
| 1,460.3 | Paris <sup>2)</sup>  |
| 1,183.2 | <b>Amsterdam</b>     |
| 560.6   | Brussels             |
| 474.9   | Luxembourg           |
| 443.0   | Cologne              |
| 352.6   | Zurich               |
| 294.8   | Madrid               |
| 292.8   | Milan <sup>4)</sup>  |

3) Fiumicino and Ciampino.

4) Malpensa and Linate.

The most important investments (in millions of euros) were:

|                  |      |
|------------------|------|
| Fifth runway     | 91.8 |
| Security         | 24.5 |
| Baggage handling | 12.7 |
| Fire safety      | 15.8 |

### Improved Baggage Handling

During the year under review, baggage handling improved following the construction of temporary sorting belts and good cooperation between the relevant parties. The new baggage handling system under the D Pier apron was completed at the end of 2001 and will be phased into operation during the first half of 2002. Capacity for handling transfer baggage will increase from 3,000 to 5,600 suitcases per hour, which will be more than sufficient for the coming years.

In 2001 modernisation of the controls of the automated baggage handling system, BASS, was virtually completed. A project has meanwhile been initiated to enable screening of all hold baggage by January of 2003.

### Fires at Schiphol Plaza

During the first half of 2001, two fires occurred at Schiphol Plaza. Although the well-trained crisis teams quickly controlled the fires and no personal injuries were sustained, the terminal was temporarily rendered inaccessible by train and car, and air traffic was delayed. As a consequence of the fires, we commissioned the Netherlands Institute for Fire Service and Disaster Management (*NIBRA*) to examine whether the airport meets the fire safety and fire prevention standards as required by the authorities.

During 2001 representatives from the Municipality of Haarlemmermeer (where Amsterdam Schiphol is located) examined all areas of the terminal to determine whether it meets the authorities' required standards.

### Airport Fees Adjusted

Airport fees consist of take-off and landing charges, aircraft parking charges and passenger service charges. These fees, to be approved by the authorities, account for about 48% of Schiphol Group's revenues and are the most important source of income. Our rate policy aims to increase yield over time to match capital expenditure. We also apply rate differentiation to

reinforce the airport's mainport position, stimulate the use of low-noise aircraft and discourage nighttime flights.

On June 2, 2001 aircraft-related charges were increased by an average of 3.5%. The quietest aircraft saw the lowest increase and greater increases were imposed on noisier aircraft. Furthermore, to discourage the use of smaller aircraft, the base rate for the first twenty tons of take-off weight was increased while rates applied to additional weight over twenty tons were reduced.

Originally it was planned to introduce an Airport Security Charge on November 1, 2001 and increase the Passenger Service Charge in relation to costs associated with introducing centralised security. As a result, a portion of the security expenditures previously absorbed by the authorities is now being born by Schiphol Group. Because of the uncertain circumstances and lack of clarity on future costs and expenditures following September 11, these rate adjustments were suspended. Pending further approval by the authorities, it has been decided to introduce the Airport Security Charge on April 1, 2002. The Passenger Service Charge will remain unchanged.

### Lower Charges in 2002

We further decided, as of April 1, 2002, to reduce the take-off and landing charges that airlines are required to pay so as to make a modest contribution to easing difficulties in the aviation sector. The reduction will apply to aircraft with a maximum take-off weight of over twenty tons and amount to a total discount of around 4.5%.

### Future Regulations

When the new Aviation Act takes effect, the Netherlands Anti-Trust Authority (NMa) will assume supervision of airport charges. The premise is that rates should be entirely cost-oriented and that non-regulated business areas will not be subsidised by the business area Aviation.

In consultation with the aviation sector, Schiphol Group looked at the allocation of shared tangible fixed assets, such as the terminal building and piers. The discussions led to a minor adjustment, whereby 1.4% of Aviation's tangible fixed assets were transferred to other business areas.



### No Noise Zone Breaches

During the 2001 operations year (ending on October 31, 2001) no breaches of the statutory noise zones occurred. Before September 11, there was already question of less noise impact than over the same period a year earlier despite the greater number of aircraft movements. The excellent performance was achieved in part through good cooperation within the Noise Management Committee (NMC) consisting of Schiphol Group, the airlines, Air Traffic Control the Netherlands, and the slot coordinator. An observer represents the authorities in the NMC.

The NMC monitors the latest noise impact developments around Amsterdam Schiphol and can take measures when runway usage deviates from plan. This occurred early in the operations year when unfavourable winds prevailed for a prolonged period. We were able to handle any major deviations by adapting the order of runway use. The NMC also succeeded in pushing back the number of unplanned nighttime flights. The total number of nighttime

flights totalled 12,535, slightly less than in the year 2000 (12,882).

In the environs of Amsterdam Airport Schiphol 9,670 homes experienced a noise impact of 35 KU (Kosten Units) or more, which is more or less the same number of homes as the previous year. Once again this was well under the statutory maximum of 12,000.

Fifth runway under construction





## Business area Consumers

- Concession revenues remain constant
- More people use long-term car parks
- New services on revamped website

The objective of the business area Consumers is to provide an attractive, coherent package of products and services (some of which involve e-business technology) to Amsterdam Airport Schiphol's visitors. This is achieved by offering state-of-the-art shopping and other facilities. The business area generates income largely from concessions and car parking fees. Its competitors are the airports in neighbouring countries, shopping centres close to Amsterdam Schiphol and (in respect of parking facilities) modes of transport other than passenger cars plus other car parks in the immediate vicinity.

### Drop in Revenues after September 11

Income from the business area Consumers rose by 3.3% last year. Concession revenues were virtually the same while car-parking income increased. Concessions initially appeared to be on the increase. However, following the September 11 events, both the number of passenger spending money and average passenger spending dropped. Prior to the U.S. tragedy, concession revenues were up 3% over the year 2000. During the last few months of 2001 these revenues on average were 4.8% lower. The See Buy Fly shopping centre was effected the most. Over the full year 2001 the number of passengers spending money rose from 6.4 to 6.6 million while average passenger spending dropped by 3.5% to € 52.18.

### Financial items

| (in € million)         | 2001 | 2000 |
|------------------------|------|------|
| RONA (in %)            | 28.3 | 30.2 |
| Total operating income | 249  | 242  |
| EBITDA                 | 129  | 131  |
| Operating profit       | 99   | 103  |
| Average fixed assets   | 350  | 342  |
| Investments            | 50   | 41   |

In 2001 we pursued our policy to open shops under the See Buy Fly brand name at strategic locations in the terminal and on the piers. We also increased the number of restaurants and either enlarged or renovated a number of existing locations. Customer appreciation again was extremely high in 2001. The IATA monitor ranked Amsterdam Airport Schiphol's shopping centre as the best among all European airports.

### More People use long-term Car Parking

Car-parking revenues rose as a result of a rate increase as well as the increased number of people using long-term car parking; largely because of deteriorating train punctuality. After September 11, the number of people using the short-term car parks fell sharply – 1.6% over the entire year. The attacks in the U.S. seem to have had little effect on the use of long-term car parking, given the 7.3% rise over the entire year.

The total number of parking places increased to just under 30,000, of which 17,000 are allocated to passengers and 13,000 to people working at the airport premises. Parking garages P1, P2 and P7 were given 24-hour video camera surveillance in 2001. This is in addition to the personnel car parks and the P3 long-term car park, which already apply video camera surveillance.

### **E-business: Website and Opportunities Expanded**

Schiphol Group's e-business strategy is designed to translate and further develop the AirportCity concept using the Internet – the virtual AirportCity. Uniquely, we offer all services on one website, [www.schiphol.nl](http://www.schiphol.nl). The site was expanded and considerably enhanced in 2001 and, is more user-friendly as a result. Since its June 2001 launch, the website has been visited over three million times. The site provides customised information for specific groups such as business travellers, leisure travellers and transfer passengers – even those staying at home. The site also offers information to companies interested in Schiphol Real Estate properties.

From May 30, 2001 passengers were able to buy articles from the See Buy Fly assortment online and, if desired, pay for them in advance. The articles are then picked up at the airport's departure lounge on the departure date.

The Customer Contact Centre was established in early May 2001. This is a central information point handling all passenger airport enquiries. The centre is also reachable on the Internet. Passengers can also use the service to reserve a Schiphol Travel Taxi or file a complaint.

In September 2001 our virtual travel agency, Schiphol Travelport, was launched. Online airline tickets and rental car bookings can be made and paid using this facility. Tickets can either be mailed to the passenger's home address or picked up at the airport.

In January 2001 we launched Schiphol Travel Update. Using SMS or e-mail, the new service updates passengers and others on arrival and departure times, the check-in counter, gate or baggage carousel.

### **International Activities**

In early 2001 Retail International commenced operations involving managing and developing international retail activities. The company's objective is to offer Amsterdam Airport Schiphol's retail know-how to other airports, chiefly in Europe and North America, in combination with other aspects of the AirportCity concept.

Within the framework of the Pantares alliance agreement, Retail International signed a contract in 2001 to act as a consultant to Fraport.



## Business area Real Estate

- **Occupancy rates increase to 98%**
- **ACRE Fund launched**
- **New construction at Schiphol East and Southeast**

Schiphol Real Estate (SRE) is Schiphol Group's central contact point for all commercial property development activities. Its main objective is to develop, operate and invest in property at airports and their environs in the Netherlands and abroad. SRE provides added value to the AirportCity concept by offering high-quality property as part of a carefully developed urban planning model. The company's policy is focused on geographic diversification, a mixture of offices and commercial property, plus a combination of development and periodic sales of non-strategic property.

### Excellent Year for Property Sector

As a result of the continued demand for high-quality commercial property, 2001 was an excellent year for SRE. Occupancy rates increased to 98%, which helped boost final results. At the end of the year under review, market value for the total property portfolio amounted to € 819 million compared with € 635 million in the year 2000. € 100 million of the increase can be attributed to revaluation and € 90 million to investments. At year-end 2001, the portfolio consisted of 147,000 square metres of office space and 163,000 square metres of business accommodation.

Around half of the increased revenue was generated from buildings that opened for business in 2001.

### Financial items

(in € million) 2001 2000

|                        |      |      |
|------------------------|------|------|
| RONA (in %)*           | 20.0 | 17.2 |
| Total operating income | 73   | 54   |
| EBITDA                 | 64   | 44   |
| Operating profit       | 58   | 40   |
| Average fixed assets   | 791  | 620  |
| Investments            | 118  | 69   |

\* RONA including result of revaluation of property portfolio.  
RONA excluding result of revaluation of property was 7.4% in 2001 (2000: 6.4%).

Around 36% resulted from increased occupancy. The remainder was derived from higher rent, partly resulting from indexation.

Comparison of SRE's financial performance is carried out in accordance with the Dutch ROZ/IPD index. Results for the year 2000\* are as follows:

Average total return (% per year) 1998-2000:

SRE 17.2% ROZ/IPD 15.6%

Average capital growth (% per year) 1998-2000:

SRE 8.3% ROZ/IPD 8.6%

Average income return (% per year) 1998-2000:

SRE 8.9% ROZ/IPD 7.0%

\* Benchmark figures for 2001 not yet available.

### ACRE Fund Launched

The ACRE Fund – under which part of SRE's property portfolio will be placed – was set up at year-end 2001. It will offer professional investors the opportunity to participate in the fund through private placement. SRE will retain a maximum of 50% of the ACRE Fund



shares. The first tranche is anticipated to be placed in 2002, depending on the market climate.

Business accommodation at the Schiphol location continues to be extremely attractive to international companies. Companies are still drawn by the presence of the airport, its central location, attractive range of property, easy accessibility and the availability of highly qualified staff.

The current economic slowdown is expected to induce oversupply and lower occupancy in commercial properties in the Netherlands. Rental prices, having risen sharply over the past few years, are expected to stabilise. Properties owned by SRE should not be too deeply affected in view of the continued popularity of office locations in the Amsterdam area and the structural growth in air traffic.

#### **New Buildings Open**

In 2001 Expeditors, Kintetsu Worldwide Express and TNT Post Group moved into their new buildings at Cargo World Schiphol Southeast. Furthermore, the Dutch Immigration and Naturalisation Department moved into its new headquarters at the Schiphol East business park. The new Caravelle office building will open here in 2002. Opening has been somewhat delayed by legal procedures. Construction of the TriStar office complex also began at Schiphol-East. The complex will provide 10,670 square metres of available office space.

#### **WTC Expansion Continues**

The expansion of Amsterdam Airport Schiphol's World Trade Centre is proceeding according to schedule. The first two office towers and a parking garage with space for 2,700 cars will open in early 2003. Development of the 63-hectare Schiphol Logistics Park south of Amsterdam Airport Schiphol has experienced delay, partly as a consequence of a number of new governmental procedures relating to third party risk.

In 2001 we reached agreement with the Municipality of Haarlemmermeer on the construction of Beech Avenue, which will complete the peripheral road around Amsterdam Airport Schiphol. The road will offer a better connection to Schiphol Southeast and Schiphol Rijk. In addition the master plan covering redevelopment of the former Fokker complex at Schiphol East has been approved.

A viaduct, being built over the A4 motorway, will

enable us to open up Schiphol Northwest in 2002.

In line with the anticipated demand for office space, a plan was prepared last year to expand property development projects at Schiphol Centre. Space will be created by moving a number of parking facilities underground.

#### **Activities at Other Locations**

Development of the Flight Forum business park near Eindhoven Airport is running ahead of schedule.

The infrastructure opened late in 2001 while development started on the 13,000 square-metre Flight Square office building.

Development of a business park for logistics companies near Malpensa Airport in Italy is proceeding well.

Together with the Dutch property development company Grontmij, Schiphol Group has started developing a business and office park with a surface area of 62,000 square metres. Construction of the first cargo buildings plus an office building totalling 30,000 square metres is expected to commence in 2002.



## Business area Alliances and Participations

- **Development of a logistics centre in Hong Kong**
- **New Terminal 4 opens in New York**
- **Difficult year for JFK IAT**

The objective of the business area Alliances & Participations is to strengthen the position of the domestic and regional airports owned by Schiphol Group, and to export the AirportCity concept by acquiring participations in foreign airports. As a result, Schiphol Group should become less dependent on one location while benefiting from economies of scale.

### Negotiations in Malaysia

In 2001 Schiphol Group signed a Memorandum of Understanding with the government of Malaysia to take a stake in Malaysia Airports Holding, the company managing all airports in that country, including the new airport in Kuala Lumpur. A decision will be taken in 2002.

### Cooperation with Fraport

The cooperation agreement with Fraport within the framework of Pantares was given further substance during the year under review. A consortium, with Pantares participation, has been tapped to develop a logistics centre at Chek Lap Kok Airport, Hong Kong. The complex will cover a floor surface area of 28,000 square metres, which can ultimately be expanded to 40,000 square metres. The centre is part of the Pantares Tradeport International logistics model. Pantares aims to develop into a worldwide provider of specific logistics services with high added value for

### Financial items

| (in € million)         | 2001 | 2000 |
|------------------------|------|------|
| RONA (in %)*           | -2.0 | 0.9  |
| Total operating income | 35   | 34   |
| EBITDA                 | 0    | -1   |
| Operating profit       | -5   | -3   |
| Average fixed assets   | 129  | 118  |
| Investments            | 18   | 8    |

\* In calculating the RONA, results in participations were taken into account. Financial fixed assets were incorporated into the average fixed assets.

airports. The construction of Tradeport Hong Kong has since begun and is scheduled for completion in early 2003. Schiphol Real Estate is Schiphol Group's representative in the project.

We are also holding talks with Fraport on taking an interest in Aeroporti di Roma, the operator of Rome's airports Fiumicino and Ciampino.

In 2001 a consortium consisting of Schiphol International, Fraport, ABN AMRO and other parties had prepared an offer to take shares in Kingsford Smith International Airport in Sydney. The tendering process was stopped following the September 11 attacks. Schiphol International and Fraport had already withdrawn prior to that date because of the deteriorating economic climate in Australia.

In 2001 Schiphol Group and Pantares jointly set up Pantares Systems, a company that will provide information and communications technology services to subsidiaries and airports associated with Pantares' partners.

## Domestic airports

### Clarity on the Future of Rotterdam Airport

Rotterdam Airport, a fully-owned participation operated by Rotterdam Airport B.V., saw a healthy development last year. Although air transport movements dropped by 18%, the number of passengers increased by 7.4% to a record 747,800.

In June 2001 Rotterdam Airport opened its renovated and more spacious departure hall, requiring an investment of € 14 million. The project is in line with the airport's goal to develop into Europe's best regional airport.

Political discussions on the airport's future were concluded in 2001. On November 1, 2001, the government passed a ruling providing the airport greater growth opportunities but imposing stringent nighttime flight restrictions. The airport has been granted an operating licence and the airport grounds have been awarded on a leasehold basis; the landside area holds a ninety-nine year lease and the airside area a fifty-year lease.

In 2002 greater attention will be focused on developing property on the airport grounds. The airport is now holding talks with Schiphol Real Estate to prepare a cooperation agreement to develop 100,000 square metres of commercial property – both business accommodation and office space in front of the airport terminal.

### Difficult Year for Eindhoven Airport

Eindhoven Airport, in which Schiphol Group has a 51% interest, had a difficult year. The ailing economy, the bankruptcy of Base Airlines in July, and the U.S. tragedy resulted in an 18% decrease in passenger numbers to 278,500 while air transport movements dropped by 25%. These developments necessitated an extensive cost-cutting programme to limit the financial consequences. In May Trans Travel Airlines resumed its Birmingham services. Other initiatives, however, have been postponed to 2002.

Preparations for construction of a new terminal, together with Schiphol Real Estate, nevertheless continued on schedule. Expectations for growth in the medium term remain positive in view of projected increasing demand for regional flight options.

### Lelystad May Grow

In 2001 the Minister of Transport and Public Works passed two rulings, which will positively impact Lelystad Airport's future growth. The airport received a licence to operate 6,000 air transport movements annually and it was agreed to institute air traffic control (ATC). ATC is expected to start operating around mid-2002, at which time scheduled flights can be carried out.

General aviation movements climbed by 0.5% year-on-year to 137,100, 19,000 of which were helicopter flights.

## Foreign airports

### New JFK Terminal Opens

Following four years of preparation and construction, John F. Kennedy International Airport in New York City opened its new Terminal 4. The terminal, which costs a total of \$ 1.4 billion is operated by the joint venture JFK IAT, in which Schiphol USA Inc. holds an interest. The project was largely financed by bonds issued by the Port Authority of New York and New Jersey and guaranteed by a local insurance company. Visitor perception has been extremely positive. In March 2002, JFK IAT received a major American construction award for project management and IT systems. Terminal 4 is JFK's largest terminal and the only terminal open 24-hours a day. The terminal's construction allows for potential future expansion.

September 11 events had a dramatic effect on the terminal's operation, already under pressure as a consequence of the U.S. economic slowdown and tougher competition. Passenger numbers dropped as did transatlantic air transport movements. Increasing competition from other terminals put greater pressure on prices. Revenues from passenger fees decreased sharply as a result, and restrictions were imposed on dividend payments to shareholders. For this reason, we expect no dividend in 2002. For 2001, € 1.4 million in dividend was received.

The number of passengers dropped by 11.3% to 4.6 million even though air transport movements increased by 1.3%. In view of the emanating pressure on results (which will continue through 2002), shareholders have urged that appropriate measures be taken. JFK IAT has begun talks with the Port Authority and local government to lengthen the lease on the terminal



by ten years and, in so doing, reduce the annual financing costs. A request has also been filed with the federal government to include JFK IAT in the financial support programme for the U.S. aviation industry initiated after 11 September.

The unfavourable financial climate notwithstanding, JFK IAT managed to attract several new airlines. Now, forty international airlines operate from the terminal. Talks with Delta Airlines are being held on possible cooperation to help optimise use of Terminal 4.

#### **Brisbane is Australia's Best Airport**

Through its subsidiary Schiphol Australia, Schiphol Group owns a 16% share of Brisbane Airport Corporation (BAC), which operates Brisbane Airport. In early 2001, passenger numbers grew rapidly partly as a result of flight services started by Virgin Blue. September, however, saw a major setback following serious difficulties at Ansett Airlines, further complicated by the attacks in the U.S. On balance, passenger numbers rose by 9.6% to almost 13 million, most of which is attributable to domestic traffic. In November, the Australian Airports Association rated Brisbane as Australia's Best Airport.

Good progress has been made in improving accessibility to the airport. In May a rail link to the city of Brisbane began operating and a parking garage was opened in March. In mid-2001, expansion of airport facilities commenced including extension of the International Terminal's South Pier.

The Australian airline Qantas has decided to locate a major maintenance centre in Brisbane for its Boeing

767 fleet. The Export Park welcomed a number of new companies including a new distribution centre for a major retail concern and the headquarters of a prominent telecommunications wholesale company. The development of a hotel and office complex was postponed after a local partner withdrew.

Terminal 4, JFK





## Forecast

- **Total traffic and transport recovery not yet expected**
- **Corporate tax will reflect a drop in net 2002 results**
- **Sufficient capability to finance large investments**

Schiphol Group's Board of Management does not expect air traffic in 2002 at Amsterdam Airport Schiphol to fully return to the operating levels prior to September 11. We are cautiously projecting a fall in air transport movements to 412,000, a reduction in passenger numbers to about 37 million and a modest decrease in cargo transport.

Assuming approval of the rate changes proposed for April 1, 2002 (including introducing the Airport Security Charge), we project that 2002 operating results will reflect the 2001 level. Net results, however, will fall considerably since Schiphol Group is required to pay corporate income tax from 1 January 2002.

Investments in tangible fixed assets are being budgeted at € 490 million for the time being, excluding possible new participating interests. Major investments will again be devoted to construction of the fifth runway, security as well as fire safety and fire prevention.

Some € 240 to 300 million of additional financing will be required, excluding investments in possible participations. Sufficient capability is available to absorb the financing deficit.

A substantial change in staff numbers is not expected.

Amsterdam, 28 February 2002

*The Board of Management*

Gerlach Cerfontaine

Marieke van Lier Lels

Pieter Verboom





# Consolidated balance sheet at 31 December 2001 (after profit appropriation)

(in € 1,000)

## Assets

|                                                   | 31 December 2001 | 31 December 2000 |
|---------------------------------------------------|------------------|------------------|
| <b>Fixed assets</b>                               |                  |                  |
| <b>Intangible fixed assets</b>                    |                  |                  |
| Goodwill                                          | 1,698            | –                |
| <b>Tangible fixed assets</b>                      |                  |                  |
| Tangible fixed assets<br>for operating activities | 1,726,398        | 1,572,756        |
| Commercial property                               | 818,705          | 635,184          |
|                                                   | <u>2,545,103</u> | <u>2,207,940</u> |
| Financial fixed assets                            | 70,881           | 75,820           |
|                                                   | <u>2,617,682</u> | <u>2,283,760</u> |
| <b>Current assets</b>                             |                  |                  |
| Stock                                             | 2,737            | 2,243            |
| Debtors                                           | 149,251          | 123,959          |
| Cash at bank and in hand                          | 75,482           | 61,171           |
|                                                   | <u>227,470</u>   | <u>187,373</u>   |
|                                                   | <b>2,845,152</b> | <b>2,471,133</b> |

## Liabilities

|                              | 31 December 2001 | 31 December 2000* |
|------------------------------|------------------|-------------------|
| <b>Shareholders' equity</b>  | <b>1,778,450</b> | <b>1,543,717</b>  |
| <b>Minority interests</b>    | <b>7,530</b>     | <b>7,330</b>      |
| <b>Provisions</b>            |                  |                   |
| Major repairs                | 16,438           | 21,136            |
| Early retirement             | 29,659           | 29,526            |
| Other provisions             | 81,377           | 83,467            |
|                              | <u>127,474</u>   | <u>134,129</u>    |
| <b>Long-term liabilities</b> | <b>394,073</b>   | <b>382,085</b>    |
| <b>Current liabilities</b>   | <b>537,625</b>   | <b>403,872</b>    |
|                              | <u>2,845,152</u> | <u>2,471,133</u>  |

\* Adjusted to enable comparison.



# Consolidated profit and loss account for the year ended 31 December 2001

(in € 1,000)

|                                                            | 2001              | 2000              |
|------------------------------------------------------------|-------------------|-------------------|
| <b>Net turnover</b>                                        | <b>694,599</b>    | <b>637,306</b>    |
| Own work capitalised                                       | <u>11,452</u>     | <u>9,224</u>      |
| <b>Total operating income</b>                              | <b>706,051</b>    | <b>646,530</b>    |
| Costs of work contracted out and other third-party charges | <b>241,094</b>    | <b>204,777</b>    |
| Salaries and social charges                                | <b>114,603</b>    | <b>99,875</b>     |
| Depreciation/Amortisation and movements in value           | <b>103,035</b>    | <b>103,529</b>    |
| Other operating expenses                                   | <u>36,064</u>     | <u>50,043</u>     |
| <b>Total operating expenses</b>                            | <b>494,796</b>    | <b>458,224</b>    |
| <b>Operating profit</b>                                    | <b>211,255</b>    | <b>188,306</b>    |
| Financial items                                            | <u>-/- 31,093</u> | <u>-/- 30,319</u> |
| <b>Profit from ordinary activities before taxation</b>     | <b>180,162</b>    | <b>157,987</b>    |
| Taxation                                                   | <b>152</b>        | <b>-/- 557</b>    |
| Share in operating profits of participating interests      | <u>2,619</u>      | <u>4,795</u>      |
| <b>Profit from ordinary activities after taxation</b>      | <b>182,933</b>    | <b>162,225</b>    |
| Extraordinary expenses                                     | <u>-</u>          | <u>-/- 18,151</u> |
| <b>Group profit after taxation</b>                         | <b>182,933</b>    | <b>144,074</b>    |
| Minority interests                                         | <u>-/- 128</u>    | <u>-/- 329</u>    |
| <b>Net profit</b>                                          | <b>182,805</b>    | <b>143,745</b>    |

# Consolidated cash flow statement

(in € 1,000)

|                                                             | 2001               | 2000*              |
|-------------------------------------------------------------|--------------------|--------------------|
| <b>Net profit</b>                                           | <b>182,805</b>     | <b>143,745</b>     |
| Add (Less):                                                 |                    |                    |
| ■ Depreciation/Amortisation                                 | 98,315             | 104,169            |
| ■ Sale of assets                                            | 5,705              | 2,194              |
| ■ Disposals for assets under construction                   | –                  | 762                |
| ■ Release of negative goodwill                              | -/- 1,367          | -/- 1,367          |
| ■ Movements in provisions                                   | -/- 6,656          | -/- 6,637          |
| ■ Other                                                     | 184                | –                  |
| ■ Net movements in stock, debtors and current liabilities** | -/- 63,981         | 8,419              |
|                                                             | <u>32,200</u>      | <u>107,540</u>     |
| <b>Net cash inflow from operating activities</b>            | <b>215,005</b>     | <b>251,285</b>     |
| Additions and investments:                                  |                    |                    |
| ■ Additions to intangible fixed assets                      | -/- 2,123          | –                  |
| ■ Additions to tangible fixed assets                        | -/- 341,128        | -/- 289,007        |
| ■ Currency translation differences                          | -/- 21             | -/- 37             |
| ■ Net investment in financial fixed assets                  | 4,939              | 2,804              |
|                                                             | <u>-/- 338,333</u> | <u>-/- 286,240</u> |
| <b>Net cash outflow from investing activities</b>           | <b>-/- 338,333</b> | <b>-/- 286,240</b> |
| Financing:                                                  |                    |                    |
| ■ Dividend paid in the reporting year                       | -/- 22,689         | -/- 20,420         |
| ■ Currency translation differences                          | -/- 1,498          | -/- 4,646          |
| ■ Change in minority interests                              | 200                | 216                |
| ■ Release of deferred investment grant                      | -/- 984            | -/- 640            |
| ■ Addition to deferred investment grant                     | 354                | 634                |
| ■ Change in loans and bank credits                          | 162,256            | 44,539             |
|                                                             | <u>137,639</u>     | <u>19,683</u>      |
| <b>Net cash inflow from financing activities</b>            | <b>137,639</b>     | <b>19,683</b>      |
| <b>Change in net cash</b>                                   | <b>14,311</b>      | <b>-/- 15,272</b>  |

\* Adjusted to enable comparison.

\*\* Exclusive of dividends, bank debts and loans.

## Basis of consolidation

### Criteria for the consolidated financial statements

In accordance with uniform principles, the consolidated financial statements include the financial information of N.V. Luchthaven Schiphol and its group companies, as listed on page 65, on the basis of the full consolidation method. Group companies are those companies that belong to the economic entity of N.V. Luchthaven Schiphol, and in which the latter has decisive control over business and financial policy.

Joint ventures are consolidated on a pro rata basis. A joint venture is an activity that may or may not be performed by a legal entity or a corporation, and which is controlled by a limited number of entities by virtue of a joint venture agreement. Please refer to page 66 for a list of these companies.

The results of the group companies acquired in the course of the year are consolidated as from the moment at which N.V. Luchthaven Schiphol acquired decisive control of the policy of those group companies. The share of the other shareholders in the group equity and the group profit is included under minority interests.

### Reclassification

Certain amounts stated for previous years have been reclassified in accordance with the format for 2001.

### Corporate profit and loss account

The company made use of the option to prepare an abbreviated corporate profit and loss account as provided by Section 402, Book 2, of the Netherlands Civil Code.

## Basis of valuation

### Foreign currencies

Income and expense denominated in foreign currencies are included in the profit and loss account at the rate of settlement. Debtors, debts and cash denominated in foreign currencies are converted at the rate prevailing on the balance sheet date. Exchange differences are included in the profit and loss account under financial items.

Exchange differences resulting from translation of net investments in foreign participating interests are directly taken to shareholders' equity.

### Intangible fixed assets

Intangible fixed assets refers to goodwill. Goodwill is calculated as the balance of cost and net asset value in accordance with the Schiphol Group's accounting policies. Goodwill is amortised on a straight-line basis over the estimated life of the asset.

### Tangible fixed assets

#### Tangible fixed assets for operating activities

Tangible fixed assets for operating activities are carried at historical cost, and depreciated on a straight-line basis over the estimated life of the asset. Land is not depreciated.

Assets in the course of construction are carried at historical cost, including:

- construction interest on major building projects; and
- hours worked by own staff during the construction phase of investment projects.

#### Commercial property

Commercial property and land leased out on a long lease for commercial purposes are carried at current value as let property. Approximately 30% of the properties in the portfolio are valued annually by independent surveyors, the remaining 70% by in-house surveyors. Land is valued exclusively by in-house surveyors. Commercial property in the course of construction is carried at historical cost, including capitalised interest during construction.

Unrealised capital gains are added to the revaluation reserve. On sale of the asset, the realised capital gain is taken to the profit and loss account. Tangible fixed assets of which the company and its subsidiaries are the beneficial owners pursuant to a lease contract are capitalised.

### Financial fixed assets

Financial fixed assets consist of participating interests, other financial fixed assets and other debtors. Participating interests are carried at net asset value. Participating interests in which the company does not have significant influence are carried at cost less a provision for asset impairment, where necessary. Other financial fixed assets are carried at the amounts for which they were acquired less a provision for bad debt where necessary.

## Current assets

### Stock

In general, stock is valued at average cost. Stock held for technical maintenance purposes is valued at nil.

### Debtors

Debtors are carried at face value less a provision for bad debt where necessary.

### Cash at bank and in hand

Cash at bank and in hand is carried at face value.

### Revaluation reserve

Changes in value following the valuation at current value of property (including land leased out on a long lease) for commercial purposes are recognised in the revaluation reserve. Differences in value arising from revaluations taken to equity are also recognised in the revaluation reserve.

### Provisions

The provisions for early retirement are generally carried at actuarial value; the actuarial interest rate applied is 4% (2000: 4%). The other provisions are mainly formed to equalise costs and are carried at face value.

### Long-term liabilities

Long-term liabilities are carried at the amount at which they were incurred. They include the deferred investment grants – which contribute towards the operating costs of investment – less annual release. They are recognised at the amount at which they were incurred.

### Current liabilities

Current liabilities are carried at the amount at which they were incurred.

## Basis of profit determination

### Net turnover

Net turnover represents the income from goods delivered and services rendered less tax on turnover. Income is recorded when the goods are delivered or the services rendered, costs are charged against turnover in the year in which the related turnover is posted.

### Depreciation and amortisation

The intangible and tangible fixed assets for operating activities are amortised and depreciated in accordance with the straight-line method, based on the depreciation schedule below. The depreciation period depends in part on the nature of the asset.

Assets in the course of construction and land are not depreciated. Property intended for commercial operation is not depreciated either.

### Depreciation and amortisation periods

#### Intangible fixed assets

|          |         |
|----------|---------|
| Goodwill | 5 years |
|----------|---------|

#### Tangible fixed assets

|                              |             |
|------------------------------|-------------|
| Runways, taxiways and aprons | 30-40 years |
| Land and roads               |             |
| ■ Car parks                  | 30 years    |
| ■ Roads                      | 30 years    |
| ■ Other paved surfacing      | 10-30 years |
| Buildings                    | 20-40 years |
| Installations                | 5-30 years  |
| Other fixed assets           | 3-20 years  |

### Deferred investment grants

Investment grants are released to the profit and loss account (under depreciation) over the life of the qualifying assets.

### **Financial instruments**

The company makes use of derivative financial instruments, i.e. interest rate and currency swaps, not included in the balance sheet in order to limit the borrowing costs of the long-term loans contracted and to hedge currency translation risks. The gains/(losses) generated by these swaps are taken to the profit and loss account (under financial items) in proportion to their effect in the reporting period. If swaps are unwound because there is no longer an opposite position, the related income or expense is taken directly to the profit and loss account.





# Notes to the consolidated balance sheet

(in € 1,000)

## Assets

### Fixed assets

#### Intangible fixed assets

Movement in intangible fixed assets:

|                                 | Goodwill     |
|---------------------------------|--------------|
| Book value at beginning of year | 0            |
| Cost                            | 2,123        |
| Depreciation                    | -/- 425      |
| <b>Book value at year-end</b>   | <b>1,698</b> |

The goodwill relates to the additional 16.66% share in Schiphol Telematics B.V. that was acquired in 2001.

#### Tangible fixed assets

Movements in tangible fixed assets for operating activities:

|                                             | Runways,<br>taxiways and<br>aprons | Land<br>and roads | Buildings      | Installations  |
|---------------------------------------------|------------------------------------|-------------------|----------------|----------------|
| <b>Book value at beginning of year</b>      |                                    |                   |                |                |
| Cost                                        | 398,248                            | 319,646           | 843,697        | 616,734        |
| Depreciation                                | -/- 157,484                        | -/- 71,545        | -/- 270,606    | -/- 336,573    |
| <b>Book value at year-end</b>               | <b>240,764</b>                     | <b>248,101</b>    | <b>573,091</b> | <b>280,161</b> |
| Book value at beginning of year             | 244,844                            | 250,596           | 573,777        | 270,101        |
| <b>Changes during the year</b>              | <b>-/- 4,080</b>                   | <b>-/- 2,495</b>  | <b>-/- 686</b> | <b>10,060</b>  |
| <b>Breakdown of changes during the year</b> |                                    |                   |                |                |
| Additions                                   | 6,335                              | 6,190             | 29,953         | 37,803         |
| Acquisitions                                | –                                  | –                 | –              | 6,224          |
| Disposals                                   | 295                                | -/- 526           | –              | -/- 1,404      |
| Impairment                                  | –                                  | –                 | –              | –              |
| Translation differences                     | –                                  | –                 | –              | –              |
| Depreciation                                | -/- 10,710                         | -/- 8,159         | -/- 30,639     | -/- 32,563     |
| <b>Total changes during the year</b>        | <b>-/- 4,080</b>                   | <b>-/- 2,495</b>  | <b>-/- 686</b> | <b>10,060</b>  |

| Other<br>fixed<br>assets | Assets in the<br>course of<br>construction | Total            |
|--------------------------|--------------------------------------------|------------------|
| 156,420                  | 321,681                                    | 2,656,426        |
| -/- 93,820               | -                                          | -/- 930,028      |
| <b>62,600</b>            | <b>321,681</b>                             | <b>1,726,398</b> |
| 46,465                   | 186,973                                    | 1,572,756        |
| <b>16,135</b>            | <b>134,708</b>                             | <b>153,642</b>   |
| 29,405                   | 135,339                                    | 245,025          |
| 458                      | 307                                        | 6,989            |
| -/- 518                  | -                                          | -/- 2,153        |
| -                        | -/- 938                                    | -/- 938          |
| 21                       | -                                          | 21               |
| -/- 13,231               | -                                          | -/- 95,302       |
| <b>16,135</b>            | <b>134,708</b>                             | <b>153,642</b>   |

Commercial property breaks down as follows:

|                                 | Property<br>in operation | Property<br>under<br>development | Land           | Total          |
|---------------------------------|--------------------------|----------------------------------|----------------|----------------|
| Book value at beginning of year | 381,999                  | 78,332                           | 174,853        | 635,184        |
| Additions                       | 20,224                   | 61,951                           | 6,939          | 89,114         |
| Disposals                       | –                        | -/- 5,201                        | –              | -/- 5,201      |
| Revaluation                     | 60,434                   | –                                | 39,174         | 99,608         |
| Recategorisation                | 30,509                   | -/- 30,452                       | -/- 57         | –              |
| <b>Book value at year-end</b>   | <b>493,166</b>           | <b>104,630</b>                   | <b>220,909</b> | <b>818,705</b> |

Commercial property includes an amount of € 116 million representing the current value of assets held under finance leases. Land includes both land intended for future operations and land leased out on a long lease.

#### Financial fixed assets

This item breaks down as follows:

|                                 | Participating<br>interests | Amounts<br>owed by<br>participating<br>interests | Other<br>debtors | Total         |
|---------------------------------|----------------------------|--------------------------------------------------|------------------|---------------|
| Book value at beginning of year | 71,733                     | 1,345                                            | 2,742            | 75,820        |
| Investments                     | 33                         | –                                                | –                | 33            |
| Withdrawals/repayments          | –                          | 9                                                | 8                | 17            |
| Profit/(Loss)                   | 2,619                      | –                                                | –                | 2,619         |
| Dividend                        | -/- 2,181                  | –                                                | –                | -/- 2,181     |
| Translation differences         | -/- 1,660                  | –                                                | –                | -/- 1,660     |
| Other changes                   | -/- 3,767                  | –                                                | –                | -/- 3,767     |
| <b>Book value at year-end</b>   | <b>66,777</b>              | <b>1,354</b>                                     | <b>2,750</b>     | <b>70,881</b> |

## Current assets

### Stock

Stock consists of stock for facility services and technical maintenance. Total stock value amounts to € 2.7 million (2000: € 2.2 million). A provision was deducted from the stock value for the purposes of writing off the entire stock for technical maintenance.

### Debtors

This item breaks down as follows:

|                                | 2001           | 2000           |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 102,753        | 94,420         |
| Amounts owed to participants   | 4,487          | 2,092          |
| Other debtors                  | 17,807         | 3,054          |
| Prepayments and accrued income | 24,204         | 24,393         |
|                                | <u>149,251</u> | <u>123,959</u> |

Trade debtors include a provision for bad debt. Other debtors include a claim in the sum of approximately € 8.4 million (2000: approx. € 0.7 million) in relation to taxation and social security contributions.

### Cash at bank and in hand

Cash at bank held by the company includes € 3.5 million (2000: € 47.4 million) in bank deposits with maturities ranging between 1 and 12 months.

## Liabilities

### Shareholders' equity

The notes to the corporate balance sheet include a breakdown of shareholders' equity and the changes therein. In 2001, € 99.6 million was added to shareholders' equity due to revaluation of commercial property (including land leased out on long leases).

### Minority interests

This item refers to the minority interests in the capital of the group companies Eindhoven Airport N.V. and Malpensa Real Estate B.V.

### Provisions

#### Major repairs

Movements in the provision for major repairs were as follows:

|                                 | 2001       |
|---------------------------------|------------|
| Book value at beginning of year | 21,136     |
| Acquisitions                    | 455        |
| Utilisation                     | -/- 12,288 |
| Release                         | -/- 855    |
| Additions                       | 7,990      |
| Book value at year-end          | 16,438     |

This provision was formed to equalise the costs of major repairs in the asset categories runways, taxiways, terminals, piers and roads.

#### Early retirement

Movements in the provision for early retirement:

|                                 | Occupational<br>early retirement | Retaining pay | Pre-early<br>retirement | Total     |
|---------------------------------|----------------------------------|---------------|-------------------------|-----------|
| Book value at beginning of year | 14,989                           | 1,161         | 13,376                  | 29,526    |
| Utilisation                     | -/- 1,213                        | -/- 517       | -/- 3,991               | -/- 5,721 |
| Additions                       | 2,383                            | 305           | 3,166                   | 5,854     |
| Book value at year-end          | 16,159                           | 949           | 12,551                  | 29,659    |

The amounts of the provisions for occupational early retirement and retaining pay are calculated according to the actuarial cost method, with an actuarial interest rate of 4% (2000: 4%). The provision for occupational early retirement comprises an amount of € 11.1 million for commitments relating to future recipients of benefits (2000: € 10.2 million).

The provision for pre-early retirement (pre-BUT) ensues from:

- the collective pay-and-conditions agreement adopted in 1996/1997, under which staff are offered the opportunity to retire before they have reached the official early retirement age;
- the 1999 restructuring operation, as part of which a group of employees was offered early retirement (BUT);
- the over 55 night shift arrangement, which provides for early retirement of fulltime employees aged 55 and over who continue to work night shifts.

## Other provisions

Movements in other provisions:

|                                    | Environ-<br>mental<br>liabilities | Information and<br>communication<br>technology | Lagging<br>performance<br>Lelystad | Restructuring | Other      | Total         |
|------------------------------------|-----------------------------------|------------------------------------------------|------------------------------------|---------------|------------|---------------|
| Book value at beginning<br>of year | 59,388                            | 11,451                                         | 4,342                              | 8,119         | 167        | 83,467        |
| Acquisitions                       | –                                 | 18                                             | –                                  | –             | –          | 18            |
| Utilisation                        | -/- 2,153                         | -/- 9,552                                      | -/- 573                            | -/- 3,750     | -/- 3      | -/- 16,031    |
| Release                            | -/- 95                            | -/- 1,815                                      | –                                  | –             | -/- 1      | -/- 1,911     |
| Other movements                    | –                                 | -/- 147                                        | –                                  | –             | –          | -/- 147       |
| Additions                          | 15,664                            | 45                                             | –                                  | –             | 272        | 15,981        |
| <b>Book value at year-end</b>      | <b>72,804</b>                     | <b>0</b>                                       | <b>3,769</b>                       | <b>4,369</b>  | <b>435</b> | <b>81,377</b> |

### Environmental liabilities

The provision for environmental liabilities is principally a long-term provision that has partly been formed for future asbestos and sludge clean-ups, and soil remediation. An amount of € 2.1 million (2000: € 1.9 million) was added to this provision, while € 2.2 million (2000: € 2.1 million) was utilised for remediation and clean-ups. In addition, € 13.6 million (2000: € 13.6 million) was added to the provision in order to mitigate the financial consequences of the underuse of the runways as a result of the environmental restrictions imposed on the whole runway system.

### Information and communication technology (ICT)

The provision for ICT is primarily intended to equalise the cost of catching up on developments in the ICT field, and to make the adjustments to the financial information systems required by the introduction of the euro. Over the year, € 9.6 million was utilised to make the systems euro-compliant.

### Lagging performance of Lelystad

Created in 1993, this provision arose from an obligation incurred at the take-over of the Lelystad group company. It is used to cover future losses incurred by this group company.

### Restructuring

The restructuring provision relates to expected costs resulting from a restructuring operation carried out in 1999.

**Long-term liabilities**

This item breaks down as follows:

|                            |                       | 2001           |                      | 2000           |                      |
|----------------------------|-----------------------|----------------|----------------------|----------------|----------------------|
|                            | Average<br>interest % | Total          | Due after<br>5 years | Total          | Due after<br>5 years |
| Bonds and private loans    | 5                     | 337,243        | 77,254               | 334,078        | 82,031               |
| Bank loans                 | 6                     | 12,879         | –                    | 15,167         | –                    |
| Deferred investment grants | –                     | 12,607         | 8,069                | 13,239         | 8,625                |
| Other                      | –                     | 31,344         | 28,107               | 19,600         | 19,600               |
|                            |                       | <b>394,073</b> | <b>113,430</b>       | <b>382,084</b> | <b>110,256</b>       |

In 1999 the Schiphol Group launched the euro medium-term note (EMTN) programme (most recently revised in 2001), which allows the group to issue up to € 500 million in bonds over the next few years.

At 31 December 2001, € 391 million had been raised.

The other long-term liabilities concern lump-sum payments received for long leases. These payments are released to the profit and loss account over the term of the lease.

The amounts to be repaid in the next financial year, totalling € 291.6 million, are stated in the balance sheet as current liabilities.



**Current liabilities**

This item breaks down as follows:

|                                                          | 2001    | 2000    |
|----------------------------------------------------------|---------|---------|
| Instalments on long-term loans due within one year       | 291,637 | 142,050 |
| Bank loans                                               | 209     | 161     |
| Trade creditors                                          | 65,646  | 100,868 |
| Amounts owed to participants and participating interests | 1,802   | 27      |
| Taxation and social charges                              | 565     | 3,153   |
| Pension obligations                                      | 2,000   | 864     |
| Other creditors                                          | 81,585  | 54,245  |
| Accruals and deferred income                             | 94,181  | 102,504 |
|                                                          | <hr/>   | <hr/>   |
|                                                          | 537,625 | 403,872 |

**Contingencies and commitments not included in the balance sheet**

In addition to the liabilities included in the balance sheet, the company has the following commitments:

|                                                      | 2001    | 2000    |
|------------------------------------------------------|---------|---------|
| Commitments:                                         |         |         |
| ■ Additions to fixed assets                          | 237,928 | 147,569 |
| ■ Operating leases                                   | 49,132  | 54,982  |
| ■ Subsidies and other contributions to third parties | 9,055   | 9,348   |
| Guarantees issued to third parties for:              |         |         |
| ■ Loans contracted                                   | 4,538   | 4,538   |
| ■ Loans contracted by staff and other guarantees     | 720     | 813     |
|                                                      | <hr/>   | <hr/>   |
|                                                      | 301,373 | 217,250 |

Operating leases include the commitments relating to a car park. The item Subsidies and other contributions includes € 8.5 million relating to a financial contribution within the framework of the *Uitwerkingsplan Mainport en Groen* development plan, spread over the years 2006 up to and including 2009. This item also includes € 0.6 million for the Schiphol Fund. At year-end, the group also held USD 89 million in currency and interest swaps to hedge exchange and interest rate risks on long-term loans. These swaps will mature in 2002.

KLM Royal Dutch Airlines has appealed against the Ministry of Transport's endorsement of an increase in airport fees. There are some other claims against the company and/or its group companies as well. All claims are being contested, and although their outcomes obviously cannot be predicted with certainty, our legal advisors and the information available to us give us reason to assume that there will be no material consequences for the group's financial position. For this reason, it was decided not to create any provisions.

As general partner, the group company Airport Real Estate Management B.V. is jointly and severally liable for the debts of Airport Real Estate Basisfonds C.V. In respect of Airport Real Estate Management B.V., neither N.V. Luchthaven Schiphol nor any of its group companies has filed a declaration of assumption of liability as referred to in Section 403, Book 2, of the Netherlands Civil Code. N.V. Luchthaven Schiphol is similarly liable for the debts of V.O.F. Proefdraaiplaats Holding 27, and has filed a declaration of assumption of liability as referred to in Section 403, Book 2, of the Netherlands Civil Code, for some of its group companies (see page 65).

## Notes to the consolidated profit and loss account

(in € 1,000)

### Net turnover

Net turnover broken down by operating activities:

|                  | 2001           | 2000           |
|------------------|----------------|----------------|
| Airport fees     | 333,483        | 312,768        |
| Concessions      | 116,400        | 114,830        |
| Rents and leases | 95,834         | 85,068         |
| Parking fees     | 57,481         | 52,731         |
| Utility services | 16,532         | 15,428         |
| Other activities | 74,869         | 56,481         |
|                  | <u>694,599</u> | <u>637,306</u> |

Operating income was generated mainly in the Netherlands. Income from other activities primarily relates to work carried out for others, advertising, and the sale of assets.

### Own work capitalised

Own work capitalised relates to construction interest due on major and commercial investments and to staff hours which are capitalised in the construction phase of investment project. This item breaks down as follows:

|                         | 2001          | 2000         |
|-------------------------|---------------|--------------|
| Capitalised staff hours | 6,424         | 4,362        |
| Capitalised interest    | 5,028         | 4,862        |
|                         | <u>11,452</u> | <u>9,224</u> |

### Costs of work contracted out and other third-party charges

This item breaks down as follows:

|                           | 2001           | 2000           |
|---------------------------|----------------|----------------|
| Work contracted out       | 79,456         | 70,589         |
| Energy purchased          | 20,910         | 17,234         |
| Maintenance               | 42,726         | 31,274         |
| Other third-party charges | 98,002         | 85,680         |
|                           | <u>241,094</u> | <u>204,777</u> |

Maintenance includes the addition of € 8.0 million (2000: € 5.4 million) to the provision for major repairs.

### Salaries and social charges

|                    | 2001           | 2000          |
|--------------------|----------------|---------------|
| Wages and salaries | 95,786         | 83,717        |
| Pension costs      | 8,830          | 7,144         |
| Social charges     | 9,987          | 9,014         |
|                    | <u>114,603</u> | <u>99,875</u> |

The average number of employees (converted into full-time equivalents) of the Schiphol Group and its subsidiaries is 2,039 (2000: 1,864).

The remuneration of directors (including former directors) and supervisory directors pursuant to Section 383, Book 2, of the Netherlands Civil Code amounted to € 1,349,500 and € 190,000, respectively (2000: € 1,172,500 and € 231,400, respectively).

#### Amortisation

|          | 2001 | 2000 |
|----------|------|------|
| Goodwill | 425  | –    |
|          | 425  | –    |

#### Depreciation of tangible fixed assets

|                                                   | 2001    | 2000    |
|---------------------------------------------------|---------|---------|
| Runways, taxiways and platforms                   | 10,710  | 10,322  |
| Land and roads                                    | 8,159   | 7,604   |
| Buildings                                         | 30,639  | 26,854  |
| Installations                                     | 32,563  | 32,253  |
| Other fixed assets                                | 13,231  | 11,336  |
|                                                   | 95,302  | 88,369  |
| Additional depreciation in relation to disposals  | 7,354   | 12,170  |
| Additional depreciation in relation to impairment | 938     | 3,630   |
|                                                   | 103,594 | 104,169 |
| Released deferred investment grants               | -/- 984 | -/- 640 |
|                                                   | 102,610 | 103,529 |

#### Other operating expenses

Other operating expenses include € 19.6 million (2000: € 36.2 million) in respect of net allocations to provisions (allocation less release). For further information about the allocations, please consult the notes to the balance sheet.

#### Financial items

The financial items break down as follows:

|                       | 2001       | 2000       |
|-----------------------|------------|------------|
| Interest income       | 4,060      | 2,211      |
| Interest expense      | -/- 35,638 | -/- 32,559 |
| Other financial items | -/- 485    | 29         |
|                       | -/- 31,093 | -/- 30,319 |

### **Taxation**

This item relates to tax on income from foreign participating interests. N.V. Luchthaven Schiphol and most of its subsidiaries are exempt from corporate income tax by law. This exemption has been withdrawn as of the 2002 financial year, and it is expected that from then, the profit and loss account will show a substantially increased burden of taxation.

### **Share in operating profits of participating interest**

This item states the group's share in the profits/(losses) of unconsolidated participating interests. As a result of local law and regulations, the principal entities are exempt from profit tax.

### **Extraordinary expenses**

Extraordinary expenses for 2000 include € 15.9 million in costs incurred to prepare for the group's privatisation, as well as € 2.2 million for a penalty imposed by the Minister for Transport and Water Management for breaking noise limits at some measuring points.

Schiphol, 28 February 2002

For the 2001 consolidated financial statements:

### **Supervisory Board**

P.J. Kalff, Chairman

M.J. Cohen, Vice-chairman

H. van den Broek

G.D. Dales

J.M. Hessels

J. Kremers

G.H.O. van Maanen

T.H. Woltman

P.H.J.M. van Dijk

T.A. Maas-de Brouwer

### **Board of Management**

G.J. Cerfontaine, Chairman of the Board of Management

M.E. van Lier Lels, Member of the Board of Management/Chief Operational Officer

P.M. Verboom, Member of the Board of Management/Chief Financial Officer

## Corporate balance sheet at 31 December 2001 (after profit appropriation)

(in € 1,000)

### Assets

|                                 | 31 December 2001 | 31 December 2000* |
|---------------------------------|------------------|-------------------|
| <b>Fixed assets</b>             |                  |                   |
| Financial fixed assets          | 1,674,197        | 1,582,289         |
| <b>Current assets</b>           |                  |                   |
| Amounts owed by group companies | 156,373          | —                 |
|                                 | <u>1,830,570</u> | <u>1,582,289</u>  |

### Liabilities

|                                               | 31 December 2001 | 31 December 2000* |
|-----------------------------------------------|------------------|-------------------|
| <b>Shareholders' equity</b>                   |                  |                   |
| Issued capital                                | 77,712           | 77,712            |
| Revaluation reserve                           | 370,402          | 272,161           |
| Statutory reserve for participating interests | 6,247            | 4,629             |
| Reserve for translation differences           | -/- 6,941        | -/- 5,443         |
| Other reserves                                | 1,331,030        | 1,194,659         |
|                                               | <u>1,778,450</u> | <u>1,543,718</u>  |
| <b>Current liabilities</b>                    | 52,120           | 38,571            |
|                                               | <u>1,830,570</u> | <u>1,582,289</u>  |

## Corporate profit and loss account for the year ended 31 December 2001

(in € 1,000)

|                                                       | 2001           | 2000*          |
|-------------------------------------------------------|----------------|----------------|
| Share in operating profits of participating interests | 182,805        | 159,627        |
| Extraordinary items                                   | -/- —          | -/- 15,882     |
|                                                       | <u>182,805</u> | <u>143,745</u> |

\* Adjusted to enable comparison.

# Notes to the corporate balance sheet and profit and loss account

(in € 1,000)

## General

The accounting policies are the same as those followed for the consolidated balance sheet and profit and loss account. Reference is made, therefore, to the notes to the consolidated accounts. Notes to the corporate accounts have only been included if they differ materially from those to the consolidated accounts.

### *Legal restructuring of N.V. Luchthaven Schiphol*

On 28 December 2001, a legal restructuring of N.V. Luchthaven Schiphol took place. The purpose of the new structure is to allow the company to divide its business into domestic and international operations.

The domestic operations have been transferred to the newly incorporated company Schiphol Nederland B.V. The international operations will remain with Schiphol International B.V. Both Schiphol Nederland B.V. and Schiphol International B.V. are wholly owned subsidiaries of N.V. Luchthaven Schiphol.

In order to enable comparison, the corporate figures for 2000 have been adjusted in line with the new structure.

## Financial fixed assets

This item breaks down as follows:

|                                 | Group<br>companies | Other<br>participating<br>interests | Total            |
|---------------------------------|--------------------|-------------------------------------|------------------|
| Book value at beginning of year | 1,575,231          | 7,058                               | 1,582,289        |
| Profit                          | 182,805            | –                                   | 182,805          |
| Dividend                        | -/- 187,824        | –                                   | -/- 187,824      |
| Revaluation                     | 98,241             | –                                   | 98,241           |
| Translation differences         | -/- 1,498          | –                                   | -/- 1,498        |
| Other changes                   | 184                | –                                   | 184              |
| <b>Book value at year-end</b>   | <b>1,667,138</b>   | <b>7,058</b>                        | <b>1,674,197</b> |

The term group companies refers to the wholly owned subsidiaries Schiphol Nederland B.V., Schiphol International B.V. and Luchthaven Schiphol Management Diensten GmbH. Other participating interests refers to the 1% share in Flughafen Wien AG.

## Shareholders' equity

Movements in shareholders' equity:

|                              |                |                     |                                               |                                     |                  | 2001             | 2000             |
|------------------------------|----------------|---------------------|-----------------------------------------------|-------------------------------------|------------------|------------------|------------------|
|                              | Issued capital | Revaluation reserve | Statutory reserve for participating interests | Reserve for translation differences | Other reserves   | Total            | Total            |
| Balance at beginning of year | 77,712         | 272,161             | 4,629                                         | -/- 5,443                           | 1,194,659        | 1,543,718        | 1,362,100        |
| Revaluation                  | –              | 99,608              | –                                             | –                                   | –                | 99,608           | 66,576           |
| Addition of 2001 profit      | –              | –                   | 1,777                                         | –                                   | 136,028          | 137,805          | 121,055          |
| Movements                    | –              | -/- 1,367           | -/- 159                                       | -/- 1,498                           | 343              | -/- 2,681        | -/- 6,013        |
| <b>Balance at year-end</b>   | <b>77,712</b>  | <b>370,402</b>      | <b>6,247</b>                                  | <b>-/- 6,941</b>                    | <b>1,331,030</b> | <b>1,778,450</b> | <b>1,543,718</b> |

## Issued capital

Shareholders:

|                              |               |               |
|------------------------------|---------------|---------------|
| The State of the Netherlands | 58,937        | 75.8%         |
| The City of Amsterdam        | 16,915        | 21.8%         |
| The City of Rotterdam        | 1,860         | 2.4%          |
|                              | <b>77,712</b> | <b>100.0%</b> |

The authorised capital is NLG 300,000,000 (€ 136,134,065) divided into 300,000 shares of NLG 1,000 (€ 453.78) each.

## Revaluation reserve

This item relates to the revaluation reserves for commercial property and participating interests. The former concerns unrealised increases in value of the commercial property (including land leased out on long leases).

## Statutory reserve for participating interests

The reserve was debited to the sum of € 343,000 in respect of dividend distributions made by participating interests. These are added to other reserves.

## Reserve for translation differences

The reserve for translation differences shows the exchange differences resulting from the translation of net investments in foreign participating interests.

## Current liabilities

Current liabilities include the proposed dividend distribution for 2001 of € 45 million. The balance relates to accruals and deferred income.

### **Contingencies and commitments not included in the balance sheet**

We refer to the notes to the consolidated balance sheet, in which this item is broken down.

The company filed a declaration of assumption of liability as referred to in Section 403, Book 2, of the Netherlands Civil Code, for a number of group companies (see p. 65, Overview of participating interests). In addition, the company has assumed joint and several liability for the debts of V.O.F. Proefdraaiplaats Holding 27.

Schiphol, 28 February 2002

For the 2001 corporate financial statements:

#### **Supervisory Board**

P.J. Kalff, Chairman

M.J. Cohen, Vice-chairman

H. van den Broek

G.D. Dales

J.M. Hessels

J. Kremers

G.H.O. van Maanen

T.H. Woltman

P.H.J.M. van Dijk

T.A. Maas-de Brouwer

#### **Board of Management**

G.J. Cerfontaine, Chairman of the Board of Management

M.E. van Lier Lels, Member of the Board of Management/Chief Operational Officer

P.M. Verboom, Member of the Board of Management/Chief Financial Officer



## Other information

### Profit appropriation according to the articles of association

Article 25 of the company's articles of association contains the following provisions on profit appropriation:

Article 25 of the company's articles of association contains the following provisions on profit appropriation:

- 1 Without prejudice to the provisions of Section 105, Book 2, of the Netherlands Civil Code, the profit pursuant to the approved financial statements is reserved, unless the General Meeting of Shareholders resolves to make profit distributions.
- 2 Subject to the approval of the Supervisory Board of a proposal presented by the Board of Management, the General Meeting of Shareholders decides on the appropriation of the amounts thus reserved.

### Proposed profit appropriation

(in € 1,000)

|                                                                                                                                              |                |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Profit                                                                                                                                       | 182,805        |
| With due observance of Article 25 of the articles of association,<br>it is proposed that the profit for the year be appropriated as follows: |                |
| Addition to the statutory reserve for participating interests                                                                                | -/- 1,777      |
|                                                                                                                                              | <hr/>          |
|                                                                                                                                              | 181,028        |
| Dividend to be distributed                                                                                                                   | -/- 45,000     |
|                                                                                                                                              | <hr/>          |
| <b>Addition to other reserves</b>                                                                                                            | <b>136,028</b> |

The balance sheet has been drawn up on the assumption that this proposal will be adopted.

## **Introduction**

We have audited the 2001 financial statements of N.V. Luchthaven Schiphol, Schiphol as included in this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

## **Scope**

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

## **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 2001 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Amsterdam, 28 February 2002

*PricewaterhouseCoopers N.V.*

## Overview of participating interests

| Group companies                               | Registered office | % share |
|-----------------------------------------------|-------------------|---------|
| Schiphol Nederland B.V. <sup>1)</sup>         | Schiphol          | 100     |
| Schiphol Belgium N.V.                         | Antwerp           | 100     |
| Schiphol Australia Pty Ltd.                   | Brisbane          | 100     |
| Schiphol North America Holding Inc.           | Delaware          | 100     |
| Eindhoven Airport N.V.                        | Eindhoven         | 51      |
| Schiphol Asia Sdn. Bhd.                       | Kuala Lumpur      | 100     |
| N.V. Luchthaven Lelystad                      | Lelystad          | 100     |
| Schiphol USA Inc.                             | New York          | 100     |
| Schiphol USA LLC                              | Delaware          | 100     |
| Rotterdam Airport B.V. <sup>1)</sup>          | Rotterdam         | 100     |
| Rotterdam Airport Supplies Services B.V.      | Rotterdam         | 100     |
| Beheer- en beleggingsmaatschappij Balnag B.V. | Schiphol          | 100     |
| Brisbane Airport Real Estate B.V.             | Schiphol          | 100     |
| Facility Management Schiphol B.V.             | Schiphol          | 100     |
| Malpensa Real Estate B.V.                     | Schiphol          | 60      |
| Schiphol Real Estate Caravelle B.V.           | Schiphol          | 100     |
| Schiphol Dienstverlening B.V. <sup>1)</sup>   | Schiphol          | 100     |
| Schiphol International B.V. <sup>2)</sup>     | Schiphol          | 100     |
| Schiphol Project Consult B.V. <sup>1)</sup>   | Schiphol          | 100     |
| Schiphol Real Estate Logistics Park B.V.      | Schiphol          | 100     |
| Schiphol Real Estate B.V. <sup>1)</sup>       | Schiphol          | 100     |
| Schiphol Real Estate Eindhoven B.V.           | Schiphol          | 100     |
| Schiphol Real Estate Eindhoven Finance B.V.   | Schiphol          | 100     |
| Schiphol Real Estate Eindhoven II B.V.        | Schiphol          | 100     |
| Schiphol Real Estate International B.V.       | Schiphol          | 100     |
| Schiphol Real Estate Tristar B.V.             | Schiphol          | 100     |
| Schiphol Utility Services B.V. <sup>1)</sup>  | Schiphol          | 100     |
| Schiphol Utility Network B.V. <sup>1)</sup>   | Schiphol          | 100     |
| Fricla B.V.                                   | Utrecht           | 100     |
| Schiphol Real Estate Parking B.V.             | Schiphol          | 100     |
| Schiphol Real Estate World Trade Center B.V.  | Schiphol          | 100     |
| Schiphol Real Estate Italy S.R.L.             | Lonate Pozzolo    | 100     |
| Airport Real Estate Management B.V.           | Schiphol          | 100     |
| Airport Property Management B.V.              | Schiphol          | 100     |
| ACRE Fund N.V.                                | Schiphol          | 100     |
| Airport Real Estate Basisfonds C.V.           | Schiphol          | 100     |
| Luchthaven Schiphol Management Diensten GmbH  | Vienna            | 100     |
| Companies consolidated on a pro rata basis    | Registered office | % share |
| Pantares Systems B.V.                         | Schiphol          | 50      |
| Schiphol Telematics C.V.                      | Schiphol          | 50      |
| Schiphol Telematics B.V.                      | Schiphol          | 50      |
| Flight Square Beheer B.V.                     | Schiphol          | 50      |
| Flight Square C.V.                            | Schiphol          | 50      |
| Flight Forum Beheer B.V.                      | Eindhoven         | 50      |
| Flight Forum C.V.                             | Eindhoven         | 49.05   |

1) Section 403, Book 2, the Netherlands Civil Code has been applied.

2) Assumption of liability by virtue of Section 403, Book 2, of the Netherlands Civil Code was terminated on 3 April 2001 under Section 404, Book 2, of the Netherlands Civil Code.

| <b>Other participating interests</b>                      | <b>Registered office</b> | <b>% share</b> |
|-----------------------------------------------------------|--------------------------|----------------|
| Beijing GSA Aviation Business Management Corporation Ltd. | Beijing                  | 33 1/3         |
| Brisbane Airport Corporation Ltd.                         | Brisbane                 | 15.82          |
| P.T. Angkasa Pura Schiphol                                | Jakarta                  | 50             |
| T4 Expension Development LLC                              | New York                 | 40             |
| JFK IAT LLC                                               | New York                 | 40             |
| Beheer Personeelsrestaurant Schiphol B.V.                 | Schiphol                 | 50             |
| Cargonaut B.V.                                            | Schiphol                 | 37             |
| Lijnden Quality Park B.V.                                 | Schiphol                 | 25             |
| Schiphol Area Development Company N.V.                    | Schiphol                 | 25             |
| SADC Parkmanagement B.V.                                  | Schiphol                 | 25             |
| Schiphol Logistics Park B.V.                              | Schiphol                 | 45             |
| V.O.F. Proefdraaiplaats Holding 27                        | Schiphol                 | 50             |
| Flughafen Wien AG                                         | Vienna                   | 1              |



# Ten-year summary\*

(in € million, unless stated otherwise\*\*)

|                                                                    | 2001    | 2000    |
|--------------------------------------------------------------------|---------|---------|
| <b>Profit and loss account</b>                                     |         |         |
| Net turnover                                                       | 695     | 637     |
| Other income                                                       | 11      | 10      |
|                                                                    | <hr/>   | <hr/>   |
| Total operating income                                             | 706     | 647     |
| Total operating expenses                                           |         |         |
| before depreciation/amortisation                                   | -/- 392 | -/- 356 |
|                                                                    | <hr/>   | <hr/>   |
| EBITDA                                                             | 314     | 291     |
| Depreciation/amortisation                                          | -/- 103 | -/- 103 |
|                                                                    | <hr/>   | <hr/>   |
| Operating profit                                                   | 211     | 188     |
| Financial items                                                    | -/- 31  | -/- 30  |
| Taxation and share in operating profits of participating interests | 3       | 4       |
|                                                                    | <hr/>   | <hr/>   |
| Profit on ordinary activities                                      | 183     | 162     |
| Extraordinary items                                                | –       | -/- 18  |
|                                                                    | <hr/>   | <hr/>   |
| Net profit                                                         | 183     | 144     |
| <b>Balance</b>                                                     |         |         |
| Fixed assets                                                       | 2,618   | 2,284   |
| Current assets                                                     | 227     | 187     |
|                                                                    | <hr/>   | <hr/>   |
| Total assets                                                       | 2,845   | 2,471   |
| Shareholders' equity                                               | 1,778   | 1,544   |
| Provisions                                                         | 127     | 134     |
| Long-term liabilities                                              | 402     | 390     |
| Current liabilities                                                | 538     | 403     |
|                                                                    | <hr/>   | <hr/>   |
| Total liabilities                                                  | 2,845   | 2,471   |
| Operating cash flow <sup>1)</sup>                                  | 215     | 251     |
| <b>Ratios</b>                                                      |         |         |
| Operating result as a % of net turnover                            | 30.4    | 29.6    |
| Interest coverage ratio <sup>2)</sup>                              | 6.8     | 6,2     |
| Return on average equity                                           | 11.0    | 9.9     |
| RONA <sup>3)</sup>                                                 | 8.6     | 8.7     |
| ROCE <sup>4)</sup>                                                 | 8.8     | 9.0     |
| Interest-bearing debt/total assets                                 | 0.24    | 0.21    |
| <b>Per-share information</b>                                       |         |         |
| Earnings per share                                                 | 1,068   | 839     |
| Operating cash flow per share                                      | 1,255   | 1,468   |
| Dividend per share                                                 | 263     | 133     |
| <b>Personnel</b>                                                   |         |         |
| Average effective workforce                                        |         |         |
| in full-time equivalents                                           | 2,039   | 1,864   |

1) See the cash flow statement for a breakdown.

2) Interest coverage ratio: Operating profit/(loss) / net financial items.

\* Historical figures have been adjusted to the current accounting policies.

| 1999    | 1998    | 1997    | 1996    | 1995    | 1994    | 1993    | 1992    |
|---------|---------|---------|---------|---------|---------|---------|---------|
| 575     | 553     | 504     | 446     | 401     | 370     | 387     | 344     |
| 11      | 11      | 0       | 0       | 0       | 0       | 0       | 0       |
| 586     | 564     | 504     | 446     | 401     | 370     | 387     | 344     |
| -/- 330 | -/- 303 | -/- 281 | -/- 246 | -/- 222 | -/- 251 | -/- 240 | -/- 208 |
| 256     | 261     | 223     | 200     | 179     | 119     | 147     | 136     |
| -/- 78  | -/- 80  | -/- 77  | -/- 71  | -/- 68  | -/- 27  | -/- 57  | -/- 58  |
| 178     | 181     | 146     | 129     | 111     | 92      | 90      | 78      |
| -/- 28  | -/- 26  | -/- 20  | -/- 29  | -/- 30  | -/- 25  | -/- 31  | -/- 21  |
| 6       | 3       | 2       | -/- 5   | 1       | 1       | 0       | 0       |
| 156     | 158     | 128     | 95      | 82      | 68      | 59      | 57      |
| -/- 29  | 0       | 0       | 0       | 0       | 0       | 0       | -/- 3   |
| 127     | 158     | 128     | 95      | 82      | 68      | 59      | 54      |
| 2,038   | 1,748   | 1,548   | 1,390   | 1,324   | 1,232   | 1,140   | 1,047   |
| 171     | 253     | 228     | 220     | 143     | 164     | 150     | 60      |
| 2,209   | 2,001   | 1,776   | 1,610   | 1,467   | 1,396   | 1,290   | 1,107   |
| 1,362   | 1,223   | 1,080   | 955     | 844     | 761     | 671     | 624     |
| 141     | 99      | 83      | 59      | 49      | 54      | 67      | 69      |
| 283     | 479     | 465     | 456     | 461     | 457     | 428     | 233     |
| 423     | 200     | 148     | 140     | 113     | 124     | 124     | 181     |
| 2,209   | 2,001   | 1,776   | 1,610   | 1,467   | 1,396   | 1,290   | 1,107   |
| 290     | 283     | 237     | 190     | 115     | 144     | 115     | 112     |
| 30.9    | 32.7    | 29.0    | 29.0    | 27.7    | 24.9    | 23.2    | 22.7    |
| 6.3     | 7.0     | 7.3     | 4.4     | 3.7     | 3.6     | 2.8     | 3.7     |
| 9.8     | 13.7    | 12.6    | 10.6    | 10.2    | 9.5     | 9.0     | 9.2     |
| 9.4     | 11.0    | 9.9     | 9.5     | 8.7     | 7.8     | 8.2     | 8.0     |
| 9.4     | 10.5    | 9.4     | 9.1     | 8.4     | 7.5     | 8.6     | 9.0     |
| 0.21    | 0.23    | 0.26    | 0.29    | 0.31    | 0.33    | 0.34    | 0.21    |
| 742     | 923     | 750     | 556     | 480     | 398     | 342     | 318     |
| 1,696   | 1,653   | 1,383   | 1,110   | 673     | 840     | 673     | 654     |
| 119     | 119     | 93      | 66      | 41      | 41      | 41      | 27      |
| 1,868   | 1,928   | 1,791   | 1,717   | 1,687   | 2,151   | 2,187   | 2,169   |

3) Return on net assets = Operating profit/(loss) / average fixed assets.

4) Operating profit/(loss) / average of liabilities less non-interest-bearing short-term loans.

# Appendices

## Appendix 1a

### Traffic and transport Amsterdam Airport Schiphol

|                                 | 2001           | 2000       | Change<br>compared<br>with 2000 in % |
|---------------------------------|----------------|------------|--------------------------------------|
| <b>Passengers</b>               |                |            |                                      |
| (excl. Transit-direct)          | 39,309,441     | 39,270,610 | + 0.1                                |
| Transit-direct passengers       | 221,682        | 336,315    | -/- 34.1                             |
| <b>Air cargo (in tonnes)</b>    | 1,183,208      | 1,222,594  | -/- 3.2                              |
| <b>Air mail (in tonnes)</b>     | 50,953         | 44,792     | + 13.8                               |
| <br>Air transport movements     | <b>416,462</b> | 414,928    | + 0.4                                |
| Other aircraft movements        | 15,639         | 17,555     | -/- 10.9                             |
| <b>Total aircraft movements</b> | <b>432,101</b> | 432,483    | -/- 0.1                              |

## Appendix 1b

### Traffic and transport Rotterdam Airport

(source: CBS)

|                                 | 2001          | 2000    | Change<br>compared<br>with 2000 in % |
|---------------------------------|---------------|---------|--------------------------------------|
| <b>Passengers</b>               |               |         |                                      |
| (excl. Transit-direct)          | 747,827       | 696,612 | + 7.4                                |
| <b>Air cargo (in tonnes)</b>    | 563           | 782     | -/- 28.0                             |
| <br>Air transport movements     | <b>19,933</b> | 24,806  | -/- 19.6                             |
| Other aircraft movements        | 72,941        | 88,518  | -/- 17.6                             |
| <b>Total aircraft movements</b> | <b>92,874</b> | 113,324 | -/- 18.0                             |



## Appendix 1c

## Traffic and transport Eindhoven Airport

(source: CBS)

|                                 | 2001          | 2000          | Change<br>compared<br>with 2000 in % |
|---------------------------------|---------------|---------------|--------------------------------------|
| <b>Passengers</b>               |               |               |                                      |
| (excl. Transit-direct)          | 278,517       | 340,606       | -/- 18.2                             |
| <b>Air cargo (in tonnes)</b>    | 198           | 65            | + 204.6                              |
| Air transport movements         | 11,347        | 16,174        | -/- 29.8                             |
| Other aircraft movements        | 6,177         | 7,120         | -/- 13.2                             |
| <b>Total aircraft movements</b> | <b>17,524</b> | <b>23,294</b> | <b>-/- 24.8</b>                      |

## Appendix 1d

## Traffic and transport Lelystad Airport

(source: CBS)

|                                 | 2001           | 2000           | Change<br>compared<br>with 2000 in % |
|---------------------------------|----------------|----------------|--------------------------------------|
| <b>Total aircraft movements</b> | <b>137,144</b> | <b>136,423</b> | <b>+ 0.5</b>                         |

## Appendix 1e

## Traffic and transport Terminal 4, JFK Airport, New York

|                                 | 2001          | 2000          | Change<br>compared<br>with 2000 in % |
|---------------------------------|---------------|---------------|--------------------------------------|
| <b>Passengers</b>               |               |               |                                      |
| (excl. Transit-direct)          | 4,629,259     | 5,219,637     | -/- 11.3                             |
| <b>Air cargo (in tonnes)</b>    | n.a.          | n.a.          |                                      |
| Air transport movements         | 32,140        | 29,151        | + 10.3                               |
| Other aircraft movements        | N.A.          | N.A.          |                                      |
| <b>Total aircraft movements</b> | <b>32,140</b> | <b>29,151</b> | <b>+ 10.3</b>                        |

n.a. = not available

N.A. = not applicable

## Appendix 1f

### Traffic and transport Brisbane Airport, Australia

|                                 | 2001           | 2000           | Change<br>compared<br>with 2000 in % |            |
|---------------------------------|----------------|----------------|--------------------------------------|------------|
| <b>Passengers</b>               |                |                |                                      |            |
| (excl. Transit-direct)          | 12,985,466     | 11,848,499     | +                                    | 9.6        |
| <b>Air cargo (in tonnes)</b>    | n.a.           | n.a.           |                                      |            |
| Air transport movements         | 137,430        | 133,358        | +                                    | 3.1        |
| Other aircraft movements        | 31,790         | 32,930         | -/-                                  | 3.5        |
| <b>Total aircraft movements</b> | <b>169,220</b> | <b>166,288</b> | <b>+</b>                             | <b>1.8</b> |

## Appendix II

### Comparison of the 10 major Western European airports

#### Air transport movements

(x 1,000)

|                        | 2001  | 2000  | Change<br>compared<br>with 2000 in % |     |
|------------------------|-------|-------|--------------------------------------|-----|
| 1 London <sup>1)</sup> | 855.4 | 858.7 | -/-                                  | 0.4 |
| 2 Paris <sup>2)</sup>  | 730.7 | 747.4 | -/-                                  | 2.2 |
| 3 Frankfurt            | 441.1 | 441.6 | -/-                                  | 0.1 |
| 4 Amsterdam            | 416.5 | 414.9 | +                                    | 0.4 |
| 5 Madrid               | 374.7 | 357.6 | +                                    | 4.8 |
| 6 Milan <sup>4)</sup>  | 317.7 | 313.1 | +                                    | 1.5 |
| 7 Munich               | 310.3 | 290.7 | +                                    | 6.7 |
| 8 Rome <sup>3)</sup>   | 294.7 | 297.7 | -/-                                  | 1.1 |
| 9 Brussels             | 286.8 | 304.9 | -/-                                  | 5.9 |
| 10 Copenhagen          | 284.9 | 299.7 | -/-                                  | 4.9 |

Share of Amsterdam Schiphol 9.6% (2000: 9.6%).

**Passenger movements (transit-direct counted once)**

(x 1,000)

|                        | 2001           | 2000    | Change<br>compared<br>with 2000 in % |
|------------------------|----------------|---------|--------------------------------------|
| 1 London <sup>1)</sup> | <b>105,587</b> | 108,537 | -/- 2.7                              |
| 2 Paris <sup>2)</sup>  | <b>71,025</b>  | 73,643  | -/- 3.6                              |
| 3 Frankfurt            | <b>48,569</b>  | 49,340  | -/- 1.6                              |
| 4 Amsterdam            | <b>39,531</b>  | 39,607  | -/- 0.2                              |
| 5 Madrid               | <b>33,987</b>  | 32,895  | + 3.3                                |
| 6 Rome <sup>3)</sup>   | <b>26,284</b>  | 27,118  | -/- 3.1                              |
| 7 Milan <sup>4)</sup>  | <b>25,707</b>  | 26,743  | -/- 3.9                              |
| 8 Munich               | <b>23,647</b>  | 23,126  | + 2.3                                |
| 9 Zurich               | <b>20,971</b>  | 22,627  | -/- 7.3                              |
| 10 Barcelona           | <b>20,748</b>  | 19,809  | + 4.7                                |

Share Amsterdam Schiphol 9.5% (2000: 9.3%).

**Air cargo**

(x 1,000 tonnes)

|                        | 2001          | 2000   | Change<br>compared<br>with 2000 in % |
|------------------------|---------------|--------|--------------------------------------|
| 1 London <sup>1)</sup> | <b>1627.7</b> | 1795.4 | -/- 9.3                              |
| 2 Frankfurt            | <b>1476.4</b> | 1573.2 | -/- 6.2                              |
| 3 Paris <sup>2)</sup>  | <b>1460.3</b> | 1517.8 | -/- 3.8                              |
| 4 Amsterdam            | <b>1183.2</b> | 1222.6 | -/- 3.2                              |
| 5 Brussels             | <b>560.6</b>  | 623.4  | -/- 10.1                             |
| 6 Luxembourg           | <b>474.9</b>  | 499.9  | -/- 5.0                              |
| 7 Cologne              | <b>443.0</b>  | 423.6  | + 4.6                                |
| 8 Zurich               | <b>352.6</b>  | 395.1  | -/- 10.8                             |
| 9 Madrid               | <b>294.8</b>  | 308.9  | -/- 4.6                              |
| 10 Milan <sup>4)</sup> | <b>292.8</b>  | 300.8  | -/- 2.6                              |

Share Amsterdam Schiphol 14.5% (2000: 14.1%).

1) Heathrow, Gatwick and Stansted.

2) Charles de Gaulle and Orly.

3) Fiumicino and Ciampino.

4) Malpensa and Linate.

## Appendix III

### Scheduled airlines at Amsterdam Schiphol

as at 31 December 2001

#### Passengers/cargo airlines

1. Adria Airways
2. Aer Lingus
3. Aeroflot
4. Air Alps Aviation
5. Air Dolomiti
6. Air France
7. Air Malta
8. Airzena
9. Alitalia
10. Armenian Airlines
11. Aurigny Air Services
12. Austrian Airlines
13. Braathens
14. British Airways
15. British Airways (Maersk Air Ltd.)
16. British Midland Airways
17. Cathay Pacific Airways
18. China Airlines
19. China Southern Airlines
20. CityFlyer Express
21. Continental Airlines
22. Croatia Airlines
23. Crossair
24. Cyprus Airways
25. Czech Airlines
26. Delta Air Lines
27. Dutch Caribbean Express
28. Easy Jet
29. Egypt Air
30. El-Al
31. Ethiopian Airlines
32. Eurowings
33. EVA Air
34. Finnair
35. Flymetropolis
36. Garuda Indonesia
37. Iberia
38. Icelandair
39. Iran Air

40. Japan Airlines
41. JAT Jugoslav Air Transport
42. Kenya Airways
43. KLM
44. KLM cityhopper
45. KLM exel
46. KLM uk
47. Kuwait Airways
48. Lithuanian Airlines
49. LOT Polish Airlines
50. Lufthansa
51. Lufthansa CityLine
52. Macedonian Airlines
53. Maersk Air
54. Malaysia Airlines
55. Malev Hungarian Airlines
56. Martinair Holland
57. Meridiana
58. Northwest Airlines
59. Olympic Airways
60. PIA Pakistan International
61. Pulkovo Airlines
62. Royal Air Maroc
63. Royal Jordanian
64. SAS Scandinavian Airlines
65. Scot Airways
66. Singapore Airlines
67. Swisswings
68. Syrian Arab Airlines
69. TACV Cabo Verde
70. TAP Air Portugal
71. Tarom
72. THY Turkish Airlines
73. Trans Travel Airline
74. Transavia Airlines
75. Tunis Air
76. Ukraine International Airlines
77. United Airlines
78. US Airways

#### Cargo airlines

1. Asiana Airlines
2. Dragonair
3. Emirates
4. Korean Air
5. Nippon Cargo Airlines
6. Polar Air Cargo
7. TMA of Lebanon
8. Westair

**Airport Fees**

Charges for take-offs, landings, aircraft parking and passenger fees.

**Airport Security Charge**

A fee to be introduced on April 1, 2002 to compensate investments in and the additional cost of security measures.

**Aviation Act**

Legislation laying down new standards for noise, air quality, odour and third-party risk at Amsterdam Airport Schiphol.

**BASS**

Amsterdam Airport Schiphol's automated baggage-handling system.

**Centralised Security**

A centralised security system for checking passengers and carry-on baggage located directly after passport or ticket control.

**Concession Revenues**

Income from activities derived from a concession; that is a licence to carry out specific activities such as operating a restaurant or a shop.

**Euro Medium Term Note**

Certificate of debt that can be issued in a variety of currencies, the due date of which can be defined together with the relevant bank.

**Fifth Runway**

Amsterdam Airport Schiphol's latest runway, the construction of which began in 2000. It will run parallel to the Zwanenburg runway (01L-19R).

**Fraport**

The company operating Frankfurt/Main Airport.

**FTEs**

Full-time equivalents; the number of jobs calculated by full working weeks.

**IATA Ranking/Monitor**

An annual list in which the International Air Transport Association (IATA) ranks all airports according to quality.

**Iris Recognition**

Biometric identification of the human eye.

**Kosten Unit (KU)**

A measurement in the Netherlands used to determine noise impact by aircraft on an annual basis; named after its creator, Prof. Kosten (*Kosteneenheid* or *Ke*).

**Mainport**

A hub for air, road and rail transport, which serves as home base to airline alliances and generates significant economic influence on its environs.

**MTOW**

Maximum Take-off Weight – the maximum weight of aircraft taking off; this is used to calculate take-off and landing fees.

**Noise Zone**

Area within which physical planning limitations apply to building and insulating homes. Outside this area, aircraft noise may not exceed specific limits. At present, Amsterdam Airport Schiphol has two noise zones: the 35-KU zone for the full 24-hour period and the 26-LAeq dB(A) nighttime zone.

**Pantares**

The Schiphol Group and Fraport alliance.

**Passenger Service Charge**

Compensation for passenger use of facilities.

**Pre-ordering**

Ordering goods and services at home on the Internet.

**Privium**

A service programme linked to automatic border passage employing iris recognition.

**ROZ/IPD index**

Dutch index used to determine the added value of commercial property.

**RSI**

Abbreviation for Repetitive Strain Injury; also called Computer Related RSI – referred to as a ‘mouse arm’ (*muismarm*) in Dutch.

**Schiphol Plaza**

An integrated, central entrance hall, train station and public shopping centre at the Amsterdam Airport Schiphol terminal.

**Schiphol Telematics**

A joint venture with the Dutch telephone company KPN involved in developing a telecommunications infrastructure at Amsterdam Airport Schiphol.

**Schiphol Travel Taxi**

Combined on-call transport service to and from Amsterdam Airport Schiphol.

**Schiphol Travelport**

A virtual travel agency – a component of the Schiphol website – where visitors can reserve airline tickets and rental cars online.

**See Buy Fly**

The shopping centre located after Passport Control operating on the basis of a cooperation agreement between shopkeepers in the terminal and Amsterdam Airport Schiphol.

**Terminal**

The airport building, including the arrival and departure halls.

**Transfer Passenger**

A passenger that changes planes at an airport.

**Transit-direct Passenger**

A passenger that arrives at an airport and continues travelling on the same plane.

**Zuidtangent**

High-speed shuttle bus service, the first phase of which began operating in early 2002 (from the Central Station in Haarlem, to Schiphol and Amsterdam-Bijlmer Station).