

RESEARCH

N.V. Luchthaven Schiphol

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ISSUER CREDIT RATINGS**N.V. Luchthaven Schiphol**

Corporate Credit Rating AA-/Stable/--

Schiphol Nederland B.V.

Corporate Credit Rating AA-/Stable/--

AFFIRMED RATINGS**N.V. Luchthaven Schiphol**

Sr unsecd debt AA-

Schiphol Nederland B.V.

Sr unsecd debt AA-

*Local currency***Business risk profile:**

Strong

Financial risk profile:

Minimal

Corporate credit rating history:

Apr. 10, 2002 AA-

June 2, 1993 AAA

Major Rating Factors**Strengths:**

- Conservative financial profile
- Solid aviation, real estate, and retail operations
- Supportive regulatory environment

Weaknesses:

- High level of transfer passengers
- Relatively high dependence on the airline KLM, and long-term uncertainty regarding the effects of the Air France-KLM merger on transfer traffic

Rationale

The ratings on N.V. Luchthaven Schiphol and Schiphol Nederland B.V., units of the Schiphol Group (Schiphol Group is also the commercial name for N.V. Luchthaven Schiphol), which includes Schiphol International B.V., reflect Schiphol Group's strong business risk profile and minimal financial risk profile. The group's main asset, Amsterdam Airport Schiphol (Schiphol), is a key element of The Netherlands' open economy, and maintains a strong competitive position as a European hub airport. The airport's strong operational track record, and its success in retail and real estate also support the ratings. These strengths are partially offset by environmental constraints, a relatively high level of transfer passengers,

and dependence on airline Air France-KLM.

Schiphol, which is the fourth-largest airport in Europe by passenger volume, handled 44.2 million passengers in 2005--an increase of 3.8% on 2004--on the back of strong performance of intercontinental routes, and, to a lesser extent, improving European traffic. That was lower than forecast, reflecting a slower-than-expected economic recovery and some adverse weather conditions. Management expects a volume increase of about 4.0% in 2006 in passengers and cargo traffic. In the first four months of 2006, passenger growth was 3.7%.

Financial results were strong in 2005. Revenues were €948 million--an 8.1% improvement on the same period in 2004, largely owing to an increase in passenger volumes, higher airport charges, and the strong performance of car parking operations at Schiphol (a balanced contribution from all business areas). The operating margin (before depreciation, impairment, sales of property, and capital gains on property) was, however, 4.0% down on 2004, still representing a strong 40.1% of revenues in 2005. This was largely due to a sharp increase in the cost of security. Net income increased by 19.9% (17.1% when excluding capital gains on property), thanks to the 12.0% reduction in employee benefits following the release of employee benefit provisions relating to the new Dutch health care system and a change in tax legislation relating to early retirement.

Schiphol Group's financial profile, albeit weakened in 2005, is one of the strongest among airports rated by Standard & Poor's Ratings Services. In 2005, and now under IFRS, funds from operations (FFO) were 41% lower than in 2004, reflecting timing differences in tax payments. In 2005, FFO to interest decreased to 4.9x from 7.3x in the previous year, while FFO to total debt was 20.5%, down from 33.4%.

Liquidity

Schiphol Group's liquidity is adequate, supported in particular by stable and strong cash flow generation, the group's ability to reduce capital expenditure, and good access to capital markets and its long-term maturity profile. Financing needs for 2006 comprise about €36 million of maturing debt (including finance lease installments), a payout of €55 million in 2006 (30% of 2005 net consolidated income excluding the unrealized gains and losses in investment property after tax), and forecast negative free operating cash flow (FFO plus working capital change minus capital expenditures) of about €50 million.

These financing needs are satisfactorily covered by €262 million of cash and marketable securities, and undrawn committed bank facilities of €200 million at Dec. 31, 2005.

The documentation for Schiphol Group's existing bonds carry no rating triggers or change of control covenants. In contrast, the €150 million outstanding loan from the European Investment Bank (EIB) carries a possible rating trigger: The EIB can enter into a preliminary discussion regarding a change of conditions on the outstanding debt if Standard & Poor's rating on Schiphol Group falls below 'A' or Moody's rating falls below 'A2'. In the unlikely event that revised conditions are not agreed, the EIB could ask for early repayment of the loan.

Outlook

The stable outlook reflects our expectation that the group will maintain strong business and financial profiles, with FFO interest coverage above 6.0x, and flexibility to defer capital expenditure. A rating upgrade is highly unlikely, but a rating downgrade could follow an erosion of the group's credit profile by events that could undermine passenger volumes, a significant weakening of its main carrier KLM, or a change in the airline's strategy of using Schiphol as its main hub. The rating on the group is based on its stand-alone credit quality: If privatization were to result in a change of the group's capital structure toward a more aggressive financial profile, however, the ratings could be lowered.

Privatization

The Second Chamber (Lower House) of Dutch Parliament approved the privatization of Schiphol Group in 2005. The Dutch finance minister appears to have somewhat conflicting targets: On one hand he aims for maximum proceeds, while on the other he has made a clear statement that he wants to preserve solid credit quality. After a series of discussions, it was agreed that a minority interest (up to 49.9%) will be privatized: 25.0%-30.0% will be floated and the remainder will be sold under certain preset conditions,

including a lock-up period, to private investors. Two advisory reports, however, have indicated that the company is underleveraged. If the financial profile after privatization were to become more aggressive, a downgrade would occur.

The timeframe of the disposal is as yet unknown because the decision still has to be approved by the First Chamber (Upper House; expected by mid 2006) and the City of Amsterdam, which holds 21.8% of the group and has blocking vote rights. In the event that Schiphol Group's privatization goes ahead, we will review the ratings on the group, with the likely outcome that these will be placed on CreditWatch with negative implications. Although the ratings are based on the group's stand-alone credit quality, we believe the existing owners could decide to award themselves a special dividend financed by debt taken on by the entity or set a more aggressive dividend policy.

Table 1

N.V. Luchthaven Schiphol Financial Summary*

(Mil. €)	--Year ended Dec. 31 --				
	2005	2004	2003	2002	2001
Gross revenues¶	948	876	860	774	695
Net income from continuing operations	193	161	191	137	183
Funds from operations (FFO)	204	347	288	259	280
Net cash flow	157	306	246	214	257
Capital expenditures	191	274	318	298	341
Total capital	3,239	3,132	3,135	2,651	2,472
Pretax interest coverage (x)	6.3	5.4	6.5	5.6	6.0
Total debt/total capital (%)	30.7	33.2	34.8	29.1	27.7
FFO interest coverage (x)	4.9	7.3	6.2	6.6	8.9
FFO/total debt (%)	20.5	33.4	26.4	33.5	40.8
Net cash flow/capex (%)	82.2	111.7	77.4	71.7	75.4

*Due to accounting changes financials are not directly comparable year on year. ¶Does not include own works capitalized or property results.

Business Description

Schiphol Group is the owner and operator of Amsterdam Airport Schiphol, which, in addition to 44.2 million passengers, handled 1.45 million tons of cargo in 2005. The group also owns Lelystad Airport, Rotterdam Airport, and 51% of Eindhoven Airport.

Schiphol Group also operates and participates in various foreign airports, such as a 16% stake in Brisbane Airport Corp. Ltd. (BBB/Stable/--) in Australia and a 40% stake in Terminal 4 of John F. Kennedy Airport in the U.S.

Competitive position

Schiphol's competitive position is strong. Its domestic market share is dominant, and in Europe it is the fourth-largest airport in terms of passengers. The airport has a solid hub position that largely depends on Air France-KLM's strategy and the success of that strategy. This in turn is determined by the airport's ability to provide a high-quality business and an operating environment that supports high levels of transfer traffic.

Schiphol faces strong competition for transfer traffic from the other main European hubs, mainly the Parisian airports owned by Aeroports de Paris (ADP; AA-/Watch Neg/--), the London airports owned by BAA PLC (BBB+/Watch Neg/A-2), and FraPort, the operator of Frankfurt Airport. In 2005, Schiphol's market share among the top 10 European airports was fairly stable at 10.3% of passenger traffic. Nevertheless, Schiphol faces more stringent environmental restrictions than its peers.

Competition from other, smaller airports that host "no-frills" carriers such as RyanAir could take some origin-destination traffic away from Schiphol. Moreover, airports across the German border, such as

Duesseldorf, Cologne, and Moenchengladbach are all heavily promoting no-frills traffic, which could attract people from the east and south of the Netherlands. The control of the regional airports in Eindhoven, Rotterdam, and Lelystad, however, provides the Schiphol Group with opportunities to develop low-cost traffic further through these secondary airports.

Aeronautical activity

Aeronautical activity at Schiphol has demonstrated sustainable growth over the past 30 years. This supports Schiphol Group's business profile.

Total traffic grew by 3.8% to 44.2 million passengers in 2005. That was lower than expected and growth slowed compared with 2004, when traffic grew a strong 6.5% (following a depressed traffic in 2003). That was led by a 5.7% increase in traffic carried by Air France-KLM. Higher frequencies are at the forefront of this increase. Low-cost carriers grew by 7.5% to 4.5 million passengers, now representing more than 10% of total passengers. Cargo transport rose by 2.0% to about 1.45 million tons. Schiphol retained its ranking as Europe's third-largest cargo airport. The number of air transport movements (ATMs; scheduled and charter flights) was up by 0.5%, totaling about 404,600.

Exposure to KLM has increased, and it accounted for 48% of ATMs and 49% of total passengers in 2005. Although this situation is typical for hub airports, it is a rating concern. Nevertheless, the merger of KLM with the financially stronger Air France has proved successful so far, with improving traffic, yield, and financial results. In addition, Air France has assured the Dutch government that it will operate a dual-hub system for the combined airline group until 2011. So far, the overall impact has been positive: Air France-KLM has harmonized its corresponding flights, reduced route duplication, and reallocated the corresponding slots freed to new destinations in each hub (Paris Charles de Gaulle and Schiphol). Over the long term, however, Schiphol's position could be vulnerable because Air France is the stronger entity in the merger. Reduced route duplication and potential alterations to the two airports' long-term regional focus could change their traffic profiles considerably. Schiphol, which has a large number of transfer passengers, could be particularly affected.

Revenue stability

Passenger numbers, tariff changes, and nonaeronautical activities are the main drivers of revenue generation and growth.

Schiphol Group has a well-diversified revenue base. Slightly more than 60% of its revenues come from aeronautical charges. Due to a stable 42% share of transfer traffic and high dependence on a single airline, however, Schiphol is likely to be more susceptible to revenue fluctuations than an origin-destination airport with an established passenger base. This is a negative factor for the rating.

Schiphol's aeronautical charges per passenger are higher than average compared with those of other European airports. Overall, Standard & Poor's expects aeronautical charges for airports with significant capital expenditure programs to increase, with passengers paying a growing proportion of these. Schiphol Group will be no exception. The rate of increase is expected to be lower than in the past, however, due to higher scrutiny from airlines and regulators, and increasing competitive pressure.

Nonaeronautical income is well balanced and represents about 40% of total revenues. It includes retail concessions, real-estate sales and lease and rents income, utilities, and other activities.

Regulation

Schiphol is governed by the Aviation Act, which came into force in February 2003. The Act tightens and expands the previous legislative regime and defines limits on noise, runway use and routing, third-party risk, and the emission of substances that cause local odor and air pollution.

Under separate legislation, Schiphol Group is required to conduct operational activities for preventive security, although the Dutch government will ultimately remain responsible for airport security.

The current dual-till framework at Schiphol is positive for the ratings. It provides greater visibility regarding future airport charges and could enhance profitability.

Before the privatization, a new regulatory framework will be put into effect. This is set out in a proposed government directive. The Dutch Antitrust Authority will monitor the airport's charges policy. The new framework is expected to follow the draft European Community directive on airport charges, requiring nondiscrimination, cost relatedness, and transparency. The framework has been ratified by the Second Chamber of Parliament and has been put before the First Chamber. Once approved in the Upper House, the Dutch Anti-Trust Authority will conduct a final verification of the framework before it comes into effect.

Although airport regulation continues to evolve in The Netherlands, partially in expectation of privatization, Standard & Poor's does not expect the regulatory regime to become a negative rating factor because Schiphol will continue to be a key support for The Netherlands' economic growth.

Operations

Schiphol Group's operations are strong. Capacity is adequate, profitability is high, and the retail activities are benchmarked globally.

Schiphol's environmental capacity is sufficient to accommodate traffic in the medium term. In June 2005, Schiphol, together with KLM and Air Traffic Control Netherlands, submitted a number of improvement proposals regarding the current system of environmental constraints and technological developments (such as the use of quieter aircraft, new take-off and landing methods, and changes in the aircraft mix) in order to enable further growth to 600,000 ATMs per year. The Dutch Cabinet provided its response in April 2006. Based on a number of minor amendments to the current Aviation Act, traffic levels can increase to 520,000 ATMs (from 404,600 in 2005). A further increase to 600,000 ATMs could subsequently be realized through technological developments. These conclusions are consistent with Schiphol Group's previous estimates that the maximum technical capacity of its existing five-runway system is about 600,000 ATMs per year, or about 60 million passengers.

To support the forecast growth, Schiphol Group is planning to invest €360 million in 2006, of which more than one-half will be invested in aviation facilities at Schiphol. Delays to the investment program resulted in capital expenditure 33% lower than budgeted in 2005. Long-term investment plans remain focused on structural growth. Planned investments in the coming years include further extension of the terminal and taxiway system, and investments in real estate, security and upgrading baggage handling systems.

Profitability

Revenue increased by 8.1% in 2005: revenue from airport charges rose by 9.9%, the increase being attributable to the growth in passenger numbers (up by 3.8%) and the number of ATMs, the increased average maximum takeoff weight of aircraft, and an increase in airport charges. Concession income rose to €128 million from €120 million and real estate letting income increased by 7.7%, to €112 million from €104 million.

The operating margin (before depreciation, impairment, sales of property, and capital gains on property) was, however, 4.0% down at €380 million, still representing a strong 40.1% of revenues in 2005, down from a record 45.1% in 2004. These margins are in line with BAA's and better than ADP's but still relatively low compared with Copenhagen Airports A/S (BBB+/Stable/--), which has a similar cost profile. The reduced operating margin is due to the increase from the security charge in 2005, which was less than the sum of the security costs (up by €39 million, totaling 35% of total aviation costs) due to security measures imposed by the EU and the Dutch government. The difference between costs and income will be incorporated in future security charges. Partially offsetting this, employee benefits fell by 12%. A large part of the reduction (€15 million) was due to the release of an addition to various employee benefit provisions relating to the new Dutch health care system and a change in tax legislation relating to early retirement.

Commercial operations, which represented 21% of revenues in 2005, generated 40% of the group's operating income. They are the most profitable operations at Schiphol Group, given the low asset base and unregulated operations. In 2005, return on net assets after tax was 41% (34% in 2004).

The operating result contribution from aviation activities has increased since the group took over security duties from the government. Given the large asset base and regulated returns, aviation yielded a lower return on net assets of 4.1% in 2005 (4.0% in 2004).

Schiphol Group has continued to realize capital gains as it transfers properties to the ACRE Fund, a

property fund created in 2002, in which Schiphol Group maintains a 50% interest. In 2005, Schiphol Real Estate transferred assets to the ACRE fund, generating about €85 million in revenues: A profit of €10 million was posted on the sale of property in 2005 (€17 million in 2004). The net capital gain on the group's real estate portfolio in 2005 amounted to €12 million, compared with €5 million gained in 2004. The increase was mainly due to the signing of new long-lease contracts in 2005 and the attribution of residual values to long-lease contracts expiring within 20 years.

Table 2**Schiphol Airport Operating Statistics***

	--Year ended Dec. 31--				
	2005	2004	2003	2002	2001
Total passenger traffic (millions; excluding transit)	44.0	42.4	39.8	40.6	39.3
Annual growth (% per year)	3.8	6.5	(1.9)	3.3	0.1
European share of total (%)	68.0	68.0	70.0	68.9	67.8
Intercontinental share of total (%)	32.0	32.0	30.0	30.8	31.6
Transfer share of total (%)	42.0	42.0	41.0	41.7	40.5
Total freight traffic (000s tons)	1,455.0	1,421.0	1,306.2	1,239.9	1,183.2
Annual growth (% per year)	2.4	8.8	5.3	4.8	(3.2)
Air transport movements (000s)	404.6	402.7	393.0	401.4	416.5
Annual growth (% per year)	0.5	2.5	(2.1)	(3.6)	0.4
Average full-time employees	2,179	2,216	2,231	2,134	2,038
Average number of passengers per full-time employee¶	20,193	19,145	17,843	19,089	19,288

*Due to accounting changes financials are not directly comparable year on year. ¶The number of full-time employees referred to is for Schiphol Group and is therefore an overstatement for Amsterdam Airport Schiphol alone.

Financial Risk Profile

Accounting

The year to December 2005 was the first for which Schiphol Group published consolidated accounts under IFRS. As expected, the impact of the transition was not significant because in the past two years the group had adopted accounting treatments under Dutch GAAP that were consistent with IFRS.

Application of IFRS to the 2004 financial statements reduced shareholders' equity by €67 million at Dec. 31, 2004 (primarily attributable to IAS 16 and IAS 19), and an increase of about €2.5 million in net results. The application of IAS 39 from Jan. 1, 2005, resulted in an increase of €2.5 million in shareholders' equity. For tax purposes, Schiphol Group has been subject to corporate income tax since 2002. The opening balance sheet for tax purposes has not yet been finalized by the tax authorities, however. This is expected to take place in the course of 2006. This will result in a nonrecurring item in the profit and loss account, which is expected to be positive.

Schiphol Group's pension scheme is part of a multiemployer plan. Historically, the group has recognized its pension liabilities under defined contribution accounting and will continue to do so under IFRS. There is no information and disclosure available on this plan, and so Standard & Poor's does not adjust Schiphol Group's debt figures to incorporate the aftertax present value of its net pension funding status. Nevertheless, the group is exposed to defined-pension liability risk. Commitments under operating leases are immaterial.

Corporate governance/Risk tolerance/Financial policies

Schiphol Group's financial policy is prudent. The company has set financial targets that include leverage of 25%-50%, EBIT interest coverage of 4x or higher, and up to 25% of floating-rate debt. This may be revised toward more aggressive levels after any potential privatization.

The Schiphol Group's current dividend payout is 30% of the result after tax excluding capital gains on investment property; future dividend policy will depend on the outcome of the privatization process. Dividend payment in 2005 based on 2004 results was €46.5 million. For 2006, the dividend will be €55.0 million.

Debt-financed acquisitions are limited to nonrecourse activities, such as with the John F. Kennedy and Brisbane airports. Transaction exposures are all hedged. The hedging of translation exposures is, however, limited to debt amounts, while foreign participation is not hedged. Interest-rate and currency risks are hedged by plain vanilla swaps. With effect from 2005, derivatives are carried at fair value. At the end of 2005, the fair value (calculated as the present value of the estimated future cash flows) of the group's interest rate and foreign exchange swap contracts amounted to €48.2 million.

The company has adequate insurance policies. Nevertheless, in relation to terrorism insurance the Dutch State provides a guarantee for cover unavailable in the commercial markets.

Cash flow adequacy

Schiphol Group's strong and stable cash-generative business is a credit strength. In 2005, FFO of €204 million was 41% lower than in 2004. There were two reasons for the decline. First, the operating margin (before depreciation, impairment, sales of property, and capital gains on property) was down 4.0%. Second, provisional corporate income tax assessments for the years 2004 and 2005, together totaling €114 million, were received and paid in 2005. Conversely, the absence of tax payments in 2004 had boosted FFO. Lower but still strong cash flow generation brought debt interest coverage down from the 2004 level. In 2005, FFO to interest decreased to 4.9x from 7.3x in the previous year, while FFO to total debt was 20.5%, down from 33.4%.

Investments in property, plant, and equipment during the year amounted to €268 million, compared with €293 million in 2004. Offsetting these investments were proceeds from sales resulting from disposals totaling €85 million (€24 million in 2004), mainly associated with the sale of property to the ACRE Fund. Free operating cash flow was positive again in 2005 as high tax payments were offset by a positive working capital change in 2005 (negative in 2004) and lower capital expenditure. Free cash flow is expected to turn negative in the next few years as the group accelerates its capital expenditure program.

Schiphol Group still has headroom to reduce capital expenditure, and so any decline in cash flow would be accompanied by a significant reduction in capital expenditure.

Table 3

Schiphol Group Profitability*

Income statement (mil. €)	--Year ended Dec. 31--				
	2005	2004	2003	2002¶	2001
Gross revenues§	948	876	860	774	695
Operating expenses (excluding D&A)	568	480	479	444	385
D&A	167	160	131	106	103
EBITDA§	380	396	380	330	309
Interest incurred	49	50	53	44	36
Net interest incurred	42	40	43	39	32
Net income	193	161	191	137	183
Earnings protection					
Pretax interest coverage (x)	6.3	5.4	6.5	5.6	6.0
Net pretax interest coverage (x)	7.2	6.4	7.8	6.1	6.6
EBITDA interest coverage (x)	7.4	7.3	7.2	7.5	8.7
Total debt/EBITDA (%)	2.6	2.6	2.9	2.3	2.2
Return on average equity (%)	8.9	7.8	9.8	7.5	11.0

*Due to accounting changes 2005 and 2004 (IFRS) profitability measures are not directly comparable with previous years. ¶Restated.

§Adjusted for own works capitalized.

Table 4

Schiphol Group Cash Flow*

--Year ended Dec. 31--

Cash flow (mil. €)	2005	2004	2003	2002¶	2001
Net income	193	161	191	137	183
D&A	167	160	131	106	103
Funds from operations (FFO)	204	347	288	259	280
Common dividends	47	41	42	45	23
Net cash flow (NCF)	157	306	246	214	257
Net capital expenditure (capex)	191	274	318	298	341
Discretionary cash flow	(22)	(11)	(63)	(50)	(155)
Cash flow adequacy					
Capex/average total capital (%)	5.9	8.6	11.0	11.6	15.0
NCF/capex (%)	82.2	111.7	77.4	71.7	75.4
NCF/capex and net acquisitions (%)	74.7	111.3	74.9	71.7	76.2
FFO/total debt (%)	20.5	33.4	26.4	33.5	40.8
FFO/net debt (%)	27.9	44	35.1	35.2	45.8
FFO interest coverage (x)	4.9	7.3	6.2	6.6	8.9
FFO net interest coverage (x)	5.5	8.9	7.3	7.2	9.9

*Due to accounting changes 2005 and 2004 (IFRS) cash flow protection measures are not directly comparable with previous years.

¶Restated.

Capital structure/Asset protection

Schiphol Group is expected to maintain adequate capitalization. An improvement in the capitalization ratio (measured as total debt to total debt plus total equity) to 30.7% from 33.2% primarily reflects the appropriation of profits and a small debt reduction in 2005.

Total debt decreased to €993 million at year-end 2005 from €1.04 billion in 2004 as the strong cash position almost fully funded capital expenditure and dividend payments. Strong passenger growth was behind a good reduction in debt per passenger to €23, down from €25 in 2004. These continue to be the lowest levels in the peer group, including BAA and ADP.

The investment plan for the next five years is forecast to be financed largely by internal funds and cash. There is, however, likely to be some "opportunistic" capital expenditure on real estate, participations, and alliances, which, although difficult by nature to quantify in terms of amount or timing, may require additional debt funding.

Schiphol Group launched an €1 billion EMTN program in 1999. At year-end 2005, borrowings under the program totaled €520.8 million. There are no rating triggers or change of ownership clauses in the program.

Table 5

Schiphol Group Capital Structure

	--Year ended Dec. 31--				
Balance sheet (mil. €)	2005	2004	2003	2002¶	2001
Cash and equivalents	262	250	271	38	75
Net plant	3,131	3,052	2,960	2,655	2,545
Total assets	3,681	3,556	3,469	2,938	2,845
Short-term debt	36	84	67	257	292
Long-term debt	958	956	1,024	516	394
Common equity	2,245	2,093	2,044	1,878	1,786
Total capital	3,239	3,132	3,135	2,651	2,472
Balance sheet ratios (%)					
Short term debt/total capital	1.1	2.7	2.1	9.7	11.8
Long term debt/capital	29.6	30.5	32.7	19.5	15.9

Common equity/total capital	69.3	66.8	65.2	70.9	72.2
Total debt/total capital	30.7	33.2	34.8	29.1	27.7
Net debt/total capital	22.6	25.1	26.2	27.7	24.7

*Due to accounting changes 2005 and 2004 (IFRS) capital structure measures are not directly comparable with previous years. ¶Restated.

Table 6

Schiphol Group Rated Peer Comparison

	N.V. Luchthaven Schiphol	Aeroports de Paris	BAA PLC
Corporate credit ratings*	AA-/Stable/--	AA-/Watch Neg/--	BBB+/Watch Neg/A-2
Airports operated	Amsterdam	Charles de Gaulle, Orly	Heathrow, Gatwick, Stansted, Edinburgh, Glasgow, Aberdeen, Southampton
Year ended	Dec. 31, 2005	Dec. 31, 2005	March 31, 2005
Operating statistics			
Market	Netherlands	France	U.K.
Population	16,000,000	60,000,000	60,000,000
Total passengers 2005 (000s)	44,200	78,800	141,728
Origin and destination traffic (%)	58	76	N.A.
Transfer traffic (%)	42	24	N.A.
Air transport movements (ATMs; commercial only; 000s)	404	735	1,220
Revenue distribution (%)			
Aeronautical	60	53	39
Retail, concessions, and parking	21	20	40
Property	12	9	15
Others	7	18	6
Aeronautical revenue/passenger (€)	13	13	9
Nonaeronautical revenues/passenger (€)	9	11	13
Operating revenues/passenger (€)	22	24	22
EBITDA/passenger (€)	9	8	10
Operating costs/passenger (€)	13	17	12
Debt/passenger (€)	23	35	44
Financial metrics			
Profitability (mil. €)			
Gross revenues	948	1,915	3,128
Average revenue growth in five years (CAGR) (%)	8.0	6.5	0.1
Operating costs (excluding depreciation)	567	1,322	1,687
EBITDA	380	593	1,440
Net income from continuing operations	193	180	663
EBITDA margin (%)	40.2	30.9	46.0
Cash flow protection (mil. €)			
Fund flow from operations (FFO) base	204	528	1,083
Capital expenditure	191	579	2,113
Gross interest incurred (including capitalized interest)	51	144	379
FFO interest coverage (base; x)	4.9	6.6	3.9
FFO/average total debt (base; %)	20.1	20.0	18.4
Net cash flow/capital expenditure (base) (%)	82.2	87.0	36.2

Capital structure (mil. €)

Total assets	3,681	6,069	17,086
Total debt	993	2,779	6,248
Net debt	731	2,298	4,486
Total debt/total capital (%)	30.7	58.0	43.8
Capital expenditure/average total capital (base) (%)	6	13	16

*Ratings at June 12, 2006. N.A.--Not available. CAGR--Compound annual growth rate.

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