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N.V. Luchthaven Schiphol

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N.V. Luchthaven Schiphol

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 KLM, and long-term uncertainty regarding the effects of the Air France-KLM merger on transfer traffic

Corporate Credit Rating

AA-/Negative/--

Rationale

The ratings on N.V. Luchthaven Schiphol and Schiphol Nederland B.V. reflect the strong business risk profile and minimal financial risk profile of the Schiphol Group. The group principally comprises the two rated entities, plus Schiphol International B.V. 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's passenger volumes are the fourth highest in Europe, increasing 4.3% during 2006 to 46.1 million passengers, on the back of strong performance of intercontinental routes, and, to a lesser extent, improving European traffic. Management expects a volume increase of about 4.0% in 2007 in passengers and cargo traffic. In the first five months of 2007, passenger growth was 4.8%.

In 2006, the city of Amsterdam (21.8% stake) blocked the privatization of the Schiphol Group. Although the country's new coalition government is now ruling out an IPO, the group's ownership structure may still change as the private placement of a minority stake has not been excluded. Changes to the company's financial situation through special dividends or other proposals cannot be ruled out either.

Schiphol Group's 2006 annual results were strong. Revenues were up 9.4%, to €1,037 million, largely owing to passenger volume increases, rises in aeronautical charges, and the strong performance of the concession and car parking operations. The adjusted EBITDA margin was 42.5% of revenues when including capital gains on property.

Cash flow from operations rose to €362 million, up 18% on 2005, and fully covered capital expenditures of €241 million, 7% down. Free operating cash flow (funds from operations {FFO} minus capital expenditures) was largely positive (€118 million) in 2006, thus enabling debt reduction at year-end 2006. Schiphol Group's financial profile is one of the strongest among airports rated by Standard & Poor's Ratings Services.

Schiphol's fees for airlines and passengers were not raised at the last review in April 2007 and there will not be an overall increase in November 2007 either, which will strengthen Schiphol's competitive position but limit revenue

growth in 2007. However, the proposed environmental tax could be negative for traffic levels at the airport.

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 in 2007 will increase over 2006 due to higher maturing debt (about €122 million) and dividend payments (€79 million). These financing needs are covered by €299 million of cash, and undrawn committed bank facilities of €200 million, at Dec. 31, 2006.

The documentation for Schiphol Group's existing bonds carries no rating triggers or change of control covenants. In contrast, the €136 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 negative outlook reflects our expectation that there remains a short to medium-term risk that the company's financial risk profile could weaken, which could result from, among other things, a special dividend. A rating upgrade is highly unlikely, but a rating downgrade could also follow an erosion of the group's credit profile by events that 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.

To sustain an 'AA-' rating, the group needs to keep a continued strong business profile, with FFO interest coverage above 6.0x, and FFO to debt close to 30% (6.6x and 32.4% respectively in 2006).

Business Description

Schiphol Group's shareholders are the State of Netherlands (75.8%), the City of Amsterdam (21.8%) and the City of Rotterdam (2.4%). We rate the group on its stand-alone merits and do not notch up for government ownership as Schiphol Group operates on a commercial stand-alone basis and we currently see no timely direct or indirect financial support.

Schiphol Group is the owner and operator of Amsterdam Airport Schiphol, which, in addition to 46.1 million passengers, handled 1.53 million tons of cargo in 2006. 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 15.6% stake in Brisbane Airport Corp. Pty Ltd. (BBB/Stable/--) in Australia and a 40% stake in Terminal 4 of John F. Kennedy Airport (BBB-(SPUR)/Stable) in the U.S.

Business Risk Profile: Strong Due To Strong Competitive Position, Solid Operations, Supportive Regulation, And High Profitability

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 (42% in 2006). Unlike some European hubs, Schiphol can't rely on a large catchment area. This explains the significant transfer traffic levels.

Schiphol faces strong competition for transfer traffic from the other main European hubs, mainly Paris-CDG owned by Aeroports de Paris (ADP; AA-/Stable/--), London Heathrow owned by BAA (BBB+/Watch Neg/NR), and FraPort, the operator of Frankfurt Airport. In 2006, Schiphol's market share among the top 12 European airports remained constant at 8.7%. 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 Düsseldorf and Cologne are all heavily promoting no-frills traffic, which could attract people from the east and south of the Netherlands. Schiphol Group's control of the regional airports in Eindhoven, Rotterdam, and Lelystad, however, provides it with opportunities to develop low-cost traffic further through these secondary airports. In addition, low-cost traffic has also increased substantially at Schiphol itself.

Aeronautical activity

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

Schiphol Group's recently published "Long Term Vision" document shows expected annual market demand to be 80 million-85 million passengers and about 3.5 million tons of freight by 2025. This corresponds to 600,000-650,000 air transport movements (ATMs) a year. This reflects an expected leveling off to about 2.5% per year from about 4%-5% of the passenger market owing to the effects of environmental policy, the rise of megahubs such as Dubai, the growth of regional airports, the putting into service of new, very large planes such as the A380 and rising competition in the transfer segment.

Total traffic grew by 4.3% to 46.1 million passengers in 2006. This was in line with expectations and better than 2005, when traffic grew 3.8%. The rise was led by a 3.7% increase in traffic carried by Air France-KLM (which accounted for 62.6% of total passengers in 2006). Although this situation is typical for hub airports, it is a rating concern. 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-CDG and Schiphol). Over the long term, however, Schiphol's position could be vulnerable because Air France is the stronger entity in the merger. Schiphol, which has a large number of transfer passengers, could be particularly affected.

Low-cost carriers grew by 20.2% to 5.4 million passengers in 2006, now representing 12% of total passengers.

Cargo transport rose by 5.3% to about 1.53 million tons in 2006. Schiphol retained its ranking as Europe's third-largest cargo airport. The number of ATMs (scheduled and charter flights) was up by 4.6%, totaling about 423,100.

Revenue diversity and 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. Aviation revenue includes airport charges and concession fees paid by oil companies to provide their refueling services. This segment rose by 10.2% to €631million (61% of the group's revenue). The increase was attributable to the growth in passenger numbers (up by 4.3%) and ATMs, the increased average maximum takeoff weight of aircraft, and an increase in airport and security charges.

Nonaeronautical income is well balanced and represents about 40% of total revenues. It mainly comprises:

- Consumer business area (the granting of concessions for food and beverage, shops, car parks, and advertising). Revenue was up 11.2%, representing 22% of revenues in 2006; and
- The real estate segment, which develops, manages, operates and invests in property at and around airports at home and abroad. This segment contributes to the group's revenue through rents, but also to the group's results through its property operations (sales, release of land for development and appreciation of the portfolio). Revenue was up 4.6%, contributing 11% of the group's revenues. The average occupancy rate of the buildings was 86.9% in 2006, up from 85.6% in 2005.

Regulation

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

A new Aviation Act governing the operation of Schiphol came into force in July 2006. The Act lays down the terms of the operating license--which is granted for an indefinite period of time--and the way in which the aviation charges are calculated as well as their maximum amount. This applies to aircraft, passenger, and security charges.

Responsibility for overseeing charges and the cost allocation methodology laid down by Schiphol Group will now rest with the Dutch antitrust authority (NMa). If there is disagreement on the charges following a consultation process, the NMa will examine whether any complaints from the airlines are justified. If such complaints are upheld, Schiphol Group will be obliged to set new charges. In the past, airport charges were set annually by Schiphol Group following consultation with the airlines and required approval from the Minister of Transport.

The Act also contains provisions limiting the return generated which must not exceed the weighted average cost of capital (WACC) and includes a risk-sharing principle with the airlines: lower or higher than expected traffic, revenues, operating or capital expenditures that will result in the return falling short of or exceeding the WACC will be offset the following period by a price adjustment such that under- or over-recovery is clawed back from (or returned to) the airlines.

This new economic regulation obliges the aviation business area to keep totally segregated accounts for the aviation and security activities. A separate annual report covering these activities in 2007 will be published in 2008. Finally, the Act stipulates that public authorities must have at least a majority interest, in legal and economic terms, in the airport operator.

It is expected that as of January 2008, all locally departing passengers from The Netherlands will be charged an additional environmental tax derived from the government. Based on preliminary estimates, this will represent €24 per passenger on top of the existing security and passenger service charges (€26 per passenger in 2006). This could have a slightly negative impact on traffic as other countries do not impose such a charge. In addition, the revenues of the tax are not earmarked to improve the environment around Schiphol.

Operations

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

Schiphol's environmental capacity is sufficient to accommodate traffic in the medium term. A stepped growth is permitted; first 480,000 ATMs with long-term growth of 600,000 ATMs 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 €370 million in 2007, of which slightly less than one-half will be invested in aviation facilities at Schiphol. Schiphol Group completed adjusted capital expenditures of €241 million, 33% lower than budgeted. About two-thirds of that was dedicated to aviation (baggage system, security, apron, etc.).

Long-term investment plans remain focused on structural growth and could accelerate in the next five years. Planned investments in the coming years include further extension of the terminal and taxiway system, security and upgrading baggage handling systems, and increasing investments in real estate with a view to boosting profitability.

The concessions granted by Schiphol run for an average of three to five years. At Dec. 31 2006, around 83% of the concessions had a remaining term of less than three years, which gives the group ability to renew and renegotiate these contracts on a regular basis. The liquor and tobacco concession was taken back from KLM by Schiphol effective January 2007, which will increase the group's staff by about 150 employees.

Profitability

We expect Schiphol Group EBITDA margin to range between 45% and 50% in the next three to five years based on continuous traffic growth, aeronautical charges rising at par with inflation or thereabouts, and strong performance of the nonaeronautical income (particularly the real estate and consumer businesses).

2006 annual results were strong but slightly below those of previous years. The adjusted EBITDA margin was 42.5% of revenues when including capital gains on property down from 46.7% in 2005. This is comparable with BAA and better than ADP, but still relatively low compared with Copenhagen Airports A/S (BBB+/Stable/-), which has a similar cost profile.

The group revenue increased by 9.4% in 2006 to €1,037 million, but performance varied according to segments:

- Aviation business EBITDA was 11.3% down reflecting higher operating expenses (increased security costs, personnel costs, and contributions to environment funds). Contribution to the group EBIT was low at 23%.
- Consumer business area generated 43% of the group's operating income. They are the most profitable operations at Schiphol Group, given the low asset base and unregulated operations. In 2006, return on net assets after tax was 48.5% (after 41% in 2005 and 34% in 2004) demonstrating the efficient management and revenue upside of this segment.

- Real estate represented 32% of the group's operating result. Significant investment is expected to keep the segment's contribution high.
- Alliances and participations are a marginal contributor with 6% of revenue and 2% of the group's operating income. The results of the international airports (minority interests) are largely accounted for as share of results and as financial income, together amounting to €11 million in 2006 (€8 million in 2005). This income and improved performance is therefore not reflected in the group's operating result.

Financial Risk Profile: Minimal Due To Conservative Financial Policy, Moderate Distribution, And Strong Credit Metrics

Accounting

Schiphol Group prepares audited financial statements on an annual basis. Auditors have issued an unqualified report in 2006. The group also releases semi-annual statements on an unaudited basis.

Schiphol Group has been subject to corporate income tax since 2002. The opening balance sheet for tax purposes as at Jan. 1, 2002, was finalized by the tax authorities in 2006. Shareholders' equity is €1.3 billion higher than the figure in the balance sheet for reporting purposes as at that date, reflecting a higher fiscal valuation of land. Land is carried at cost in the Schiphol Group financial statements, whereas it has been recognized at fair value as at Jan. 1, 2002, in the opening balance sheet for tax purposes. This resulted in a nonrecurring income tax income of €309 million, recognized in the 2006 profit and loss account. Only when the land is actually granted on long lease, sold, or developed will there be a positive effect on the cash flow, owing to the lower net amount of corporate income tax then payable.

Schiphol Group's primary 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 in common with other companies Standard & Poor's does not adjust Schiphol Group's debt figures for any possible pension deficit. Nevertheless, the group is exposed to other postretirement related benefits (€38 million) which we do include in debt. Standard & Poor's adds €39.6 million of various contingent liabilities including payment commitments for motorway and road works, as well as other various guarantees and bank guarantees.

EBIT is adjusted by stripping out the gain on property sales and fair value gains and losses on property included in operating income (totaling €39 million in 2006).

Schiphol Group faces a liability in connection with several claims and disputes. As in 2005, the corresponding provision of €10 million taken in 2004 remained unchanged in 2006.

Table 1

Reconciliation Of N.V. Luchthaven Schiphol Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. €)							
--Fiscal year ended Dec. 31, 2006--							
N.V. Luchthaven Schiphol reported amounts							
	Debt	Shareholders' equity	Operating income (before D&A)	Operating income (after D&A)	Interest expense	Cash flow from operations	Capital expenditures
Reported	951	2,704	478	316	52	362	244

Table 1

Reconciliation Of N.V. Luchthaven Schiphol Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. €) (cont.)							
Standard & Poor's adjustments							
Operating leases	47	--	2	2	2	3	1
Postretirement benefit obligations	38	(1)	(1)	(1)	2	(2)	--
Additional items included in debt	40	--	--	--	--	--	--
Capitalized interest	--	--	--	--	4	(4)	(4)
Reclassification of nonoperating income (expenses)	--	--	--	26	--	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	(11)	--
Minority interest	--	18	--	--	--	--	--
Other	--	--	(39)	(39)	--	--	--
Total adjustments	124	17	(38)	(12)	8	(13)	(3)
Standard & Poor's adjusted amounts							
	Debt	Equity	EBITDA	EBIT	Interest expense	Funds from operations	Capital expenditures
Adjusted	1,075	2,721	440	305	60	349	241

Corporate governance/Risk tolerance/Financial policies

The company is managed as any other commercial company. The members of the Board of Management direct the operations of Schiphol Group under the supervision of the Supervisory Board. The supervisory board has the power to appoint, suspend, and dismiss members of the board of management. The board of management is made up of the president, the chief financial Officer and the chief operations officer.

The president and CFO have been in their position at Schiphol Group for several years and have a solid track record as illustrated by successful operations and increasing profitability: Privatization has been discussed for many years giving the board of management sufficient time to prepare the group. The COO joined in late 2005 and a fourth board member will be recruited in 2007 as chief commercial officer.

As permanent subcommittees, the supervisory board has an audit committee, a remuneration committee, a selection and appointments committee and a public affairs and corporate responsibility committee. The supervisory board has drawn up rules for each permanent committee which meets at least twice a year and produces an annual report of its deliberations and findings.

In 2005, a privatization temporary committee was also established to consider the possibility of selling shares in Schiphol Group.

We expect Schiphol Group to continue diversifying in other airports through equity stakes and/or operational involvement. In 2006, the group unsuccessfully bid on a Chinese airport.

Debt-financed acquisitions are limited to nonrecourse activities, such as with the John F. Kennedy and Brisbane airports. Transaction debt exposures are all 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 2006, 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 €56.4 million.

Schiphol Group's long-term strategy for development of Schiphol was released in May 2007 and is the group's response to a request by the Ministry of Transport, Public Works and Water Management in 2006. This document covers the years 2015 to 2025/2030 with the intention to make Schiphol a leading global airport and to consolidate and improve its competitive position. The main points of this document are as follows:

- Expand to approximately 85 million passengers and 3.5 million tons of freight per year by about 2025;
- Capacity to handle 600,000-650,000 ATMs;
- More selective use of night time capacity, and incentives for quieter planes;
- Prioritize scarce capacity in favor of hub carriers, ICA (Independent Carriers Alliance) carriers and point-to-point carriers;
- Relocate to other Dutch airports (Eindhoven and Lelystad airports) as much as possible of the outbound traffic not tied to the main port;
- Reserve spatial planning for a third East-West runway; and
- Improve accessibility through the construction of regional and high speed rail links.

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 could be revised toward more aggressive levels after any private placement or extraordinary dividend.

The Schiphol Group's dividend payout was raised to 40% in 2007 from 30% of the result after tax excluding capital gains on investment property. This is still a moderate payout when compared with the sector average. We do not anticipate significant changes in the future ordinary dividend policy as Schiphol Group is now expecting to enter into a larger capital plan.

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. Cash flow generation will increasingly be reliant on traffic levels and commercial performance as fees will not increase as they have in the past. Free cash flow is expected to turn negative in the next few years as the group accelerates its capital expenditure program. Financing needs could be higher than expected if cash flow levels are below expectations. Offsetting this, Schiphol Group has significant financial flexibility given its current level of leverage and credit metrics while the capital program is comprised of several small to midsize projects; this gives the ability to delay some capital spending if traffic or revenues fall short of expectations.

In 2006, FFO of €350 million was 22% higher than in 2005. The rise was mainly tax-related as cash tax payments almost halved in 2006 over 2005: that year, the company had paid for corporate income tax for the fiscal years 2004 and 2005. In 2006, FFO to interest improved to 6.6x from 6.0x in the previous year, while FFO to total debt was 32.4%, up from 26.1%.

The adjusted investments in property, plant, and equipment during the year amounted to €241 million, compared with €323 million in 2005 (the figure for 2005 has been adjusted for the sale of half of the Schiphol Group office to

the ACRE fund, hence the difference compared with the 2005 reported figure due to lease capitalization adjustment). Offsetting these investments were proceeds from property sales totaling €21 million (€80 million in 2005). The adjusted free operating cash flow turned positive again in 2006, reflecting lower tax payments and capital expenditure (because of to the one off adjustment for to the ACRE fund in 2005).

Capital structure/Asset protection

Schiphol Group is expected to maintain adequate capitalization. The investment plan for the next five years will only be partially financed by internal funds, meaning external debt funding will be needed until 2010 or so.

Total adjusted debt decreased to €1,075 million at year-end 2006 from €1,095 million in 2005 as the cash generation fully funded capital expenditure and dividend payments. The capitalization ratio (measured as total debt to total debt plus total equity) improved to 27.6% from 31.9%, reflecting the appropriation of profits and debt reduction in 2006.

Strong passenger growth was behind a good reduction in debt per passenger to €23, down from €25 in 2005. These continue to be the lowest levels in the peer group, including BAA and ADP.

Schiphol Group launched an €1 billion EMTN program in 1999. At year-end 2006, borrowings under the program totaled €506.3 million, fairly stable over 2005 (€521 million). There are no rating triggers or change of ownership clauses in the program.

EIB could oblige the early repayment of a €136 million loan (€150 million initially) repaid semiannually until 2011 if other loans are repaid early or shareholders' equity falls below 30% of total assets. Additional security may be demanded 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.

Table 2

N.V. Luchthaven Schiphol 2006 Peer Comparison*					
	N.V. Luchthaven Schiphol	Aeroports de Paris	Copenhagen Airports A/S	Unique (Flughafen Zurich AG)	Dublin Airport Authority PLC†
	AA-/Negative/--	AA-/Stable/--	BBB+/Stable/--	BBB+/Stable/--	A/Negative/A-1
Country	The Netherlands	France	Denmark	Switzerland	Ireland
(Mil. €)	--Fiscal year ended Dec. 31, 2006--				
Revenues	1,037	2,077	387	458	591
Net income from cont. oper.	527	152	98	54	50
Funds from operations (FFO)	349	538	133	168	110
Capital expenditures	241	713	93	60	134
Debt	1,075	2,682	1,062	817	324
Common equity	2,703	2,795	461	765	631
Adjusted ratios					
Oper. income/sales (%)	42.8	32.0	56.6	51.8	24.6
EBIT interest coverage (x)	5.1	3.7	2.9	2.0	4.6
EBITDA interest coverage (x)	7.3	5.6	3.7	3.9	5.3

Table 2

N.V. Luchthaven Schiphol 2006 Peer Comparison* (cont.)					
FFO int. cov. (X)	6.6	5.8	3.2	3.8	4.9
FFO/debt (%)	32.4	20.0	12.6	20.6	33.9
Debt/EBITDA (x)	2.4	4.0	4.8	3.5	2.2

*Fully adjusted (including postretirement obligations). Exchange rates: €1=7.46 Danish krone; €1=1.61 Swiss franc.

Table 3

N.V. Luchthaven Schiphol Financial Summary					
--Fiscal year ended Dec. 31--					
(Mil. €)	2006	2005	2004	2003	2002
Revenues	1,037	948	876	860	774
EBITDA	440	443	405	383	338
Operating income (after D&A)	279	276	246	252	232
Net income from continuing operations	527	193	161	191	137
Funds from operations (FFO)	349	286	364	284	251
Cash flow from operations	359	297	321	293	285
Capital expenditures	241	323	294	352	337
Free operating cash flow	118	(26)	26	(59)	(52)
Discretionary cash flow	63	(72)	(15)	(101)	(97)
Debt	1,075	1,095	1,103	1,058	741
Common equity	2,703	2,220	2,071	2,005	1,951
Adjusted ratios					
EBITDA/sales (%)	42.5	46.7	46.2	44.5	43.6
Oper. income/sales (bef. D&A) (%)	42.8	46.9	46.3	44.5	43.6
EBIT interest coverage (x)	5.1	5.0	4.4	4.2	4.0
EBITDA interest coverage (x)	7.3	7.9	7.0	6.1	5.7
Return on capital (%)	8.5	8.6	8.1	9.1	8.8
FFO int. cov. (x)	6.6	6.0	7.3	5.2	4.9
FFO/debt (%)	32.4	26.1	33.0	26.8	33.9
Free operating cash flow/debt (%)	11.0	(2.4)	2.4	(5.5)	(7.0)
Debt/EBITDA (x)	2.4	2.5	2.7	2.8	2.2
Debt/total capital (%)	28.3	32.8	34.5	34.3	27.4
Ratios before adjustments for postretirement obligations					
Oper. income/sales (bef. D&A) (%)	42.9	48.3	45.9	44.5	43.6
EBIT interest coverage (x)	5.3	5.6	4.6	4.2	4.0
FFO/debt (%)	33.8	27.4	34.9	27.3	33.9
Debt/EBITDA (x)	2.3	2.3	2.6	2.7	2.2
Debt/total capital (%)	27.6	31.9	33.5	33.7	27.4

Ratings Detail (As Of July 20, 2007)***N.V. Luchthaven Schiphol**

Corporate Credit Rating
Senior Unsecured

AA-/Negative/--
AA-

Ratings Detail (As Of July 20, 2007)* (cont.)	
Corporate Credit Ratings History	
29-Jun-2006	AA-/Negative/--
10-Apr-2002	AA-/Stable/--
09-Nov-2000	AAA/Negative/--
Business Risk Profile	Strong
Financial Risk Profile	Minimal
Debt Maturities	
(including finance leases)	
At Dec. 31, 2006	
Total: €951 mil.	
2007: €122 mil.	
2008-2012: €303 mil.	
Thereafter: €526 mil.	
Related Entities	
Schiphol Nederland B.V.	
Issuer Credit Rating	AA-/Negative/--
Senior Unsecured	
<i>Local Currency</i>	AA-
*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.	

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