

Schiphol Group  
Annual Report  
2011

Schiphol Group Annual Report 2011

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Schiphol Group

# Annual Report

## 2011



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# Facts and figures

## Traffic volume

Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport combined

2011 **53,522** 2011 **1,523,806** 2011 **453,613**

Passengers x 1,000	2010	48,324	Cargo volume in tonnes	2010	1,512,256	Air transport movements	2010	415,883
	2009	46,246		2009	1,286,372		2009	418,742
	2008	50,074		2008	1,567,727		2008	457,074
	2007	50,432		2007	1,610,282		2007	465,686

## Key figures

EUR million unless stated otherwise

	2011	2010	%
<b>Results</b>			
Revenue	1,278	1,180	8.3
Result on sale of investment property	1	-	
Fair value gains on investment property	- 1	22	
Operating expenses	- 974	- 906	7.5
Operating result	304	297	2.5
Result before tax	249	239	4.3
Results attributable to shareholders (net result)	194	169	15.1
Depreciation, amortisation and impairment	208	186	11.4
EBITDA <sup>1)</sup>	512	483	6.0
Capital expenditure (investments in property, plant and equipment)	263	248	6.2
Cash flow from operating activities	387	351	10.5
Proposed dividend	97	76	27.9

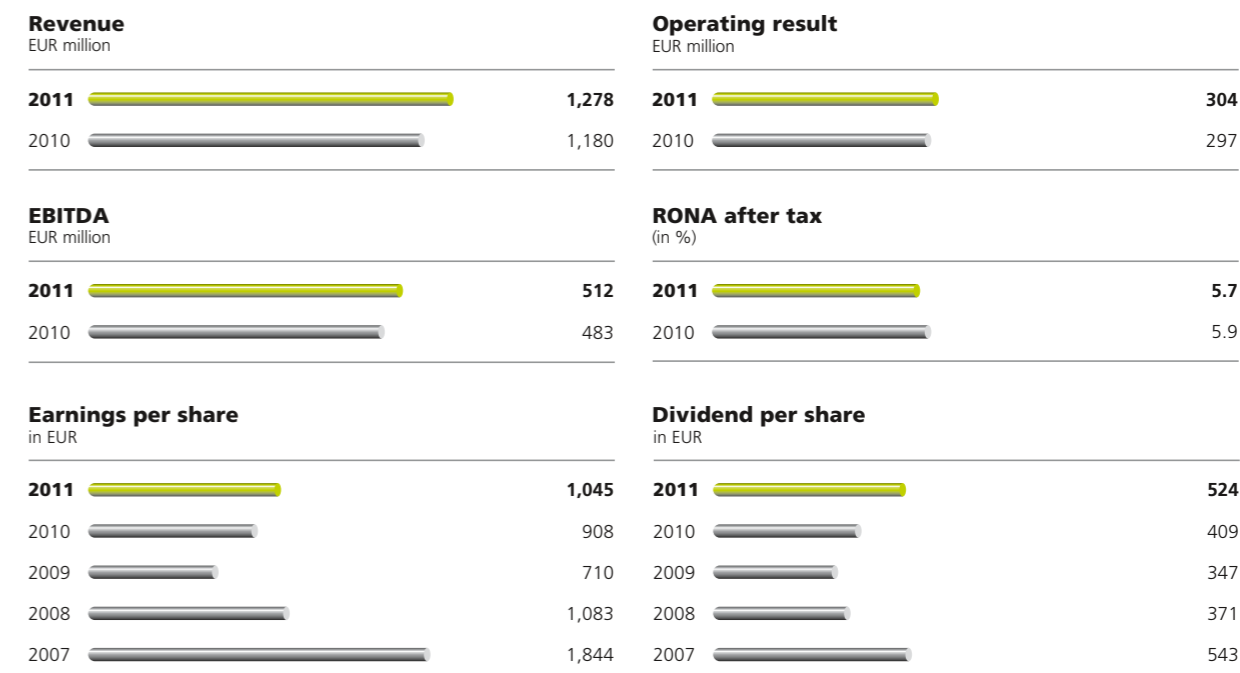
	2011	2010
<b>Ratios</b>		
RONA after tax <sup>2)</sup>	5.7%	5.9%
Return on equity (ROE) <sup>3)</sup>	6.2%	5.6%
Leverage <sup>4)</sup>	37.9%	37.2%
FFO/total debt <sup>5)</sup>	18.5%	17.0%
FFO interest coverage ratio <sup>6)</sup>	4.5	3.8
Earnings per share <sup>7)</sup>	1,045	908

Business volume (in numbers)			
Air transport movements <sup>8)</sup>	453,613	415,883	9.1
Passenger movements (x 1,000) <sup>8)</sup>	53,522	48,324	10.8
Cargo volume (x 1,000 tonnes) <sup>8)</sup>	1,524	1,512	0.8
Average workforce in full-time equivalents	2,115	2,328	- 9.1

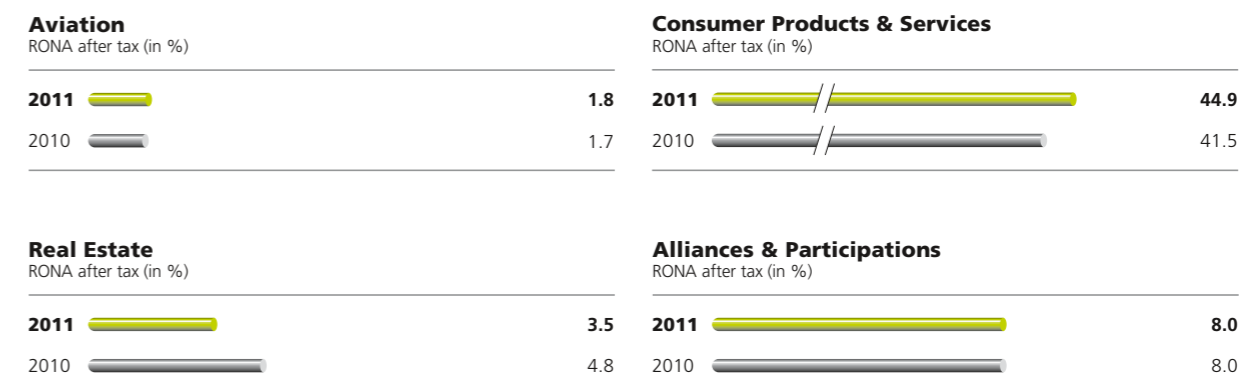
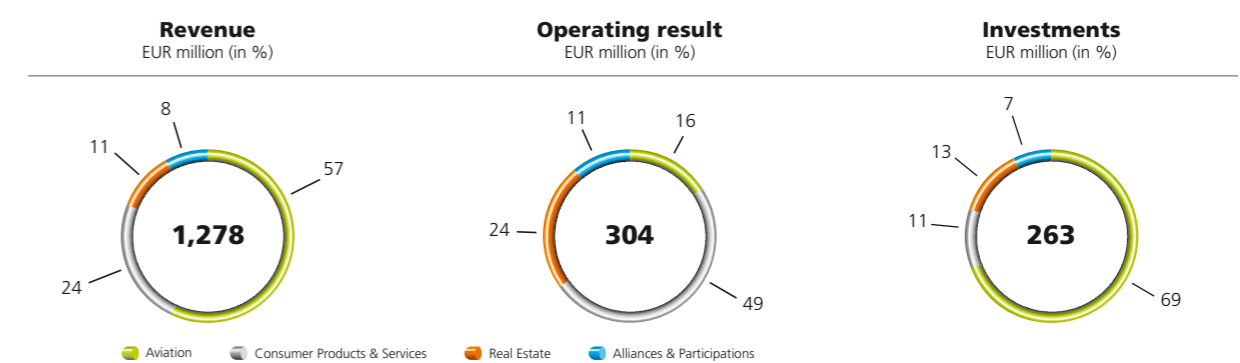
1) Operating result plus depreciation, amortisation and impairment  
 2) Operating result after tax plus share in results of associates and interest income / (average non-current assets minus deferred tax assets)  
 3) Net result attributable to shareholders / average total equity  
 4) Leverage: interest-bearing debt / (total equity + interest-bearing debt)

5) Funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt  
 6) Funds from operations plus gross interest expense / gross interest expense  
 7) Based on net result attributable to shareholders.  
 8) Schiphol Group: Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport

## Financial figures



## Business area information





## Aviation

The business area Aviation operates at Amsterdam Airport Schiphol. It provides services and facilities to airlines, passengers and handling agents. The Netherlands Competition Authority (NMa) regulates the charges levied.

**Sources of revenue:** Airport charges (aircraft, passenger and security charges) and concession fees (paid by oil companies for the right to provide aircraft refuelling services).

### Revenue



EUR 734 million  
(+7.2% vs '10)

### Operating result



EUR 49 million  
(+9.1% vs '10)



## Consumer Products & Services

The activities of the business area Consumer Products & Services comprise developing, granting and managing concessions for shops, catering outlets, services and entertainment, operating shops and car parks, and marketing advertising opportunities at Amsterdam Airport Schiphol. In addition, through the Privium programme and the VIP centre, we offer services to the category known as 'premium passengers'.

**Sources of revenue:** Retail sales, concession fees, parking fees, rentals, advertising & media and other fees, and management fees.

### Revenue



EUR 340 million  
(+13.6% vs '10)

### Operating result



EUR 148 million  
(+11.3% vs '10)



## Real Estate

The business area Real Estate develops, manages, operates and invests in property at and around domestic and foreign airports. The property portfolio consists of operational and commercial property, of which the majority is located at and around Amsterdam Airport Schiphol.

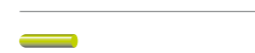
**Sources of revenue:** The major source of revenue is the development and leasing of buildings and property. In addition, revenue is generated through the lease of land and the sale of property and buildings.

### Revenue



EUR 172 million  
(-1.0% vs '10)

### Operating result



EUR 72 million  
(-25.2% vs '10)



## Alliances & Participations

The business area Alliances & Participations consists of Schiphol Group's interests in airports abroad, domestic airports and other activities, including Schiphol Telematics and Utilities.

**Sources of revenue:** The airports abroad contribute to revenue through management, performance and intellectual property fees. Furthermore, they contribute to the net result with a share of the result from associates, dividend and interest income. The domestic airports contribute to revenue for the most part through airport charges and parking charges. Schiphol Telematics supplies telecom services to companies. The Utility activities generate revenue from the transport of electricity and gas and from the supply of water.

### Revenue



EUR 164 million  
(+11.6% vs '10)

### Operating result



EUR 35 million  
(+55.8% vs '10)

# 2011 Highlights

Passenger numbers at Amsterdam Airport Schiphol grew by 10% in 2011, reaching a record of nearly 50 million, as the number of destinations rose from 301 to 313. As we are now approaching the limits of the capacity in the terminal, of piers and of aircraft stands, intensive discussions have been held with the airlines and governmental parties over the past year to determine the modifications and expansions at Mainport Schiphol necessary to safeguard its international position. It is in line with these discussions that the joint 2025 Master Plan is being drawn up: an investment programme for the creation of additional operating capacity necessary to solve current problem areas and to improve the quality of the airport and its processes.

Despite the economic uncertainty and the continued decline of consumer confidence in 2011, our commercial activities have contributed significantly to our total result.

Whereas the Dutch real estate sector is facing decreased revenues and increasing vacancy rates, our rental levels have remained stable and the occupancy level of our portfolio has risen to nearly 90%.

Our three regional airports and our international associates have performed well.

Robust financial performance has once again enabled us to accommodate our financing needs for the next 18 months, as well as significantly reduce refinancing risks.

# Foreword



2011 was a good year for Amsterdam Airport Schiphol. Thanks to the airlines flying to and from Amsterdam Airport Schiphol, we welcomed close to 50 million passengers. This represents the highest number of passengers in our 95-year history. In 2011, passenger numbers grew by 10%. As a result, Amsterdam Airport Schiphol was able to strengthen its European market position.

Our network of destinations expanded, mainly thanks to the efforts of Air France-KLM and its SkyTeam partners. With 313 direct connections (301 in 2010), Amsterdam Airport Schiphol is one of Europe's market leaders.

Amsterdam is now directly connected with eight passenger destinations in China and Taiwan. The Netherlands also has direct connections with other rapidly growing economies such as Brazil, a development that clearly strengthens our national economic position. Direct connections with important economic centres generate up to twenty times more trade in comparison with indirect connections. New destinations added to our network in 2011 include Xiamen, Rio de Janeiro and Buenos Aires, all flown by SkyTeam.

Thanks in part to transavia.com and easyJet, our European network also grew from 162 to 169 destinations.

Amsterdam Airport Schiphol is Europe's fourth largest airport in terms of passenger numbers and third largest in terms of cargo volumes. However, our ambition is to be and remain Europe's preferred airport, rather than its largest. We want to ensure that passengers, airlines and businesses regard Amsterdam Airport Schiphol as their preferred option. This will require effective cooperation, both within our own organisation and with our various external partners. We can only build a strong Mainport if we work together. Amsterdam Airport Schiphol collaborates closely with airlines and air traffic control to achieve these objectives through various methods, such as Collaborative Decision-Making, which involves the sharing of operational information and continual optimisation of aircraft handling processes.

Improving efficiency and providing the sector with added value will ensure our competitive position. This requires offering competitive rates. Following the statutory consultations with the airlines, our rates for 2012 will increase to a level that will safeguard our competitive position. This increase is mainly related to the 70MB baggage system becoming operational. The rates rose by 0.6% in 2011.

Amsterdam Airport Schiphol is committed to maximising the sustainability of its business operations. The interests of people, planet and profit are closely intertwined. Amsterdam Airport Schiphol has integrated management in order to serve these threefold interests in a coherent manner. This results in the use of integrated reporting methods, as reflected in this Annual Report.

Efficient use of energy, responsible water use, waste recycling and sustainable construction are embedded in our business operations. The completion of TransPort has given us one of the most sustainable office buildings in the Netherlands.

In the wake of a successful 2011, the new year will be characterised by some major challenges. Economic prospects are gloomy. This will affect both our customers and our own business. After six months of modest growth, cargo volumes started to decline in the second half of 2011, especially on flights to and from Asia. This is an important indicator of things to come.

We should not expect growth figures for 2012 to match those of 2011. Cargo volumes are expected to decline, and passenger numbers will see modest growth.

Nevertheless, 2012 will not be marked by stagnation. Amsterdam Airport Schiphol is now at an important crossroad. We must safeguard the capacity and quality of our airport in the long term in order to facilitate future growth and continue to serve airlines with optimal efficiency in the next ten to fifteen years. Under current conditions, capacity is already strained during peak periods. If Amsterdam Airport Schiphol fails to act, other hubs in Europe and the Gulf states will eat into our market share, and the Netherlands will lose connections. Schiphol must be prepared for the future. We intend to further strengthen the quality and capacity of our terminals and piers by implementing an investment programme in consultation with our partners.

Financing the necessary investments will require a great deal of careful planning. We must ensure that investments remain affordable to our customers. At the same time, we need to secure our financial robustness and retain our A rating.

We have no doubt that growth will resume in time and when that time comes, Amsterdam Airport Schiphol must be ready to welcome more passengers and process greater cargo volumes. Schiphol is committed to a strong aviation sector, in terms of both quality and capacity. Now and in the future. Together with the airlines and other partners we shall make this goal a reality.

Jos Nijhuis  
President & CEO

# Report of the Supervisory Board

## Events in 2011

The position of Schiphol Group in the long term was one of the key concerns of the Supervisory Board in 2011. In this report, the Supervisory Board explains how it exercised its supervision and supported the Management Board in an advisory role. The report also examines the major issues that attracted the Board's involvement this year.

### Strategic agenda and airport charges

In 2010 and 2011, Schiphol Group and KLM jointly commissioned a survey that examined, among other things, the market conditions in which both parties operate. The results of the survey show that Schiphol not only continues to benefit from having a good cooperative relationship with its largest and most important customer, Air France-KLM and its partners, but also from having a competitive network of destinations. The Supervisory Board took extensive note of the results of the survey. Moreover, a delegation from the Supervisory Board sat on a monitoring committee whose purpose was to discuss the survey with KLM. The Supervisory Board applauds the fact that, inspired by the survey, the Management Board collaborated with KLM to develop a strategic agenda for the long term.

From a financial perspective, the airport charges play an important role. As in previous years, the airport charges had the full attention of the Supervisory Board. The Management Board thoroughly prepared the two consultation procedures conducted in 2011 and discussed the proposals in detail with the Supervisory Board. These discussions included putting into service a large portion of 70 MB, the baggage system that has become indispensable for our transfer operation.

### Master planning

In 2011, Amsterdam Airport Schiphol celebrated the arrival of its one billionth passenger. The airport also set a new record in the total number of passengers passing through Schiphol on an annual basis. In order to safeguard Schiphol's competitive position in the future – and hence that of the Dutch economy – the Management Board is working on an investment programme, the 2025 Master Plan. The aim of this plan is not only to create additional capacity, but also to improve the quality of the airport and its processes. At a number of meetings held throughout 2011, the Supervisory Board was informed in detail regarding the concepts of the 2025 Master Plan, which will again be a major focus of attention in 2012. The Supervisory Board supports the principle of capacity expansion and is positive regarding the manner in which the Management

## Annual Report

The Supervisory Board is pleased to present the Annual Report accompanied by the financial statements for 2011. The Annual Report was drawn up by the Management Board. PricewaterhouseCoopers Accountants N.V. have audited the financial statements and issued an unqualified audit opinion, which can be found on pages 245-246 of this report. The Audit Committee discussed the financial statements extensively with the Chief Financial Officer (CFO) and the external auditor. The Supervisory Board subsequently discussed the Annual Report with the Management Board in the presence of the external auditor. These discussions have convinced the Supervisory Board that this Annual Report meets all relevant rules and transparency requirements and that it provides a sound basis for our Board's supervisory accountability.

The Supervisory Board approves the financial statements and concurs with the Management Board's proposal to distribute a dividend of EUR 97 million on the issued share capital. After an addition to the revaluation reserve amounting to EUR 1.8 million and a release from the other statutory reserves of EUR 2.9 million, the remaining portion of EUR 98.1 million will be added to the retained earnings. The financial statements will be put before the General Meeting of Shareholders for adoption on 18 April 2012. The Supervisory Board proposes that the Management Board be granted discharge in respect of the management carried out by them, that the Supervisory Board be granted discharge for the supervision exercised and that the financial statements be adopted.

Board has consulted its stakeholders in drawing up the investment programme and examining its financial consequences.

### Evaluation of the Aviation Act

Realisation of the various components of the planned investment programme requires that Schiphol Group maintains its independent and robust financial position. Schiphol Group would like to be in a position to carry out long-term investments, but these investments can only be funded if the organisation's operations are sufficiently profitable. The structure and content of the Aviation Act, together with the related airport charges framework, is the key to retaining this position. The Act is currently being evaluated and the Management Board informs the Supervisory Board of the discussions taking place with stakeholders on possible amendments to the Act. The Supervisory Board endorses the viewpoint of the Management Board that any future legislative amendments should not compromise the healthy and independent position of Schiphol Group.

### Other subjects

- In 2011 the Supervisory Board discussed and approved the 2012 budget and discussed the 2012-2016 business plan.
- Strategy days were held in April and October during which the Supervisory Board and the Management Board discussed Schiphol Group in a broader context as well as relevant long-term developments. During a three-day trip to New York and Atlanta in April, the Supervisory Board learned about the developments taking place at JFK IAT and about hub operations at Atlanta International Airport. In addition to the preparation of the 2025 Master Plan, strategic subjects discussed in 2011 included the long-term strategy for Airside Retail at Amsterdam Airport Schiphol, talent and leadership development, and the cooperative partnership with Aéroports de Paris (HubLink).
- The Supervisory Board also discussed and approved Schiphol Group's revised international strategy. The Supervisory Board supports the Management Board in its ambition to enter into cooperative alliances with other airports, such as the partnerships with Aéroports de Paris and JFK IAT. Furthermore, the Supervisory Board encourages cooperation with airports in growth markets, such as the partnership with Incheon Airport (South Korea). The Supervisory Board also extensively discussed the possibilities of investing in Brazil, based on the assumption that any business case proposed must be profitable for Schiphol Group in the medium term. The Management Board also discussed these possibilities with the shareholders.

- Through its Audit Committee, the Supervisory Board discussed Schiphol Group's internal and external risk management systems as well as the major risks facing the Group. The Supervisory Board endorses and supports the internal risk management system as described on page 101 of this Annual Report.
- Corporate Responsibility is an integral part of Schiphol's strategy. Consequently, Corporate Responsibility was again an important item on the Supervisory Board's agenda for 2011. Major emphasis was placed on the concrete objectives and the reporting on relevant social aspects of business practice. The Supervisory Board is highly positive of how Schiphol Group has positioned itself as a learning organisation as regards the concept of Corporate Responsibility, as was evidenced by the cooperation with PricewaterhouseCoopers Accountants N.V. in verifying the information in the annual report relating to Corporate Responsibility as well as in its efforts to establish a socially conscious corporate culture.
- To conclude, the Supervisory Board had several meetings with the Management Board regarding the relationship with the various Schiphol Group shareholders. The subjects of these meetings included the remuneration policy of the Management Board and the participations policy of the Ministry of Finance.

### Financial reporting

Each month, the Supervisory Board received reports from the Management Board that compared actual results with the 2011 corporate budget, the latest estimate for 2011 and the figures for 2010. These reports were also discussed during joint meetings of both Boards. Subjects discussed in this context included the development of the company's operating and commercial results and costs, the strong growth in traffic and transport figures and its impact on the budget, the development of profitability, and the funding and cash flow position.

In 2011, a funding plan was drawn up to safeguard the company's financing for the present and the future, with a particular focus on timely and staggered refinancing. To this end, a new bond was issued in 2011 with which a portion of two existing loans was repurchased, so that the term of the debt could be extended at more favourable conditions. 2011 also saw the renewal of the Euro Medium Term Note (EMTN) programme and approval by the Supervisory Board of the renewal and expansion of the existing revolving credit facility for a duration of five years.

In 2011, we looked closely at the effect of the trend in results, the balance sheet ratios and the financial position on the company's creditworthiness.



In 2011 Schiphol improved its market share and offered 313 direct destinations flown by 103 airlines.

The Supervisory Board is pleased to note that in 2011 we were able to retain the credit ratings awarded by Standard & Poor's and Moody's.

There were no transactions during the year involving conflicts of interest on the part of Management Board members, Supervisory Board members, shareholders and/or the external auditor that were of material significance to the company and/or the relevant Management Board members, Supervisory Board members, shareholders and/or external auditor.

#### Central Works Council

In 2011, the Supervisory Board, Management Board and Central Works Council (CWC) held discussions on the reorganisation that commenced in 2009. The members of the Supervisory Board attended all consultative meetings between the management and the CWC. The Supervisory Board found all of these meetings to be constructive and informative.

### Internal affairs of the Supervisory Board

#### Composition

As at the end of 2010, the Supervisory Board temporarily consisted of seven members. At the General Meeting of Shareholders held on 18 April 2011, Mr Brouwer was appointed to the Supervisory Board for four years. In selecting Mr Brouwer, the Supervisory Board sought to complement its expertise matrix with a retail and marketing specialist. During the same meeting, Mr Cremers was reappointed for a second term of four years. The Supervisory Board based its nomination of Mr Cremers on his valuable contribution to the Board in general and to the Audit Committee in particular. In the case of both decisions, the CWC was afforded an opportunity to exercise its rights under the Works Council Right to Speak Act. Following his appointment, Mr Brouwer participated in the orientation programme provided to new members of the Supervisory Board. This programme includes a number of informative discussions with various persons at Schiphol. Mr Brouwer was also given a tour of the various operational components of Amsterdam Airport Schiphol, including

the terminal, airside and the Amsterdam Airport Schiphol Fire Service. The continuing education of the entire Supervisory Board in 2011 included a working visit to operations at JFK IAT and Atlanta International Airport and a presentation given by Mr Riemens (LVNL) on the developments surrounding the regulation of Dutch and European air traffic control.

With the exception of Mr Graff (who is also CEO of Aéroports de Paris), all members of the Supervisory Board are independent within the meaning of the Corporate Governance Code. Mr Graff is a French national while the other members are Dutch citizens. Further personal details on each member of the Supervisory Board can be found on pages 92-93 of this Annual Report.

#### Evaluation

In 2010 the Supervisory Board, assisted by external consultants, performed an extensive evaluation of the Board and its individual members. Following the evaluation, an action list was drawn up for implementing the results. In 2011 this list was discussed in both the central meetings of the Supervisory Board and the committee meetings, and a number of its points were handled. By discussing the various actions, the Supervisory Board was also able to evaluate its own performance in 2011 as well as that of the committees. Part of these discussions was held in a closed meeting of the Board. In 2011, the Supervisory Board continued the constructive dialogue that began in 2010 and again focused strongly on improving the quality of its meeting procedures. One of the points on the action list was to shorten the maximum term of appointment of members of the Supervisory Board. On 18 April 2011, the General Meeting of Shareholders resolved to shorten that term from twelve to eight years.

#### Meetings

The Supervisory Board met six times in 2011. One of those meetings comprised a three-day strategy session in New York and Atlanta. The Management Board was always present at the meetings of the Supervisory Board. Both prior and subsequent to these meetings, the Supervisory Board held private consultations. Sixteen meetings were held by the different committees.

In addition to these meetings, the Chairman and other members of the Supervisory Board discussed issues with the Management Board on numerous occasions. The members of the Supervisory Board also liaised with stakeholders from both within and outside Schiphol Group on a number of occasions, of which the above monitoring committee is a prime example.

The Supervisory Board wishes to sincerely thank the Management Board and Schiphol Group's employees for their manifest commitment in 2011, both in airport operations and in other areas of the company.

Amsterdam Airport Schiphol, 16 February 2012

The Supervisory Board  
 Anthony Ruys (Chairman)  
 Trude Maas - de Brouwer (Vice-Chairperson)  
 Jan Brouwer  
 Frans Cremers  
 Pierre Graff  
 Herman Hazewinkel  
 Margot Scheltema  
 Willem Stevens

### Meetings of the Supervisory Board committees

#### Audit Committee

The Audit Committee met four times in 2011. The Audit Committee spoke at great length with the Management Board and the external auditor about the 2010 financial statements, the 2010 Annual Report, the 2011 interim report, the associated press releases and the 2011 internal and external audit plan. The funding plan for 2010 and 2011 was discussed and approved by the Supervisory Board. The Audit Committee examined the follow-up of recommendations issued by Ernst & Young LLP accountants in its report written in response to the letter from Stichting Sobi. The policies on insurance and taxes were also discussed. Finally, the Audit Committee devoted special attention to risk management and pensions. In February and December 2011, the Audit Committee held discussions with the external auditor (PricewaterhouseCoopers Accountants N.V.) to which the members of the Board of Management and/or internal auditors were not party.

#### Selection and Appointments Committee

In May 2012 Mr Verboom will step down as CFO at the age of 62. In 2011, the Selection and Appointments Committee (including the chairman of the Audit Committee) prepared the selection of a successive CFO over the course of three meetings. A profile has been drawn up and a number of candidates have been interviewed. During its meeting in April 2012, the Supervisory Board intends to appoint the successful candidate to the post effective 1 May 2012. The Selection and Appointments Committee has also launched the procedure for filling the vacancy created with the departure of Mr Stevens taking effect on the date of the General Meeting of Shareholders on 18 April 2012.



The committee liaises with the CWC regarding both positions. Finally, in 2011 the Selection and Appointments Committee discussed succession planning with respect to the Management Board and Schiphol Group's Management Team.

### Remuneration Committee

The Remuneration Committee met four times in 2011. A detailed report of the activities of the Remuneration Committee and a further explanation of the remuneration policy are provided in the Remuneration Report on page 96 of this Annual Report.

### Public Affairs & Corporate Responsibility Committee

The Public Affairs & Corporate Responsibility Committee met three times in 2011. The committee evaluated the newly introduced audit of Corporate Responsibility reporting in the Annual Report by an external auditor, and discussed the cultural change at Schiphol that is to firmly anchor Corporate Responsibility in all business units. In this connection, the members of the committee participated in the CR workshops organised for Schiphol Group employees. In addition, the committee devoted attention to communication with stakeholders and to the relationship with the Ministry of Finance and other state shareholdings.

### Composition

The Supervisory Board's appointments policy aims to safeguard the complementary nature of its members, especially as regards the knowledge areas listed in the Supervisory Board Profile (Appendix A to the Supervisory Board Regulations) that are relevant to Schiphol Group. The overview below indicates the knowledge areas represented by each Supervisory Director. The division of knowledge areas as set out below will factor into the fulfilment of any new vacancies that arise.

Supervisory Board	Audit Committee	Remuneration Committee	Selection & Appointments Committee	Public Affairs & Corporate Responsibility Committee
A. Ruys (Chairman)			• (c)	
T. Maas - de Brouwer (Vice-Chairperson)		•	•	• (c)
J. Brouwer				
F. Cremers	• (c)	•		
P. Graff	•			
H. Hazewinkel	•	• (c)		
M. Scheltema				•
W. Stevens	•		•	•

(c) = Chairman

Supervisory Board	Year of birth and nationality	Date of first appointment	1. EU / Globalisation	2. Aviation	3. Property	4. Retail / e-Business	5. Finance / accountancy / risk management	6. Corporate Responsibility	7. Marketing / Sales	8. Human resource management	9. Political and social climate Schiphol	10. Corporate governance	11. Expertise on Amsterdam and region
A. Ruys (Chairman)	1947 Dutch	2006	•			•			•			•	
T. Maas - de Brouwer (Vice-Chairperson)	1946 Dutch	2001						•		•	•	•	
J. Brouwer	1955 Dutch	2011				•		•	•	•			
F. Cremers	1952 Dutch	2006	•		•		•					•	
P. Graff	1947 French	2009	•	•	•		•						
H. Hazewinkel	1949 Dutch	2009			•		•	•				•	
M. Scheltema	1954 Dutch	2010	•				•			•		•	
W. Stevens	1938 Dutch	2002					•				•	•	•

Meetings	Number
Supervisory Board	6
Audit Committee	4
Remuneration Committee	4
Selection & Appointments Committee	5
Public Affairs & Corporate Responsibility Committee	3
<b>Total</b>	<b>22</b>

Supervisory Board attendance at Supervisory Board meetings in 2011	A. Ruys	T. Maas - de Brouwer	J. Brouwer	F. Cremers	P. Graff	H. Hazewinkel	M. Scheltema	W. Stevens
Supervisory Board	6	6	3 (of 4)	4	4	6	6	5
Audit Committee	N/A	N/A	N/A	4	1	4	N/A	4
Remuneration Committee	N/A	3	N/A	3	N/A	3	N/A	N/A
Selection & Appointments Committee	5	5	N/A	5	N/A	N/A	N/A	5
Public Affairs & Corporate Responsibility Committee	N/A	3	N/A	N/A	N/A	N/A	3	3
<b>Total</b>	<b>11</b>	<b>17</b>	<b>3</b>	<b>16</b>	<b>5</b>	<b>13</b>	<b>9</b>	<b>17</b>

Schiphol Group  
Report of the  
Management Board  
2011

# Doing business in a complex environment

Schiphol Group is an airport business, with Amsterdam Airport Schiphol as our main asset. We wish to create sustainable value for our stakeholders, who represent a diverse range of interests. Our core values of reliability, efficiency, hospitality, inspiration and sustainability play a central role in how we conduct our business.



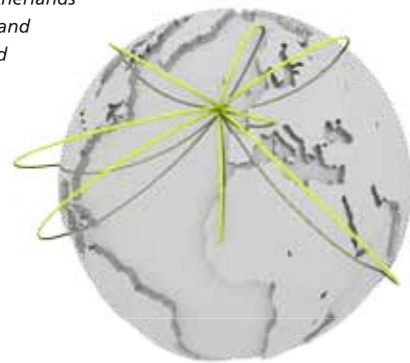
# say cheese

Schiphol Group is an airport operator, focusing in particular on AirportCities. A prime example of an AirportCity is Amsterdam Airport Schiphol, Europe's fourth-largest airport in terms of passengers and third-largest in terms of cargo.

Our mission is to link the Netherlands to important cities and regions in the world via the Mainport Schiphol. It is the aim of Amsterdam Airport Schiphol to be and remain Europe's preferred airport: the airport that is valued for its quality, capacity and extensive network of destinations. We wish to serve airlines, handlers, passengers and businesses as efficiently as possible, with a well-equipped airport and modern facilities.

## Mission

*Connecting the Netherlands to important cities and regions in the world*



The way we do this is what makes Schiphol a successful hub, now with 313 destinations and nearly 50 million passengers per year.

We operate Schiphol as an AirportCity: a dynamic environment providing its users with all the services they need, 24 hours a day. Three business areas contribute to the formation of the AirportCity concept, with Aviation having the pivotal role. Aviation provides services to and facilitates airlines, passengers and handling agents. The Consumer Products & Services business area (formerly Consumers) offers passengers a wide variety of products and services that facilitate worry-free and comfortable travel. Lastly, Real Estate is responsible for spatial planning at and around Schiphol, issuing ground leases and developing offices, new business premises and cargo buildings.

The main task of the aviation activities is to ensure passenger and cargo flows, as well as attracting businesses to Schiphol. The non-aviation activities (Consumer Products & Services and Real Estate) strengthen the bond with passengers, cargo handlers and businesses. Aviation and non-aviation activities are a continuation of, complement and enhance one

another. One cannot exist without the other, and vice versa.

We also control three regional airports in the Netherlands – Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport – all three of which have their own market strategy. By facilitating non-Mainport flights, they also ensure that we can grow.

Our international focus is on better facilitating the airlines that serve Schiphol by seeking to collaborate with the foreign airports important to them. This strengthens their competitive position, and as a result ours as well. We collaborate closely with Aéroports de Paris (with an 8% interest) and with Terminal 4 at JFK International Airport in New York, where our participating interest is now 100%. We also have interests in Australia, Italy, Hong Kong, Austria, Aruba and Sweden.

Our business operations depend on the airlines, in particular on our hub carrier Air France-KLM and SkyTeam in terms of destinations. In addition, we also depend on air traffic control, the slot coordinator, national, provincial and municipal government

authorities, handling agents, security companies, customs and the Dutch Border Police (Koninklijke Marechaussee).

In our business operations and when making investments, we look for the added value for the entire chain. This involves striking a constant balance between cost and quality.

Our investments in the baggage system, for example, have led to increased reliability and capacity within the handling process. Working conditions have also benefited as a result: the use of robots enables handling agents to organise their work differently, to ensure ongoing compliance with stricter OH&S legislation.

The introduction of the Self-Service Drop-Off Points has enabled cost savings and increased check-in capacity within the current infrastructure. In security services, too, we strive for an optimum balance between quality and efficiency. This involves determining how many staff must be hired to reduce processing and waiting times, and to prevent delays and missed connections.

**At Schiphol we fulfill multiple roles**

In our capacity as airport operator we are responsible for the safety and reliability of the infrastructure (runways, terminal complex, road system, airport buildings).

As the owner of the airport grounds, we are responsible for all environmental issues throughout the airport site (local air quality, energy supply, water quality and waste).

As both a grantor of concessions to handlers and shop-owners and a buildings proprietor, we provide other parties the opportunity to carry out activities at Schiphol (subject to our guidelines) that support and enhance the Mainport function.

As a property owner, we issue land on which third parties can build. We are regularly engaged in long-term, large-scale construction and other projects on the airport grounds. We often act as a commissioning party, either with or without partners.

**Stakeholder consultation**

We discuss matters regularly with our stakeholders during stakeholder consultations. We believe that collaboration, innovation and sharing views through consultation and dialogue with the sector, the government and the local community are the best ways to seek solutions for complex issues. Examples of these activities include:

- Alders Platform
- Schiphol Regional Consultative Committee (CROS)
- Schiphol Safety Platform
- Schiphol Security and Public Safety Platform (BVPS)
- Contractors' Job Health and Safety Platform
- Knowledge and Development Centre
- Knowledge and Information Agenda Platform
- National Knowledge for Climate Programme
- theGROUNDS
- Health & Safety consultation
- Schiphol Quality of Life Foundation (Stichting Leefomgeving)
- The Stichting Mainport en Groen landscaping project
- Schiphol Governance Forum
- Mainport Schiphol Haarlemmermeer Structural Concept

**Stakeholder dialogues**

We organise regular dialogue sessions with various stakeholder groups to ensure that our Corporate Responsibility objectives and activities are properly in line with the expectations of our stakeholders, and to explain why we make certain decisions. In 2011 we held three stakeholder dialogues, two of which were in conjunction with KLM. These dialogues generated a wealth of interesting information, offering some productive channels for intensifying future collaboration.

Schiphol Group is structured and run as a company that combines enterprising business with a socio-economic function – a necessity for continued successful operation in the competitive aviation sector. Given our high level of investments and the fact that we must arrange financing ourselves, maintaining access to the capital market is crucial. It is for this reason that we must remain financially robust in order to safeguard our 'A' rating. At the same time, we also wish to contribute to the Netherlands' strength and appeal; this healthy and socially motivated attitude also makes the business attractive to talented employees.

In 2011, our net revenue reached EUR 1,278 million, the net result EUR 194 million, the proposed dividend per share EUR 524, and the return on equity (ROE) 6.2%. We are satisfied with these results, although this ROE is below the 8% yield requirement imposed by the Dutch State as the majority shareholder.

**Our business**

Our business is divided into four interconnected business areas: Aviation, Consumer Products & Services, Real Estate and Alliances & Participations. Our revenue consists primarily of airport charges, retail sales, concession fees, rents and leases, property development, parking fees and revenues from our international activities.

Our aviation activities are subject to regulated pricing with a ceiling on the return. This is not the case with our non-aviation activities; the yield from these activities is higher and offers opportunities for generating economic profit. Together, this is known as the 'dual-till' system.

Airlines pay fees every time an aircraft takes off or lands, and for every departing passenger they pay a passenger service charge and a security service charge. These charges serve to cover the costs of primary airport operations and infrastructure, including the extensive

security activities. Airport charges are regulated: they are specified in the Aviation Act and are meant to reflect a cost-related and transparent pricing schedule. The only costs that may be passed on to airport users are those directly related to primary airport operations and infrastructure, which is subject to a return ceiling equal to the average cost of capital of the airport activities. On this basis, and following extensive consultations with airlines, Schiphol then sets the rates under the supervision of the Netherlands Competition Authority (NMa). If the actual revenue turns out to be higher or lower than the permitted level (usually because volumes do not match forecasts), the difference is incorporated into the rates for the subsequent period. In addition to these regulated activities, we also run commercial activities in areas such as the granting of concessions, retail, catering, renting/leasing, parking, media and property management. These services make a substantial contribution to our financial results, and help ensure that the entire business remains financially healthy.

Cost management is an integral part of our business model. Keeping a constant finger on the pulse means we get results. Benchmark studies have shown that operating costs per passenger at Schiphol are the lowest of the four major European hubs, whereas quality is rated highly by passengers and airlines alike.

Our range of shopping, catering and other services has proven to be a significant factor in passengers' decision to travel via Schiphol. We capitalise on this by developing specialist shopping and hospitality concepts that cater to the needs of customers, including comfortable spaces to work or relax.

**Business model**



**Amsterdam Airport Schiphol**

**Regional airports**

**International**

Schiphol is an attractive location for businesses, with a large variety of high-quality real estate options developed in the form of offices, commercial premises and logistics buildings. More than five hundred different companies with a link to aviation have offices on the airport grounds, providing employment for nearly 62,000 people. There is a positive affect of 170,000 jobs in the region.

**Amsterdam Airport Schiphol**

	<b>313</b>	direct destinations
	<b>49.8 million</b>	passengers, 1.5 million tonnes of cargo
	<b>420,250</b>	air transport movements
	<b>170,000</b>	jobs in the region, 62,000 people are employed at the Schiphol location
	<b>650,000 m²</b>	terminal area, five main runways on 2,787 hectares
	<b>3.9 billion euro</b>	total value of fixed assets
	<b>500</b>	companies located at Schiphol
	<b>26 billion euro</b>	contribution of aviation sector to the Dutch Gross National Product



**EUR 400 million for the aviation sector**

The operational and capital costs of the Aviation business area increased by an annual average of 4.4% between 2007 and 2011 (from EUR 696 million to EUR 829 million), as part of which security costs increased by an annual 5.8% on average, mainly due to the costs related to additional security measures.

This increase in costs is in line with the average at other European hubs, whereas the absolute cost per passenger at Schiphol is lower by comparison.

Over the past five years, Schiphol has not always passed on the average 4.4% increase in costs as was permitted under the statutory regulations. Given the challenging market conditions in the aviation sector, we decided not to pass on increased costs in full, but instead to opt for a gradual development in charges. In total, this represented a loss in airport charges of around EUR 150 million over the 2007-2011 period.

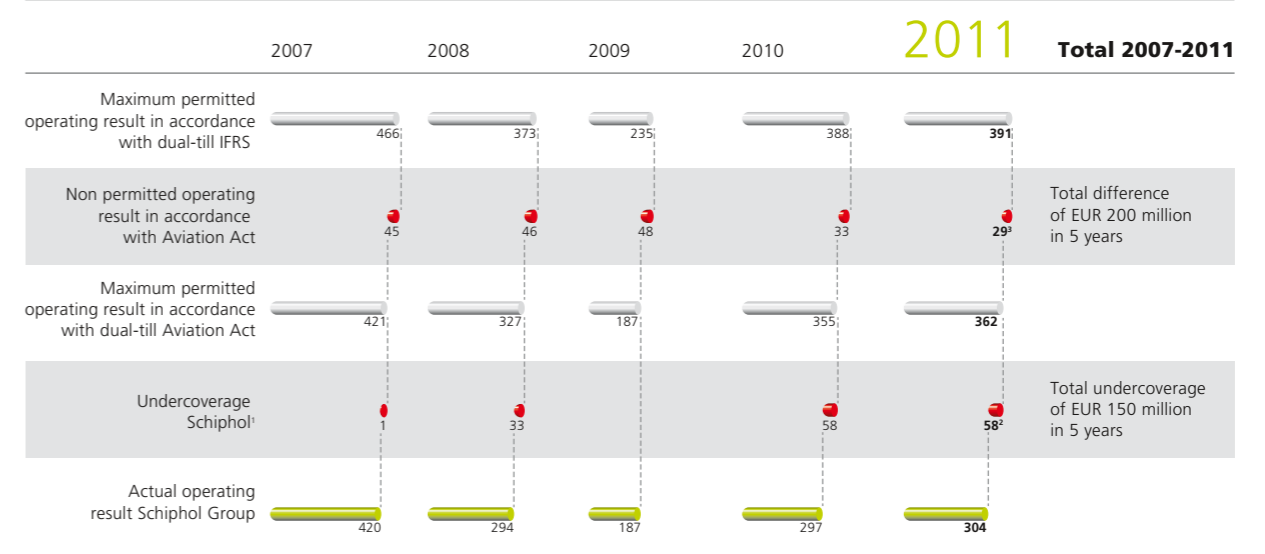
Because the accounting policies for determining the result laid down in the Aviation Act differ from IFRS and the regulated capital costs are not in line with the market, it is not possible to pass on all of our costs in the airport charges. It is for this reason that, in addition to the EUR 150 million, around an additional EUR 200 million in Aviation costs were not covered during the 2007-2011 period (excluding the effect of capital costs).

As a boost to the Mainport and expansion of the destination network, recent years have seen the roll-out of the Airline Reward Programme with a total value of EUR 50 million.

This resulted in airline-sector benefits totalling EUR 400 million.

**Operating result in accordance with dual-till regulation**

Cumulative difference in operating result as of 2007 is EUR 200 million less due to not applying IFRS and EUR 150 million less due to lower charges than permitted (EUR million)



1) Amounts excluding Airline Reward Programmes (EUR 50 million for total period).

2) Including settlement 2009, which is not included in the charges.

3) Amount included in consultation figures. The actual adjustment in accordance with the Aviation Act is formally set in the 2011 Regulatory Accounts, which will be published 31 May 2012 at the latest.

Schiphol Group invests between 20% and 30% of its turnover annually (around EUR 250-300 million per year), the majority of which goes into the further development of airport infrastructure. We have never had to call on our shareholders for assistance in meeting our financing needs; we are self-supporting, and call on the capital market where necessary to finance our long term investments.

A robust financial position, a solid track record in terms of financial results and a consistent, well-balanced financing policy are indispensable in this regard. We take great care to ensure that refinancing and interest risks are limited as much as possible and we minimise our currency risks by taking out loans in euros where possible. Since 2008 we have also been endeavouring to address our financing needs 12-18 months in advance so as to avoid being at the mercy of volatile financial markets.

Our robust financial position is also reflected in our A rating at Standard & Poor's, and by an A1 rating at Moody's. These ratings enhance our access to the capital market and enable us to take on debt at attractive conditions, even in times of global financial/economic crisis and considerable unrest in the financial markets. We also have a number of financing arrangements at our disposal, such as the long-term loan facilities of the European Investment Bank and backup facilities from other major banks.

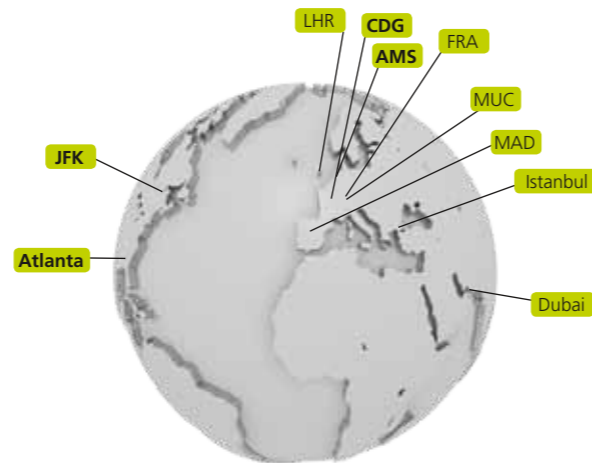
In total we have a debt capital of EUR 1,934 million representing 33.8% of our balance sheet total, at an average interest rate of 5.6%. The terms of existing loans are distributed across time as evenly as possible.

### Competitive position

By far, most of our day-to-day activities take place in and around Amsterdam Airport Schiphol. Our primary objective is therefore to maintain and strengthen the competitive position of Schiphol as a Mainport.

The driving force behind the financial results of an airport is provided by passengers, cargo and the network of destinations. Airlines themselves are in the best position to influence these three parameters directly. As an airport, we offer efficient operations and high-quality services, at competitive rates.

Schiphol's domestic market is relatively small, and our home carrier has to rely on transfer traffic. Over 40% of all passengers at Schiphol airport are transfer passengers. This means that our visit costs (all costs incurred by airlines during a stay at an airport) must be able to compete with those of our biggest European hub-competitors Heathrow, Paris-Charles de Gaulle and Frankfurt, as well as those of emerging hubs such as



World-wide playing-field with competitors and important SkyTeam hubs

Dubai and Istanbul. We also need to match them in terms of airport punctuality, baggage handling and comfort. Competition from 'secondary' airports is also increasing, and we are seeing airports such as those in Munich, Düsseldorf, Copenhagen and Brussels becoming more and more prominent.

Investments in our infrastructure are essential in order to maintain and strengthen our position as a hub. We must continually ensure that airlines and their passengers (including transfer passengers) are facilitated in the best possible way at our airport. Approximately 30% of passengers have little choice but to travel from or via Schiphol; the other 70% do have a choice. This is why we devote constant attention to competitive rates, quality improvements and added value within the chain, aspects that are intended to encourage airlines to fly from Schiphol more often, making the airport even more attractive to passengers.

To streamline our performance as a major hub and to improve our competitive position, frequent consultations are held with airlines to discuss the improvement and development of new products and services. Regular competitive analyses are also carried out across our range of activities. We also have the Airline Reward Programme incentive, which encourages airlines to expand on existing routes and create new ones. Another of our aims is to better facilitate our customers by seeking to collaborate with the foreign airports most important to them, a process in which the expansive global network of Air France-KLM and its SkyTeam plays a key role. The SkyTeam alliance is the largest transatlantic joint venture in the aviation sector,



The fully refurbished Lounge 3 offers passengers an inspiring mix of international brands, typically Dutch products, a wide range of catering establishments and, centrally located, the 'house of tulips'.

with Amsterdam Airport Schiphol, Paris-Charles de Gaulle, JFK International Airport and Delta Airlines' homebase – Hartsfield-Jackson Atlanta International Airport – serving as the alliance's most important hubs. At the same time, this enables us to improve our competitive position vis-à-vis other airports and further strengthen the position of Mainport Schiphol.

Airlines and their alliances at other European hubs, new high-quality terminals, the development of hubs outside Europe, network expansion and fleet modernisation of the home carriers affiliated with these hubs all exert pressure on Schiphol's competitive position. The introduction of an Emissions Trading System in Europe will also increase the likelihood that traffic flows will start to migrate away from Europe.

Schiphol is also faced with major challenges in its retail activities, one example of which is the pressing need to respond to the rapid growth of online shopping. An important aspect influencing our competitive position is how travellers perceive the value for money offered by our products and services. In addition to

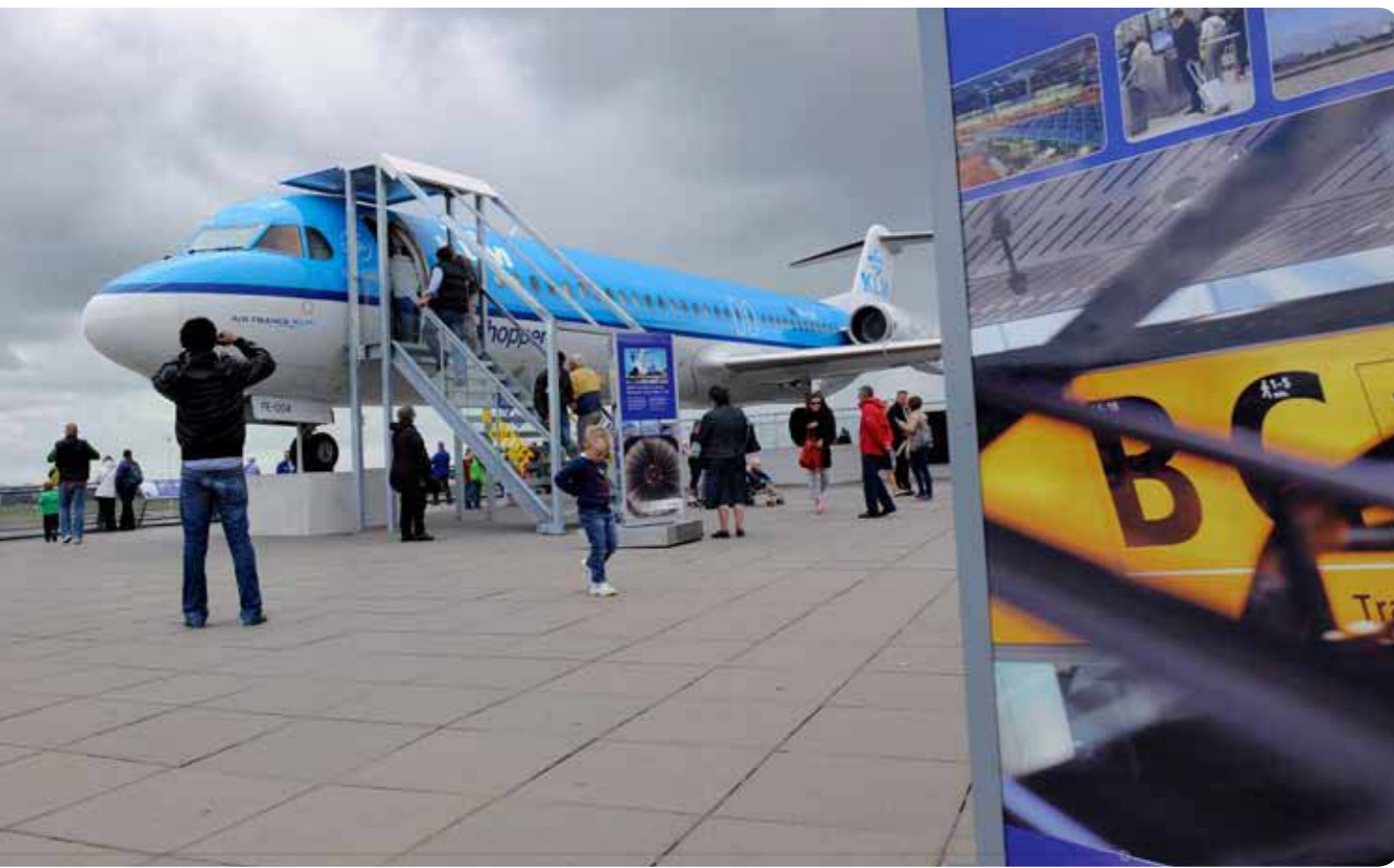
making attractive offers and communicating them effectively, we are trying to introduce greater differentiation into our range. This means no longer offering all products under the See Buy Fly label, but increasing the assortment through the addition of leading brand-name stores and other distinctive retail formulas.

In terms of parking, we have noticed a great deal of competition from providers of parking products in the immediate vicinity of the airport.

Together, Schiphol and the Zuidas area still occupy the top of the Amsterdam office segment. To retain and strengthen this position, the quality of the general facilities at the Schiphol location must be improved.

### Operating capacity

The airport's existing runway system has the physical capacity to handle around 600,000 air transport movements a year. Based on current forecasts, this capacity is more than enough to meet transport



The Fokker 100 on the Panorama Terrace offers visitors an inside look into the history of aviation.

demands up to 2020/25. Currently, the number of air transport movements is just over 420,000 per year carrying nearly 50 million passengers. Pier and terminal capacity must be expanded if we wish to grow to accommodate 70 million passengers. Growth is a prerequisite for remaining competitive and for continuing to facilitate our extensive network of connections and fulfilling an important role in aviation worldwide. In conjunction with airlines, we are investigating how the airport infrastructure needs to be adapted and expanded in order to safeguard the competitive position of Mainport Schiphol. An important first step will involve changes to security in the non-Schengen area of the terminal. We intend to have the security checks performed centrally, before passengers and staff enter the lounges and piers. This is only possible if we separate departing and arriving passengers. Without this separation, costs will dramatically increase as the result of future regulations and security requirements. Additional corridors and levels in certain piers will also create the extra space in the existing terminal that we need to accommodate the expected growth in passenger numbers. It will also

create the conditions for one-stop security, eliminating the need for transfer passengers to be screened more than once. This improves services for passengers and streamlines the flow of traffic, thereby also increasing the capacity of the terminal.

In recent years EUR 710 million has been invested in a new baggage system, resulting in increased capacity, quality and reliability of baggage handling. The full extent of the additional baggage capacity at Schiphol will be available from late 2012, when all baggage halls will be linked together by a new, almost fully automated baggage system.

In our business we need to give due consideration to natural phenomena that can affect operations. To arm ourselves against such events, we have corporate emergency plans and continually train our operational staff to be ready to take effective action in such situations.

## Socio-economic capacity

Both our complex environment (which involves a wide range of diverging interests) and the myriad of laws and regulations governing our operations are what determine the limits within which our airport can expand. Our 'Licence to grow' is bound to certain agreements, such as those made as part of the Alders Platform. Schiphol airport is permitted to expand to 580,000 air transport movements by 2020. Of this total, 70,000 non-Mainport (e.g. holiday) flights are supposed to depart from Eindhoven and Lelystad Airports, forming a significant strategic reserve capacity. The government has notified the Lower House accordingly in the Aviation Policy Document. Our Rotterdam The Hague Airport and Eindhoven Airport each have their own catchment area.

Our complex environment demands close collaboration with multiple parties at a range of different levels within the aviation sector, with government authorities and local and other stakeholders. We participate in various consultative bodies, such as the Schiphol Regional Consultative Committee (CROS), the Schiphol Governance Forum (BFS) and the Alders Platform. As a special service to local residents and in conjunction with Air Traffic Control the Netherlands (LVNL), we have set up the Local Community Contact Centre Schiphol (Bas) to keep local residents informed of the impact of air traffic at Schiphol. Residents can also contact the centre with questions or complaints.

Amsterdam Airport Schiphol shares in the responsibility for ensuring sufficient airspace capacity. Airlines request slots, after which the independent slot coordinator determines how the capacity will be distributed. Airspace capacity is limited by space reservations, fixed flight paths and a strict enforcement system for noise. Air Traffic Control the Netherlands (LVNL) regulates air traffic by issuing clearances and instructions to pilots, giving due consideration to both airspace capacity and the physical capacity of Schiphol.

Strict limits apply to the noise produced by aircraft at Schiphol. These limits are the result of complex, national and international laws on which we exercise almost no influence, laws that impose limitations on the conduct of our business.

The breach of standards can lead to sanctions, with negative financial and operational consequences. Schiphol is committed to the use of quieter aircraft and to limiting night-time operations, in order to make the most efficient possible use of the available noise capacity.

## Commercial development

Comfortable, worry-free travel starts at the airport, which is why we are always searching for ways to cater to the needs of departing and transit passengers. It all starts with parking at Schiphol, where there are parking options to suit all travellers. The terminal itself has a wide range of shops and catering establishments, and the airport has proven to be a veritable shopping and leisure paradise for both transfer passengers and passengers starting their journey at Schiphol. We try to enhance this feeling year after year, making continuous adjustments to the terminal to accommodate the wishes of travellers.

It is partly for this reason that we have been consistently able to respond effectively to the changing needs of customers, keeping turnover per passenger at a reasonably stable level. We are very much aware of the challenges we must face: these relate not only to growth in online shopping, but also to new legislation that can affect airport retail activities, such as the possible 'one-bag rule' stipulating that passengers may only carry one item of hand baggage, including their purchases. A possible ban on the sale of tobacco and stricter requirements on the sale of alcohol could also negatively affect our results in the future.

Schiphol is one of the most attractive business locations in the country, and is home to many companies that operate internationally. We follow developments in the real estate market closely, enabling us to continue to offer an attractive business location for diverse groups of customers, with a relatively high occupancy rate as a result. We own the land at and around the airport, and a large number of the buildings are ours as well. We manage the land ourselves, which affords flexibility and always allows us to meet the needs of our aviation activities. The buildings that we own (offices, commercial spaces, sections of the terminal) are leased. However, some parties also develop property themselves. Schiphol Real Estate allocates land to these parties under ground lease conditions.

Schiphol airport is the third-largest cargo airport in Europe (1.5 million tonnes in 2011) and has connections to every major economic centre in the world through a balanced combination of direct full-freighter flights and combined passenger/cargo flights. The airport offers excellent cargo transport facilities, including four storage centres for perishable goods, an animal hotel and a large network of Europe's best logistics service providers. Over 150 logistics companies use Schiphol as a basis for their logistics activities, and over half of all Asian, American and European distribution centres are located in the Netherlands.

## Environment

We want to be a leader in environmental innovations. To this end, we partnered with the Delft University of Technology, Wageningen University, Imtech and the Netherlands Organisation for Applied Scientific Research (TNO) in 2010 to establish innovation platform theGROUNDS. It is our intention to achieve a sustainable energy and water management programme, as well as to improve air quality. The various waste streams at the Schiphol site are being recycled more often, using improved techniques. We supply the drinking water, while at the same time pursuing an economic water usage policy.

### CO<sub>2</sub>

Schiphol's objective concerning CO<sub>2</sub> emissions is twofold. Firstly, we aim for our activities at Schiphol to be CO<sub>2</sub>-neutral by 2012. Secondly, by 2020 the CO<sub>2</sub> emissions of all Schiphol-based activities must be reduced to 70% of the 1990 levels.

The main sources of CO<sub>2</sub> production at Schiphol are energy consumption (heating, cooling, lighting) and mobility (fleet, commuting). We are helping to reduce the greenhouse effect by decreasing our energy and fuel usage, through the more efficient use of energy and by applying sustainable energy sources and fuels. A significant aim is to reduce the number of vehicle kilometres driven to and from the airport. Four out of every ten passengers come to Schiphol by train. Dropping off and picking up passengers by car is discouraged as much as possible, and travellers are encouraged to opt for private or public transport for the simple reason that this involves fewer vehicle movements than when they are picked up and dropped off. Schiphol employees are also encouraged to use public transport. Given that electrically powered transportation is expected to grow, reaching one million electric cars by 2025, policy development for recharging stations will be a priority.

### Generating sustainable energy

Over the coming years, we will introduce various measures to make our energy consumption more sustainable:

- 8%-10% by storing the winter cold in ground water layers, in order to supply climate systems in buildings and computing centres with cooling;
- 7%-8% by producing a combination of electrical energy and useable heat from biomass, which is converted to biogas in biomass plants;
- 4%-5% by installing solar panels on the roofs of office buildings, the terminal and cargo warehouses;
- solar panels can also be installed in the runway area to further boost sustainable energy production.

## Surface water

A plan has been developed to improve the quality of the surface water in and around the airport grounds in a sustainable manner by 2015. Measures for keeping aircraft free of ice, and for keeping snow and ice off taxiways, runways and aprons, affect the quality of the surface water. The de-icing agents used are biodegradable, and thus extract oxygen from the water. This can result in fish mortality. In 2007 we initiated an intensive programme aimed at improving the quality of our surface water.

## Air quality

Air quality in areas surrounding the airport is to be improved by connecting more aircraft stands to Fixed Electrical Ground Power (FEGP) facilities and to pre-conditioned air for climate control in the aircraft cabins, eliminating the need for diesel units.

## Accessibility

After destinations and ticket prices, accessibility is the most important factor in passengers' choice of airport. It is also a crucial factor for companies, suppliers and employees.

We do not directly influence the accessibility of the airport ourselves – here too, we rely on other parties. In consultation with the Dutch government, ProRail and the Dutch Railways are responsible for the construction and use of rail connections in the Netherlands, and manage the train station at Schiphol as well as the many rail connections to and from the airport. Schiphol is the Netherlands' fifth major train station, with direct connections to all major cities both in the Netherlands and neighbouring countries. The airport is also connected to the Thalys and Fyra high-speed railway lines. The Schiphol S'net bus system operates at and around the airport, with a high frequency of buses and a dense network of routes and stops. The airport is also well-connected to the regional transport network.

The government is responsible for the road network leading to the airport; we take care of the roads on the Schiphol site itself. We constantly encourage the government to continue to invest in the creation of faster connections to and from Schiphol, and have benefited greatly from the government's decisive actions on this front in recent years.

## Safety and security

Safety and security have top priority at Schiphol. We collaborate closely with a range of government bodies to ensure compliance with the latest safety and security regulations. The European Union stipulates laws and regulations with which European airports and airlines are obliged to comply. Prevention of accidents and other calamities is of paramount importance. Schiphol is at the ready 24 hours a day to take effective action should an emergency situation arise. Employees in specific posts receive operational safety training with regard to fire risks, the environment, emergencies, safety and security.

### Safety

Specific focus areas include:

- safety on main runways;
- preventing bird strikes;
- traffic safety on airport grounds;
- safety (including fire safety) in the terminal;
- external safety (for the areas surrounding Schiphol);
- safe working conditions; and
- prevention of infectious diseases.

### Security

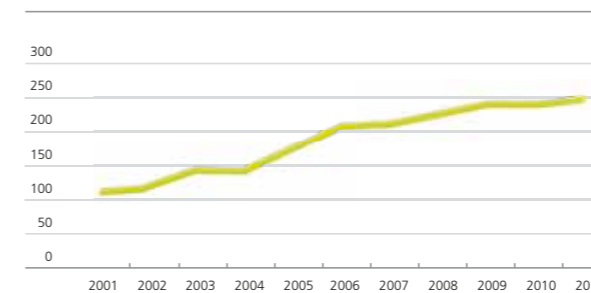
Airport security (in terms of ensuring compliance with regulations and preventing vandalism, criminal activities and acts of terrorism) mainly involves taking anticipatory measures.

Increasing security requirements may lead to drastic operational changes (such as separation of passenger flows), additional investments (e.g. in security scans) and accumulating costs.

For the implementation of security tasks, we work together with external security companies. Schiphol Group and various government bodies monitor the execution of these tasks by means of random checks.

### Security costs

EUR million

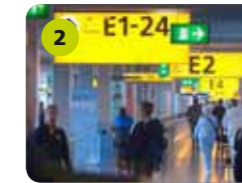


Security plays an important part in the rise of aviation costs and the associated airport charges. This graph demonstrates the increase in costs (in millions of EUR) as the result of new, stricter security measures.

## Security is made up of 7 activities



**Passengers & Hand baggage Schengen**  
Centralised control (lanes) of passengers and hand baggage for Schengen destinations



**Passengers & Hand baggage non-Schengen**  
Decentralised control at the gates of passengers and hand baggage for non-Schengen destinations



**Hold Baggage Screening (HBS)**  
Screening of hold baggage before it is loaded into the baggage holds of aircraft



**Screening & Area Security**  
Screening of staff, objects they carry and vehicles at Schiphol



**Crew & Surveillance**  
Flight crew screening & airside surveillance



**Public & Company security**  
Landside surveillance (e.g. Schiphol Plaza)



**High-Risk Flights (HRF)**  
Profiling of passengers on high-risk flights, extra monitoring and control activities (including hold baggage) and supervision during the execution of high-risk flights





## Human Resources

Schiphol Group has around 2,100 employees. Major focal points within our personnel policy include the development of talent, diversity, succession planning and an active position within the labour market. In the year 2009 we initiated a reorganisation which resulted in a reduction in staff and the outsourcing of non-core activities.

We aim to be an effective and flexible organisation, with a results-oriented culture.

The New Style of Working, introduced in 2010, envisages a company culture in which employees are able to work on the basis of results-based agreements, where possible without time or location constraints. Whenever possible (much work is location-based, and we also run continuous 24/7 services) our employees can negotiate the length of their own working week, as well as which hours they work and where. Every year employees are entitled to purchase or sell a number of leave days, and save for a sabbatical of up to four months.

With our Schiphol Traineeship, we hope to train the next generation of flexible, young and change-oriented managers. We also aim to include more women in the upper levels of company management. This is why we have signed the national 'Talent to the Top' charter, in which we promise to ensure that our senior management will include 30% women by the end of 2014.

Our employee remuneration package is established in consultation with the unions, in our own collective agreement. The package contains primary (salary and supplements) and secondary (pension and leave) remuneration components, including additional facilities such as training.

### Safe working conditions

Our working conditions policy centres on assuring the safety, health, vitality and deployability of all employees. At the same time, we bear responsibility for the safety of third parties, passengers and visitors at and around the airport. How this policy is effectuated is described in the Safety and Working Conditions Plan for 2009-2012 (Veiligheids- en Arbeidsplan 2009-2012).

### Community involvement

We engage in a variety of activities related to community involvement, focusing on employment opportunities for young people and projects in the surrounding area.

## Schiphol Fund

The Schiphol Fund was established in 1994 with the objective of supporting the airport's involvement within the surrounding community. Schiphol makes an annual donation to the fund, which in turn grants funding four times a year to non-profit institutions for general public advancement that are active in the fields of welfare, culture or sport. Starting in 2012, the fund aims to promote physical activity.

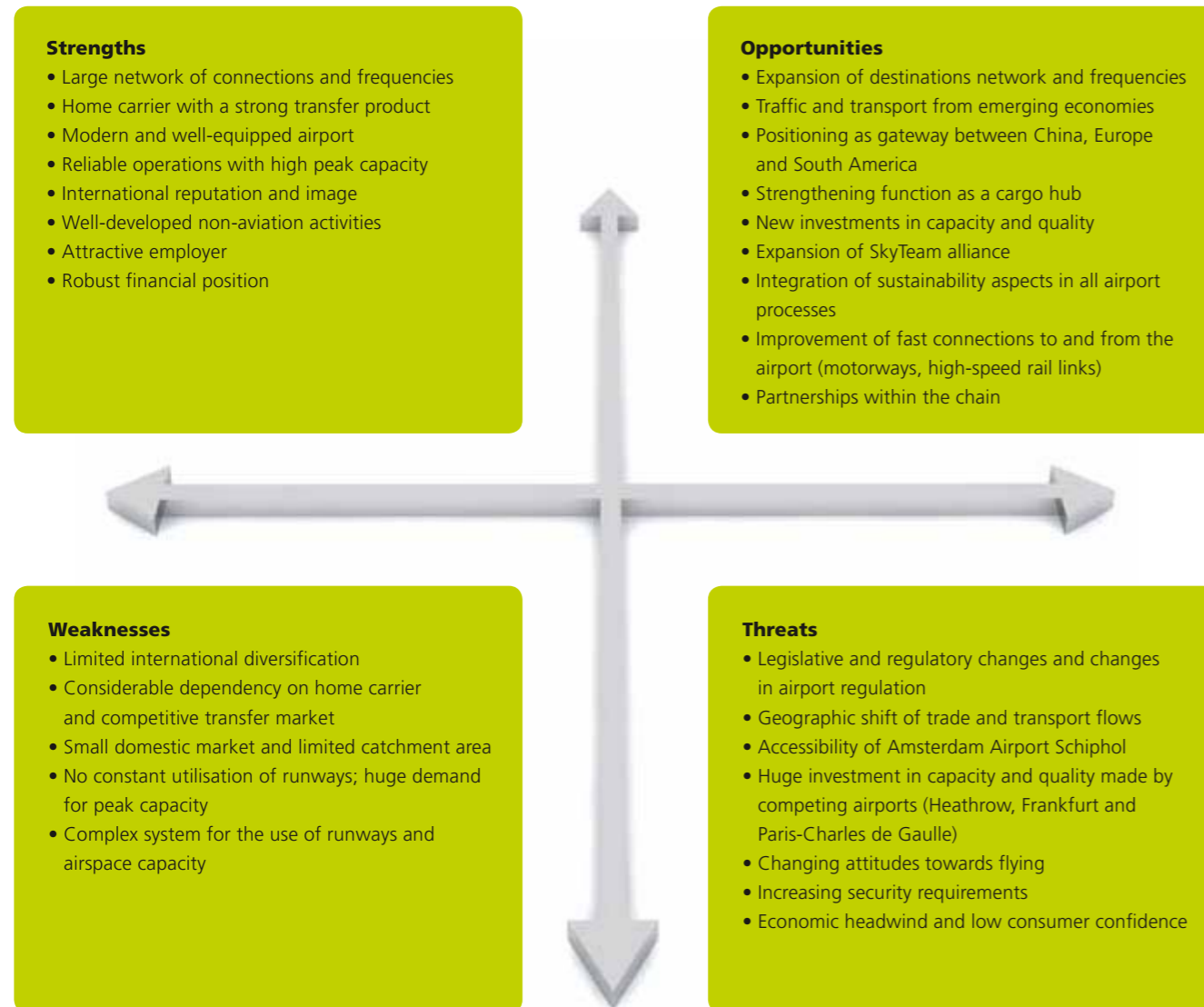
## Schiphol College

The Schiphol College Foundation, in partnership with the Amsterdam regional training centre (ROC), is a network organisation that forges links between businesses, education and the job market. The aim is to create more employment opportunities in the aviation branch by providing work experience places, senior secondary vocational education programmes, work placements and vocational training programmes, with a focus on the logistics, security and facilities sectors of the aviation industry.

## Charity partnerships

Every three years, Schiphol Group enters into a partnership with an international charity focusing on the needs of children. Our staff organise collection activities themselves, and the proceeds from the collection points in the terminal are also donated to the charity. Up until 31 December 2011 we worked with SOS Children's Villages. On 1 January 2012 we entered into a three-year partnership with UNICEF.

# SWOT



## Strengths

Amsterdam Airport Schiphol facilitates a relatively large network of connections and is the headquarters of KLM, the supplier of a strong transfer product. Schiphol has earned its good international reputation through a high degree of operational reliability and available capacity during peak times, in combination with modern airport facilities, an approach that is at once both innovative and pragmatic, and an inspiring passenger environment.

The well-developed non-aviation activities make Schiphol more attractive to passengers, and contribute to a dynamic AirportCity as well as to Schiphol Group's financial results and the future security of our business. The wide range of non-aviation activities also aids the diversification of business risks.

Schiphol Group is seen as an attractive employer, an important factor in recruiting and retaining qualified, talented and highly motivated employees.

## Weaknesses

Most of Schiphol Group's activities take place in the Netherlands, and virtually all at a single location. This makes Amsterdam Airport Schiphol considerably dependent on its home carrier and a highly competitive transfer market, considering its relatively small domestic market and limited catchment area of 33 million people within a 200 kilometer radius of the airport.

Schiphol has a maximum peak capacity of 110 take-offs and landings per hour, but because demand is focused around seven peak times during the day, usage levels fluctuate considerably. Increased demand for available peak capacity means that Schiphol must continue to invest and expand.

Compared with other airports, Schiphol has a relatively large, complex and expensive runway system with five main runways, which cannot all be used at the same time. While this does ensure a high level of reliability and continuity, particularly during poor weather conditions or highly changeable wind directions, the fact is that the air space is limited by space reservations, fixed flight paths and a strict enforcement system to combat noise nuisance.

## Opportunities

Further expansion of the network and frequencies presents good growth opportunities. Increased transport and traffic from emerging economies and the positioning of Amsterdam Airport Schiphol as the gateway between China, Europe and South America are driving the continued growth of the destinations network. A further SkyTeam expansion can create growth opportunities, as new alliance partners can add new destinations to the Mainport Schiphol network as well as generate growth at other airports where Schiphol Group has interests.

Improving hospitality and user-friendliness, partly in respect of new groups of airport users, can help to further strengthen our international position. Enhancing the role of the cargo hub also contributes to the growth of the Mainport function.

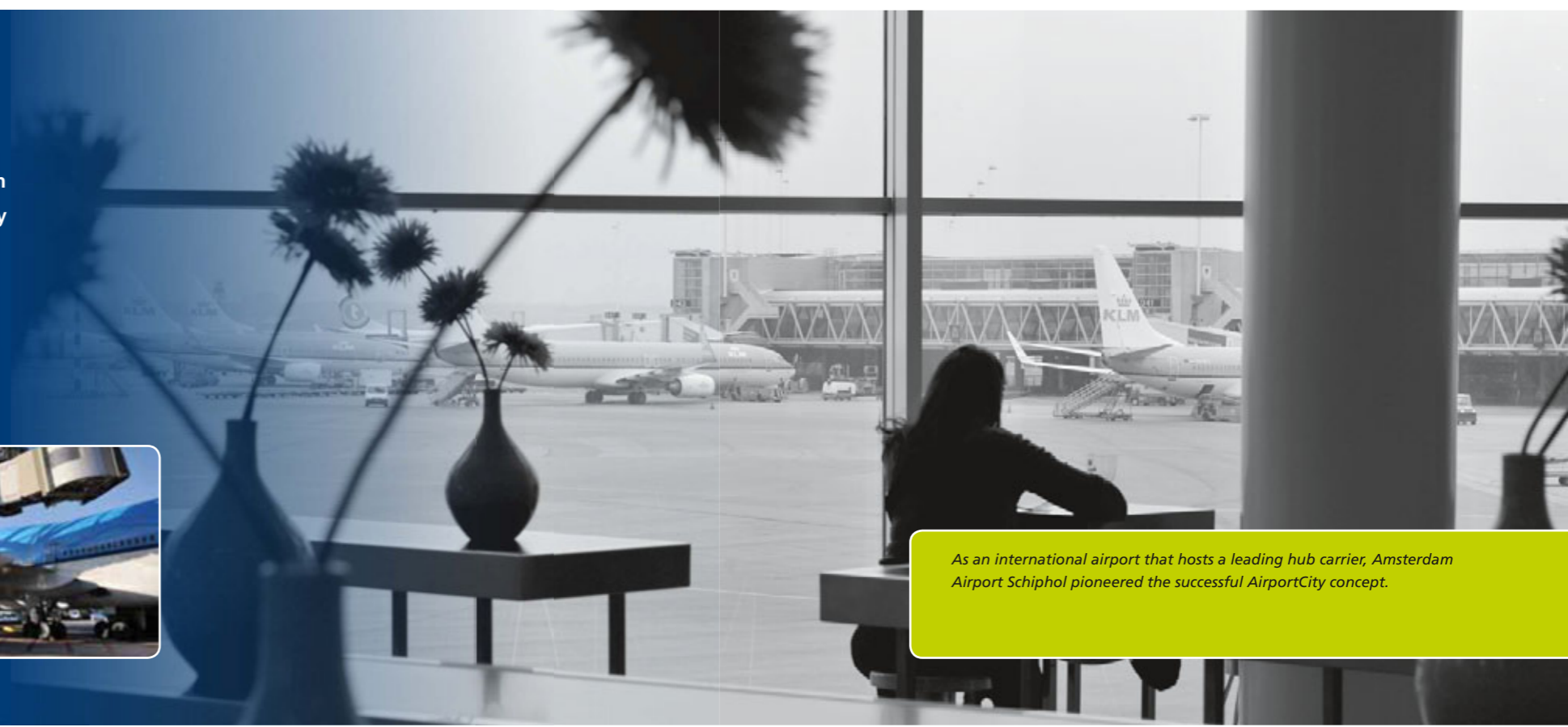
Schiphol is and remains a force that drives sustainable innovation within the aviation industry, which helps us to embed Corporate Responsibility to an even greater extent within all airport processes. Fast rail connections (such as the high-speed railway link) also enhance Schiphol's position as a multi-modal hub in a sustainable manner.

## Threats

Changes to legislation can have a major influence on Schiphol. Amendments to laws and regulations, such as the economic airport regulations as set out in the Aviation Act, could lead to a permanent drop in the profitability of regulated airport activities, resulting in a negative investment incentive. Another threat is posed by the geographic shift of traffic and trade routes, which may partially be the result of major capacity and quality investments in competing European hub airports (e.g. Heathrow, Frankfurt and Paris-Charles de Gaulle), or of investments in the Middle East (Emirates – Dubai) and Turkey (Turkish Airlines – Istanbul Airport). Other significant threats for Schiphol include the long-term economic downturn with low consumer confidence and increased pressure on consumer spending. Demographic developments and changing attitudes to air travel can also have a negative influence on demand. Environmental taxes and levies, such as a ticket tax or the Emissions Trading System in Europe, could disrupt the balance of the global level playing field. Lastly, terrorist threats can result in additional security requirements and therefore higher costs for the airport and its users.

# Strategic objectives

Schiphol Group's strategic objectives are to further support the socio-economic function of the airport and strengthen its competitive position, while ensuring that the company pursues a financially sound and future-proof policy that results in sustainable value creation for all stakeholders.



As an international airport that hosts a leading hub carrier, Amsterdam Airport Schiphol pioneered the successful AirportCity concept.

## Strategic objectives for 2011

Strategic objectives for 2011	Achieved?
Respond to expected future market developments by, on the one hand, drawing up a selectivity policy that is in line with the Aviation Policy Document, the Alders Platform agreements and agreements from underlying covenants and, on the other, by making the required investments in the capacity and quality of the Mainport.	- / ✓
Guarantee future capacity for the development of the Mainport.	- / ✓
Implement a rate structure that supports Amsterdam Airport Schiphol's strategy and will be supported by its major stakeholders.	✓
Maintain and strengthen the competitive position of Mainport Schiphol in the O&D market and the air cargo market.	✓
Strive for a regulatory system that is based on a multi-year model, reinforces the current dual-till system and offers greater flexibility in implementing a rate structure that will structurally improve our competitive position and financial performance.	- / ✓
Complete the reorganisation and outsourcing projects started in 2009.	- / ✓
Continue the "I...Schiphol!" programme to further stimulate the cultural and behavioural changes initiated within the organisation.	- / ✓
Detail a comprehensive Passenger Journey strategy to eliminate dissatisfiers, anticipate future requirements and developments, and improve passengers' perception of our price/quality ratio.	✓
Achieve the objectives formulated in 2010 in the areas of safety, environment, people and society.	✓
Intensify the international cooperation with Aéroports de Paris (HubLink) and with the parties involved in the development of Terminal 4 at JFK International Airport in New York.	✓

## Strategic objectives for 2011 achieved

The table on the left presents an overview of the objectives for 2011, and the extent to which they have been achieved.

In terms of guaranteeing future capacity for Mainport development, Schiphol Group made significant progress in 2011. But we certainly have not reached our objectives yet. We continue to engage in dialogues with our customers and other stakeholders, in which the following three aspects are essential: support base, competitive rates, and the financial feasibility of the necessary investments in future capacity and quality.

In terms of the reorganisation, all projects were completed with the exception of the outsourcing of the Badge Center and Airport Medical Services. These two business units were a subject of discussion with the employee representation bodies in 2011.

The "I...Schiphol!" corporate cultural programme attracted considerable attention in 2011. For example, we successfully rolled out 'the New Style of Working'. A great deal of effort went into the 'professional project

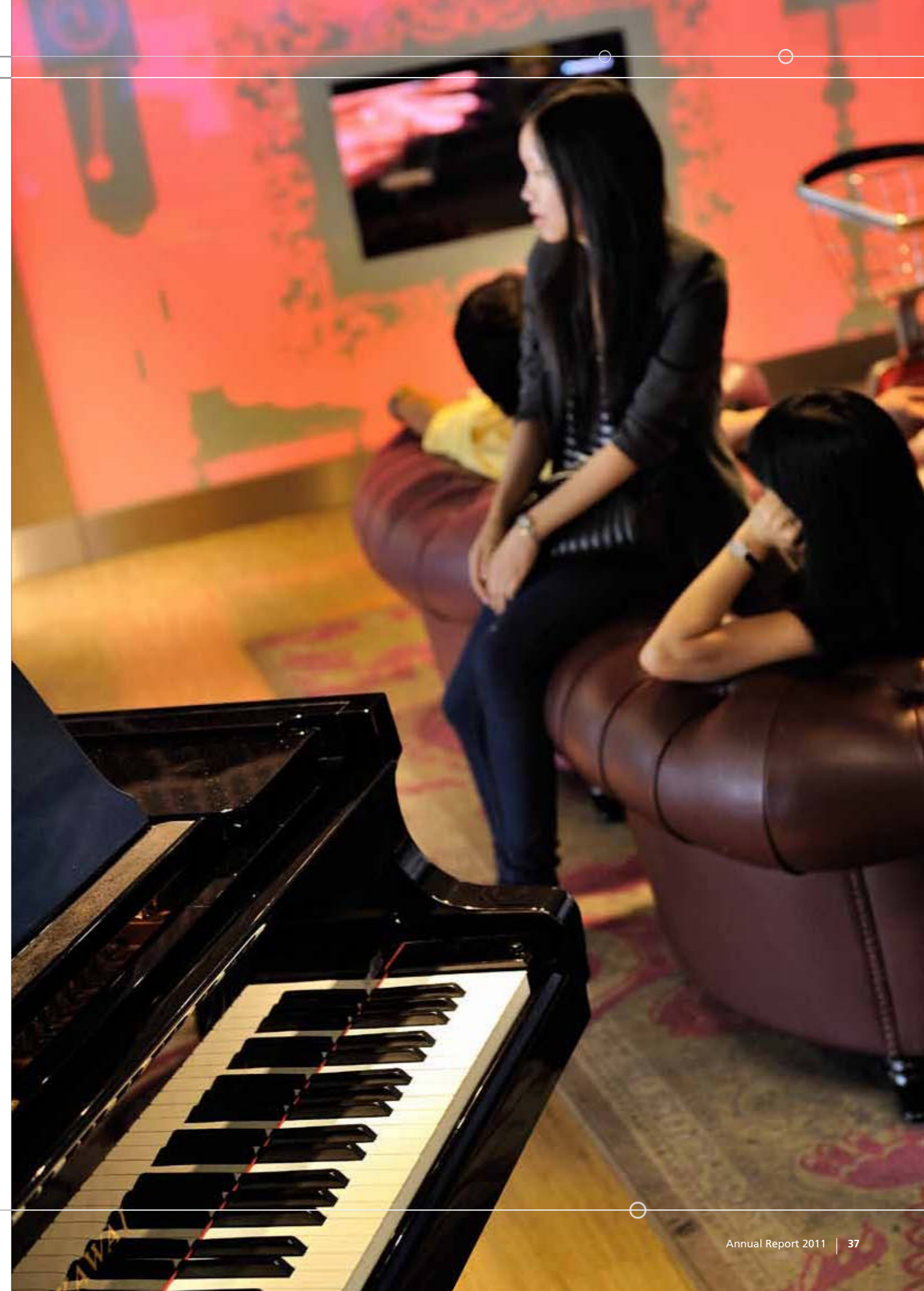
directorship' programme and reducing the bureaucracy within the organisation. The latter is a subject that continues to demand our attention.

## Strategic objectives for 2012

Schiphol Group has formulated the following strategic objectives for 2012:

- Preparation of an integrated Master Plan in which Corporate Responsibility is firmly rooted, drawn up in consultation with the most important stakeholders. Development of a financing plan and identification of the financial consequences for Schiphol Group and airlines;
- Evaluation of the Aviation Act: Strive for a regulatory system that better supports long-term investment programmes and enables gradual pricing development. This regulatory system should strengthen the current dual-till system and allow for the possibility of a retail or other incentive system for airlines;
- Competitive price/quality ratio through improved cost control and a better insight into factors that determine cost;

- Effecting revenue growth in the areas of retail and catering by tailoring the range of available products and product presentation more effectively to changing passenger needs;
- Anticipating changing conditions in the real estate market through the optimisation of our property portfolio and further improvement of services to tenants;
- Strengthening the cargo market position through a range of measures, including expansion of the network of cargo destinations;
- Stakeholder management: safeguarding our 'Licence to operate' and 'Licence to grow' by further identifying and fulfilling our socio-economic responsibilities and communicating on this subject more effectively;
- Continuation of the reorganisation project in order to achieve the envisaged organisation in terms of scope and competencies within a timeframe of three to five years. Structured action will also be taken in response to the results of the latest employee commitment survey;
- Further integration of Corporate Responsibility and risk management into the planning & control cycle and day-to-day operations by simplifying processes and raising awareness among employees.



# Our performance in 2011

We welcomed a record number of passengers in 2011 together with the airlines. The network of international destinations expanded and so did our European market share. Punctuality levels increased, and of all passengers 93% rated Schiphol as a 'good' or even 'excellent' airport. These satisfactory developments are reflected in our financial results.



Amsterdam Airport Schiphol is a major contributor to the Dutch economy. It serves as one of the home bases for Air France-KLM and its SkyTeam partners.

## Financial performance

### Revenue

Our net revenue rose by EUR 98 million from EUR 1,180 million in 2010 to EUR 1,278 million in 2011.

Net revenue from airport charges rose by EUR 56 million (8.1%) from EUR 689 million in 2010 to EUR 745 million in 2011. EUR 50 million of this increase was generated by Amsterdam Airport Schiphol and was the result of more

air transport movements (+8.8%) and higher passenger numbers (+10.0%). At EUR 705 million (EUR 655 million in 2010), airport charges at Amsterdam Airport Schiphol accounted for the largest part of total revenue. Over one third of these airport charges, EUR 247 million (2010: EUR 235 million), was related to Security. The three regional airports also saw a rise in their net revenues from airport charges, which amounted to a total of EUR 6 million. In particular, the rise in both passenger numbers and air transport movements at

Eindhoven Airport and Rotterdam The Hague Airport contributed to this increase.

Primarily because passenger numbers exceeded the figures applied during consultation on the charges, the Aviation result is an estimated EUR 15.1 million higher than expected. Given the current market conditions, Schiphol has decided to pay out this amount to the airlines in the short term in proportion to their share in the revenues generated from airport charges in 2011.

The rise in revenue from concessions by EUR 7 million (5.8%) from EUR 120 million to EUR 127 million is largely attributable to the Consumer Products & Services business area. As expected, the renovations to Departure Lounge 3 in the first half of 2011 led to a fall in the average spend per passenger in this period, but this figure largely recovered in the second half of 2011. Concession income from catering was also higher in the second half of 2011 than in 2010.

The concession fees relating to aircraft refuelling services, recognised in the Aviation business area, amounted to EUR 12 million (2010: EUR 12 million) in 2011.

Revenues from leases rose slightly by EUR 2 million (1.4%) from EUR 143 million to EUR 145 million. This rise can largely be attributed to the lease of space in the Amsterdam Airport Schiphol terminal by both Consumer Products & Services and Real Estate.

Thanks to the rise in the number of passengers at Amsterdam Airport Schiphol and the chocolate retail activities acquired as of 1 November 2010, net revenue from retail sales in 2011 rose sharply by EUR 20 million (34.5%), from EUR 58 million to EUR 78 million.

Net revenue from parking charges rose by EUR 9 million (10.8%) from EUR 83 million in 2010 to EUR 92 million in 2011. EUR 6 million of this increase was generated by Amsterdam Airport Schiphol while EUR 2 million was generated by the regional airports. The rise at Amsterdam Airport Schiphol of 9.4% lagged somewhat behind the rise in passenger numbers owing to increasing competition resulting in a lower average spend per passenger.

Net revenue from advertising rose by EUR 3 million (18.8%). 2011 was an excellent year for advertising and media income. Revenue from services and activities

EUR million	2011	2010	%
Airport charges	745	689	8.1
Concessions	127	120	5.8
Property leases	145	143	1.4
Retail sales	78	58	34.5
Car parking fees	92	83	10.8
Advertising	19	16	18.8
Third-party services and activities	18	23	-21.7
Other income	54	48	12.5
<b>Net revenue</b>	<b>1,278</b>	<b>1,180</b>	<b>8.3</b>

on behalf of third parties fell by EUR 5 million (21.7%). Fewer services were provided to tenants in 2011.

#### Other income from property

The value of our property portfolio (property and land) fell by EUR 1 million in 2011 (+ EUR 22 million in 2010). The amount in 2010 included a non-recurring increase of EUR 26 million in the land portfolio, as a consequence of a more sophisticated appraisal method to bring it more in line with methods more commonly used by independent appraisers. Despite difficult market conditions the current buildings portfolio saw only a very small fair value loss. This can be attributed to higher occupancy levels and stable rent levels at the Schiphol location. Land values remained virtually unchanged. Write-downs were made in land positions, however, due to changes in revenue potential and additional infrastructure costs.

#### Operating expenses

The operating expenses rose by 7.5% (-2.3% in 2010) from EUR 906 million in 2010 to EUR 974 million in 2011. The EUR 68 million increase (7.5%) consists of:

- EUR 18 million (2.0%) directly related to the rise in revenues: an increase in the cost price of retail sales (EUR 9 million) and commercial costs (EUR 9 million), partly in support of expansion of the number of destinations and frequencies (via the Airline Reward Programme);
- EUR 20 million (2.2%) in capacity and quality-related expenses: higher depreciation (70 MB, Lounge 3);

- EUR 13 million (1.4%) related to security (with a 10% rise in passenger numbers);
- a EUR 6 million decrease (-0.7%) associated with employee benefits. Employee benefits declined by EUR 19 million due to the reduction of the number of FTEs. This development was partially offset by a CLA indexation, individual pay rises, expansion of the profit-sharing scheme and a rise in employer's pension contributions (EUR 13 million);
- EUR 19 million (2.1%) related to the increase in the number of outsourcing contracts as part of the reorganisation that was initiated in 2009 and which also resulted in a drop in the number of FTEs;
- EUR 2 million (0.3%) spent on various studies, including a study conducted as part of the evaluation of the Aviation Act and a study conducted by international strategy consultants into the effects of a previously proposed rate structure change at the Mainport;
- EUR 2 million (0.3%) related to smaller one-off items.

#### Operating result

The operating result went up by 2.5% (58.6% in 2010), from EUR 297 million in 2010 to EUR 304 million in 2011. Excluding fair value gains on the property portfolio, the operating result increased by 10.9% (20.8% in 2010), from EUR 275 million in 2010 to EUR 305 million in 2011. The cloud of volcanic ash and extreme wintry weather negatively impacted the 2010 operating result by EUR 20 million.

EUR million	2011	2010	%
Cost of subcontracted work and other external costs	580	522	11.1
Employee benefits	177	184	- 3.4
Depreciation and amortisation	206	186	10.9
Impairments	1	1	194.4
Reorganisation	-	9	- 100.0
Other operating expenses	9	4	107.9
<b>Operating expenses</b>	<b>974</b>	<b>906</b>	<b>7.5</b>

EUR million	2011	2010	%
Aviation	49	45	9.1
Consumer Products & Services	148	133	11.3
Real Estate	72	96	- 25.1
Alliances & Participations	35	22	55.8
<b>Operating result</b>	<b>304</b>	<b>297</b>	<b>2.5</b>



#### Financial income and expenses

The net financial expense fell by EUR 24 million to EUR 91 million in 2011. This fall was largely caused by the repurchase in 2010 of bonds issued under the Euro Medium Term Note (EMTN) programme for a nominal amount of EUR 150 million, which generated a non-recurring financial expense of EUR 19 million. Without this effect there was a fall of EUR 5 million.

#### Share in results of associates

The share in results of associates amounted to EUR 36 million in 2011 (EUR 57 million in 2010). In 2010 there was a non-recurring share in results of EUR 28 million (before tax) caused by the increase of our stake in JFK IAT LLC. When adjusted to take this into account, the share in results of associates rose by EUR 7 million in 2011. This can be attributed primarily to the result from our share in Aéroports de Paris S.A. (ADP) that increased by EUR 5 million. Our share in the results of Brisbane Airport Corporation Holdings Limited (BACH) rose by EUR 3 million.

#### Corporate income tax

Corporate income tax paid in 2011 amounted to EUR 51 million (EUR 67 million in 2010). The effective tax burden for 2011 was 21%, which is lower than the effective tax burden for 2010 (28%) and the nominal corporate income tax rate (25%). The fall in effective tax burden is partly due to a relatively low effective tax rate on the share in results of associates compared with 2010. The effective tax burden on the one-off results from our stake in JFK IAT LLC was almost 46% in 2010. In addition, there was a EUR 5 million tax charge in 2010 caused by a write-down of deferred tax liabilities in connection with the adjustment of the nominal tax rate from 25.5% to 25% as at 1 January 2011. Finally, a total non-recurring tax gain of EUR 2 million was included in 2011, due in part to the carry-over of losses, for which no deferred tax liabilities had as yet been included and in relation to the option to set off tax levied at source.

#### Net result

The result for 2011 attributable to the shareholders (net result) is EUR 194 million (EUR 169 million in 2010). The net result, adjusted for dividend purposes and

excluding fair value gains on our property portfolio, is EUR 195 million (EUR 152 million in 2010). The return on equity (ROE) amounted to 6.2% in 2011 (5.6% in 2010); RONA after tax amounted to 5.7% (5.9% in 2010). Excluding fair value gains on the property portfolio, RONA after tax amounted to 5.7% in the year under review (5.3% in 2010).

#### Cash flow developments

The cash flow from operating activities rose by EUR 36 million in 2011, from EUR 351 million to EUR 387 million. This is due primarily to a EUR 40 million increase in the cash flow from operations and a EUR 20 million fall in net interest paid. An additional EUR 24 million was paid in corporate income tax and working capital fell by EUR 7 million less than in 2010.

The cash flow from investment activities in 2011 (EUR 251 million) remained virtually unchanged compared with 2010 (EUR 250 million). In 2011, investments in fixed assets totalled EUR 263 million (2010: EUR 248 million). The main investment projects in 2011 were:

- EUR 69 million for the 70 MB baggage programme;
- EUR 45 million for major maintenance work;
- EUR 23 million for ICT;
- EUR 10 million for business continuity and fire safety;
- EUR 9 million for the renovation of Lounges 3 and 4;
- EUR 9 million for the development of office space at Rotterdam The Hague Airport;
- EUR 5 million for the GA Terminal Schiphol-East;
- EUR 5 million for cargo hangar D at Malpensa, Italy.

With EUR 182 million (EUR 164 million in 2010), the Aviation business area accounted for the largest share of overall investments in fixed assets. The Real Estate business area is the next largest investor with EUR 35 million (EUR 52 million in 2010), followed by Consumer Products & Services with EUR 29 million (EUR 26 million in 2010) and Alliances & Participations with EUR 17 million (EUR 6 million in 2010).

The net cash flow from operating and investing activities – the free cash flow – amounted to EUR 137 million in 2011, as opposed to EUR 101 million in 2010.

#### Investments in fixed assets and cash flow from operating activities



The cash flow from financing activities was EUR 28 million negative in 2011 (compared with EUR 321 million negative in 2010). In 2010, Schiphol repurchased EMTN bonds (nominal amount EUR 150 million) for an amount of EUR 169 million in total, while no new long-term loans were taken out. A dividend of EUR 76 million was distributed in 2011 (EUR 65 million in 2010).

In 2011, the net cash flow totalled EUR 109 million (EUR 220 million negative in 2010). The net amount of cash at bank/in hand rose from EUR 304 million at the end of 2010 to EUR 413 million at year-end 2011.

#### Ratios

We use several financial ratios as part of our financing policy. The credit rating agencies, in particular, look at the extent to which a company is able to generate sufficient cash to service its total debt burden and to cover its interest liabilities. In this connection, the most important financing ratios are the 'FFO/total debt' and 'FFO/interest coverage ratio'. The manner in which we calculate these ratios differs from that of the credit rating agencies, as a result of which the outcomes are not entirely the same. An account of our own detailed calculation of these ratios can be found on page 165 of the financial statements.

FFO – funds from operations – is the cash flow from operating activities adjusted for working capital. In 2011, FFO rose from EUR 314 million to EUR 359 million. This increase relates primarily to an increase in operating result, adjusted amongst other things for depreciation, amortisation and movements in provisions (EUR 48 million), and a EUR 20 million fall in net interest paid. An additional EUR 24 million was paid in corporate income tax in 2011 compared with 2010.

The FFO/total debt ratio in 2011 was 18.5%, an increase relative to the 2010 figure of 17.0%. Total debt is the year-end balance of all interest-bearing borrowings and amounted to EUR 1,934 million as at 31 December 2011 (EUR 1,846 million as at 31 December 2010). The FFO interest coverage ratio in 2011 was 4.5x, an improvement in comparison with the 2010 figure of 3.8x.

In addition to these two ratios, we look at the leverage (ratio of interest-bearing debt to total equity plus interest-bearing debt). The leverage results from the financing policy pursued and remains important inasmuch as the Aviation Act uses an assumed leverage of 40% to calculate the weighted average cost of capital (WACC) for the regulated activities of the Aviation business area. At the end of the year under review, Schiphol Group's leverage stood at 37.9% (37.2% in 2010).

#### Rating

Standard & Poor's long-term rating is 'A flat' with a stable outlook and remains unchanged compared with 2010. Moody's long-term rating of A1 with a stable outlook was maintained as well. A good and stable rating enables us to raise debt on favourable terms even under difficult market conditions.

#### Balance sheet developments

Schiphol Group's balance sheet total rose by 3.9% to EUR 5,723 million at year-end 2011 (EUR 5,506 million at year-end 2010). Fixed assets went up by 2.0% to EUR 5,102 million, due in particular to an increase in fixed assets, investment property and associates.

Shareholders' equity increased by EUR 65 million to EUR 3,175 million, primarily because of the addition of the net result of EUR 194 million to the retained earnings, which was offset by negative movements in the other reserves of EUR 56 million and the distribution of EUR 76 million in dividend in 2011.

#### Financing

The total amount of outstanding loans and lease liabilities increased by EUR 89 million in 2011, from EUR 1,846 million to EUR 1,934 million.

On 28 April 2011, Schiphol Nederland B.V. successfully placed a new bond issue for an amount of EUR 438 million with a maturity of 10 years. The bonds have a coupon rate of 4.43% and have been placed with a broad group of institutional investors within Europe. The proceeds from the bond issue were used to finance the purchase of EUR 403 million in existing bonds. By repurchasing a portion of two existing bonds issues with maturities up to 2013 and 2014, the term of Schiphol Group's debt has effectively been extended while taking advantage of favourable market conditions. The buybacks in 2010 and in the first half of 2011 have reduced the repayment obligations for the two existing bond issues in 2013 and 2014 to approximately EUR 545 million. In April and May 2011, three financing instruments were acquired for approximately this amount (two forward-starting interest rate swaps and one Namensschuld-verschreibung) which essentially fixed the interest rates at which the outstanding loans can be refinanced in 2013 and 2014.

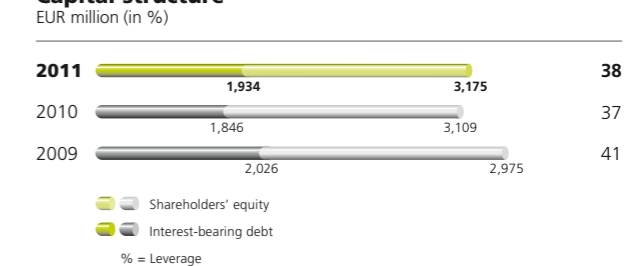
In addition, Schiphol Group made a number of withdrawals from the 20-year EUR 350 million EIB facility totalling EUR 180 million. Schiphol Group has also extended its credit facility of EUR 175 million with its core group of banks until 2016. No withdrawals from this facility have yet been made. Airport Real Estate Basisfonds C.V. (61.15% ownership) also refinanced its loans by taking out a new loan of EUR 195 million for a period of 4.5 years.

A 40-year lease agreement with regard to the P1 car park and the associated walkway was repaid before maturity for an amount of EUR 54 million, and other loans and lease liabilities amounting to EUR 63 million were repaid.

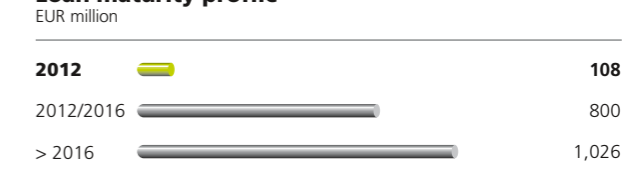
One of the aims of our financing policy is to reduce the refinancing risk. The remaining terms to maturity of the loans issued under the EMTN programme range from 18 months to 26 years. Our interest-rate risk management policy favours fixed-interest loans, achieved either by contracting loans at fixed interest rates or by making use of standard interest rate derivatives.

In 2011, interest costs averaged 5.6%, slightly less than the 5.8% average rate in 2010.

#### Capital structure



#### Loan maturity profile



### Competitive position

#### Growth in terms of passengers, cargo and network

##### Record number of passengers at Schiphol

In 2011 the total number of passenger (including transit passengers) grew by 10.0% (3.8% in 2010) to 49.8 million. The number of O&D passengers (passengers departing from or travelling to Amsterdam Airport Schiphol as their final destination) rose by 11.8% (7% in 2010) to a total of almost 29.5 million.

The number of transfer passengers rose by 7.7% (-0.6% in 2010) to almost 20.2 million.

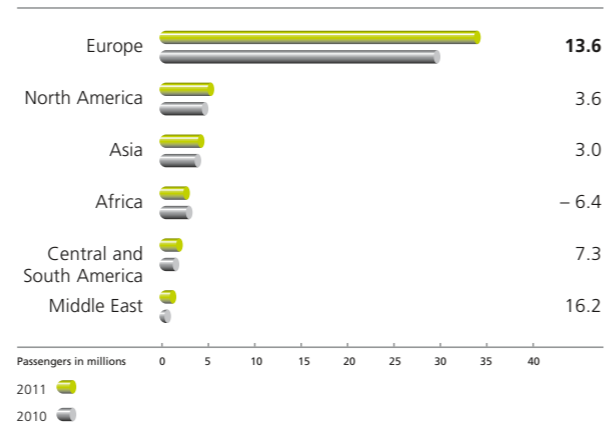
With the exception of a few foggy days in November, which led to the rerouting of transfer passengers and flight cancellations, weather conditions did not disrupt operations to any significant degree in 2011.

Europe, the continent with the largest passenger volume, showed the largest growth by far. The strongest growth was in the number of passengers travelling to/ from the United Kingdom. easyJet, British Airways and KLM significantly increased the number of flights to several UK airports. There was also a notable rise in the number of flights to Spain, partly due to Vueling.

The growth in passenger volumes to North America was largely attributable to flights to Atlanta and to the new destination of Miami.

The Middle East, the smallest continent in terms of passenger numbers, showed the largest relative growth for the second year in a row. Tel Aviv accounted for the

#### Passenger growth per continent (in %)



largest increase in absolute passenger numbers (almost 100,000 passengers).

Two new destinations were added in Central and South America: Rio de Janeiro and Buenos Aires.

The average overall occupancy rate for passenger aircraft reached a new record in 2011 at 79.3%. The previous record in 2010 stood at 77.1%.

We welcomed the one billionth passenger on 19 October 2011, which marked a milestone in the history of Amsterdam Airport Schiphol.

Of the top ten European airports in 2011, Schiphol's market share grew by 0.3% to 10.9%. This means that we have once again overtaken Madrid and became

Europe's fourth-largest passenger airport. London Heathrow still leads the top ten, followed by Paris Charles de Gaulle and Frankfurt. Amsterdam Airport Schiphol's market share in the catchment area increased to 30%. The number of business passengers almost returned to the level of peak year 2007.

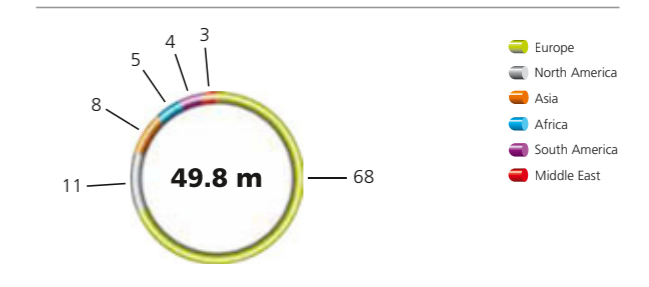
The hub carrier segment, primarily consisting of Air France-KLM and its partners, showed the largest absolute growth, and transported more than 31.3 million passengers in 2011; an increase of more than 2.5 million and up 8.5% in comparison with 2010 (+2.0% in 2010). The number of available seats rose by 5%, partly due to the reintroduction of the seventh wave (peak moment) of KLM flights. In addition to this increase in capacity, the average occupancy rate for hub carrier aircraft rose by 2.4 percentage points to 81.1%.

The largest growth in percentage terms was shown by the low-cost airlines which, after Air France-KLM and its partners, represent the largest airline segment at Schiphol. In 2011, the number of passengers transported by low-cost airlines grew by over 1.3 million to a total of over 6.6 million; this represents a growth of 24.7% (16.3% in 2010). The low-cost airlines offered 19.5% more seats than they did in 2010. The average occupancy rate for a low-cost carrier seat rose by 3.3 percentage points to 80.3%.

#### Regional airports

Passenger numbers at Eindhoven Airport rose by 23.3% in 2011 (25.2% in 2010) from 2.14 million to 2.64 million. This was largely thanks to the strong growth of low cost airlines.

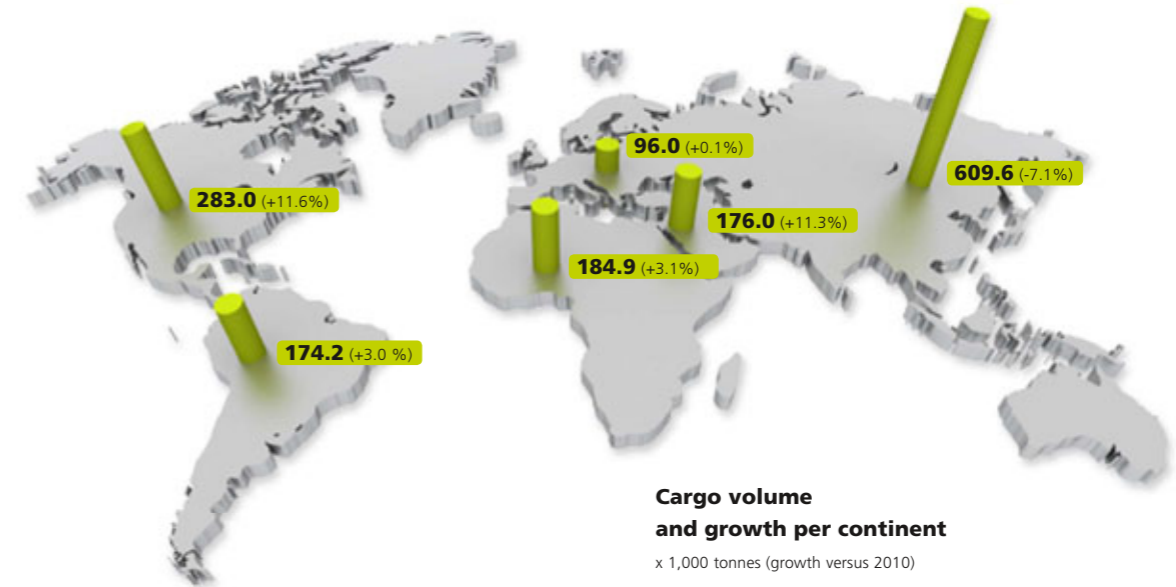
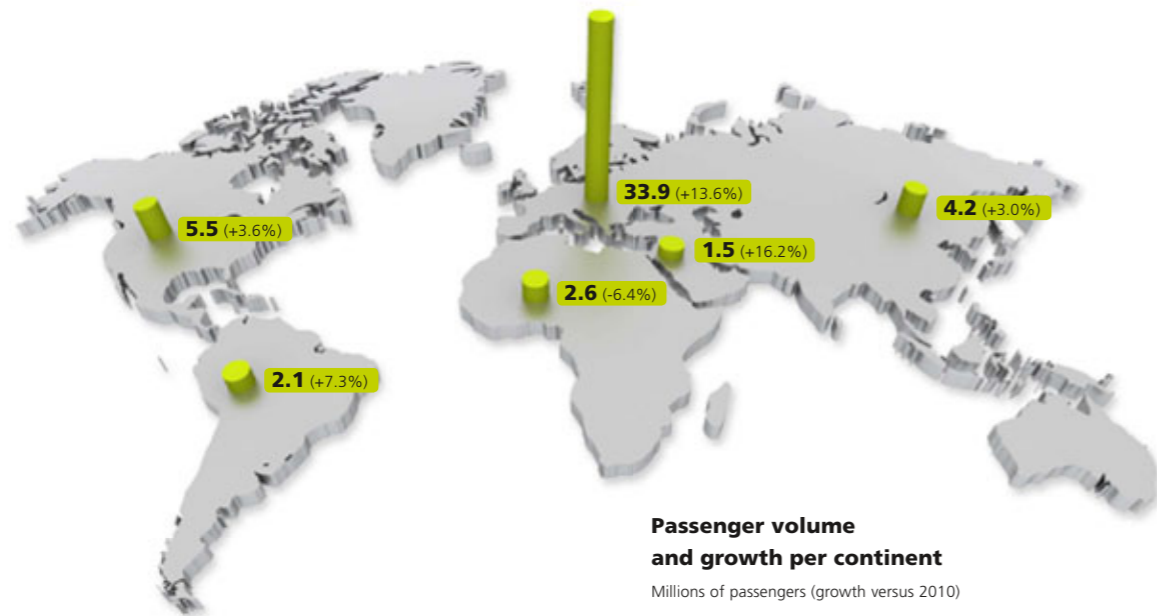
#### Passengers per continent (in %)



Rotterdam The Hague Airport also saw a rise in passenger volumes and recorded growth of 15.9% (+0.5% in 2010), from 0.97 million passengers to 1.12 million in 2011.

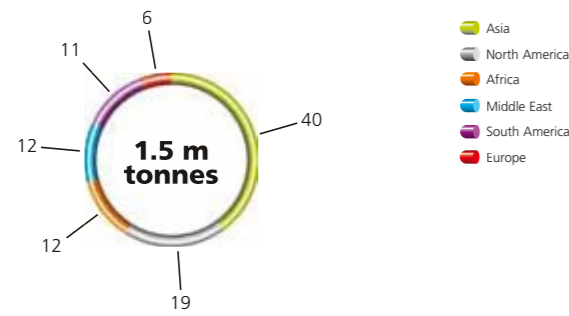
#### Cargo feels the economic chill

Cargo transport continued to show reasonable growth in the first half of 2011. However, it came to a standstill mid-way through 2011 when cargo started to suffer the effects of the flagging economy and a fall in volumes. Cargo transport showed only very modest growth of 0.8% over 2011 as a whole (17.6% in 2010), with a total of 1,523,800 tonnes. This growth can be entirely attributed to the use of full freighters: the amount of transport with aircraft carrying only cargo increased by 2.3% (23.8% in 2010), from 862,200 tonnes in 2010 to 882,400 tonnes in 2011. Cargo transport with aircraft used to transport both passengers and cargo declined by 1.3% in 2011 (+10.2% in 2010); from 650,000 tonnes to 641,000 tonnes.





**Cargo per continent**  
(in %)



Cargo transport to and from Asia fell by 7.1% (+17.1% in 2010) to 610,000 tonnes. In addition to declining European demand for Asian goods, we were also affected by the aftermath of the Japanese earthquake in early 2011. The increase in cargo volumes for North America – by 11.6% (20.9% in 2010) to 283,000 tonnes – is partly due to the new flights introduced by airlines such as Airbridge, Qatar and Centurion. The Middle East saw an increase of 11.3% (33.1% in 2010) to 176,000 tonnes, representing the fastest absolute growth. This is largely thanks to newcomers Saudi Arabian Airlines and Etihad Airways. The Arab Spring had a negative impact on cargo volumes to and from Africa. There was a negligible increase in cargo transport to Central and South America, Schiphol's smallest intercontinental cargo region.

Our market share remained unchanged at 13.9%, and we thus retained our position as Europe's third-largest cargo airport in 2011. The two leading airports, Frankfurt (-0.7%) and Paris Charles de Gaulle (-1.0%), both lost market share.

**A more extensive network and more airlines**

In 2011, 103 carriers connected Amsterdam Airport Schiphol to 313 scheduled flight destinations. Passengers could choose from 285 destinations (eleven more than last year) offered by a total of 80 airlines. The number of destinations that are only served by full freighters rose by one to 28. We welcomed six new airlines in 2011, including one full-freighter airline.

The number of intercontinental destinations increased by five reaching a total of 121. Our home carrier KLM added flights to destinations including Xiamen, Buenos Aires and Rio de Janeiro. Arkefly launched a new service to Puerto Vallarta. China Southern Airlines added a direct flight to Guangzhou.

The number of European scheduled flight destinations rose by six to 164. Sky Work Airlines added Bern.

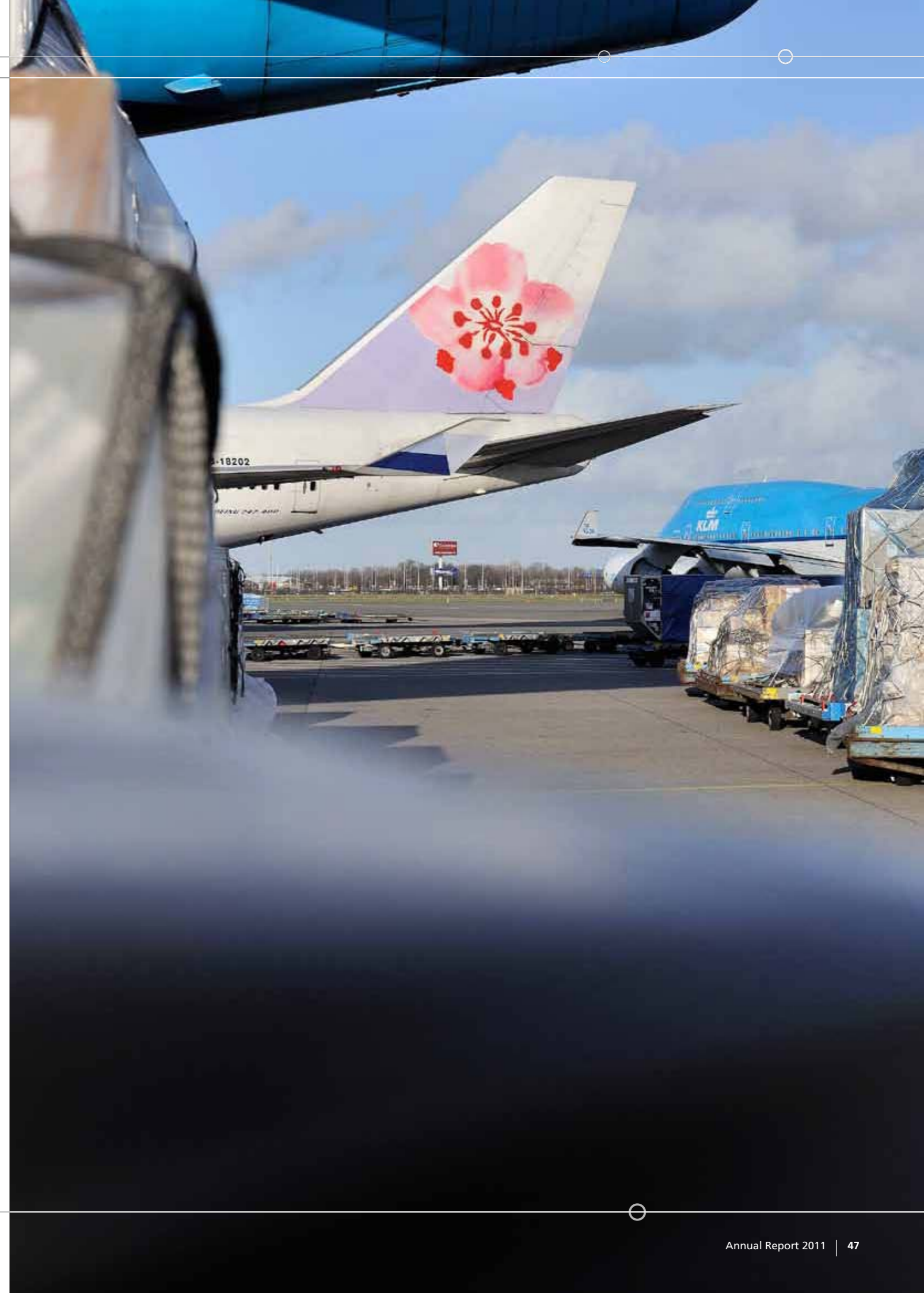
**Air transport movements 2011**

Ranking 2011	Ranking 2010	Airline	Total	Compared to 2010 in %
1	(1)	KLM	<b>208,232</b>	9.6
2	(2)	transavia.com	<b>26,803</b>	2.4
3	(3)	easyJet	<b>23,514</b>	25.9
4	(4)	Air France	<b>14,772</b>	31.2
5	(5)	Lufthansa	<b>11,091</b>	7.9
6	(5)	Delta Airlines	<b>10,926</b>	6.3
7	(7)	British Airways	<b>10,540</b>	17.5
8	(9)	Arke Fly	<b>7,147</b>	36.3
9	(13)	Alitalia	<b>5,771</b>	50.5
10	(10)	SAS	<b>5,206</b>	14.5
11	(8)	Martinair	<b>5,003</b>	- 14.2
12	(11)	Aer Lingus	<b>4,936</b>	10.1
13	(14)	Vueling	<b>4,869</b>	38.9
14	(16)	Swiss	<b>2,913</b>	- 6.0
15	(19)	Austrian	<b>2,740</b>	1.9
16	(15)	THY	<b>2,712</b>	- 13.4
17	(17)	Iberia	<b>2,710</b>	- 5.0
18	(21)	Flybe	<b>2,684</b>	5.3
19	(18)	BMI baby	<b>2,678</b>	- 1.7
20	(22)	TAP Portugal	<b>2,428</b>	0.2
21	(24)	Czech Airlines	<b>2,342</b>	9.4
22	(23)	Corendon	<b>1,969</b>	- 9.9
23	(25)	Singapore	<b>1,864</b>	- 3.3
24	(26)	LOT	<b>1,848</b>	4.2
25	(31)	China Southern	<b>1,808</b>	30.3
26	(27)	Continental	<b>1,754</b>	- 0.3
27	(28)	RAM	<b>1,693</b>	2.9
28	(30)	Aeroflot	<b>1,455</b>	2.0
29	(38)	Cathay	<b>1,404</b>	20.2
30	(20)	Malev	<b>1,400</b>	- 45.4
<b>Other airlines</b>			<b>45,037</b>	<b>- 9.3</b>
<b>Total</b>			<b>420,249</b>	<b>8.8</b>

Flybe launched a service to Inverness, BMI baby added flights to Belfast City and KLM introduced flights to Aalborg. Alitalia also added flights to Turin, Balavia and Minsk.

Martinair stopped providing passenger services after 53 years. As of November 2011, the company will continue its cargo operations under the KLM banner.

In 2011, Amsterdam Airport Schiphol welcomed various new airlines, including Air Europa, Sky Work and Corendon Dutch Airlines.



**Passengers (excl. transit-direct)\***  
x 1,000

**2011** Compared to 2010 in %

Rank	Airport	IATA	2011	2010	% Change
1	London Heathrow	LHR	69,391	66,800	+ 5.5
2	Paris-Charles de Gaulle	CDG	60,908	58,000	+ 4.9
3	Frankfurt	FRA	56,293	53,000	+ 6.8
4	<b>Amsterdam</b>	<b>AMS</b>	<b>49,681</b>	<b>45,000</b>	<b>+ 10.1</b>
5	Madrid	MAD	49,547	48,000	- 0.5
6	Munich	MUC	37,604	36,000	+ 8.8
7	Rome Fiumicino	FCO	37,405	36,000	+ 4.0
8	Barcelona	BCN	34,333	31,000	+ 17.7
9	London Gatwick	LGW	33,630	32,000	+ 7.3
10	Paris-Orly	ORY	27,137	26,000	+ 7.7

\*) Top 10 passenger airports in Europe

**Cargo volume\***  
x 1,000 tonnes

**2011** Compared to 2010 in %

Rank	Airport	IATA	2011	2010	% Change
1	Frankfurt	FRA	2,133	2,180	- 3.0
2	Paris-Charles de Gaulle	CDG	2,088	2,140	- 4.1
3	<b>Amsterdam</b>	<b>AMS</b>	<b>1,524</b>	<b>1,480</b>	<b>+ 0.8</b>
4	London Heathrow	LHR	1,484	1,460	+ 0.8
5	Leipzig	LEJ	760	660	+ 14.7
6	Cologne	CGN	726	620	+ 12.8
7	Liège	LGG	674	630	+ 5.5
8	Luxemburg	LUX	657	700	- 6.9
9	Brussels	BRU	475	475	- 0.2
10	Milan Malpensa	MLP	440	440	+ 4.2

\*) Top 10 cargo airports in Europe

**Air transport movements\***  
x 1,000

**2011** Compared to 2010 in %

Rank	Airport	IATA	2011	2010	% Change
1	Paris-Charles de Gaulle	CDG	507	490	+ 3.0
2	Frankfurt	FRA	481	460	+ 5.0
3	London Heathrow	LHR	476	450	+ 6.0
4	Madrid	MAD	429	430	- 1.0
5	<b>Amsterdam</b>	<b>AMS</b>	<b>420</b>	<b>390</b>	<b>+ 8.8</b>
6	Munich	MUC	388	370	+ 5.5
7	Rome Fiumicino	FCO	324	310	+ 0.2
8	Barcelona	BCN	303	290	+ 9.1
9	Zurich	ZRH	258	250	+ 4.7
10	Copenhagen	CPH	254	240	+ 3.3

\*) Top 10 airports in Europe in air transport movements

**Air transport movements**

**Schiphol**

The number of commercial air transport movements rose by 8.8% in 2011 (-1.3% in 2010), from 386,316 to 420,249. The number of air transport movements carried out by passenger aircraft increased by 9.1% (-1.8% in 2010), from 370,711 to 404,321. This increase is mainly due to the reintroduction of the seventh wave (peak moment) of KLM flights.

The total number of available seats rose by 6.9% to a total of almost 63 million. The fact that this increase does not match the increase in the number of air transport movements is attributable to the use – on average – of smaller aircraft. This resulted in a fall in the average seating capacity from more than 158 to just under 153 in 2011, as well as a reduction in the average maximum take-off weight (MTOW) from 94.2 tonnes to 92.8 tonnes.

The number of air transport movements carried out by cargo aircraft rose by 2.1% in 2011 (+14.9% in 2010) to a total of 15,928 movements. The average maximum take-off weight of these aircraft fell from 331.0 tonnes in 2010 to 328.3 tonnes in 2011. Again, the average size of cargo aircraft used was smaller.

**Regional airports**

The number of air transport movements at Eindhoven Airport rose by 21.5%, from 16,650 to 20,227. The number of destinations increased from 32 to 36 in 2011.

Rotterdam The Hague Airport also saw an increase in the number of air transport movements from 12,917 to 13,137 (up 1.7%) and passengers had a choice of 35 destinations; eight more than in 2010.

The total number of air transport movements at Lelystad Airport fell by 2.1%, from 125,675 to 123,035. Instruction flights accounted for more than 68% of air traffic and business jets for roughly 1%.

**Airport charges**

In 2010 we ultimately received more in airport charges than anticipated during the consultations. This excess amount of EUR 45 million has been set off with the airlines in the charges for 2011.

Effective 1 April 2012, airport charges will rise by an average of 4%. Airport charges were not raised in 2010, and in 2011 they increased by an average of 0.6%.

**Pricing structure**

Extensive negotiations took place with the aviation sector in 2010 and 2011 concerning possible adjustments to the pricing structure. KLM and Schiphol commissioned

international strategy consultants to study the effects of these adjustments on the Mainport and the destinations network. Based on the results of the study and in the interests of the Mainport, it has been decided to maintain the current pricing structure for the most part. However, take-off and landing charges are now more clearly differentiated on the basis of noise levels. In addition, the rates for training flights and flights around Schiphol airport have been increased.

**Evaluation of the Aviation Act**

The Aviation Act stipulates that, within four years after entering into force, the Ministers of Infrastructure and the Environment and of Economic Affairs, Agriculture and Innovation must present a report to parliament on the effectiveness and the effects of the economic regulation of the aviation activities at Schiphol. It is for this reason that a comprehensive evaluation of the Act was started in 2009, led by the Ministry of Infrastructure and the Environment.

In 2011, at the Ministry's request, we performed an analysis of the effects and possible risks of various forms of regulation. The conclusion was that the continuity of the Mainport would benefit most from the current dual-till system, supplemented with a 'retail incentive'. This incentive for airlines (funded from the profits generated by our non-aviation activities) must neither undermine our current (A) credit rating nor negatively affect the minimum yield requirement of 8% imposed by the Dutch State as a majority shareholder.

**Operating capacity**

**Our operations in 2011**

**Differentiating characteristics of our service**

Our joint efforts (in collaboration with airlines and governmental parties) to resolve bottlenecks in our day-to-day operations and shorten waiting times yielded results in 2011. Passenger satisfaction with regard to waiting times for passport and security checks improved.

Amsterdam Airport Schiphol has been leading the European market for years when it comes to the passenger experience. In 2011, Amsterdam Airport Schiphol again won a number of important awards. British business passengers voted Amsterdam Airport Schiphol winner of the Business Traveller Award in the category 'Best Airport in Europe' for the 22nd time, while the airport also earned the title 'ACI Europe Best Airport Award' in the 'over 25 million passengers' category. Amsterdam Airport Schiphol was voted 'Best airport in Western Europe' at the Passenger Terminal Expo, and received the 'Airport Marketing Award Western Europe' at Routes Europe. We subsequently



There are five specialised ground handling companies at Schiphol, including KLM Ground Services, Aviapartner The Netherlands, Servisair Amsterdam, Menzies Aviation (Netherlands) and Blue Handling.

received the 'Highly Commended Award Europe' at the World Routes in early 2012.

Schiphol also received awards in the area of air cargo. The readers of Air Cargo World (ACW) honoured Amsterdam Airport Schiphol with an 'Air Cargo Excellence Award' (ACE Award).

Other airports continue to regard Amsterdam Airport Schiphol as 'best in class' in the areas of quality and passenger experience. However, international benchmarks show that our competitors have been making inroads in this area thanks to substantial investments in capacity and quality. Additional efforts and investments will therefore be necessary if we are to remain 'Europe's preferred airport'.

#### Summer operations

The daily number of passengers to fly via Amsterdam Airport Schiphol is largely determined by the seasons and holiday periods. Traditionally, we experience our busiest peak times during the May holiday period, while the summer holiday period is characterised by continuous high volumes. The autumn holiday season has been

becoming increasingly busy over the past few years, to a point where it now matches the summer holiday period in terms of passenger volumes.

Although our terminal was designed to handle peak-hour capacity, busy periods offer a smaller margin for disruptions caused, for example, by adverse weather conditions, cancellations or delays, all of which can additionally burden peak-hour capacity. We have implemented various measures in order to prepare for such circumstances. For example, renovations that could impact the passenger process are not allowed during holiday periods. Each year, we also draw up a special plan in collaboration with the various operational departments and KLM Ground Services, outlining which immediate measures are to be taken in the event of operational disruptions.

In 2011, the growth of passenger numbers exceeded our expectations. As in previous years, July was the busiest month with almost 5.2 million passengers, 8.9% more than in July 2010. This was a record number: never before have so many passengers travelled from,

to or via Amsterdam Airport Schiphol in one month. On 29 July 2011 we welcomed 178,000 passengers, making this the busiest day in our history (8.8% more passengers than on the busiest day in 2010).

Various measures have been taken in order to effectively accommodate these large numbers. For example, the security capacity for Departure Lounge 1 was expanded and additional operational measures were implemented in order to distribute peak loads over the various departure lounges.

#### Winter operations

The winter of 2011 was relatively mild. The snowfall and frost in December 2010 did not continue into 2011, and the final months of 2011 were also mild. Although there were no relevant snow days in 2011, we did remove 35,000 tonnes of snow which had fallen in December 2010.

Various operational improvement measures had already been implemented during the severe winter of 2010, in order to improve coordination between the parties involved. In follow-up to these measures, a plan for the management and implementation of winter operations was prepared in 2011 in collaboration with the relevant sector parties. 2011 also saw investments in infrastructure and equipment for snow and ice control, such as sweeping equipment, small equipment and spreaders/sprayers.

#### Punctuality

In 2011, the number of passenger flights rose by 9.1%. This increase did not however have a negative impact on punctuality. Arrival punctuality rose from 81.7% to 85.1% in 2011. The number of passenger flights departing on time rose from 72.8% in 2010 to 78.8% in 2011.

#### 'Strike Force' improves cooperation with Air France-KLM

Effective cooperation with our home carrier Air France-KLM is vital in order to optimise the operational process. To this end, a special 'Strike Force' was established in 2011 to assess joint objectives, priorities and cost savings. Our joint efforts and control processes are expected to result in better streamlining of the passenger process. This inter-organisational cooperation has yielded a large number of useful initiatives, allowing us to further improve efficiency while also achieving cost savings.

#### Collaborative Decision-Making (CDM)

Implementation of the Collaborative Decision-Making (CDM) programme at Amsterdam Airport Schiphol was accelerated in 2011. CDM allows for the processing and identification of (scheduled) flight times to be standardised at the European level. As a result, airports

and their ground handling processes can be integrated into the European Air Traffic Management network. Thanks to CDM, all parties have simultaneous access to the same operational information, allowing for the optimal deployment of equipment, people and infrastructure (aircraft, handling facilities and gates). CDM is also essential in ensuring more effective use of European flight plan network capacity.

In 2011, Amsterdam Airport Schiphol, Air Traffic Control the Netherlands (LVNL) and Air France-KLM successfully implemented CDM at a local level. The other airlines and handling agents at the airport are connected to the CDM Portal via the Central Information System Schiphol (CISS).

#### Schiphol-East

General Aviation handles approximately 4,500 business jet aircraft annually at Schiphol-East. For the past several decades, General Aviation was located in Building 106, which was in urgent need of replacement. In order to ensure that we can continue to meet market and quality demands in the business jet segment, a new General Aviation Terminal was completed in the summer of 2011. The terminal is 6,000 m<sup>2</sup> in size and multifunctional: it contains a terminal, handling area, offices and a parking garage.

#### Main contracting

In order to manage and maintain our resources at Amsterdam Airport Schiphol with optimal efficiency, we have opted to play a coordinating role and outsource aspects such as new construction projects, management and maintenance. This offers greater flexibility and allows us to focus on our customers. The European tendering of these activities has yielded six main contractors. Working with a small number of parties yields obvious advantages. A select group of permanent parties can ultimately acquire a greater knowledge of the airport and its complex processes, allowing us to meet the wishes of our customers more quickly and efficiently. This will also help ensure better safety standards. Combining new construction projects with management and maintenance allows us to strike a careful balance between performance, risks and costs over the entire lifespan of the resources involved.

#### Efficiency benchmark

The cost per Work Load Unit (WLU) is the most important efficiency benchmark. One WLU equals 1 passenger or 100 kilograms of cargo. In 2011, Amsterdam Airport Schiphol's cost per WLU was almost the same as in 2010 (EUR 10.55) at EUR 10.54.

**Measures to address capacity and quality constraints**

**Expansion of self-service at check-in and baggage drop-off points**

We are continuously working to improve quality and the passenger experience for our passengers and airlines. This involves faster check-in procedures, shorter waiting times, more efficient baggage handling, and continual innovation and optimisation of the integrated passenger process through our Redesign Passenger Process programme.

**General check-in kiosks**

Following the conclusion of a successful pilot project with check-in kiosks for passengers of most airlines at WTC and Plaza, we have decided to install 90 check-in kiosks for general use in the terminal.

**Self-Service Drop-Off Points**

Over the past few years, we have been working in collaboration with Air France-KLM and Bagdrop B.V. to further develop Self-Service Drop-Off Points (SSDOP). Six of these newest SSDOPs were installed in Departure Hall 2 in August. Another six baggage drop-offs became operational in January 2012. These facilities are exclusively available to passengers of Air France-KLM and its SkyTeam partners. Amsterdam Airport Schiphol and Air France-KLM are among the first to implement SSDOPs on a larger scale.

Other airlines have also shown interest in the new system. In March 2012, ArkeFly will put three such SSDOPs into operation in Departure Hall 3, with easyJet commissioning two points.

In addition to achieving cost savings for the airlines, these SSDOPs also increase overall capacity in the departure halls, allowing us to offer a more passenger-friendly and efficient infrastructure. The SSDOPs, which can be used simultaneously by multiple airlines (in clusters), will be further expanded in consultation with the airlines.

**Realisation of 70 MB for advanced baggage handling**

For years, we have been investing hundreds of millions of euros in the 70 MB (70 Million Bags) programme in order to expand and renew our baggage handling system. Work in 2011 centred around completion of the South Baggage Hall and construction of the Backbone.

Boasting an innovative and unique baggage handling concept, South Baggage Hall is the world's most state-of-the-art baggage hall, where fully-automated robots handle baggage and load the baggage carts and containers. Together with our suppliers, we have won several innovation awards in recognition of our efforts. The Backbone is an advanced baggage transport

**Cost efficiency: costs per WLU**



system that connects the four baggage handling areas. The end result is an integrated, flexible and reliable baggage handling system. The Backbone is the final element of the first phase of the 70 MB programme and is expected to be completed in the last quarter of 2012.

The many 70 MB construction activities represent a complex operation that continues alongside the normal 24/7 baggage handling process. Thanks to intensive preparation and effective cooperation with all parties involved, the scheduled phases and completion targets have been met this past year without any noteworthy disruptions.

The irregularity rate (IR rate), i.e. the percentage of suitcases that fail to arrive with the passenger at the destination airport, dropped from 2.5% in 2010 to 2.0% in 2011.

**Security capacity expansion**

The number of passengers departing to Schengen destinations grew substantially in 2011. Security control facilities were duly expanded with the addition of two new lanes. Another three lanes will be added in 2012, allowing us to offer additional capacity at peak times so that passengers can be moved to the lounge more quickly.

Passengers travelling to non-Schengen destinations have their security check at the gate. In 2011 we began the installation of a security filter on a section of Pier D. This filter will allow us to concentrate gate security for seven gates at a single point. This will provide passengers with greater waiting and seating comfort and allow for security staff to be deployed more efficiently, thus saving costs. This security control filter has been in use since January 2012.



*The baggage basements house 21 kilometres of conveyors and a five-kilometre rail system. Schiphol has the most advanced baggage system in the world.*

**Adjustments to gates**

With aircraft becoming larger and requiring more space, the demand for aircraft stand capacity is changing. The number of passengers per aircraft is also rising, creating a need for more space and facilities inside the pier at the gates.

2011 saw the start of efforts to adapt a large number of gates at Pier D for larger types of medium-range aircraft. This will require far-reaching adjustments to aprons, kerosene facilities, passenger bridges and facilities at the gates. Work will be carried out in phases in order to maintain optimal capacity and is scheduled for completion in 2014.

We are also preparing to welcome the Airbus A380, the world's largest passenger aircraft. In addition to adjustments to the landing area, two gates will be fitted with additional seating and security facilities. Two carousels for arriving baggage will also be linked together to create a single carousel, so that the large number of passengers will be able to retrieve to their baggage quickly.

**Gate comfort**

Our Gates Master Plan is aimed at raising the quality standard of gates to a level that more accurately reflects our ambition of being Europe's Preferred Airport. Piers and gates will be redesigned in order to improve waiting comfort. The Gates Master Plan has already been implemented at Pier C and part of Pier B.

**Renovation of Pier C aprons**

In August 2011, renovation work started on the oldest pier, Pier C. The aprons around the pier had reached the end of their technical lifespan. Like our other piers, Pier C will be fitted with a modern fuel hydrant system where kerosene is supplied through pipes.

**Runway maintenance**

In 2011, major maintenance work was carried out on Runway 04-22 and Runway 06-24. The work did not cause any noteworthy disruption to normal operations.



**Master Plan for structural solutions**

If we are to secure our Mainport function for the future and continue to play a key role in global aviation, we will have to expand our capacity. As things now stand, the capacity of our terminal, piers and aircraft stands is already strained during peak periods. This will become increasingly common with further growth in the years to come. It will also put growing pressure on the quality perception of passengers. At the same time, competing hubs in Europe and the Gulf states are more visibly presenting themselves in the market. With major investments in capacity and quality, these hubs pose an increasingly serious threat to Mainport Schiphol's competitive position.

We cannot let this challenge go unanswered and are currently working with our partners to develop a Master Plan for capacity expansion and the structural improvement of terminal and pier quality. This is necessary if we are to resolve the current constraints, meet the growing demand for capacity and respond to the future needs of our customers. However, these measures will also be essential in fending off growing international competition. The 2025 Master Plan is expected to be completed in mid-2012. We can then begin preparing for its implementation.

**Priorities for medium-term developments**

Also for the medium-term, it is important that we set the right priorities. The initial emphasis should be on the resolution of quality bottlenecks, by improving aspects that have an important effect on general passenger satisfaction and areas in which we score lower than reference airports. The emphasis is on waiting times for security and passport checks, waiting comfort at the gates and walking distances.

We will therefore be further expanding our security capacity over the coming years. In the short term, we will be expanding facilities at security checks for Schengen passengers in Departure Hall 1. In the medium-term, we aim to improve quality in the non-Schengen area by centralising the security process in the departure halls rather than conducting checks at the gates. In addition to achieving cost savings and efficiency improvements, this will also ensure compliance with future rules and regulations. These measures will require major renovations in order to ensure that checked departing passengers do not mix with arriving passengers that are still to be checked.

Where possible, border passage will be automated. This will allow us to achieve greater and permanent capacity with fewer employees. The No-Q project is an alliance with the government and Dutch Border Police (Koninklijke Marechaussee) aimed at developing automated border crossing procedures with automatic border gates and electronic passports based on facial recognition.

**Aircraft stands**

Connected	93
Disconnected	102

**Total 195**

**Runways**

Name	Location	Length	Width
1 Polder Runway	18R - 36L	3,800 metres	60 metres
2 Zwanenburg Runway	18C - 36C	3,300 metres	45 metres
3 Kaag Runway	06 - 24	3,500 metres	45 metres
4 Aalsmeer Runway	18L - 36R	3,400 metres	45 metres
5 Buitenveldert Runway	09 - 27	3,453 metres	45 metres
6 Schiphol East Runway	04 - 22	2,014 metres	45 metres

## Socio-economic capacity

### Experiment with new noise standards

In August of 2010, the Alders Platform presented a recommendation to the Dutch government with regard to new noise standards. The Cabinet and Lower House adopted this recommendation, and a two-year experiment was subsequently launched on 1 November 2010. The new noise standards are based around the principle that runways causing the least amount of disturbance to the surrounding area should be used as often as possible, whereby the protection offered to the surrounding area is at least the same as under the current system. An interim review will be conducted of the first year of the experiment in early 2012 to determine whether the structure of this new system meets expectations.

### Noise capacity

During the experiment with the new noise standards, the present system with limit values at noise enforcement points will remain in force. Under the current enforcement system, the level of noise impact in the area around Schiphol is calculated on the basis of enforcement points. An enforcement point is a point subject to a maximum permitted noise limit value set by the government. There are 35 enforcement points for the 24-hour period and a further 25 enforcement points for the night-time period (11:00 p.m. to 07:00 a.m.).

The 2011 operating year (1 November 2010 to 1 November 2011) ended without any breaches of aircraft noise limits at enforcement points.

In the 2011 operating year major maintenance was carried out on Runway 18L-36R and Runway 06-24. Both runways were consequently unavailable for a number of weeks. Air traffic was handled at other runways, causing a redistribution of noise impact in the surrounding area which, in the absence of provisions, could potentially lead to breaches of noise limits at one or more enforcement points. Amsterdam Airport Schiphol therefore asked the Ministry of Infrastructure and the Environment to determine temporary limit values. This request was granted. Schiphol was also issued an exemption for night-time use of Runway 09-27, as an alternative take-off runway during major maintenance on Runway 06-24.

### Regional airports

In June 2010, the Alders Regional Platform presented a recommendation to the Ministry of Infrastructure and the Environment, proposing that Eindhoven Airport could grow by an additional 10,000 air transport movements in addition to the current maximum capacity of 21,175. Provided that various conditions are fulfilled

by 2015, this regional airport may be given scope for a further 15,000 extra air transport movements. The Lower House adopted the recommendation by a clear majority in February 2011. Political approval has therefore been granted for phased growth to, ultimately, a 10.8 km<sup>2</sup> noise allowance from 2016, eventually making growth to 4.5 million passengers per year possible. The parties have also agreed on an intermediate solution for meeting market demand in the years 2011 and 2012.

### Provision of information

Over the course of the 2011 operating year, 5,419 people experienced noise nuisance and submitted complaints about aircraft noise to the Local Community Contact Centre Schiphol (Bas). This figure is 0.6% higher in comparison with 2010. In order to gain insight into the nature of these reports, Bas distinguishes between specific reports, period reports and other reports. In 2011, the total group of complainants filed 88,768 specific reports, 40,843 period of time reports and 3,255 reports in the category 'other'. Of the complainants, 0.5% are known as 'structural complainants' who are responsible for 57.3% of all reports. For this reason Bas mainly focuses on the other group of complainants, also referred to as the focus group.

The 5,394 people in this focus group filed 32.4% more specific reports and 26.6% more period reports. Amongst other factors, complaints were due to the major maintenance work on Runway 06-24 in September and part of October, and the experiments with new take-off procedures. Due to major maintenance and also to exceptional weather conditions, less preferable runways such as Runway 09-27 were used more frequently.

Two modules were added to the Bas website in 2011. The 'Air Traffic InSight' module provides information about the locations, speeds and altitudes of aircraft flying around the airport, as well as their destinations and places of origin. This information is based on radar and flight plan data obtained from Air Traffic Control the Netherlands (LVNL) and is therefore more accurate and comprehensive than the information on other websites that show air transport movements around Schiphol. The 'Living near Schiphol' module provides local residents and anyone who has plans to move to Schiphol's environs with information about how the airport is used. For example, visitors can find out the average frequency and altitude of aircraft travelling from and to Schiphol over a specific location in the airport's environs over the past few years.

### Noise reduction measures

Noise reduction measures were implemented around Amsterdam Airport Schiphol in 2011. The possibility of extending the night-time regime was laid down in



the Aviation Act. Where traffic permits, the night-time regime will be extended from 6:00 a.m. to 6:30 a.m. Another measure is that aircraft should avoid using the motor to brake, safety permitting, after 09:30 p.m. (as they do during the night-time).

Two noise reduction experiments launched in 2010 were continued in 2011. The first experiment consists of expanding the use of the permanent turning radius by most KLM aircraft types and those of other airlines. The Schiphol Regional Consultative Committee (CROS) has since approved this measure, and the permanent turning radius technique will be definitively introduced in 2012. The second experiment concerns changed departure routes from Runway 18C-36C, which means that aircraft fly at an equal distance between Zwanenburg and Badhoevedorp.

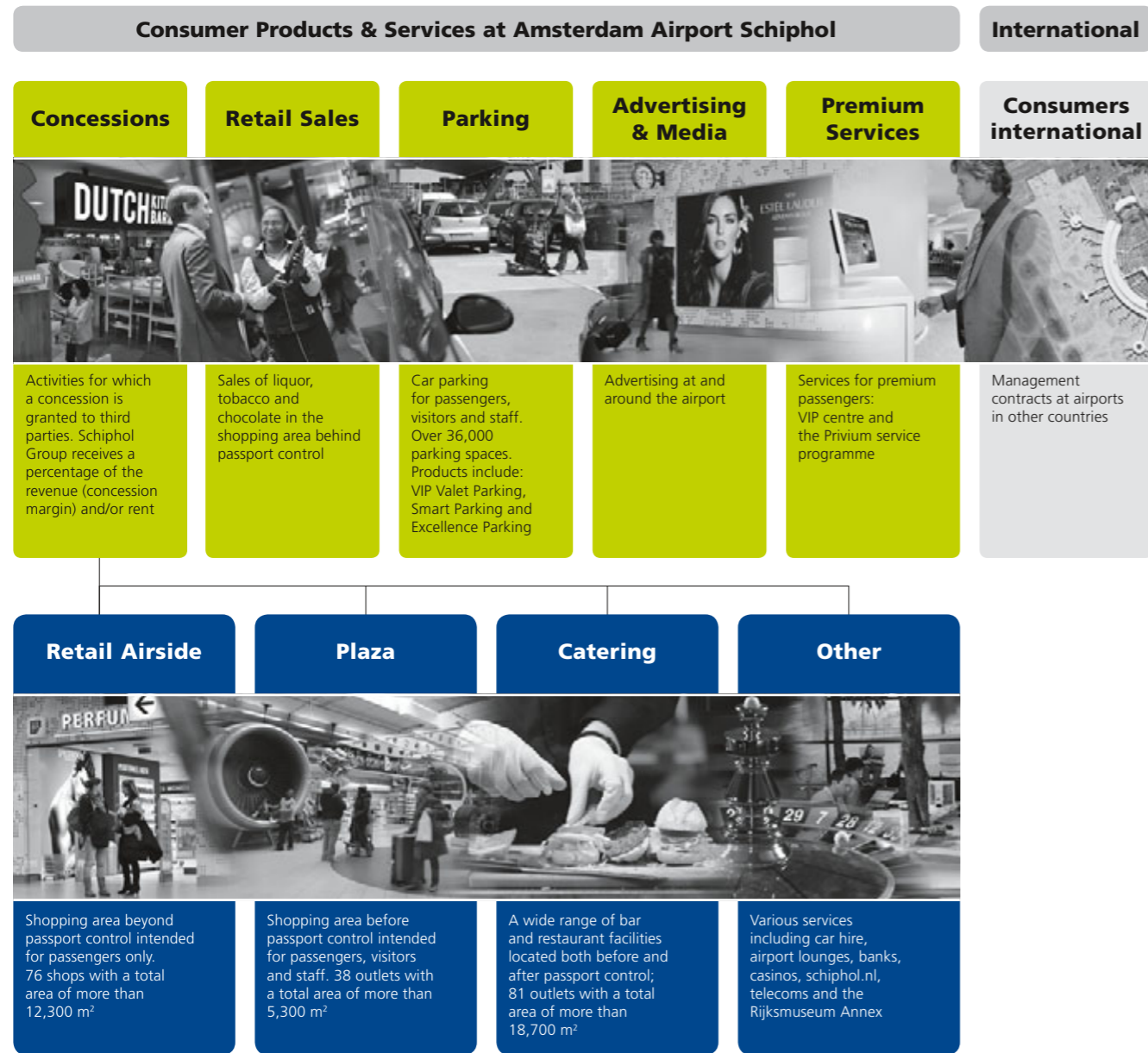
Progress has been made with regard to ground noise in Hoofddorp-Noord thanks to the construction of ground ridges designed to reduce noise levels. We anticipate that these ridges will reduce ground noise by 10 decibels.

Noisy aircraft are becoming increasingly uncommon at Amsterdam Airport Schiphol, due to our discouragement policy. The number of flights flown by the noisiest types of aircraft amounted to approximately 0.2% of the total number of flights at Amsterdam Airport Schiphol.

## Commercial development

### Retail vision

Like many other businesses, Schiphol is experiencing both opportunities and threats in the retail market, such as the rapid growth of online shopping. There are also more specific opportunities and threats, such as the possible implementation of the 'one-bag rule' which stipulates that passengers may only carry on one item of hand baggage, including airport purchases. In response, we developed a new Retail vision in 2011. Implementation began in July with the opening of the new, fully-renovated Departure Lounge 3. Important facets of this new vision include improved convenience concepts on the one hand and, on the other,



a differentiation in our range, incorporating more room for experiences, unique concepts and brand stores. More specialist and brand stores will be introduced alongside the See Buy Fly shops. And our own stores selling alcohol, tobacco and chocolate will adopt a differentiated product range. In Lounge 3 we are catering for the growing demand for more luxury products (especially among passengers from Asia and Russia) with the new 'Finest Spirits & Cigars' store and a specialist chocolate retailer.

**Departure Lounge 3**

The renovation of Departure Lounge 3, initiated in late 2010, was completed in July 2011. Average spend per passenger fell only slightly thanks to the intelligent

phasing of the construction work, short completion times and the deployment of temporary shops. Lounge 3 is now a state-of-the-art area characterised by light, space and a varied, high-quality range of shops and other facilities. The central part of the lounge now offers space to various 'Holland'-themed stores.

The renovation of Departure Lounge 3 represents an important step in the implementation of our new vision on retail. The development of specialty shops and brand stores – alongside our familiar See Buy Fly shops – plays an important role in this regard. The Fashion & Accessories category was further developed, with the addition of leading brand stores Hermès, Burberry and Victoria's Secret. As regards our own

liquor, tobacco and confectionary stores, we have opted for a more differentiated product range.

The renovation of Departure Lounge 3 also resulted in a more diverse and high-quality range of catering outlets. Important additions include a Starbucks outlet, an East Bar & Bites targeting Asian passengers, Bread! offering organic bread and the Italian PizzaPastaPannini restaurant. The successful Café Amsterdam was expanded into a larger Grand Café Amsterdam, now offering a special range of champagnes and premium wines.

In response to the growing popularity of wellness at Amsterdam Airport Schiphol, a third XpresSpa location was opened at the airport in Departure Lounge 3.

**Airport Park**

2011 saw the opening of the world's first Airport Park. This waiting area provides passengers with a relaxing, green and park-like indoor and outdoor environment. The sense of being in a park is intensified by projections of butterflies and the sounds of wildlife and cyclists. A number of small shops and a Park Café that serves organic and other products have been integrated into the park. The Airport Park is designed to provide passengers with a pleasant experience, so that they will rate their waiting time as quality time. The Airport Park also features some wonderful examples of sustainable innovation. For example, the revolving door leading to the outdoor terrace generates energy and the lighting concept is based on energy-efficient lighting with daylight tubes bringing in natural daylight.

**BC Corridor**

Departure Lounge 1 was expanded to feature a leisure area in the BC Corridor, a connecting passageway between Pier B and Pier C. The area is home to the first Rituals Spa store and a JuicyDetails outlet selling healthy snacks and drinks. A separate area has been reserved for a 'pop-up' store, a temporary store or one themed around a special temporary theme. This is in line with our new Retail vision, aimed at responding more rapidly to the latest retail trends.

**Retail Airside**

Amsterdam Schiphol Airport aims to improve passenger perception of the value for money offered by products sold beyond Passport Control. In 2011, 57% of passengers rated this aspect 'good to excellent' (56% in 2010). A benchmark study showed that Amsterdam Airport Schiphol still outranks other European airports in this area.

The renovation of Departure Lounge 4 commenced in 2011. Passenger surveys show that our smallest lounge did not meet expectations.

Average spend per passenger in Retail Airside fell by 1.8% from EUR 15.84 in 2010 to EUR 15.55 in 2011. This can be largely attributed to the renovation of Departure Lounge 3. The average spend per passenger rose again following completion of the renovation works in the second half of 2011.

There are major differences between the various categories in terms of developments in spend per passenger. The Electronics and Books & Magazines categories showed the greatest decline. Contrary to the prevailing trend, spend per passenger in the Tobacco category remained relatively strong. However, we cannot rule out a decline in this category in future. We still see opportunities for further growth in the Chocolate and Fashion categories.

We also improved our convenience concepts as a part of our new Retail vision on retail over the course of 2011. For example, 2011 saw the expansion of our online product range and the reintroduction of our service allowing passengers to pick up orders upon their return to Amsterdam Airport Schiphol.

Schiphol Airport Retail (SAR) sales rose by 34.5% in 2011. This is attributable in part to the growth in passenger volumes, but also to the acquisition of the chocolate concession from the Nuance Group on 1 November 2010. Passengers spent 4.9% more on liquor in 2011. Tobacco sales also exceeded expectations, while the chocolate revenue per passenger underperformed.

**Retail at Schiphol Plaza**

2011 was a better year for the Schiphol Plaza retail outlets than 2010. Most of the newly created vacancies were filled. Saint Tropez, Vila & Pieces and WE kids were added to the range of retail outlets. The Fokker 100 on the Panorama Terrace proved to be a major attraction. This old KLM Fokker aircraft is freely accessible and offers passengers an inside look into the world of aviation. A shop was also opened nearby and an outdoor terrace with a view of the Fokker 100 was added to Dakota's Restaurant, Café & Bar.

**Catering outlets**

Average spend per passenger dropped from EUR 5.52 in 2010 to EUR 5.44 in 2011, mainly due to the renovation of Departure Lounge 3.

A great deal of effort was also devoted to improving value for money at catering outlets. These efforts paid off, resulting in major improvements in 2011. Since 2010 Amsterdam Airport Schiphol once again has featured among the best in class in the catering quality category in European airport benchmarks. The upward trend in catering initiated in 2010 continued in 2011.

Several well-known formulas have been performing well at Amsterdam Airport Schiphol. For example, the Burger King at Schiphol Plaza boasted the largest revenue of any of the corporation's worldwide outlets, while the Starbucks at Schiphol Plaza has the largest revenue per square metre of any Starbucks in Europe.

Catering outlets in the terminal offer a growing range of organic and fair trade products, such as the Fair Taste Café (Departure Lounge 1) that opened in March, La Place Express (Arrival Hall 1) and Bread! (Departure Lounge 3). The coffee, tea and chocolate offered at all catering outlets are 100% fair trade as from the start of 2012.

#### Services

In 2011 a number of innovations and improvements were implemented. A Rituals Spa was opened in the BC Corridor, an XpresSpa opened in Departure Lounge 3 and a Fish Spa Back2Life was added to the Holland Boulevard. Boat-trip company Lovers launched the Floating Dutchman, a hybrid bus-boat service that offers passengers a tour of Amsterdam's famous canals from Amsterdam Airport Schiphol. ABN AMRO opened a Financial Centre at Schiphol Plaza that is open seven days a week.

A growing number of international passengers want to be able to apply for their tax refund at Amsterdam Airport Schiphol. In order to meet this growing demand, a new Global Blue Tax Free office was opened in Departure Hall 2.

The launch of the world's first automatic banner dispenser – the BannerExpress – was picked up by all the news media, including CNN.

#### Parking

2011 was a relatively good year for Parking. Long-Stay Parking was especially successful in fending off competition from other providers of parking products in the vicinity of the airport. Parking revenues rose by 9.4%.

In Parking, too, much attention was paid to the traveller's perception of the value for money. The option of reserved parking and Smart Parking in particular brought about an improvement in perception of the price and quality of Long-Stay Parking in the first half of 2011. This growth began to stagnate in the second half of 2011. Passenger perception of Short-Stay Parking remained relatively stable. The renovation of the P1 car park, initiated in 2011, should help enhance perception as of 2012.

The number of long-stay parkers increased by 15.5%. This can be attributed to the growing number of reservations

via [www.schiphol.nl](http://www.schiphol.nl) (57.6% in comparison with 50.5% in 2010) and through our partners. As average yields per customer were down slightly, turnover from Long-Stay Parking products increased by 11.6%.

The growth of Short-Stay Parking volumes was more modest (+5.0%). Since the fourth quarter of 2010, passengers have been able to book Short-Stay Parking products online (Visitors Parking & Excellence Parking). In 2011, Excellence Parking's contribution to the growth of our parking products did not match expectations. However, a large number of campaigns during the second half of 2011 helped achieve higher occupancy levels and greater awareness of this new car park.

#### Advertising & Media

2011 was a highly successful year in terms of Media. Contrary to all market trends, advertising revenue grew by 16.4% to EUR 15.9 million. This success is partly attributable to our 'less is more' strategy, involving the replacement of smaller advertising surfaces with a number of larger digital surfaces or objects. We entered into a new two-year contract with Rabobank for advertising on passenger bridges, and negotiated a 15-year contract with Interbest on the operation of five advertising towers along the A4 motorway. We also welcomed Industrial and Commercial Bank of China (ICBC), a major new advertiser.

#### Schiphol Online

Various online initiatives were launched in 2011. For example, work is underway to give information on Amsterdam Airport Schiphol's and the airlines' network on the [www.schiphol.nl](http://www.schiphol.nl) website, in order to offer passengers a clear overview of the entire network. A separate environment was created on our Facebook site, offering general information on Amsterdam Airport Schiphol and facilitating direct interaction with customers ([www.facebook.com/schiphol](http://www.facebook.com/schiphol)). New smart phone versions of the Schiphol Apps were launched in order to better inform passengers and provide them with a range of online products, such as online parking reservations. Our website is now accessible for Android, Apple, Microsoft and all other cellular platforms via [www.Schiphol.mobi](http://www.Schiphol.mobi). In 2011, Schiphol Group won the Travelution Award for its Schiphol App.

#### Premium Services

##### Privium

We celebrated Privium's 10-year anniversary with our members in 2011. This celebration also marked the launch of our Sunday service. Privium Plus members can now also use the Privium Lounge on Sundays. This new service was launched in response to strong demand among our members for Sunday opening.



*The Privium programme was developed to accommodate frequent travellers. Privium Plus members have access to a special lounge.*

As of October, the Privium membership period no longer coincides with the calendar year. Passengers can now become members in any month of their choosing. Membership can also be cancelled at any time, subject to a one-month cancellation period. In 2011, the number of Privium members grew from 45,690 to 46,043.

Flux Alliance, launched in April 2009, is a partnership between the Netherlands and U.S. governments enabling fast border passage. At the end of 2011, a total of 2,930 Privium members had joined the FLUX Alliance (2,143 at the end of 2010).

##### VIP centre

In 2011, the number of commercial events held in the VIP centre was expanded, as was the target group. Cooperation with other VIP centres throughout Europe was also intensified. This resulted in an additional 280 VIP treatments (in comparison with 4,030 VIP treatments at the end of 2010).

#### Development of the property portfolio

Rent levels at Schiphol were subject to some pressure in 2011. The Real Estate business area suffered negative effects from some of the neighbouring commercial property owners facing difficult times, who offered significant discounts in order to attract new tenants. This left us little choice but to offer more incentives as well. Nonetheless, centrally located and multifunctional locations close to city centres and multi-modal hubs (such as Schiphol) continue to retain their appeal. Multifunctionality and excellent accessibility are the most important criteria for prospective tenants selecting a location, aspects where Schiphol locations score high. The bar continues to rise, however, and people now want good retail facilities with a focus on ease and convenience, appealing catering concepts and sports facilities, as well as childcare in their immediate office environment. These developments demand a new approach, and in 2011 we further honed our 'preferred location' strategy with the introduction of new lease concepts and the creation of innovative services. Examples include the new (temporary) company restaurant in the Triport building and the flexible leasing of furnished offices at Schiphol-East.





Schiphol Real Estate is responding to the demands of a changing market by offering furnished offices for rent at Schiphol-East under flexible conditions.

Despite the drop in transport tonnage in the second half of last year, the occupancy rate in our logistics portfolio remained higher than ever before. Thanks to the conclusion of a number of major lease contracts, vacancy in this segment was reduced to 5%.

**Amsterdam Airport Schiphol**

The General Aviation Terminal at Aerospace Exchange (Schiphol-East) was added to Amsterdam Airport Schiphol's property portfolio. Part of this building (452 m<sup>2</sup> LFA) is used to process business jet passengers, while another section (3,800 m<sup>2</sup> LFA) consists of office space, including the lounges of the various handling agents. At the end of 2011, 45% of the building had been leased.

Work has begun on the demolition of halls and offices at Aerospace Exchange. These buildings are outdated and will be demolished to make way for new construction.

The Aerospace Flex Offices concept was successfully launched in building 144. This concept is based on the short-term lease of furnished office space.

In 2011, we initiated the development of a new planning strategy for the area between the terminal and the cargo buildings at Schiphol-Centre. As a key part of this new strategy, the renovation of the Triport complex at Schiphol-Centre was also initiated. This complex, which plays a key role in the southern section of Schiphol-Centre, was originally built in 1994 and consists of three buildings with a total lettable floor area of 36,630 m<sup>2</sup> and a car park. The renovation will establish a more effective connection between the three buildings and create space for high-quality catering outlets, a childcare centre, fitness facilities and possibly shops.

In 2011, further steps were taken in the design of a new 5-star hotel at Schiphol-Centre. The design has international appeal and incorporates the use of high-quality, sustainable materials. The 433-room hotel will feature ample conference facilities and a large hall accommodating 600 people. Negotiations for its management are currently being held with an international hotel chain, and are now in their final stage. We expect to see construction work start in 2012. The hotel is scheduled to open in 2015.

Air Traffic Control the Netherlands (LVNL) exercised its option to acquire the air traffic control tower at Schiphol-Centre in 2012.

In 2011, our plots of land at the Badhoevedorp South construction site were sold to a joint venture between Schiphol Area Development Company (SADC) and Schiphol Real Estate, in which the latter has a 19% interest.

The municipality of Haarlemmermeer approved the Schiphol land use scheme on 24 November. The scheme offers ample scope for property development. In order to be eligible for a location at Schiphol-Centre, companies must be internationally oriented. This means that being located in the immediate vicinity of the airport must be of strategic importance to the company concerned.

In 2011, Airport Real Estate Basisfonds C.V. (AREB), in which Schiphol Real Estate holds a 61.15% share, acquired the Reykjavikweg 2 building at Schiphol-Southeast. At the end of 2011, AREB's investment portfolio had a value of EUR 331 million.

**A4 Zone West**

To the southwest of Amsterdam Airport Schiphol lies the A4 Zone West plan area. This area is part of the 'Amsterdam Connecting Trade' Master Plan, the aim of which is to develop a hub of Schiphol-related logistics business parks. The Master Plan provides for the longer-term development of this area. The plan area comprises approximately 350 ha, of which approximately 170 ha is land that can be allocated for commercial purposes. In 2011, the development of first-phase spatial, programme and civil engineering aspects was initiated on the basis of an integrated development plan.

Occupancy (in %)	2011	2010
Offices	78.6	76.3
Commercial space	94.6	92.0
Operating property	90.0	95.6
Operating property terminal	91.5	88.6
<b>Total occupancy rate</b>	<b>88.5</b>	<b>86.5</b>

**Occupancy**

The occupancy rate of our property portfolio was 88.5% at year-end 2011, 2.0 percentage points higher than the year-end 2010 figure. The increase can be attributed to higher occupancy levels in the terminal, the WTC and various cargo buildings and to the demolition of building 72.

Seven per cent of the lease agreements will expire in 2012 (10% in 2011).

**Assets under construction or in development**

Assets under construction or in development are intended as future investment property. For the duration of construction work, these assets will negatively impact the result because they tie up capital and involve sunk costs. As soon as the object has been completed, it will contribute to RONA in the form of rental income and fair value changes.

As at year-end 2011, the total carrying value of the assets under construction and in development was approximately EUR 158 million (EUR 162 million in 2010). The average carrying amount was EUR 160 million (EUR 158 million in 2010). The approved and current projects as at year-end 2011 are shown in the table on the following page.

**Properties at Rotterdam The Hague Airport**

Rotterdam The Hague Airport offers approximately 200,000 m<sup>2</sup> of space for the development of commercial property. The 'Rotterdam The Hague Airport 2010 – 2025' Master Plan outlines the development strategy for the airport grounds and neighbouring business park.

In April 2011 we commissioned Koninklijke Aannemingsmaatschappij van Waning to start construction of the 'Parterre' office building (1,950 m<sup>2</sup> LFA). The building is scheduled for completion in early 2012. Construction of the 'Cornerstone' building (12,100 m<sup>2</sup> LFA) by Dura Vermeer Groep is on schedule for completion in mid-2013. December 2011 saw the start of construction of the new multi-tenant Freightcentre, to provide approximately 6,000 m<sup>2</sup> of LFA intended primarily to re-accommodate forwarding agents already active at the airport. Completion is planned for mid-2012. Work is also currently underway on the development of a hotel together with a third party, on which we hope to start construction in mid-2012.

Location	Category	Total lettable area in m <sup>2</sup> LFA	Total lettable area in m <sup>2</sup> in proportion to our interest	Pre-let %	Expected completion date
Schiphol-Centre	Office space (redevelopment)	36,600	36,600	80	Q4-2013
Schiphol-Centre	Hotel	39,000	39,000	N/A	Q4-2014
Rotterdam The Hague Airport	Office space	1,950	1,950	100	Q2-2012
Rotterdam The Hague Airport	Childcare centre	370	370	100	Q3-2012
Rotterdam The Hague Airport	Office space	6,000	6,000	50	Q3-2012
Rotterdam The Hague Airport	Collective heat/cold storage	N/A	N/A	N/A	Q4-2012
Rotterdam The Hague Airport	Office space	12,000	12,000	50	Q2-2013
Malpensa, Italy	Office space	12,900	9,030	0	Q3-2012

**108,820**      **104,950**

### Most important developments at our domestic airports

The number of scheduled destinations served by Rotterdam The Hague Airport increased by eight, bringing the total to 35. In addition, the departure hall was redesigned and a new airport shop was opened. The number of destinations available from Eindhoven Airport also grew in 2011. By the end of 2011, Eindhoven Airport served a total of 36 destinations, four more than at the end of 2010. Lelystad Airport adjusted a number of ground rents, a move that will significantly increase revenues from its property operations. The spring of 2011 saw the completion of the construction of a hangar which now houses an aircraft maintenance company specialising in aircraft painting services for aircraft up to the Fokker 100 in size. Activities of the Aviodrome National Aviation Theme Park located at Lelystad Airport have not developed favourably. In November the management applied for a moratorium, which eventually became a bankruptcy in December 2011. There are several parties investigating a possible relaunch of the Park.

### Key developments in foreign participations

Aéroports de Paris recorded good results in 2011 thanks in part to an expansion of its retail activities. Expansion projects at Paris-Charles de Gaulle in particular are on schedule. Numerous projects developed within the HubLink alliance have already delivered concrete results, including the joint development of an App for Chinese passengers and concrete steps towards reciprocal participation in property developments.

Work on the expansion of Terminal 4 at JFK International Airport in New York with the addition of nine international gates, baggage facilities, customs and border control is on schedule.

Brisbane Airport is developing into an AirportCity, accommodating business parks, hotels and high-quality public transport connections. The airport's domestic terminal was expanded in 2011, with a connection to a new 5,300-space car park to be completed in 2012.

	2011	2010	2011	2010	Growth
Interest (in %)	<b>Result</b> (in million EUR*)		<b>Passengers</b> (in millions)		(in %)

### Domestic airports

Rotterdam The Hague Airport	100	<b>6.2</b>	5.4	<b>1.12</b>	0.97	15.9
Eindhoven Airport	51	<b>10.0</b>	8.0	<b>2.64</b>	2.14	23.3
Lelystad Airport	100	<b>0.3</b>	0.1			

### Foreign airports

ADP S.A.	8	<b>31.4</b>	26.4	<b>88.1</b>	83.4	5.7
Terminal 4 JFK NY	100	<b>6.0</b>	31.1	<b>10.2</b>	9.8	3.9
BACH	18.7	<b>12.1</b>	8.1	<b>20.4</b>	19.8	3.4

\*) results recorded by Schiphol Group

## Environment

### CO<sub>2</sub>

Net CO<sub>2</sub> emissions resulting from our activities at Amsterdam Airport Schiphol fell from 6,804 tonnes to 6,684 tonnes in the 2011 operating year. We are taking part in the Airport Carbon Accreditation benchmark scheme set up by industry association ACI. This benchmark helps provide insight into airports' efforts to reduce CO<sub>2</sub> emissions. In 2011, the airport received level 3 accreditation for its CO<sub>2</sub> emissions in 2009.

In order to be fully CO<sub>2</sub> neutral in 2015, work started at Eindhoven Airport in 2010 to make the terminal, offices and hangars climate neutral by compensating CO<sub>2</sub> emissions. 'Level 2' in the Airport Carbon Accreditation benchmark scheme was achieved in 2011.

### Energy

With a 3.7% reduction in 2011, the energy efficiency target agreed with the government (2% reduction in energy consumption per year until 2020) was met. This has also fully made up for the shortfall in 2009. A total of 7% of the planned 8% reduction in energy consumption has now been achieved. We expect to achieve a further 4% reduction in 2012.

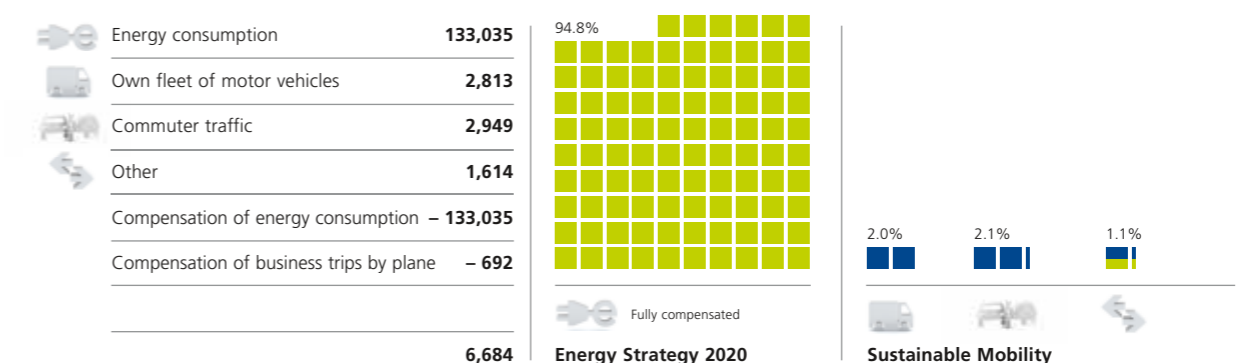
### CO<sub>2</sub> emissions for own operating activities Amsterdam Airport Schiphol\* (tonnes)



\* operating year

A total of 92 new efficiency measures were introduced, accounting for a total conservation of over 77 terajoules; this includes sustainably generated energy. This saving is comparable to the annual electricity consumption of approximately 2,450 households and the total energy consumption (including gas) of more than 850 households. These savings were realised by means of intelligent switching (reducing or switching off lighting or ventilation), installation of energy-efficient motors in our ventilation system and cooling units when replacing or renovating old equipment, and by reducing the time that the baggage belts continue to run after the last suitcase has been signalled from 30 seconds to 5, which yielded savings of 15-20% during testing. We are also the first airport to have an energy-efficient baggage

### CO<sub>2</sub> emissions for own operating activities Amsterdam Airport Schiphol in 2011 (tonnes)



### CO<sub>2</sub> emissions 2010\* (in tonnes)

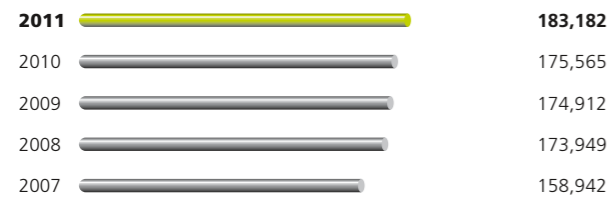
The Netherlands	105,500,000**
Aviation	60,000,000**
Schiphol location	1,003,985
Own operating activities Schiphol - not compensated	139,222
Own operating activities Schiphol - compensated	132,418
Own operating activities Schiphol - net emissions	6,804

\* 2011 not yet available

\*\* www.compendiumvoordeleefomgeving.nl

**Electricity consumption**

**Amsterdam Airport Schiphol** (x1,000 kWh / operating year)



belt made from 100% reusable materials. If the test results are positive, we will install more of these baggage belts in future.

Furthermore, we are opting for energy-saving lighting wherever possible. LED lighting was installed in a number of public areas in the terminal and in various buildings in 2011. Tests have shown that this type of lighting can reduce energy consumption by around 40% to 50%. Sustainable lighting has been installed in the VIP centre, producing an annual saving comparable to the energy consumption of 12 households. All new products launched by Advertising & Media will be fitted with energy-efficient screens or LED lighting.

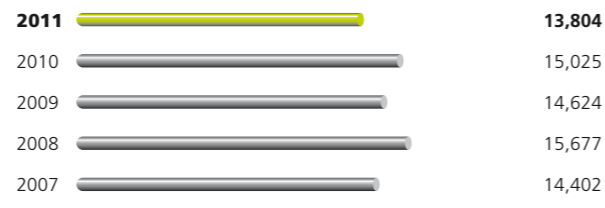
By year-end 2011, 74.2% of the lettable office floor area in our property portfolio (including property owned by associates, in proportion to our stake) at the Schiphol site had an A, B or C Energy Performance of Buildings Directive energy label (EPBD label). As well as making the buildings more sustainable, we are now examining to what extent it is feasible to introduce 'green lease contracts' in which the lessor and lessee agree to make efforts to improve sustainability.

LED lighting has been installed on the taxiway at Rotterdam The Hague Airport, and fluorescent lighting has been replaced with the latest LED tubes. A new electricity-saving building management system has also been introduced.

At Lelystad Airport, energy scans have been carried out at the biggest energy users on the airport grounds. The results of these scans will be used to make adjustments in the terminal in 2012.

**Natural gas consumption**

**Amsterdam Airport Schiphol** (x1,000 m<sup>3</sup> / operating year)



**Generating sustainable energy on-site**

Amsterdam Airport Schiphol aims to generate 20% of its energy in a sustainable manner by 2020. Over the past few years we have researched and applied a number of technologies for sustainable energy generation. Heat and cold storage in the ground and roof solar panel systems have already been installed on a small scale. The percentage of energy generated in 2011 stood at 1.25% (1.2% in 2010). Everything is ready for the large-scale commercial use of solar panels in 2012. energyGROUNDS B.V., a joint venture with Imtech Nederland B.V., has been set up for this purpose. We will produce a integrated energy plan for the airport in 2012, which we will use when designing sustainable power stations.

Eindhoven Airport has developed an action plan to generate 5% of its on-site energy needs from sustainable sources by 2015, increasing to 20% by 2020. Rotterdam The Hague Airport has also examined ways of connecting the terminal to a central heat and cold storage facility. Lelystad Airport is looking into options for generating sustainable energy by means of fermentation and solar panels.

**Sustainable Mobility Programme**

Amsterdam Airport Schiphol is taking measures on a smaller scale to improve air quality through the use of electric cars and scooters for employees. Concessions are also granted to taxis and buses on the condition that these vehicles comply with Euro 5 emission standards.

In 2011, we established a collaboration with PON Services N.V. for the management and maintenance

of a large proportion of our company fleet. PON supports us in our aim of being CO<sub>2</sub> neutral in respect of our own operations in 2012. We also purchased two electric cars (Nissan Leafs) in 2011 to familiarise our employees this new type of drive. Land near the Energieplein has been allocated to the electric transport company Better Place for a battery swap station. This company will start operations in spring 2012. Securitas, Microsoft, KLM and our subsidiary Schiphol Telematics have all begun using electric vehicles to a certain degree. This is one of the reasons why installation of the necessary electric charging infrastructure has been fast-tracked at the airport. For instance, taxi companies operating at Schiphol have announced that they will be introducing several dozen electric taxis from mid-2012.

To facilitate the arrival and growth of electric taxis, we will need to provide rapid-charge stations that can charge batteries up to 80% in under 30 minutes. In January 2012, the first rapid-charge station was put into commission at the Total service station at Schiphol-Centre. Natural gas taxis are also expected to be introduced in 2012.

Over the period from August to December 2011, we ran extensive tests on the use of 100% biodiesel in vehicles and equipment in cooperation with KLM and KLM Equipment Services. The tests involved second generation biodiesel manufactured from waste oils and fats. If the results are positive, we will start to use this fuel in vehicles for which there is no sustainable alternative. If the results are not positive, we will switch to a B30 fuel that consists of 30% biodiesel and 70% regular fuel and reduces CO<sub>2</sub> emissions by around 23%. In 2011, our participation in the Dutch Consortium Tender for Electric Cars was brought to a halt as a number of major fleet owners had dropped out.

**Surface water quality**

**Sanitation plans**

Schiphol is committed to improving the quality of the surface water on a permanent basis, particularly by minimising the harmful effects of de-icing and ice control measures. This includes both more economical spraying and the use of sustainable alternatives to potassium formate. Working procedures are laid down in Sanitation Plan 1 (source-reducing measures) and Sanitation Plan 4 (infrastructure measures). Source-reducing measures focus on the more economical use of both aircraft de-icing and snow and ice control measures. Handling agents use glycol for the de-icing of aircraft; we use potassium formate for ice-control measures on asphalt.

Infrastructural measures focus on intensive cleaning of airside paving with mobile cleaning and suction machines and the use of sand to combat snow and ice. The advantage of using mobile cleaning vehicles is that they offer greater flexibility and can therefore also be used for other activities such as removing rubber. The advantage of using sand is that it has a negligible impact on surface water quality. Sand cannot be used under all circumstances, however, which means that potassium formate will still need to be used though much less frequently.

We are now working together with the Rijnland Water Board to further develop Sanitation Plan 4 in the 2011/2012 winter season.

**Use of de-icing agents**

Mild conditions in the 2011 winter period meant relatively little potassium formate was used. Potassium formate is sprayed on the runways, taxiways and aprons to prevent ice from forming. In all, 224,741 litres were used in 2011; compared with one million litres used in an average winter.

The average oxygen content fell below the standard between 28 December 2010 and 6 January 2011. The impact of this was limited thanks to the successful water quality recovery plan, the use of potassium formate instead of potassium acetate and the removal and disposal of snow containing glycol and formate, thus preventing these agents from polluting the surface water.

In 2011, 190,000 kilograms of salt were used to prevent ice formation on roads, cycling paths and car parks. Approximately 500,000 kilograms of salt are used on average each year.

**TRUST**

TRUST – Transitions to the Urban Water Services of Tomorrow – is a European Commission project in which 30 partners from 11 countries are working together over the next four years to examine means for improving the sustainability of the water supply chain. Participants include nine cities, including Amsterdam in collaboration with Amsterdam Airport Schiphol. A main priority during the year under review was to develop a joint strategy. Amsterdam Airport Schiphol hosted the project's first meeting.

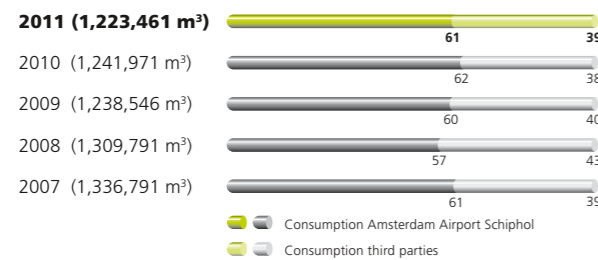
**Most important environmental indicators regional airports 2011**

	Rotterdam	Eindhoven	Lelystad
Water consumption (liter/pax)	10	7,4	N/A
Electricity consumption (kWh)	3,597,814	4,256,667	203,000
Gas consumption (m <sup>3</sup> )	157,187	93,664	28,000
Waste (tonnes)	128	217	4
% recycled waste	25%	17%	15%



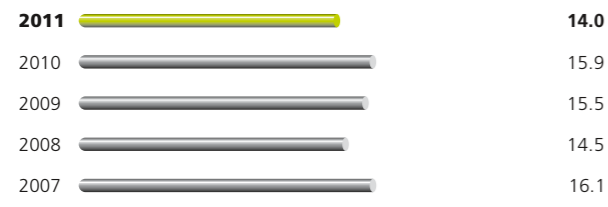
### Drinking water consumption Schiphol

(in % / operating year)



### Drinking water consumption per passenger

(litres)



### Drinking and waste water

At Schiphol we handle the distribution of drinking water and the removal of waste water (chiefly sanitary waste water) from the buildings to an Evides waste water treatment plant on the airport site. In all, 1,223,461 m³ of drinking water were consumed during 2011 (1,241,971 m³ in 2010). Water consumption per passenger fell from 15.9 litres in 2010 to 14.0 litres in 2011. Schiphol aims to save drinking water by further reducing water consumption per passenger. Water treatment installations that reduce the mineral content of the cooling water were installed on the roofs of terminals 2 and 3 in 2010. This measure resulted in a saving of around 20% on water consumption in 2011.

### Air quality

The government establishes standards for aircraft emissions, which were met during the 2011 operating year. Statutory limits also apply to concentrations of nitrous oxide (NO<sub>x</sub>) and PM<sub>10</sub> particles in order to protect local air quality. The statutory limits that will apply from 2015 have been amply met at all locations at and around the airport. To improve air quality, all of our aircraft stands are being connected to Fixed Electrical Ground Power (FEGP) facilities and to pre-conditioned air,

rendering the use of kerosene and diesel unnecessary. Thirty aircraft stands were connected to these facilities in 2011, with another 15 to follow in 2012.

### Emissions trading system

The Netherlands Emissions Authority (NEA) granted Schiphol Nederland B.V. a licence to emit NO<sub>x</sub> and CO<sub>2</sub>. This licence relates exclusively to direct emissions caused by the use of natural gas and propane in heat/cold storage systems, central heating and steam boilers and emergency power units managed by Schiphol.

In 2006, Amsterdam Airport Schiphol began participating in the Emission Trading Scheme (ETS), which takes a market-based approach to the reduction of emissions (CO<sub>2</sub> and NO<sub>x</sub>). By trading emission allowances, the Dutch government is seeking to achieve cost-effective reductions in greenhouse gas emissions and to meet the Kyoto Protocol targets. Phase 3 of the ETS (ETSIII) will be launched in 2013. We have drawn up an allocation plan and a corresponding methodology report for the implementation of this phase and submitted these documents to the NEA, which will grant us new emission allowances based on forecast emissions for the 2013-2020 period. In phase 3 of the

ETS, the allowances granted will be lower than the forecast emissions. The final arrangements and implementation will take place in 2012.

Total emissions are verified annually by an external auditor and subsequently reported to the NEA. In 2011, a total of 14,435 kg of NO<sub>x</sub> and 23,578 tonnes of CO<sub>2</sub> were emitted. The maximum values were set at 7,370 kg of NO<sub>x</sub> and 28,524 tonnes of CO<sub>2</sub>. The required NO<sub>x</sub> emission rights was purchased on the emissions market. The surplus CO<sub>2</sub> emission rights were added to the reserve. The reduction in NO<sub>x</sub> emissions is largely attributable to lower gas consumption by the heat/cold storage systems, while the fall in CO<sub>2</sub> emissions was due to lower energy consumption as a result of higher outdoor temperatures. At the request of the NEA and the external auditor, a number of administrative changes were made to the current monitoring protocol in 2011. A number of monitoring points were also adjusted in order to optimise the integrity of the CO<sub>2</sub> and NO<sub>x</sub> readings.



The 'check into sustainability' campaign was developed to raise awareness of waste separation and recycling among passengers.

### Waste separation

Passengers, users and we ourselves produce a large volume of waste each year. In 2011, 13,864 tonnes of waste were collected and processed off-site. This represents a 1.3% reduction in comparison with 2010. Less mown grass was removed (-700 tonnes). In the operating year 2011, 30.2% of waste was recycled (excluding construction and demolition waste and water containing glycol).

Our aim is to increase the percentage of recyclable waste flows, for instance by improving facilities for separating waste at the source and by improving services to clients. A number of waste streams were separated before disposal during 2011, including food leftovers, liquids & gels and tissues. The separate collection of food leftovers was intensified at the terminal in 2011, in collaboration with various catering companies and our partner, Van Gansewinkel. Almost 400 tonnes were collected from various restaurants and cafés in the year under review; more than double compared with 2010 (186 tonnes). This waste is fermented to produce biogas off-site. We will continue this policy in 2012.

Since September 2011, the liquid and gels waste stream generated during the security process has been collected separately, sorted and processed off-site. This waste flow amounts to an average of 15 tonnes per month and mainly consists of plastic, which is used as a secondary raw material after separation. We will examine ways of further increasing this recyclable stream in 2012.

Following a successful pilot, tissues have also been collected separately since June 2011, with an average of 2.5 tonnes of this separated waste now being transported to a special fermenting facility each month, where it is used to produce biogas.

Schiphol SmartGate Cargo is a joint project with the air cargo industry for monitoring goods that leave the EU via Schiphol. This project involves e-freight, which is paperless, as standard. According to the IATA, eighty 747 full freighter aircraft are needed to transport the worldwide volume of cargo documents used for air cargo transport each year.

Waste from aircraft is removed to a separate location at Schiphol where it is separated into paper and residual waste. As the percentage of separated waste fell in 2011, a project was launched in October 2011 to realise a structural improvement. In order to increase the amount of waste separated within our own office environments, a new waste separation concept was introduced at Schiphol's head office with the launch of the 'New Style of Working' in mid-2011. The individual waste bins at each workstation with two separate compartments (paper and residual waste) have been replaced with collective waste collection points with seven compartments so that compostable waste, plastic and cardboard can now also be collected separately. More than 90% of waste was collected separately at the locations where this system has been introduced, and we have therefore decided to roll out this concept on a large scale at locations outside the main building.

### Accessibility

The elimination of traffic bottlenecks and the improvement of public transport facilities are crucial in ensuring Amsterdam Airport Schiphol's long-term accessibility. In specific cases, we will opt to co-invest in infrastructure outside the airport grounds. Key projects at Amsterdam Airport Schiphol in 2011:

1. Increasing railway capacity between Duivendrecht and the Schiphol Tunnel
2. High-Quality Public Transport at Schiphol-East
3. Rerouting of the N201
4. Decision to reroute the A9
5. Opening of peak-hour lanes on the A9.

In the leading Airport Service Quality Survey of European airports, Amsterdam Airport Schiphol is ranked second in terms of accessibility.

### Passengers

Passenger satisfaction regarding airport accessibility by private transport rose by 4 percentage points to 78.0%. The completion of new peak-hour lanes and extra traffic lanes has reduced the amount of congestion on motorways leading to the airport. The flow of traffic on the airport site did not cause any problems in 2011. Additional road traffic controllers were deployed during peak holiday periods. The number of vehicle kilometres increased in parallel with the rise in passengers numbers. In 2011, 26.6% (2010: 28.5%) of passengers were dropped off and picked up, and 12.4% (2010: 10.6%) took their own cars to the airport. This can be attributed to Amsterdam Airport Schiphol's improved accessibility by road, in combination with

intensive media and marketing attention for budget parking at and around Amsterdam Airport Schiphol.

The percentage of public transport users declined from 41.0% in 2010 to 40.5% in 2011.

Passenger satisfaction regarding the frequency of train services to Amsterdam Airport Schiphol is currently 88% (90% in 2010), with satisfaction regarding services from Schiphol at 81% (80% in 2010). Passenger satisfaction regarding the punctuality of train services remained stable at 90%. Dutch Railways (NS) reduced their night-time services from the Enschede and Brabant regions for commercial reasons. In 2011, the Fyra High-Speed Train increased the frequency of its services between Amsterdam, Schiphol, Rotterdam and Breda. As a result, there are now more high-speed connections to and from Amsterdam Airport Schiphol.

### Schiphol workers

Accessibility is also a key factor for businesses, suppliers and employees. When surveyed, 80% of this group ranked Amsterdam Airport Schiphol's accessibility level as 'high'. Car use among this group rose to 64%. This too is attributable to the highly improved flow of traffic on roads in the Schiphol region. The percentage of public transport users remained stable at 28%; 20% opt for the train, while 8% use the bus or express bus. The express bus is extremely successful, and will continue to play a key role in future public transport developments.

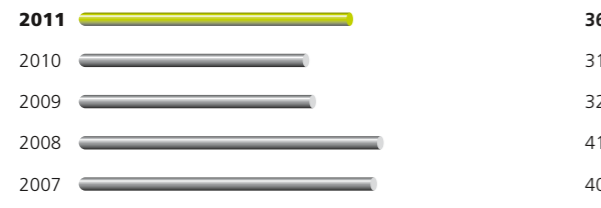
### Safety and security

#### Runway safety

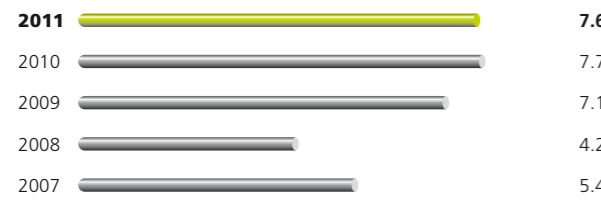
The prevention of incidents on and around the take-off and landing runways is an area which has our constant attention. Runway safety is measured on the basis of the number of runway incursions (i.e., incidents on a runway involving an aircraft, vehicle or person not authorised to be there at that time). The year 2011 saw a total of 36 runway incursions (31 in 2010). These were all incidents that did not pose any major risks. In the Runway Safety Team, parties from the aviation sector monitor and analyse runway incursions, after which appropriate measures are taken.

Implementation of the Runway Safety Policy drawn up in 2010 commenced with the installation of warning lights at the Runway 06-24 intersection. The other take-off and landing runways will be fitted with similar lights over the course of 2012. In 2011, an extensive campaign was conducted among users during large-scale maintenance work on Runway 04-22. Users received

**Number of runway incursions at Schiphol**  
(per year)



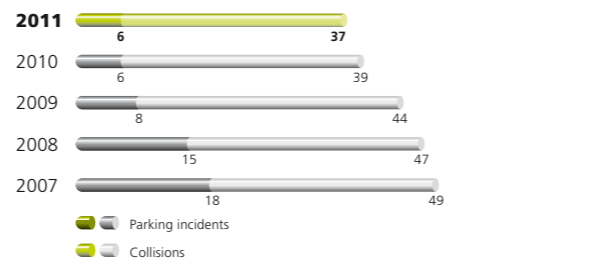
**Number of bird strikes at Schiphol**  
(per 10,000 air transport movements)



**Average number of traffic accidents airside**  
(per month)



**Average number of traffic accidents landside**  
(per month)



timely updates on the latest situation regarding the maintenance activities through the distribution of information brochures. As a result, potentially unsafe situations could be avoided.

In December 2011, the Dutch Safety Board (Onderzoeksraad voor Veiligheid, OVV) published an investigative report on the 'Taxiway take-off' incident, which occurred in February 2010. The definition of 'runway incursion' does not apply to this incident. We have adopted the recommendation of the OVV to conduct a risk analysis into traffic taxiing near the take-off and landing runways together with Air Traffic Control the Netherlands (LVNL). The operational effects of only using taxiways provided with green centreline taxi lighting, as recommended, will be investigated.

**Bird strikes**

Birds – especially geese – pose a growing risk to aviation safety. We are using every means at our disposal to minimise the bird problem. As regards the geese problem, the Dutch Safety Board (OVV) recommended that the Ministry of Infrastructure and the Environment oversee efforts to substantially reduce the risk posed by birds to aviation safety. The Safety Board issued this recommendation following its investigation of an emergency landing by a Royal Air Maroc aircraft after a collision with geese on 6 June 2010.

The Ministry chairs the Netherlands Control Group for Bird Strikes (NRV), of which we are a member together with Air Traffic Control the Netherlands (LVNL) and KLM. Over the past year, the NRV has developed a four-track

approach to this issue: population management, crop changes, nature (wetland) changes and the use of technology. Amsterdam Airport Schiphol, LNVL and KLM are responsible for developing the latter aspect. To this end, we prepared a bird species risk model in 2011 that was defined on the basis of International Bird Strike Committee standards. Using this risk model, we then developed specific control measures to target different types of birds.

The number of bird strikes at Amsterdam Airport Schiphol in 2011 totalled 7.6 for every 10,000 KLM air transport movements (7.7 in 2010). In 2011, the Schiphol Bird Strike Committee launched a campaign to stimulate pilots to report (suspected) bird strikes more frequently and accurately. The campaign has been successful: pilots not only more accurately reported the bird strikes at Schiphol, but there was also a rise in the number of reports by KLM pilots at other airports.

During the summer months, we deploy a falconer on a daily basis in order to scare off birds. This falconer is also deployed to zones outside of the landing area that attract large numbers of geese, lapwings and doves. The pilot project with a stationary green laser on Runway 18L-36R has been completed; unfortunately, the trial did not significantly reduce bird activity or the number of bird strikes at this particular runway. The handheld green lasers, however, have proven highly effective in scaring water birds away from the waterways. The use of this technology is now a standard method of scaring off birds.

**Traffic safety**

Traffic safety in the area of the airport accessible to the public increased further in 2011. The number of registered traffic accidents per month dropped from 39 in 2010 to 37 in 2011. There were no accidents resulting in death or serious injury in 2011. The number of traffic accidents involving minor injuries dropped from an average 3.5 per month to 2.4, while the number of accidents involving more serious injuries dropped to an average of 0.4 per month. These figures are low in comparison with national averages, which exceed the Schiphol figures by a factor of 9. The average monthly number of collisions and other incidents on aprons and perimeter roads not open to the public rose to an average of 15 per month (compared with an average of 14 per month in 2010).

**Safety in the terminal**

The Schiphol Fire Safety covenant, an agreement between the airport and the municipality of Haarlemmermeer, was revised in 2011 on the basis of an evaluation of cooperation in 2010. The basic assumptions underlying the new covenant became effective on 1 November 2011. We are also engaged in structural cooperation in the area of crisis management with our partners from the Kennemerland Safety Region. Among other aspects, this cooperation extends to joint planning and exercises. Various administrative agreements and a number of operational agreements were revised in response to the introduction of the Security Regions Act on 1 October 2010.

**External safety**

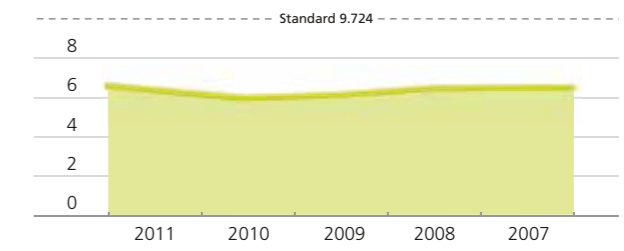
The Aviation Act includes a safety standard for external safety at Amsterdam Airport Schiphol, which specifically concerns the safety of persons who find themselves in close proximity to the airport as well as the risk to these persons of becoming victims of an aircraft accident. The applicable standard – Total Risk Weight (TRW) – that we are obliged to satisfy is determined by an aircraft's take-off weight, the number of air transport movements at the airport and global historical aviation accident statistics. The TRW standard for the airport has been set at 9.724 tonnes. With a TRW of 6.466 tonnes, Amsterdam Airport Schiphol remains within the allowable limit values.

**Security**

**Security scans approved by European Commission**

In November 2011, the European Commission decided to incorporate the security scan into European legislation as an official security measure at European airports. This measure had previously been approved by the European Parliament. The scans are expected to be widely introduced at European airports; over 70 security scans are

**Total Risk Weight (TRW)**  
(tonnes)



already in use at Amsterdam Airport Schiphol. Ever since 2005, we have been global pioneers when it comes to the development and implementation of the scans. Security scans are safe, reliable and customer friendly.

**2011 Security Innovation Days**

Working in collaboration with our partners, we regularly launch new initiatives in the area of security. In October 2011, we organised the Security Innovation Days, an event that offered national and international knowledge institutions an opportunity to showcase their potential contributions to Amsterdam Airport Schiphol's security policy. Four parties were selected from a total of over thirty presentations. Over the course of 2012, we will engage these parties to set up an operational field lab at Amsterdam Airport Schiphol in order to test their innovative solutions in a realistic environment.

**FLUX**

In October 2011, the FLUX – Fast Low Risk Universal Crossing – programme was granted permanent status in the United States. FLUX originally started as a one-year US-Dutch pilot project in 2009, and was designed to create an international network of trusted traveller programmes. By late 2011, the various technical and operational improvements agreed upon by the participating countries' authorities had been implemented. FLUX is now ready to be rolled out in other countries. In 2011, we worked with the Dutch government to establish ties with Japan and South Korea in an effort to expand the FLUX network into Asia. Participants in the Asian programmes are eligible for membership of the Dutch and US programmes, and vice versa.

**Fast border passage**

In 2010, we joined forces with the government in an effort to develop fast border passage facilities for registered passengers (priority automated border passage). In 2012, the further innovation of current automated border controls and facilities will provide frequent flyers with a faster high-quality alternative to self-service control (No-Q), a facility that will be made available to all EU citizens with an ePassport in mid-2012.



The Schiphol Group head office features a pleasant working climate with flexible workspaces as part of the New Style of Working concept.

## Human Resources

In 2011 our employees delivered outstanding performance in a leaner organisation.

### Staff developments

In 2011 the Schiphol Group average workforce amounted to 2,115 FTEs (Full-Time Equivalents) and at year-end the total number of employees was 2,145 (equal to 2,088 FTEs). This number of FTEs is almost 11% lower than in 2010. Total employee costs fell by 4%. The volume (in terms of costs) of staff hired from third parties (as temporary replacements, seasonal workers or for specific expertise) remained approximately the same as in 2010. In light of the increased traffic volumes, this can be classed as an excellent achievement.

### Career Plaza Schiphol

The completion of the reorganisation marked the end of the Schiphol Mobility Centre and the 2009-2011 Redundancy Plan as of 1 July 2011. The Mobility Centre played an effective role in guiding employees to a new job, either internally or externally, or in preparing them

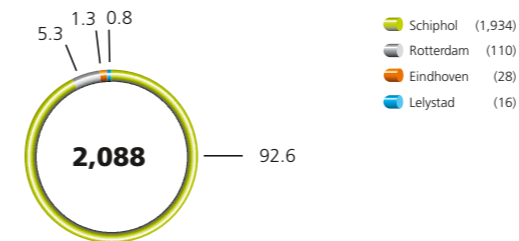
to take advantage of a redundancy scheme. The Mobility Centre's success has led to the introduction of Career Plaza Schiphol, a collaboration between Schiphol College, Randstad HR Solutions and FOCUS career counselling. Career Plaza Schiphol provides service in relation the inflow, advancement and outflow of personnel. These services are available to all companies operating at Schiphol and their employees. We are supporting this initiative because the airport is a marketplace for jobs as well as products and services that we facilitate and manage. Career Plaza Schiphol is in line with other initiatives put in place such as Schiphol College in 2007 and the Aviation Sector Fund.

### Employee commitment

Our employees are strongly committed to their work and to the Schiphol organisation. This is evidenced by the Schiphol Monitor, in which our employees answer a wide range of questions about strategy, organisation and working conditions once every 18 months. Employee commitment rose from 7.3 to 7.9 on a 10-point scale. This is a high score by national standards.

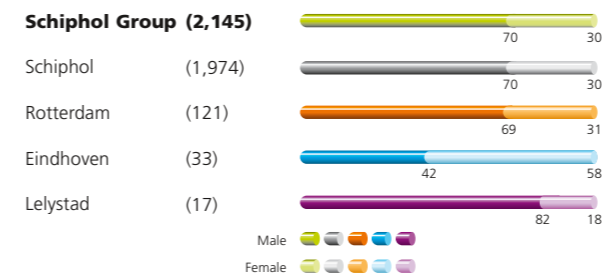
### FTEs Schiphol Group per 31/12/2011

(in % per location)



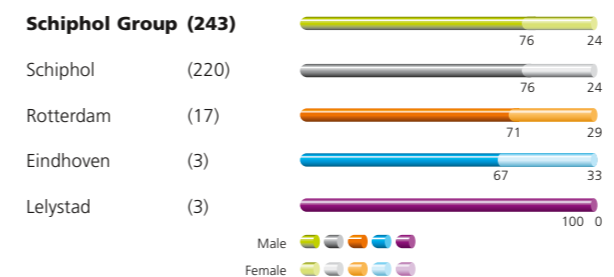
### Gender split Schiphol Group

(% of employees per location)



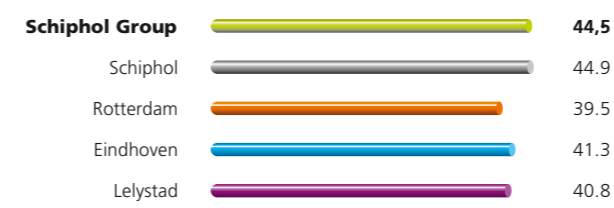
### Gender split Schiphol Group managers

(% of total managers per location)



### Average age of Schiphol Group employees

(years per location)



### Age distribution of Schiphol Group employees

(number per location)

	<30	30-40	40-50	50-60	60>
<b>Schiphol Group (2,145)</b>	<b>153</b>	<b>584</b>	<b>680</b>	<b>574</b>	<b>154</b>
Schiphol (1,974)	115	538	627	551	143
Rotterdam (121)	34	26	39	14	8
Eindhoven (33)	1	13	12	6	1
Lelystad (17)	3	7	2	3	2

But there is still room for improvement. The same survey revealed that our employees are extremely critical with regard to Schiphol's organisational efficiency. 2012 has therefore been pronounced the 'Year of Efficiency'.

### Attracting and developing talent

The New Style of Working was introduced for all employees working in an office environment in 2011. An important change is that, in addition to promoting the use of flexible workstations and the possibility of remote working, the New Style of Working shifts more responsibilities to the employees themselves. They determine to a large extent where, when and how they organise their work, which helps them to better manage their work-life balance. The new approach also helps to improve accessibility of the airport by promoting teleworking, since not all work necessarily needs to be carried out in an office environment. The New Style of Working boosts our profile and appeal as an employer. Two national surveys have shown that we are regarded as an attractive employer. Intermediar magazine's Employer Survey placed us in the top 25. In the Randstad Award survey, aimed at new employees, we came second.

Our organisation continuously invests in attracting and developing talented individuals in a wide range of professions. A number of master classes were organised on current topics in collaboration with Nyenrode Business University for trainees who started in 2010. Our senior management were also invited to attend. Ten new highly talented trainees will again be recruited in 2012.

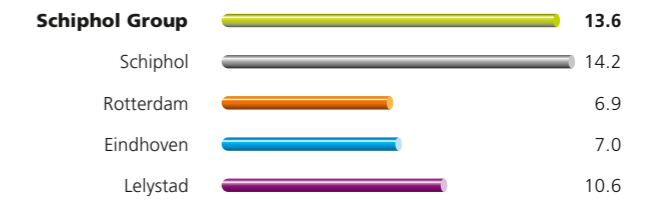
Another example of how we are investing in our employees is the participation of a number of senior managers in an intensive management development programme at IMD Business School in Lausanne. Aéroports de Paris employees also followed this training programme, which has helped to strengthen our mutual working relationship.



**Average training budget Schiphol Group**  
(EUR per employee per location)



**Average employment length Schiphol Group**  
(years per location)



**Performance management**

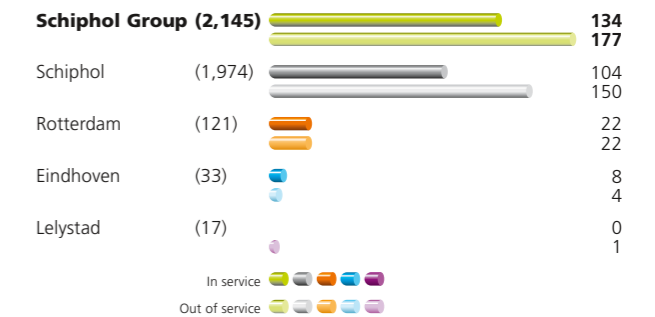
Agreements have been reached with the Central Works Council with regard to improving the performance management system. As well as simplifying the administrative process, the system now places a greater emphasis on reaching and implementing performance agreements and on the employee's own responsibility for how these results are achieved. It has also been agreed that a 360 degree feedback system will be introduced for all employees. Under this system, employees ask their colleagues to assess their performance: what do their fellow workers feel that they need to stop doing, what should they continue doing, and what do they need to address? The results from this feedback are part of the input for the appraisal interview with the manager.

For managers, 'People Management' has become an explicit element of their performance review. The review looks not just at what he or she has achieved as a manager but also at how this has been achieved with the team. Getting the best out of your employees whilst at the same time encouraging and developing them wherever possible has become more important than ever.

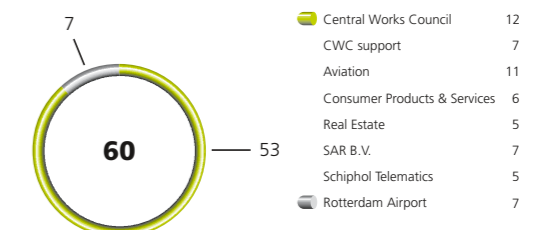
Consultations are taking place with trade unions and the Central Works Council with regard to salary adjustments which may result from performance reviews. Under the current policy, there is a unique link between the review and the resulting salary increase. We are keen to make this system even more flexible and customised. It is hoped that the consultations with the trade unions in this regard can be finalised on entering into a new collective agreement for Schiphol Nederland B.V. employees.

Another important theme for the new collective agreement is the changes to the work scheduling policy in terms of both the system and method of remuneration. Equally important are agreements which enhance the sustainability of our personnel policy in terms of ensuring that the policy is (even more) in line with our employees' different stages of life.

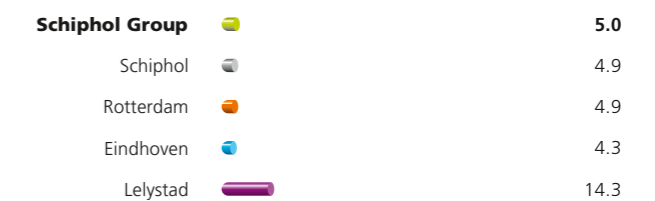
**Staff turnover in number of employees**  
(per location)



**Number of seats in Works Council**  
All Works Councils within Schiphol Group



**Absence rate of Schiphol Group employees**  
(in % per location)





### Collaboration

We believe it is important that not only our own employees but also the employees of the many other companies that operate at the airport feel connected to 'their Schiphol'. We consult with our partners at Amsterdam Airport Schiphol in this regard, provide joint training programmes in the context of the welcoming Schiphol project and organise social gatherings, also for facilities employees, to further their connection to the airport and to show our appreciation for their work.

In this regard, Schiphol has played a major role as one of the initiators in establishing the 'Code of Responsible Market Conduct' for the cleaning and window cleaning sectors. Around 350 facilities employees are active in this sector every day at Schiphol alone. The Code was presented to the Minister of Social Affairs and Employment at the beginning of June 2011 in a ceremony attended by the President of Schiphol Group.

### Safe working conditions

All employees working at the Schiphol location receive the Safety & Security Pocket Guide when applying for their Schiphol Pass. This pocket guide now also contains information on work safety. We have also improved procedures for our employees to report lost time injuries. Despite our efforts, we are as yet unable to provide a reliable figure for the Lost Time Injury Frequency performance indicator.

We have further reduced employee exposure to diesel motor emissions by electrifying the aircraft stands and by modifying or updating the vehicle fleet and handling equipment.

### Social involvement

#### Schiphol fund

In 2011, the Schiphol Fund received nearly 400 requests for donations in the areas of sports, culture and welfare. 129 of these requests for donations were granted, amounting to a total of EUR 417,505.

#### Schiphol College

In 2011, 75% of all exam candidates successfully completed their work to learn programme. 382 participants began MBO (senior vocational education) programmes. Schiphol College found work placement positions at Schiphol Group for 108 students. Furthermore, 147 groups followed 50 different vocational training programmes.

#### SOS Children's Villages

The year 2011 marked the third year in which SOS Children's Villages was the charity to benefit from donations deposited in the collection points in the terminal and from employee-organised fund-raising events. In 2011, around EUR 150,000 was donated via the collection points, and fund-raising activities for and by Schiphol employees generated a further EUR 70,000.

#### Amsterdamse Bos Theatre

In 2011 Schiphol Group continued its sponsorship of the Amsterdamse Bos Theatre and donated EUR 45,000 to the theatre group to help finance open-air performances in the summer months. The year 2012 will mark the 15th anniversary of Schiphol's sponsorship of this theatre group that performs under the flight path of Runway 09-27.

## Outlook

Given the uncertain economic developments, we expect the number of passengers at Amsterdam Airport Schiphol to grow slightly in 2012. In addition, we expect cargo volumes to fall.

We expect passenger spending at the airport to continue to grow in 2012. We anticipate that the value of our property portfolio will remain stable and that occupancy will improve. We also expect that our regional airports and international activities will again contribute positively to our results.

Barring unforeseen circumstances, we believe our net result in 2012 will at least match our net result in 2011 of EUR 194 million.

Schiphol, 16 February 2012  
The Management Board

# Aviation

- Total revenue rose by 7.2%, mainly as a result of an increase in passenger numbers (+10.0%), air transport movements (+8.8%) and cargo volume (+0.8%), and an average 0.6% increase in airport charges as of 1 April 2011. The total revenue in 2011 also included a direct distribution of EUR 15.1 million.
- The number of destinations rose by 12 in 2011 to a total of 313, of which 285 are passenger destinations and 28 cargo destinations.
- Operating expenses were up 7.1% (EUR 45.2 million), which was due to higher outsourcing costs (EUR 22.2 million), partly compensated by lower employee costs (EUR -5.6 million), higher security costs (EUR 9.1 million), maintenance costs (EUR 3.7 million), commercial costs (EUR 5.8 million, especially for the Airline Reward Programme) and capacity expansion (EUR 17.2 million, depreciation). The costs for energy, water and materials decreased by EUR 7.1 million.
- The total costs of the Security reporting segment grew by EUR 10 million to EUR 247 million in 2011. This is equivalent to 36.0% of total operating expenses for the Aviation business area (2010: 37.0%).



The Aviation business area operates at Amsterdam Airport Schiphol, providing services and facilities to airlines, passengers and handling agents.

EUR million	2011	2010	%
Total revenue	734	685	7.2
Operating expenses	685	640	7.1
EBITDA	202	181	11.8
Operating result	49	45	9.1
Average fixed assets	2,083	2,051	1.6
RONA after tax	1.8%	1.7%	-
Investments in fixed assets	183	164	11.5

EUR million	2011	2010	%	2011	2010	%
	Aviation			Security		
Total revenue	487	448	8.7	248	237	4.4
Operating expenses	439	403	8.8	247	237	4.0
EBITDA	173	153	13.0	29	27	5.0
Operating result	48	45	6.9	1	-0.3	-
Investments in fixed assets	151	155	-2.7	32	9	264.6
RONA after tax	2.0%	1.9%	-	0.2%	-0.1%	-

## Key Performance Indicators

### Number of scheduled destinations Passengers & cargo



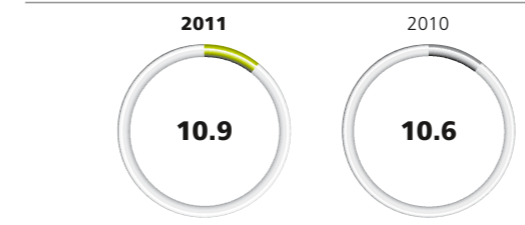
### Punctuality of arrivals (in %)



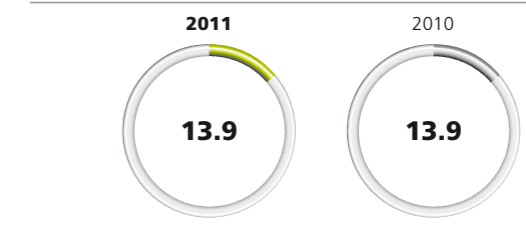
### Punctuality of departures (in %)



### Passenger market share Top 10 European airports (in %)



### Cargo market share Top 10 European airports (in %)



# Consumer Products & Services

- Major quality improvement and better range of products and services on offer in the renovated Departure Lounge 3.
- Time spent at Amsterdam Airport Schiphol now more enjoyable since the opening of Airport Park.
- Perception of price/quality ratio for Retail Airside products was further improved.
- Average spend per passenger in Retail Airside shops down by 1.8% to EUR 15.55, partly as a result of renovation works in Departure Lounge 3.
- Revenue up by 13.6% while passenger numbers rise by 10.0%.
- When adjusted for the costs of increased retail sales, operating expenses for Consumer Products & Services rose by 6.4%. Much of this rise was due to the increase in depreciation and amortisation following completion of a number of major projects, such as Excellence Parking and Departure Lounge 3.

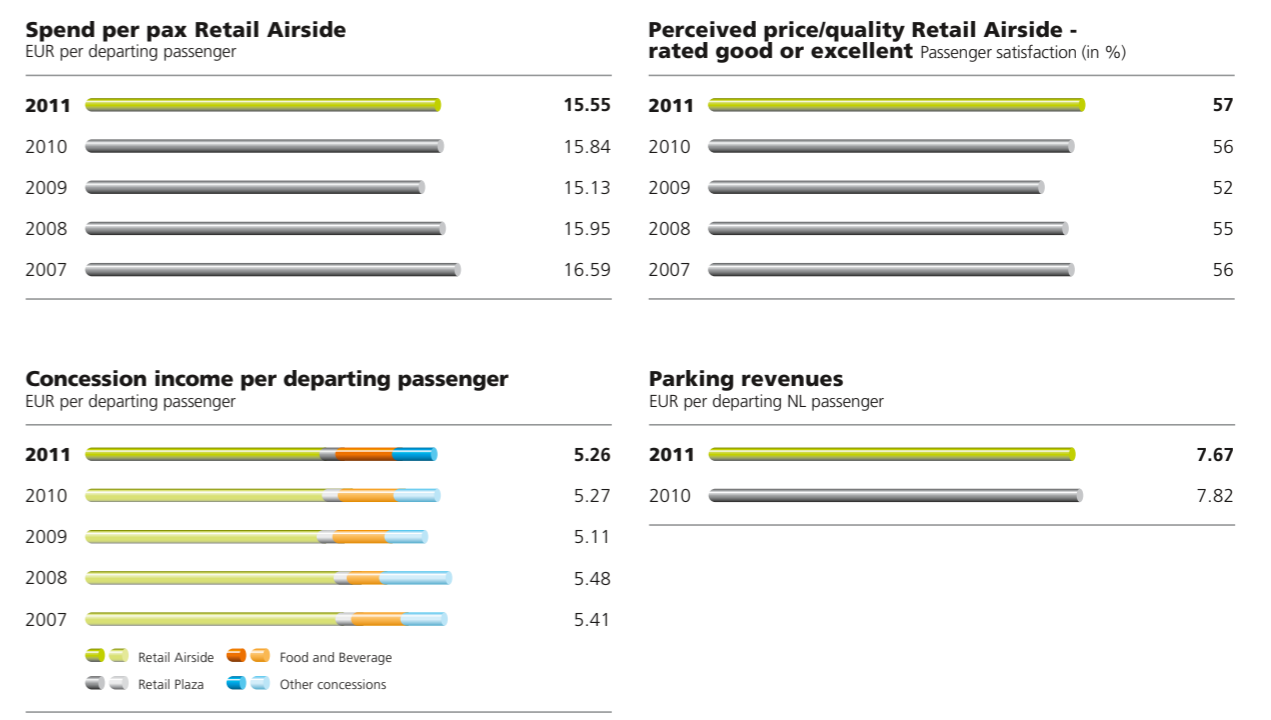


The activities of the Consumer Products & Services business area comprise managing concessions for shops, catering outlets and entertainment, operating shops and car parks, and marketing advertising opportunities.

EUR million	2011	2010	%
Total revenue	340	299	13.6
Operating expenses	192	166	15.4
EBITDA	174	155	12.1
Operating result	148	133	11.3
Average fixed assets	247	239	3.5
RONA after tax	44.9%	41.5%	-
Investments in fixed assets	29	26	8.7

EUR million	2011	2010	%
Concessions	136	124	9.4
Parking	78	71	9.4
Retail sales	78	58	34.5
Rents and leases	16	15	6.8
Advertising & Media	18	15	16.4
Other activities	14	15	-7.8
<b>Total revenue</b>	<b>340</b>	<b>299</b>	<b>13.6</b>

## Key Performance Indicators



# Real Estate

- Occupancy up from 86.5% to 88.5%.
- General Aviation Terminal at Amsterdam Airport Schiphol completed and projects started at Rotterdam The Hague Airport.
- Real Estate saw a slight decline in revenue by 1.0% in 2011. Rental income rose from EUR 156.1 million in 2010 to EUR 156.5 million in 2011, thanks to higher occupancy levels (up 2 percentage points), the completion of the GA Terminal and stable rent levels. The combined income from concessions, tenant parking fees and other operating income fell slightly, mainly due to the decrease in services provided to tenants.
- The value of our property portfolio (property and land) fell by EUR 1.7 million in 2011 (+ EUR 21.1 million in 2010). The 2010 amount included a one-off increase of EUR 26 million in the value of the land portfolio caused by a further refinement of our valuation methodology.
- For Real Estate, maintenance costs for buildings, costs of gas and electricity and the costs associated with tenant services were lower than in 2010, while the costs of external consultancy services were higher.



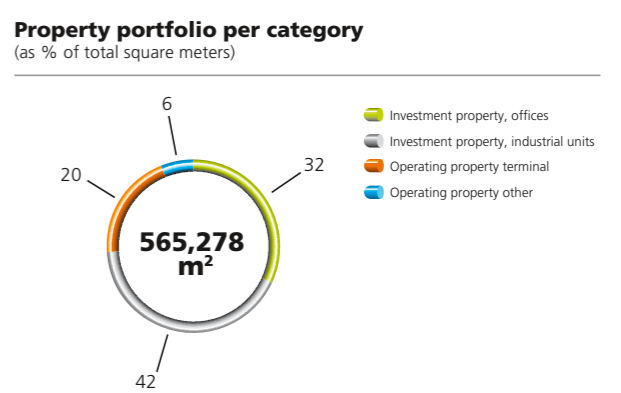
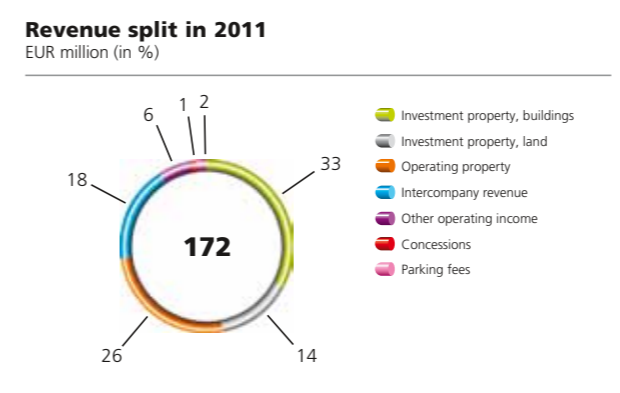
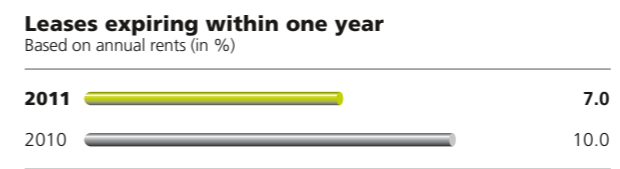
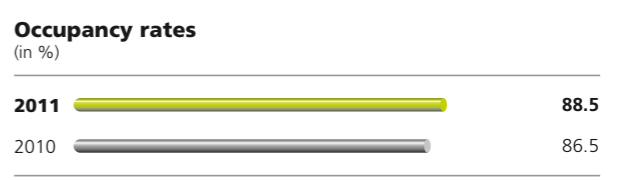
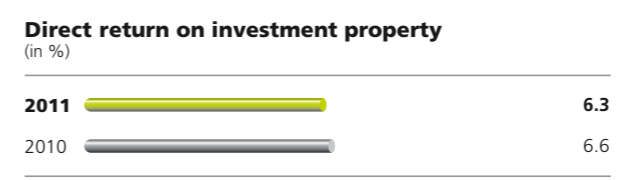
The Real Estate business area develops, manages, operates and invests in property at and around airports at home and abroad. The property portfolio consists of operating and commercial property. 2012 saw the opening of the new GA Terminal at Schiphol-East.

EUR million	2011	2010	%
Total revenue	172	173	- 1.0
Result on sale of investment property	1	0.0	
Fair value gains and losses on investment property	- 2	21	- 108.0
Operating expenses	98	98	0.4
EBITDA	90	113	- 20.0
Operating result	72	97	- 25.2
Average fixed assets	1,556	1,524	2.1
RONA after tax	3.5%	4.8%	-
Investments in fixed assets	35	52	- 31.8

	2011			2010		
	RONA	Direct returns	Indirect returns	RONA	Direct returns	Indirect returns
Investment property	6.1	6.3	- 0.2	8.7	6.6	2.1
Assets under construction or in development	- 1.3	- 1.3	0.0	- 0.2	- 0.2	0.0
Assets used for operating activities	14.3	14.0	0.3	12.9	12.9	0.0
<b>Total returns</b>	<b>6.6</b>	<b>6.7</b>	<b>- 0.1</b>	<b>8.5</b>	<b>7.0</b>	<b>1.5</b>

\* Returns on the average fixed assets, before tax

## Key Performance Indicators



# Alliances & Participations

- In 2011, total revenue from Alliances & Participations rose by 11.6% (+2.9% in 2010) from EUR 147 million to EUR 164 million. Eindhoven Airport, Rotterdam The Hague Airport and JFK IAT in New York in particular saw an increase in revenue in 2011 compared with 2010. Both regional airports saw a rise in passenger numbers (23.3% in Eindhoven and 15.9% in Rotterdam). JFK IAT contributed towards the rise in total revenue in the form of higher management fees.
- Operating expenses at Alliances & Participations rose by 3.5%. Operating expenses rose notably at Rotterdam The Hague Airport and Eindhoven Airport, due to the rise in passenger numbers.
- The share in results of associates fell from EUR 63 million in 2010 to EUR 42 million in 2011. In 2010 a one-off share in results was included relating to the expansion of our stake in JFK IAT (EUR 28 million).



Schiphol Group has an 8% cross-participation in Aéroports de Paris, with which it has also entered into an industrial cooperation venture. Aéroports de Paris operates the Parisian airports Charles de Gaulle and Orly, among others.

EUR million	2011	2010	%
Total revenue	164	147	11.6
Fair value gains and losses on investment property	1	1	- 7.2
Operating expenses	130	125	3.5
EBITDA	46	35	31.6
Operating result	35	22	55.8
Share in results of associates, interest income and dividends	42	63	- 32.8
Average fixed assets	861	844	2.0
RONA after tax	8.0%	8.0%	-
Investments in fixed assets	17	6	166.0

EUR million	Foreign airports		Domestic airports		Other participations		Allocations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenue	12.5	6.1	62.0	53.8	89.2	86.5	0.1	0.3	163.7	146.7
Operating result	9.1	3.2	16.5	13.4	12.1	11.2	- 2.8	- 5.4	34.9	22.4
Share in result, interest charges and results on other investments	41.5	62.8	-	-	0.5	- 0.2	0.0	0.0	42.1	62.6
<b>Total result</b>	<b>50.6</b>	<b>66.0</b>	<b>16.5</b>	<b>13.4</b>	<b>12.7</b>	<b>11.0</b>	<b>- 2.8</b>	<b>- 5.4</b>	<b>77.0</b>	<b>85.0</b>
Average asset base	726.1	713.7	73.7	71.5	48.2	53.6	12.8	4.8	860.8	843.6
RONA after tax	6.4%	7.5%	16.8%	14.0%	21.5%	15.2%			8.0%	8.0%

## Key Performance Indicators





# Corporate Governance & Compliance

# Corporate Governance

## General

N.V. Luchthaven Schiphol (Schiphol Group) is a public limited liability company with a full two-tier board regime. The Dutch government, the Municipality of Amsterdam, Aéroports de Paris and the Municipality of Rotterdam are joint shareholders. The governance structure is based on Book 2 of the Dutch Civil Code, the company's Articles of Association and various internal regulations.

## Management Board

The Management Board of Schiphol Group consists of four members and, in principle, meets once a week. Management Board members share responsibility for the management of Schiphol Group and for general activities both within Schiphol Group and at its group companies. Each member has accepted responsibility for a particular area, as approved by the Supervisory Board.

## Supervisory Board

The Supervisory Board of Schiphol Group consists of at least five and at most eight members and meets at least four times a year. The Supervisory Board is currently made up of eight members. Supervisory Board members are tasked with monitoring the Management Board of Schiphol Group and its activities. The Supervisory Board also advises the Management Board.

## Committees of the Supervisory Board

The Supervisory Board has four subcommittees:

- The Audit Committee's tasks include monitoring the internal risk management and control systems, compiling annual and semi-annual reports, and financing. Areas such as tax planning, insurance policies and pensions also fall within this committee's portfolio.
- The Selection and Appointments Committee carries out preparatory activities connected to procedures for the appointment of Supervisory Board and Management Board members, including drawing up selection criteria.
- The Remuneration Committee is responsible for the remuneration policy and the remuneration of members of the Management Board. It also prepares the Remuneration Report and carries out the periodic performance assessments of individual Management Board members and reports its findings to the Supervisory Board.

- The Public Affairs & Corporate Responsibility Committee has a dual task. On the one hand it advises the Management Board and the Supervisory Board as regards relationships with shareholders and communication strategy (public affairs), and on the other it plays an important role in defining the socio-economic aspects of Schiphol Group's business activities.

Each of these committees is subject to a regulatory code, published on [www.schiphol.nl](http://www.schiphol.nl) under 'Investor Relations'. The committees meet independently and carry out preparatory work in a number of sub-areas for the Supervisory Board as a whole. The minutes of the meetings held by the various committees are reported in a regular Supervisory Board meeting, with decisions being taken accordingly by the entire Supervisory Board.

## Corporate Governance Code

In 2004, Schiphol Group voluntarily began applying the principles and best practice provisions, wherever possible and/or advisable, of the Corporate Governance Code drawn up by the Tabaksblat Committee. Schiphol Group has implemented these provisions in its Articles of Association and various internal regulations.

In 2009 these regulations were brought in line – again, where possible and/or advisable – with the new Corporate Governance Code, or Frijns Code. During the General Meeting of Shareholders on 15 April 2010, the Frijns Code and its consequences for the company were presented to the shareholders, discussed and approved as a separate agenda item. The meeting identified the principles and best practice provisions that are not relevant to Schiphol Group and will therefore not be applied. Those provisions concern options as a component of remuneration, a public response to a private bid for parts of the company and the issue of depositary receipts for shares. Also, due to the small number of shareholders, the obligatory presence at the General Meeting of Shareholders of the full Supervisory Board and Management Board and external auditor is waived. Lastly, the Code's provisions on remuneration were applied based on the understanding that employment contract agreements made prior to 2004 will continue to be honoured. The latter only applies to the employment contract of Mr Verboom. Each Management Board member's performance contract contains a 'clawback' clause (Corporate Governance Code provision II.2.11) and a provision

allowing the Supervisory Board to retrospectively adjust variable remuneration in certain cases (Corporate Governance Code provision II.2.10).

A detailed explanation of the above points, including a 'comply or explain' overview, has been published on [www.schiphol.nl](http://www.schiphol.nl) under 'Investor Relations'. The site also provides the internal regulations to which Schiphol Group is subject, including the Regulations governing Inside Information and the Holding of Securities and Securities Transactions, the Whistleblower Regulations and the rules governing the Supervisory Board, its committees and the management.

## Securities transactions

Despite the fact that Schiphol Group shares are not listed on a stock exchange, the company does have a limited set of Regulations governing Inside Information and the Holding of Securities and Securities Transactions. The company has issued bonds under the Euro Medium Term Note (EMTN) Programme. Members of the Management Board and Supervisory Board refrain from buying and selling these bonds and/or any Aéroports de Paris S.A. shares.

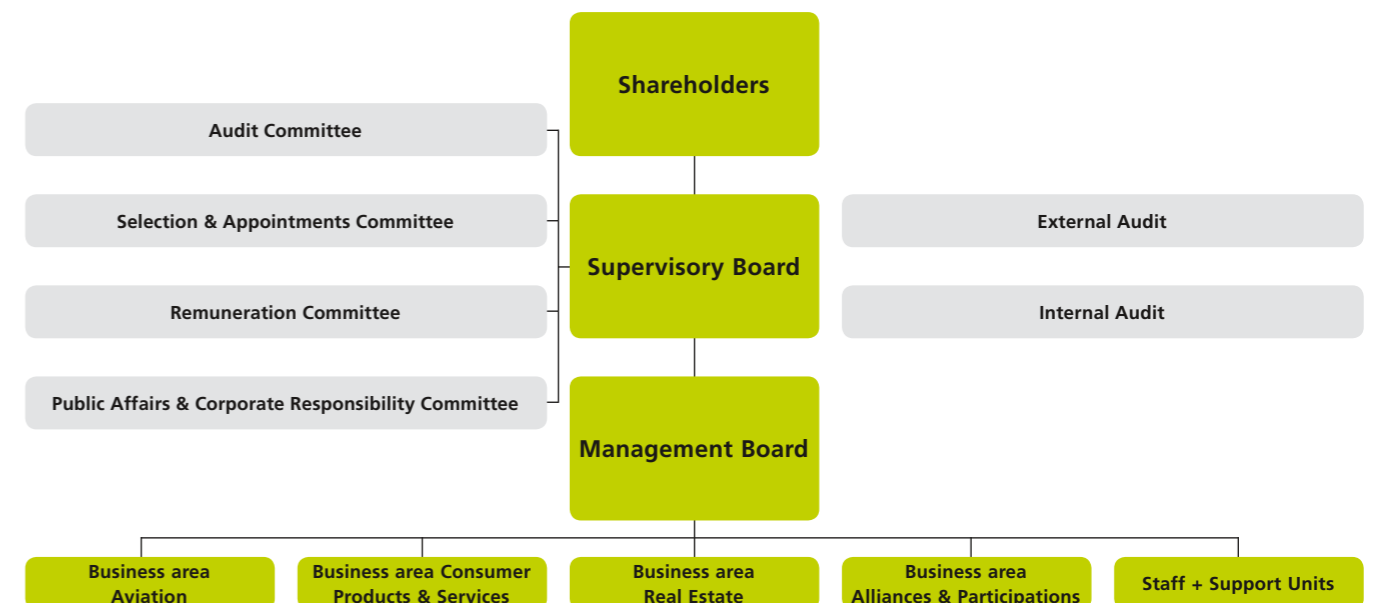
Mr Hazewinkel indirectly holds bonds in Schiphol Group, which he already owned at the time of his appointment. His intention is to retain these bonds until the end of their term and not to trade them in the interim. Mr Nijhuis and Mr Verboom both hold a board position at Aéroports de Paris S.A. In that capacity they are under an obligation to hold one share in the capital of Aéroports de Paris S.A. The Corporate Auditor is the central officer referred to in the Regulations governing Inside Information and the Holding of Securities and Securities Transactions.

Schiphol, 16 February 2012

The Supervisory Board

The Management Board

## Corporate Governance structure Schiphol Group



# Supervisory Board



**A. Ruys**  
(1947, Dutch nationality)

Chairman  
First appointed in 2006  
Second term of office expires in 2014

- Member of the Supervisory Board of British American Tobacco PLC
- Member of the Supervisory Board of ITC Ltd
- Member of the Supervisory Board of Janivo Holding B.V.
- Chairman of the Supervisory Board of the Aidsfonds/ Stop Aids Now Foundations
- Chairman of the Supervisory Board of the Rijksmuseum
- Chairman of the Supervisory Board of the Madurodam Foundation
- Former Chairman of the Management Board of Heineken N.V.



**T.A. Maas - de Brouwer**  
(1946, Dutch nationality)

Vice-Chairperson  
First appointed in 2001  
Final term of office expires in 2013

- Chairman of the Supervisory Board of Philips Electronics Nederland B.V.
- Member of the Supervisory Board of Arbo Unie
- Chairman of the Governing Council of Van Leer Group Foundation
- Chairman of the Supervisory Board of the Van Gogh Museum
- Member of the Board of Governors of VNO-NCW
- Chairman of the Utrecht Development Board
- Former President of the HayVision Society
- Former Member of the Dutch Senate



**P. Graff**  
(1947, French nationality)

First appointed in 2009  
First term of office expires in 2014

- Chairman and CEO of Aéroports de Paris S.A.
- Director GDF SUEZ
- Director RATP
- Director SOGEP
- Director SOGEADE Gérance SAS
- Member of the Economic and Social Council (France)
- Chairman of the European and international affairs committee of the National Tourism Council (France)
- Director of MEDEF-Paris, the French employers' organisation



**H.J. Hazewinkel, RA**  
(1949, Dutch nationality)

First appointed in 2009  
First term of office expires in 2013

- Chairman of the Supervisory Board of Reggefiber B.V.
- Chairman of the Supervisory Board of TKH Group N.V.
- Chairman of the Supervisory Board of Heisterkamp Beheer B.V.
- Member of the Supervisory Board of Reggeborgh Groep (stepped down at the end of 2011)
- Member of the Supervisory Board of Koninklijke Boskalis Westminster N.V.
- Member of the Supervisory Board of Zeeman Groep B.V.
- Member of the Supervisory Board of the Sociaal Werkvoorzieningschap Centraal Overijssel Soweco N.V.
- Member of the Supervisory Board of Zorgpunt Holding B.V.
- Member of the Management Board of Foundation ING Aandelen
- Member of the Supervisory Board of the Netherlands Symphony Orchestra
- Former Chairman of the Management Board of VolkerWessels



**J.G.B. Brouwer**  
(1955, Dutch nationality)

First appointed in 2011  
First term of office expires in 2015

- Member of the Supervisory Board of RFS Holding/Wehkamp.nl
- Member of the Supervisory Board of Albron B.V.
- Member of the Supervisory Board of DA Retailgroep B.V.
- Member of the Supervisory Board of Hoogvliet Supermarkten B.V.
- Member of the Supervisory Board of Kring-apotheek B.V.
- Member of the Advisory Board of the Retail Jaarprijs Foundation
- Member of the Management Board of VEDIS Detailhandelsplatform
- Former Chairman of the Management Board of de Boer N.V.
- Former Chairman of the Management Board of C1000 N.V.



**dr. F.J.G.M. Cremers**  
(1952, Dutch nationality)

First appointed in 2006  
Second term of office expires in 2015

- Vice-Chairman of the Supervisory Board of Fugro N.V.
- Vice-Chairman of the Supervisory Board of N.V. Nederlandse Spoorwegen
- Member of the Supervisory Board of Koninklijke Vopak N.V.
- Member of the Supervisory Board of Unibail-Rodamco SE
- Member of the Supervisory Board of Parcom Capital B.V.
- Member of the Supervisory Board of SBM Offshore N.V.
- Member of the Capital Markets Committee of the AFM
- Board Member of the Stichting Preferente Aandelen of Philips and Heijmans
- Former CFO and Member of the Management Board of VNU N.V.



**M.A. Scheltema**  
(1954, Dutch nationality)

First appointed in 2010  
First term of office expires in 2014

- Member of the Supervisory Board of ASR Nederland N.V.
- Vice-Chairman of the Supervisory Board of Triodos Bank N.V.
- Member of the Supervisory Board of ECN
- Member of the Supervisory Board of TNT Express N.V.
- External Member of the Audit Committee of Stichting Pensioenfonds ABP
- Member of the Supervisory Board of the Rijksmuseum Foundation
- Research Fellow of Erasmus University Rotterdam
- Member of the Advisory Board of Plan Nederland
- Member of the Supervisory Board of World Press Photo
- Treasurer of Institut Néerlandais, Paris
- Former CFO of Shell Nederland B.V.



**W.F.C. Stevens**  
(1938, Dutch nationality)

First appointed in 2002  
Final term of office expires in 2012

- Non-Executive Director Brit Insurance Holdings N.V.
- Member of the Supervisory Board of Nederlandse Staatsloterij
- Member of the Supervisory Board of Holland Casino
- Member of the Supervisory Board of AZL N.V.
- Vice-Chairman of the Supervisory Board of Concertgebouw Foundation
- Chairman of the Supervisory Board of Foundation Diabetes Onderzoek Nederland (DON)
- Chairman of the Supervisory Board of Foundation Preferente Aandelen WAVIN N.V.
- Former Senior Partner at Caron & Stevens/Baker & McKenzie
- Former Member of the Dutch Senate



# Management Board



**J.A. Nijhuis RA**  
(1957, Dutch nationality)

President & CEO since 1 January 2009

- Member of the Supervisory Board of SNS Reaal N.V.
- Member of the Supervisory Board of Aéroports de Paris S.A.
- Chairman of the Board of Governors of the Dutch National Ballet
- Member of the Board of Governors of the Amsterdam Music Theatre
- Member of the Amsterdam Economic Board, Chairman of the Logistics cluster



**A.P.J.M. Rutten**  
(1951, Dutch nationality)

Member of the Management Board/COO since 1 September 2005

- Member of ACI Europe
- Member of the Executive Committee of ACI Europe
- Member of the ACI World Governing Board
- Chairman of ACI Fund for Developing Nations' Airports
- Member of the Advisory Board of National Aerospace Laboratory - NLR
- Member of the Supervisory Board of Eindhoven Airport N.V.
- Chairman of the Schiphol Security and Public Safety Steering Group

**Aviation**



**dr. P.M. Verboom**  
(1950, Dutch nationality)

Member of the Management Board/CFO since 1 September 1997

- Member of the Supervisory Board and Audit Committee of VastNed Retail N.V.
- Member of the Supervisory Board of Aéroports de Paris S.A.
- Member of the Supervisory Board of Brisbane Airport Company Ltd
- Member of the Advisory Board of NIBC Merchant Bank N.V.
- Chairman of the Board of Governors of the Master's programme for Registered Controllers, Erasmus University Rotterdam

**Alliances & Participations**



**M.M. de Groof**  
(1957, Dutch nationality)

Member of the Management Board/CCO since 1 February 2008

- Member of the Supervisory Board of Eindhoven Airport N.V.
- Member of the Board of Amsterdam Connecting Trade
- Member of the Board of KennisKring Amsterdam

**Consumer Products & Services**

**Real Estate**

## Key Management

### Business areas

Otto Ambagtsheer	Consumer Products & Services business area
André van den Berg	Real Estate business area
Birgit Otto	Aviation; Airport Operations
Ron Louwerse	Aviation; Safety, Security and Environment
Floor Felten	Aviation; Asset Management

### Regional and International activities

Roland Wondolleck	Rotterdam The Hague Airport
Joost Meijs	Eindhoven Airport
Erik Lagerweij	Lelystad Airport
Julianne Alroe	Brisbane Airport Corporation
Alain Maca	JFK IAT, New York
Peter Steinmetz	Aruba Airport Authority

### Staff & support

Peter van Laarhoven	Corporate Development
Paul Luijten	Corporate Affairs
Rob de Leeuw	Corporate Audit Services a.i.
Coen Reinders	Corporate Control
Joris Backer	Corporate Legal, Company Secretary
Frits Bosch	Corporate Procurement
Robert Lenterman	Corporate Treasury & Schiphol International
Wim Mul	Human Resources
Kees Jans	Information & Communication Technology
Gerard Geurtjens	Amsterdam Airport Schiphol Project Office

## Central Works Council (CWC)

### Members of the CWC as of 1 January 2011:

Sandro Broeke	Chairman
Willem Verwoerd	Secretary
Bart-Jan Wielinga	Deputy Committee Member
Arun Jairam	
Marjo Loderus-Wijnen	
Rob Schelvis	
Frits Strasters	
Jan van Duin	Schiphol Telematics
Arnold van Rennes	Rotterdam The Hague Airport
(vacancy Aviation Works Council)	
(vacancy Support Works Council)	
(vacancy SAR Works Council)	

# Remuneration report

## General remuneration policy for the Management Board

### Procedure

In accordance with the Corporate Governance Code, the Supervisory Board draws up the remuneration policy for the Schiphol Group Management Board members based on the recommendations of the Remuneration Committee. The General Meeting of Shareholders of Schiphol Group then ratifies the remuneration policy. The Supervisory Board determines the fixed salary component within the framework of the adopted remuneration policy, again based on the recommendations of the Remuneration Committee, and each year determines the variable salary component.

The Supervisory Board and the Management Board members agree a performance contract at the beginning of each year for the variable salary component.

This contract lays down specific, challenging, measurable and controllable targets for both the short and long term. The targets set for each Management Board member on this occasion include not only financial targets, but also socio-economic targets (including targets with regard to Corporate Responsibility and Mainport Development) and operational targets. After having assessed the Management Board members' performance over the previous year, the Supervisory Board determines whether they have attained their collective and individual targets. The Supervisory Board also regularly examines whether the fixed and the variable salary components are in line with current market practice. Finally, the Supervisory Board analyses the possible outcomes of the variable remuneration components and the associated consequences for the remuneration of the Management Board members.

### General

The basic principle of the remuneration policy is that the reward should be competitive and that Schiphol Group should be able to attract, retain and motivate good managers on the basis of the agreed benefits package. The policy must also foster the achievement of the company's short-term and long-term objectives. To attain these goals, the levels of remuneration should be in line with those of other comparable companies and organisations.

The current remuneration policy was ratified by the General Meeting of Shareholders held on 13 April 2006. In the autumn of 2010 a benchmark study was

performed to determine whether the remuneration level, and more particularly that of the President, was in line with market practice. The study was jointly initiated by and performed in close consultation with the Ministry of Finance on behalf of the Dutch State as the majority shareholder of N.V. Luchthaven Schiphol. The study was performed in accordance with the Remuneration Policy Guidelines for state shareholdings dated 24 October 2008 drawn up by the Ministry. Remuneration consultants conducted the study.

The study results showed that the current total remuneration package of the President falls below the reference group median. Nevertheless – taking account of prevailing public and political-administrative views – the newly formulated remuneration policy incorporates a proposal to moderate the current remuneration policy for newly appointed Management Board members.

During the year under review shareholders represented by the Ministry of Finance were frequently consulted, particularly by the Chairman of the Remuneration Committee, with regard to the finer details of the newly formulated policy. The Ministry approved this policy in December 2011 and the proposed policy will now also be submitted to the other shareholders at the Ministry's request. This procedure was agreed during the General Meeting of Shareholders in April 2011, following presentation of the main points of the policy. The current remuneration policy – which, therefore, also applied in 2011 – is set out in brief below.

## Structure of the remuneration package

The Supervisory Board considers the variable remuneration component to be an important part of the overall package. The performance criteria governing the short-term and long-term variable remuneration are derived from the key company management parameters (financial, operational and/or Corporate Responsibility). This is reflected in the type and structure of the adopted benefits package. For this reason, a significant part of the overall remuneration package is performance-related, with a balanced mix of short-term and long-term targets.

### Fixed salary

In order to ensure that Schiphol Group is able to attract, retain and motivate good managers, the Supervisory Board also regularly compares the Management Board's

fixed salary component with that of the reference group referred to in the above remuneration benchmark study. The basic principle is that the fixed salary component for the ordinary members amounts to approximately 80% of that received by the President.

### Short-term variable pay

Annual variable pay arrangements are based on the achievement of financial targets and various personal performance and/or team-related targets, and on the Supervisory Board's assessment of the overall performance of the individual Management Board members. Unlike the other components, the latter component, assessment of overall performance, is not specified in detail but left to the Supervisory Board's discretion. Aspects subject to review can include interaction with the various stakeholders and representation of the Schiphol organisation in the public domain.

The financial target is obtained from the net result divided by the average equity (ROE), in accordance with the annual budget as approved by the Supervisory Board for that year. The personal and/or team-related performance targets may vary from year to year and relate to aspects such as operating processes, the public and socio-economic role played by the airport and Corporate Responsibility. In view of the nature of the targets, it was decided in 2011 once again to apply collective Management Board targets. The Remuneration Committee advised the Supervisory Board at the time of drafting the current policy that these targets should account for a maximum of 7.5% of the fixed salary of the President and a maximum of 15% of the fixed salary of the other Management Board members, without a fixed percentage being agreed for each individual target; instead, the allocation of percentages per component will be at the discretion of the Supervisory Board.

The total on-target level of the short-term variable pay (STI) equals 35% of the fixed salary. If the levels as defined for the financial targets are exceeded, this may result in at most 1.625 times the defined on-target level for that component for the President and at most 1.67 times that level for the other Management Board members. In the event of exceptional performance, therefore, the maximum short-term variable pay is 47.5% of the fixed salary for the President and 45.1% thereof for the other Board members. The extent to which the defined targets have been achieved is determined in part on the basis of the externally audited financial statements.

In view of the unanticipated strong positive development in traffic and transport figures in the first quarter of 2011, the Supervisory Board decided in the second

quarter of 2011 to tighten up the specific quantitative target (with regard to ROE) for 2011.

Short-term variable pay as a percentage of fixed salary:

Target (in %)	President	Other Management Board members
Financial target	20	15
1. Personal performance target	7.5	7.5
2. Personal performance target		7.5
General performance	7.5	5
<b>Total (excluding swing)</b>	<b>35</b>	<b>35</b>
Maximum swing percentage	12.5	10
<b>Total (including maximum swing)</b>	<b>47.5</b>	<b>45</b>

### Long-term variable pay

Schiphol Group is not a listed company, which is why it is not possible to grant Schiphol Group shares and/or share options as part of the remuneration policy. Nevertheless, the Supervisory Board considers it important that the remuneration of Management Board members also reflects the extent to which sustainable results have been realised.

To foster the achievement of these long-term objectives of Schiphol Group, a long-term incentive scheme which rolls forward over a three-year period has been agreed. The long-term incentive (LTI) system is therefore also a conditional annual remuneration component and has an on-target payment level of 35% of the fixed salary.

Actual payment depends on the cumulative Economic Profit (EP) achieved over a period of three successive financial years compared with the medium-term business plan approved by the Supervisory Board and the Economic Profit target specified therein. In the event of exceptional performance, whereby the pre-established performance criteria are exceeded by more than 10%, the bonus may be increased to a maximum of 52.5% of the fixed salary.

The impact that the 2009 strategy revision had on the company's medium-term business plan led to Year 2009 of the business plan, as used as a reference for the long-term variable remuneration, being replaced by the approved 2009 budget. The business plan as drawn up in 2009 applies to the years 2010 and 2011.

In the second quarter of 2011, the Supervisory Board formulated a more ambitious performance target for the 2009-2011 LTI and for the 2010-2012 LTI (in line with the reasoning behind the adjustment

of the 2011 STI target but then in relation to the 2010 financial year). This had the net effect that the large surplus EP achieved in the financial year 2010 was adjusted downward for the purpose of calculating a possible entitlement to a payment under the LTI.

At the end of each year, an estimate is made of the amount of the variable pay payable at the end of the respective three-year period. A pro-rata share of the amount thus calculated is accounted for in and attributed to the relevant year. Payment will only be made on condition that the Management Board member is still employed by the company at the end of the three-year period. If the employment contract is terminated by mutual agreement or due to retirement, a pro rata allocation is made. In that case, it is also possible to determine the future award and pay it out in advance.

Each Management Board member's performance contract contains a 'clawback' clause (Corporate Governance Code provision II.2.11) and a provision allowing the Supervisory Board to retrospectively adjust variable remuneration in certain cases (Corporate Governance Code provision II.2.10).

#### Pension arrangements

Pensions are arranged on the basis of an average earnings scheme applicable from 1 January 2004, and in accordance with the standard Algemeen Burgerlijk Pensioenfonds (ABP) rules. The amount of the contribution payable to the pension scheme is calculated each year by ABP and paid in full by the company.

Mr Verboom and Mr Rutten can retire at the age of 62. Both have defined retirement benefits equalling 70% of their final total fixed salary. To this end, a supplementary allocation is made each year for the 'ABP Extra Pension' (AEP), in addition to the accrual based on fixed salary under the ABP pension scheme. Should the accrued supplement at the end of any financial year prove to be inadequate in relation to the obligation entered into, a payment will be made, on a pro rata basis, to fulfil the agreement made. Such an additional payment was made to the amount of EUR 28,731 for Mr Rutten, chargeable to the 2011 financial year. No additional payment was required in the case of Mr Verboom.

Mr Nijhuis and Mr De Groof also participate in the ABP average earnings scheme on the basis of fixed salary (under which retirement benefits based on full pension build-up are paid from the age of 65). It has been contractually agreed with them that their term of office will end at the age of 62. They are entitled to a fixed annual contribution in order to compensate for the missing pensionable years between the ages of 62-65.

The contribution is expressed as a percentage of fixed salary and can be used towards a life-course savings scheme.

#### Other benefits

The secondary benefits comprise appropriate expense allowances, a company car and telephone costs. The company has also taken out personal accident insurance and directors' liability insurance on behalf of the Management Board members. No loans, advances or guarantees were or will be granted to members of the Management Board. The company operates a restrictive policy with regard to other offices; acceptance of other offices requires the explicit approval of the Supervisory Board.

#### Employment contracts

In accordance with the Corporate Governance Code, members of the Management Board are appointed for an initial term of office of not more than four years. Depending on performance, upon expiry of the initial term a Management Board member may be reappointed for successive periods not exceeding four years each. The premise governing the employment contracts of Management Board members is that new contracts will be drawn up in line with the relevant provisions of the Corporate Governance Code but that the existing contracts agreed before 1 January 2004 will be honoured. Specifically, this means that Mr Verboom's contract of employment has not been amended, while the employment contracts concluded with Messrs Nijhuis, Rutten and De Groof are consistent with the provisions of the Corporate Governance Code.

Mr Verboom's contract provides for a redundancy payment (which is made in the event that the company terminates the employment contract prematurely, i.e. before the age of 65, for reasons not imputable to the person concerned) based in principle on one and a half times the fixed salary paid in the preceding year. It was agreed with Mr Verboom in August 2011 that he will step down from the Management Board at the age of 62 as of 1 May 2012. As part of this agreement Mr Verboom has waived any right to the above-mentioned redundancy payment. Mr Verboom will continue to be associated with the company in an advisory capacity until the end of 2014 in regard to several ongoing projects.

## Management Board Remuneration for 2011

Schiphol employees covered by the Schiphol Nederland B.V. CLA received a salary increase of 1.55% effective 1 April 2011. In 2011, the Management Board members' fixed salary was also increased by 1.55% by a separate, discretionary resolution of the Supervisory Board, effective the same date.

In view of the financial results achieved in relation to the ROE target in 2011, the Management Board members qualify for the maximum swing factor. The Supervisory Board has determined, advised by the Remuneration Committee, that the Management Board has largely achieved the collective, non-financial (operational and socio-economic) targets for 2011.

The assessment of the overall performance of the Management Board members by the Supervisory Board was positive. The positive assessment takes into consideration the enormous efforts made by the Management Board to realise the strategic objectives and the excellent financial results that were achieved. Subsequently, the Supervisory Board has granted a total realisation of 42.5% (max. 47.5%) of the fixed income of the President and 40.1% (max. 45.1%) for the other board members.

The Supervisory Board, advised by the Remuneration Committee, has set the swing factor for the long-term remuneration of Messrs Nijhuis, Verboom, Rutten and De Groof over the period 2009-2011 at 1.5.

More detailed information on the remuneration of the Management Board for 2011 can be found on pages 224 of this Annual Report.

## Remuneration of the Supervisory Board

### General

The remuneration of the Chairman of the Supervisory Board was EUR 33,000 per annum. The General Meeting of Shareholders increased this amount to EUR 36,500 per annum with effect from 1 January 2011. The ordinary members' remuneration is EUR 24,000 per annum. All members of the Supervisory Board also receive an expense allowance of EUR 1,600 per annum. Members of a Supervisory Board committee are entitled to an additional fee. Each member of the Audit Committee receives EUR 6,000 per annum, and each member of one of the other committees is entitled to EUR 5,000 per annum.

### Remuneration of the Supervisory Board for 2011

Information on the remuneration of the Supervisory Board for 2011 can be found on page 225-228 of this Annual Report.

Schiphol, 16 February 2012

The Supervisory Board

# Risk management

The risks faced by Schiphol Group can be of a strategic, operational or financial nature, or may be related to compliance with laws and regulations. A uniform policy has been developed to manage these risks. Risk management is an integral part of our business operations.

Our policy is based on the following philosophy:

- The Management Board and management are responsible for developing and testing risk management and internal control systems. These systems have been designed to identify significant risks, monitor the achievement of targets and ensure compliance with relevant laws and regulations;
- Effective risk management and internal monitoring systems will reduce the likelihood of errors, wrong decisions and surprises due to unforeseen circumstances;
- A healthy business must take risks. The Management Board bears ultimate responsibility for determining the maximum acceptable level of risk ('risk acceptance').

The management has identified the risks that may affect the achievement of Schiphol Group's objectives as thoroughly as possible.

This analysis produced a list of 17 risks, which has not changed since the 2010 Annual Report.

The developments during the global financial and economic crisis have made us aware that different risks can occur simultaneously and, what is more, can reinforce each other. Schiphol Group is mindful of this multiplier effect, and our risk management system is designed to reduce the adverse effects of the individual risks at an early stage.

In this context, Schiphol Group is dependent to a greater or lesser extent on what happens within the aviation sector and in the outside world.

By making these dependencies transparent, we gain insight into the risks that can be transferred within the chain. This enables us to anticipate chain reactions at an early stage.

## Risk acceptance

The value that we place on fulfilling our socio-economic role in combination with our enterprising business operations is what determines which risks we will and will not accept. On the one hand, we must focus on smooth day today operations which meet all the expectations and demands of users and always provide maximum security and reliability. On the other, we must also keep an eye on necessary long-term investments, changes in demand and the preservation of a solid financial position, enabling the company to weather difficult years financially.

We are not prepared to take any risks that would jeopardise the safety of passengers, employees, visitors or local residents.

Where financial risks are concerned, we are not prepared to take risks that would constitute a threat to our minimum 'A' credit rating (Standard & Poor's).

## Risk categories

We have categorised our risks according to the COSO-ERM guidelines. There is a direct relationship between our objectives and the components of risk management that indicate what is required in order to achieve these objectives. Our objectives are classified into four categories:

- Strategic
- Operational
- Financial
- Compliance

This makes it possible to obtain a picture of risk management at different levels: both for Schiphol Group in its entirety and for individual categories of objectives, components, business units or parts of business units.

Key risks identified by Schiphol Group are listed in the table on page 102. Section B of the table on page 103 describes the risk of major changes in demand, which in our case mainly relates to drops in air transport movements and passenger/cargo transport.

A 1% change in passenger numbers at Amsterdam Airport Schiphol will cause a change in revenue of around EUR 10 million. In this case, profitability also increases or decreases by a similar amount.

## Risk management and internal control system

We aim to reduce the likelihood of errors, wrong decisions and surprises due to unforeseen circumstances as much as possible. This does not guarantee full protection, however. It can never be ruled out that we may be exposed to risks of which we are currently unaware, or which may not yet be considered important at this time. No risk management or internal control system can provide an absolute safeguard against failure to achieve corporate objectives, nor fully prevent any possible loss, fraud or breach of rules and regulations. To name one example, Schiphol is particularly susceptible to adverse weather conditions and other natural phenomena. Although we cannot prevent or influence such phenomena, we can ensure that their effects are kept to a minimum.

To ensure effective risk management and internal control, we use a range of coordinated instruments:

- Our risk management system identifies, analyses and monitors strategic, operational, financial and compliance-related risks;
- The line managers, who are responsible for the implementation of risk management, provide a report on their activities twice a year to their immediate director, who in turn reports to the Risk Committee. The Risk Committee comprises the four Management Board members and the directors of Corporate Audit and Corporate Control;
- Risk management is a fixed part of our monthly planning and control cycle;
- Procedures to be followed, as well as the accounting policies, are described in detail in manuals;
- The use of a tax control framework as a management programme for fiscal risks;
- Several quality management systems, such as an environmental and safety management system;
- Continuous monitoring of security by government authorities through audits and inspections; periodic discussion in the Policy and Enforcement consultation, a security company escalation ladder for monitoring security tasks as well as overall inspection by the European Union;

- The Management Team Schiphol Group, chaired by the President, discusses overall progress and results achieved in the areas of safety, the environment and social responsibility four times a year;
- We have introduced codes of conduct, a whistleblower scheme and regulations on how to deal with fraud;
- Periodic discussions take place between the Chief Financial Officer and the operational and commercial directors and their controllers, on the results of audits conducted by external and internal accountants;
- The business area management teams report to the Management Board at least once per month;
- Follow-up of the recommendations contained in the external auditor's management letter.

The Management Board reports on and accounts for the risk management and internal control system to the Supervisory Board, following discussion in the Supervisory Board's Audit Committee.

In light of the above, we believe that risk management and internal control systems provide a reasonable degree of assurance concerning financial reporting risks, and that the financial reporting does not contain any material misstatements.

The Management Board declares that to its knowledge:

- the financial statements give a true and fair view of the financial assets, liabilities, financial position and profits of Schiphol Group as well as the combined consolidated enterprises;
- the Annual Report gives a true and fair view of the situation on the balance sheet date and of developments over the course of the financial year; and
- the key risks facing Schiphol Group are described in this Annual Report.

Inherent risks		Strategic	Operational	Financial	Compliance
A	Political uncertainty concerning the growth of the airport	•			
B	Major fluctuations in demand	•			
C	Long-term contracts	•			
D	International business	•			
E	Competition	•			
F	Damage to reputation or image	•			
G	Safety and security		•		
H	Unexpected business interruptions		•		
I	Dependence on third parties		•		
J	Human Resources		•		
K	Information security and information systems		•		
L	Vacancy in the property portfolio		•		
M	Supplier and outsourcing liability		•		
N	Market risk, liquidity risk and counterparty risk			•	
O	Non-compliance with noise and environmental standards				•
P	Economic regulation				•
Q	Legal risks and possible liability				•

### Strategic risks

#### A > Political uncertainty concerning the growth of the airport

If there is insufficient (political) support to ensure our 'Licence to grow', the Mainport objective and the competitive position of Amsterdam Airport Schiphol may be under threat. Long-term plans may be disrupted as a result of new government policies.

#### Risk management measures

- Participation in various consultative bodies and engaging in continual dialogue with all stakeholders.
- Monitoring and influencing (political) decision-making processes.

#### B > Major fluctuations in demand

Developments relating to the economy, laws and regulations, aviation policy, environmental measures, market changes, technological progress or strategic developments at airlines and other business partners may create a capacity shortfall or overcapacity and put pressure on the Mainport function of Amsterdam Airport Schiphol. This also entails a risk that our long-term investments are not sufficiently in line with future demand.

#### Risk management measures

- Short and long-term scenario-based planning and monitoring of external trends and developments.
- Regular contact with the various government bodies in order to keep track of legislative developments.
- Consultation with airlines on future plans.

#### C > Long-term contracts

The airport infrastructure requires major investments, involving substantive long-term contracts. Legislative changes, construction delays, technological developments and the outsourcing of work can all affect long-term contracts.

#### Risk management measures

- Standardised and well-documented purchasing and investment decisions.
- Professional project management and project directorship.
- Training of employees in support of the control and contract management function.

#### D > International business

Schiphol Group's international business exposes the group to risks that are different to the risks within our national borders.

#### Risk management measures

- Limiting risks to local subsidiaries.
- Engaging competent local management and renowned local advisors.
- Maintaining good relations with local airport authorities.

#### E > Competition

Inability to ensure a healthy competitive position owing to a lack of investment in quality and capacity. Especially in the area of transfer traffic, Amsterdam Airport Schiphol is experiencing more intensive competition from other major hubs in Europe and the Middle East that are making substantially larger investments. We are also facing greater competition in our catchment area in terms of OD traffic. Our non-aviation activities such as Parking, Retail and Real Estate are all experiencing competition from parties in Schiphol's immediate environment.

#### Risk management measures

- Timely investment in infrastructure in close consultation with airlines.
- Competition analyses.
- Airline Reward Programme.
- Wide range of parking products.
- Expanded range of shops, product ranges and facilities.
- Marketing campaigns.

#### F > Damage to reputation or image

Negative perception or negative/inaccurate publicity may undermine public acceptance of the airport activities. Insufficient appeal and a negative perception of the price/quality ratio at Amsterdam Airport Schiphol may also affect our image.

#### Risk management measures

- Effective communication strategy.
- Active stakeholder dialogue with all stakeholders.
- Entering into alliances aimed at regional development.
- Annual surveys to assess our reputation and public image.

## Operational risks

### G > Safety and security

A safety or security failure increases the risk of a disruption of airport operations as well as incidents or accidents that could have serious consequences for passengers, local residents and the employees of companies located at Schiphol. Changes in security legislation may give rise to major operational changes and escalating security costs.

#### Risk management measures

- Safety management systems.
- Timely implementation of (rapidly) changing laws and regulations.
- Investments in innovations, such as the security scan.
- Assess the execution of security control duties through random checks.
- Operational security training for staff.

### H > Unexpected business interruptions

Extreme weather or natural phenomena, fire, pandemics, aircraft accidents, technical or power failures can disrupt business processes which, in turn, could seriously affect airport operations, the results and prospects.

#### Risk management measures

- Company emergency plans and procedures.
- Emergency measures.
- Well-trained and prepared staff.
- Insurances.

### I > Dependence on third parties

The airport depends to a large extent on the efforts and equipment of third parties, i.e. government authorities, such as the municipalities, the Dutch Border Police (Koninklijke Marechaussee) and Dutch Customs through to our industry partners, such as the airlines and ground handlers. Any industrial action, business interruptions or the unethical behaviour of external parties could damage our reputation and negatively affect results.

#### Risk management measures

- Updated covenants and agreements, good mutual relationships and contacts with external parties.
- Participation in public and private partnerships.
- Screening of external parties in order to reduce integrity risk.
- Adequate coordination and contract management.

### J > Human Resources

The achievement of our objectives is conditional on having sufficient well-qualified staff and ensuring that labour relations are not undermined. Unethical or inappropriate employee behaviour would not only have legal and financial consequences, it could also adversely affect stakeholder trust in our company.

#### Risk management measures

- Good labour relations and corporate culture.
- Succession planning and talent development.
- Consultation with the works council and trade unions.
- Regular attention to integrity issues. A code of conduct has also been incorporated in the Collective Labour Agreement.

### K > Information security and information systems

A lack of adequate data protection – both physical and ICT systems data – could result in financial or sensitive competitive information being leaked. ICT systems that do not function properly could lead to business process disruption.

#### Risk management measures

- Periodic vulnerability scans.
- Emergency plan.
- Classified information systems.
- Periodic revisions of and supplements to ICT policy.
- Standard ICT governance framework (COBIT).

### L > Vacant properties in the existing property portfolio

Changing market conditions and a lack of insight into regional market developments may bring about a decline in occupancy levels in the property portfolio, which in turn will cause rent levels to fall, resulting in fair value losses.

#### Risk management measures

- Monitoring of market conditions and current prospects.
- Valuation of the properties in the property portfolio every six months.
- Continued efforts to enhance the appeal of the location and the portfolio by carrying out renovations and redevelopment schemes on a timely basis.
- Client-focused account and sales management activities.

### M > Supplier and outsourcing liability

Schiphol Group works with numerous external companies and is exposed to liability risk if suppliers or partners fail to behave in a socially responsible manner, employ unethical business practices, violate laws and regulations or fail to fulfil their obligations. An example of the above would be the failure to pay taxes or social security contributions.

#### Risk management measures

- Thorough assessment of new suppliers on a timely basis, also with respect to Corporate Responsibility aspects.
- Transfer of payments to blocked supplier accounts.
- Professional project directorship.

## Financial risks

### N > Market risk, liquidity risk and counterparty risk

Schiphol Group faces a variety of financial risks, such as currency, price and interest rate risks, liquidity risks as well as counter party risk.

#### Risk management measures

- Large liquidity position.
- Proactive refinancing strategy.
- Balanced distribution of loans and repayments.
- Monitoring of creditworthiness (Standard & Poor's A rating) to ensure access to capital markets.
- Limitation of currency and interest rate risks.
- Monitor counterparty creditworthiness (minimum Standard & Poor's A rating).

## Compliance risks

### O > Non-compliance with noise and environmental standards

We are required to comply with complex national and international noise and environmental regulations. We have little influence on the drafting of these regulations while any breaches of the standards can have negative financial and operational consequences.

#### Risk management measures

- Compliance with laws and regulations.
- Cooperation with the regulatory authorities and implementing bodies.
- Differentiated charges and operational measures aimed at the selective use of the night-time regime and scarce environmental capacity.

### P > Economic regulation

Our aviation activities are subject to economic regulation, which means that there is a cap on the returns we are permitted to generate. An emphasis on lower absolute cost levels for our activities, during the evaluation of the Aviation Act, for instance, could result in inadequate investments in capacity and quality, which in turn would erode the competitive position and affect the service levels of Mainport Schiphol.

#### Risk management measures

- Transparent airport charges, established following consultation with the airlines.
- A separate administration and allocation system for aviation activities.
- Coordination with the Dutch Competition Authority, NMa.
- Participation in discussions with the government on the subject of regulation.

### Q > Legal risks and possible liability

Non-compliance with laws and regulations, inadequate decision-making or incorrect registration of decisions and contracts could weaken our legal position and lead to legal claims and disputes that could jeopardise the achievement of our objectives.

#### Risk management measures

- Active involvement of legal experts in decision-making processes.
- Adequate registration of decisions and contracts.
- Insurance.

# Shareholder information

## Share capital

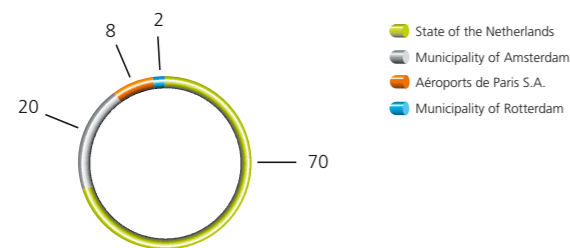
The authorised capital of N.V. Luchthaven Schiphol currently amounts to EUR 143 million, divided into 300,000 class A shares and 14,892 class B shares, each with a nominal value of EUR 454. In total 171,255 of the A shares and 14,892 of the B shares have been issued. Since 31 December 2008 there have not been any changes in the authorised capital or number of shares issued.

## Dividend policy

The current dividend policy permits a maximum payout of 50% of the financial result attributable to shareholders (net result), excluding the changes in value of investment property (after tax). In 2011 the financial result (attributable to shareholders) amounted to EUR 194 million, giving earnings per share of EUR 1,045. The adjusted result for the purposes of dividend calculation is EUR 195 million. Accordingly, the proposed per share dividend distribution for 2011 is EUR 524, equal to a 50% pay-out.

## Schiphol Group Shareholders

(in %)



## Credit rating

Schiphol Group maintains contractual agreements with Standard & Poor's Rating Services (S&P) and Moody's Investor Services (Moody's) regarding the provision of rating information. Schiphol Group maintains an active dialogue with both rating information providers. Standard & Poor's long-term rating remained unchanged in 2011 at 'A flat' with a 'stable outlook'. Moody's long-term rating likewise remained unchanged at A1, with a 'stable outlook'. The short-term ratings are P-1 (Standard & Poor's) and A-1 (Moody's).

## Important dates

**General Meeting of Shareholders**  
18 April 2012

**Publication of interim results**  
17 August 2012

For more information, please contact Investor Relations:  
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email: [investor\\_relations@schiphol.nl](mailto:investor_relations@schiphol.nl)  
or visit: [www.schiphol.nl](http://www.schiphol.nl)

## Schiphol Group Shareholders

(in %)

State of the Netherlands	129,880	shares A	69.77
Municipality of Amsterdam	37,276	shares A	20.03
Aéroports de Paris S.A.	14,892	shares B	8.00
Municipality of Rotterdam	4,099	shares A	2.20
<b>Total</b>	<b>186,147</b>		<b>100.00</b>

# Organisation of Corporate Responsibility

Corporate Responsibility is an intrinsic element of our strategy. More explicitly, this means that Corporate Responsibility is increasingly being integrated into our day-to-day operations.

Although the President & CEO of Schiphol Group is primarily accountable for Corporate Responsibility, he shares this responsibility with the other members of the Management Board. Each Board member is assigned responsibility for an item on the Corporate Responsibility agenda. The Management Board defines the Corporate Responsibility vision and policy. Its members are advised by management as well as the Public Affairs and Corporate Responsibility Committee of the Supervisory Board. The achievement of Corporate Responsibility targets also one of the elements of the remuneration policy.

Employees are motivated to implement Corporate Responsibility. In order to embed Corporate Responsibility even more strongly inside the organisation, we created a number of temporary positions and consultation platforms in 2010. In 2011 the Corporate Responsibility Board established in 2010 was incorporated into the monthly Schiphol Group Management Team meetings. The central process director, the core team (advisory role concerning vision and policy) and the coordination team (organisational embedding) are still active.

These temporary measures will also help to anchor Corporate Responsibility more rapidly into all of our business processes. The audit of specific Corporate Responsibility information by an external auditor – PricewaterhouseCoopers Accountants N.V. – has a favourable effect on the completeness and reliability of the assessment, collection, recording and reporting of data.

Twenty Corporate Responsibility Ambassadors were appointed at the end of 2010 in an effort to raise employee awareness and more actively involve staff in Corporate Responsibility. These colleagues held workshops in most Schiphol Group departments working in daytime shifts over the course of 2011. Colleagues working in continuous shifts will follow similar workshops in 2012. During the workshop, participants learn about Corporate Responsibility, its importance to Amsterdam Airport Schiphol, and what efforts we are undertaking in this area. At the end of the workshop, participants create a list of the Corporate Responsibility actions that can be undertaken by the relevant department, and the actions employees themselves can take at work and at home. The Corporate Responsibility Ambassadors have also helped to initiate follow-up activities in various departments. Over the course of 2012, they will support management in its efforts to initiate and encourage the conscious balancing of the interests of People, Planet and Profit in the day-to-day operations and decision-making processes.

The competition launched in 2010 did not achieve the desired result. The question "What will your working day look like in 2025?" proved to be too abstract. However, more proactive internal and external communications on People, Planet, Profit did yield results. Internal measurements via the Company Monitor showed that there was an increasing awareness among employees of Corporate Responsibility. Schiphol's ranking in the 2011 Sustainable Image Index (an index reflecting the extent to which consumers perceive organisations as sustainable brands) rose faster than that of any other company on the index, climbing from 32nd to 14th place.

## Do you wish to comment on this report?

This reports, as well as any other information of interest about Schiphol Group, is available on our corporate website [www.schiphol.nl](http://www.schiphol.nl). More information about Schiphol and the surroundings can be found on [www.bezoekbas.nl](http://www.bezoekbas.nl). We look forward to receiving your questions and comments in response to the content of this report via [cr@schiphol.nl](mailto:cr@schiphol.nl).

An aerial photograph of Schiphol Airport. In the foreground, there is a landscaped area with many young trees and a pond. A multi-lane highway with traffic is visible. In the middle ground, a large sign for KLM and Chengde China stands prominently. The background shows the airport tarmac with several aircraft and the horizon under a cloudy sky.

Operational and  
socio-economic

# Statements 2011



# Operational and socio-economic statements

## Legend

Schiphol has direct influence

Schiphol has indirect and/or partial influence

Performance indicators	Amsterdam Airport Schiphol		Rotterdam The Hague Airport		Eindhoven Airport		Lelystad Airport	
	2011	2010	2011	2010	2011	2010	2011	2010

## Competitive position

Number of destinations	<b>313</b>	301	<b>35</b>	27	<b>36</b>	32		
Total passenger volume (incl. transit-direct passengers)	<b>49,755,252</b>	45,211,749	<b>1,124,000</b>	969,480	<b>2,643,000</b>	2,143,832		
# Air transport movements	<b>420,249</b>	386,316	<b>13,137</b>	12,917	<b>20,227</b>	16,650	<b>123,035</b>	125,675
Cargo volume	<b>1,523,806 tonnes</b>	1,512,256 tonnes	<b>Zero</b>	80 tonnes				
Passenger market share (top 10 European airports)	<b>10.9%</b>	10.6%						
Cargo market share (top 10 European airports)	<b>13.9%</b>	13.9%						
No. of O/D passengers	<b>29.5 million</b>	26.4 million						
No. of transfer passengers	<b>20.2 million</b>	18.7 million						

Performance indicators (in %)	2011	2010
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## Operating capacity

Irregularity rate	<b>2.0</b>	2.5
Arrival punctuality	<b>85.1</b>	81.7
Departure punctuality	<b>78.8</b>	72.8
% of departing passengers rating Schiphol as good/excellent	<b>93</b>	94
% of arriving passengers rating Schiphol as good/excellent	<b>94</b>	93

Performance indicators	Note	2011	2010
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## Socio-economic capacity

# noise enforcement point breaches	1	<b>No breaches</b>	No breaches
# flights by noisiest aircraft at Schiphol (% of total no. of flights)		<b>0.2%</b>	0.4%
# people reporting noise disturbance to Bas		<b>5,419</b>	5,387
Specific reports		<b>88,768</b>	212,335
Period reports		<b>40,843</b>	33,477
Other reports		<b>3,255</b>	1,795
Focus group reports		<b>5,394</b>	5,272
% of structural complainants and their share in total % of reports		<b>0.5% of structural complainants are responsible for 57.3% of reports</b>	2.1% of structural complainants are responsible for 88.9% of reports

## Performance indicators

Note

2011

2010

## Commercial development

Price/quality Retail Airside (passenger satisfaction)		<b>57%</b>	56%
Spend per departing passenger (Retail Airside) (in EUR)		<b>15.55</b>	15.84
Parking revenues per departing Dutch passenger (in EUR)		<b>7.67</b>	7.82
Concession revenues per departing passenger (in EUR)		<b>5.26</b>	5.27
# Privium members		<b>46,043</b>	45,690
Purchasing from responsible suppliers	2	<b>66%</b>	63%
Direct returns on property investments (before tax)		<b>6.3%</b>	6.6%
Expiry of leases		<b>7.0%</b>	10.0%
Occupancy rate of property portfolio		<b>88.5%</b>	86.5%
Occupancy rate of operating property terminal		<b>91.5%</b>	88.6%
Occupancy rate of operating property other		<b>90.0%</b>	95.6%
Size of property portfolio (m <sup>2</sup> )		<b>565,278</b>	569,037

## Performance indicators

Note

Amsterdam Airport Schiphol  
Rotterdam The Hague Airport  
Eindhoven Airport  
Lelystad Airport

## Environment

CO <sub>2</sub> emissions from our own activities	3	<b>6,684 tonnes</b>	6,804 tonnes				
Electricity consumption (kWh/operating year)		<b>183,181,798</b>	175,565,000	<b>3,597,814</b>	3,456,000	<b>4,256,667</b>	4,455,711
Gas consumption (m <sup>3</sup> /operating year)		<b>13,804,031</b>	15,025,000	<b>157,187</b>	259,308	<b>93,664</b>	156,877
Energie efficiency		<b>- 3.7%</b>	- 2.2%				
Total energy savings		<b>77 terajoules</b>	44,6 terajoules				
EPBD labels for existing buildings	4	<b>74.2%</b>	N/A				
Self-generated energy (% of total energy needs)		<b>1.25%</b>	1.2%				
# aircraft stands connected to FEGP annually	5	<b>30</b>	0				
Oxygen content of surface water	6	<b>95.4%</b>	N/A				
Potassium formate (litres)		<b>224,741</b>	1.9 million				
Average salt consumption (kg)		<b>190,000</b>	1.3 million				
Drinking water consumption (m <sup>3</sup> /operating year)		<b>1,223,461</b>	1,241,971				
Drinking water consumption per passenger in litres	7	<b>14.0</b>	15.9	<b>10.0</b>	10.0	<b>7.4</b>	6.8
Total waste collected from business operations		<b>13,864 tonnes</b>	13,998 tonnes	<b>128</b>	106	<b>217</b>	202
% Regular Schiphol waste Recycled	8	<b>30%</b>	34%	<b>25%</b>	25%	<b>17%</b>	15%

Performance indicators	Note	2011	2010
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### Accessibility

Satisfaction of people working at Schiphol with overall accessibility		80%	80%
Passenger satisfaction with train services to and from Schiphol		88%, 81%	90%, 80%
Passenger satisfaction with road access to Schiphol		78%	74%

### Safety

# runway incursions	9	36	31
Bird strike rate	10	7.6	7.7
Performance of integral fire safety testing	11	91%	N/A
# airside collisions (monthly average)		15	14
# landside collisions (monthly average) involving parking damage		36.5 of which 6 involved parking damage	39, of which 6 involved parking damage
# fatal landside road accidents		0	0
# landside accidents resulting in severe injuries		0	0
# landside road accidents resulting in minor injuries (monthly average)		2.4	3.5
# landside road accidents resulting in more serious injuries (monthly average)		0.4	0.5
Total Risk Weight (third-party risk) (in tonnes)		6,466	6,118

Performance indicators	Note	Schiphol Group 2011	2010	Amsterdam Airport Schiphol 2011	2010	Rotterdam The Hague Airport 2011	2010	Eindhoven Airport 2011	2010	Lelystad Airport 2011	2010
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### Employees

# FTEs		2,088	2,093	1,934	1,941	110	111	28	24	16	17
% FTEs		100	100	92.6	92.7	5.2	5.3	1.4	1.2	0.8	0.8
Average employee age		44.5	44.6	44.9	45.1	39.5	38.1	41.3	42.0	40.8	40.6
Average years of service		13.6	14.1	14.2	14.7	6.9	6.6	7.0	7.0	10.6	10.6
Employee commitment at Schiphol Nederland B.V. and Schiphol Telematics	12			7.9	7.3						
Proportion of women (women as a % of employees)		30	30	30	30	31	32	58	55	18	17
Proportion of female managers (women as a % of employees)		24	23	24	22	29	31	33	33	0	0
Diversity in Schiphol Nederland B.V. top layer management (%)	13			23.4	22						
Absenteeism rate among employees (%)		5.0	4.8	4.9	4.7	4.9	4.6	4.3	6.2	14.3	15.1
Schiphol Nederland B.V. absenteeism rate (%)	14			4.7	4.4						
Turnover of staff in service (no. of employees)		134	133	104	108	22	21	8	2	0	2
Turnover of staff leaving service (no. of employees)		177	313	150	283	22	27	4	1	1	2
Average training budget (in EUR per employee)		1,895	1,730	1,946	1,819	1,390	294	1,151	1,579	983	1,620
Schiphol College	15										
• Successful exam candidates				75%	44 new work to learn places						
• Senior secondary vocational education				382	472						
• Work placements				108	90						
• Group training programmes				50 training programmes for 147 groups	42 training programmes for 81 groups						

## General information

Schiphol Group aims to conduct its business with respect for people, the community and the environment. Corporate Responsibility makes up an essential part of our strategy and is being integrated ever more broadly into our business operations. The results achieved in the area of Corporate Responsibility and our financial performance have therefore been presented in a single annual report since 2009. Integrated annual reporting is receiving increasing attention around the world. The International Integrated Reporting Committee ([www.theIIRC.org](http://www.theIIRC.org)) is developing a framework for this purpose. Schiphol Group is one of over 50 international companies participating in the pilot programme. The integrated approach is continually developing, as is clearly reflected in the entirely new structure of the 2011 Annual Report.

The Report of the Management Board discusses subjects of material significance and the events that took place in 2011. In addition to this annual report, relevant information can be found on [www.schiphol.nl](http://www.schiphol.nl) and [www.schiphol.nl/cr](http://www.schiphol.nl/cr).

## Reporting guidelines

This report was drawn up in accordance with the relevant international guidelines and best practices, with the Global Reporting Initiative (GRI) G3 guideline being the most important. The current degree to which the G3 guideline has been applied is ranked at B+, on a scale of A to C inclusive. The '+' means that the information is externally audited. The GRI reference table is published on page 122-130 and shows where in this report information can be found about the indicators relevant to our business operations. The GRI sector supplement for airport companies was published in mid-2011 and has been applied to this annual report.

The Dutch Ministry of Finance has determined that annual reports of state shareholdings must have at least GRI level C effective 2010. With a B+, Schiphol not only satisfies this requirement but also meets its own targets in this respect. In addition, the annual reports of state shareholdings are required to be included in a survey of the Transparency Benchmark study group. The benchmark was conducted by KPMG in 2011 on behalf of the Ministry of Economic Affairs, Agriculture and Innovation. We have participated in this survey since 2006. A total of 469 organisations submitted their 2010 annual reports for the Transparency Benchmark. Schiphol Group achieved 32nd place in the overall ranking.

As a Global Compact participant, we have compiled a progress report on the ten Global Compact principles. This report is featured in the Global Compact Communication on Progress on page 131.

Schiphol Group has engaged PricewaterhouseCoopers Accountants N.V. as its external auditor. The airport requested the auditor to conduct an audit with the aim of providing a moderate degree of assurance concerning the reliability of the information about the 15 performance indicators, the results of which are discussed in the notes. These performance indicators relate solely to Amsterdam Airport Schiphol:

1. Purchasing from responsible suppliers
2. Number of noise enforcement point breaches
3. CO<sub>2</sub> emissions from our own activities
4. EPBD labels for existing buildings
5. Number of aircraft stands on Fixed Electrical Ground Power (FEGP)
6. Oxygen content of surface water
7. Consumption of drinking water per passenger
8. Recycling of normal waste
9. Runway incursions
10. Bird strike rate
11. Integral fire protection testing
12. Employee commitment
13. Diversity
14. Absenteeism due to illness
15. Schiphol College

The auditor performed the audit in compliance with the Netherlands Institute of Chartered Accountants (NBV) COS 3410N guideline 'Assurance engagements concerning Corporate Responsibility reports'. The assurance report can be found on page 132.

## Scope of the report

The results of our financial, operational and socio-economic performance are presented in a single annual report. Over 90% of our activities take place at Amsterdam Airport Schiphol. As a result, a large part of our operational and socio-economic performance relates solely to this particular location. The national and international subsidiaries and participations (airports and other activities) carry out their own initiatives, geared towards their local environment which fit within Schiphol Group's vision. The performance indicators reviewed by the external auditor relate solely to Amsterdam Airport Schiphol.

Various Corporate Responsibility targets addressing themes such as safety, the environment and people and society have also been defined within the processes of strategy and policy, planning and control, and accountability. The company in its entirety, and each business unit independently, are evaluated according to key performance indicators (KPIs) derived from these targets and subsequently reported. The standards applicable to these KPIs are determined jointly by the Management Board and the various business areas so as to challenge management to improve the business process results.

Topics of significance to the airport are discussed in the Report of the Management Board. These topics have an impact on financial matters, safety, the environment, people and the surrounding area. With their implications for day-to-day life (job opportunities, noise disturbance and so on), these topics are relevant to stakeholder groups as diverse as shareholders, passengers, employees and local residents. An incident involving fire safety, for instance, could also have a potentially huge impact on stakeholders. Moreover, during the stakeholder dialogue the interviewed stakeholders identified energy, noise, mobility and Schiphol College as relevant topics for inclusion in the annual report.

The 15 performance indicators discussed in this chapter were selected because they are either relevant to every company (such as CO<sub>2</sub> emissions and absenteeism due to illness) or are highly specific to the sector (such as bird strikes and noise). They further concern activities that are within the airport's control at the Schiphol location, unless stated otherwise.

These KPIs are preferably reported as a component of existing periodic management information. Eleven performance indicators are reported at least each quarter and discussed by the Management Board and the relevant senior managers. Four performance indicators are measured and assessed at least once a year: the CO<sub>2</sub> emissions of our own activities, EPBD labelling, drinking water consumption per passenger and sustainable purchasing.

The information presented here concerns the 2011 calendar year (1 January – 31 December 2011). However, performance on four indicators are reviewed within the framework of the operating year (1 November 2010 – 31 October 2011); these are the CO<sub>2</sub> emissions of our own activities, breaches of noise enforcement points, recycling waste materials and drinking water consumption. The time period for the enforcement points indicator is laid down by law. Practical reasons governed the choice of the operating year for the other indicators.

A map is provided on page 116 to show which locations were included when measuring the performance indicators for drinking water consumption and recycling waste materials. The information presented on this map is primarily derived from the buildings covered by the Schiphol Nederland B.V. environmental permit. The scope of the indicators does not correspond entirely with the scope of the environmental permit.

## Performance indicators – socio-economic capacity

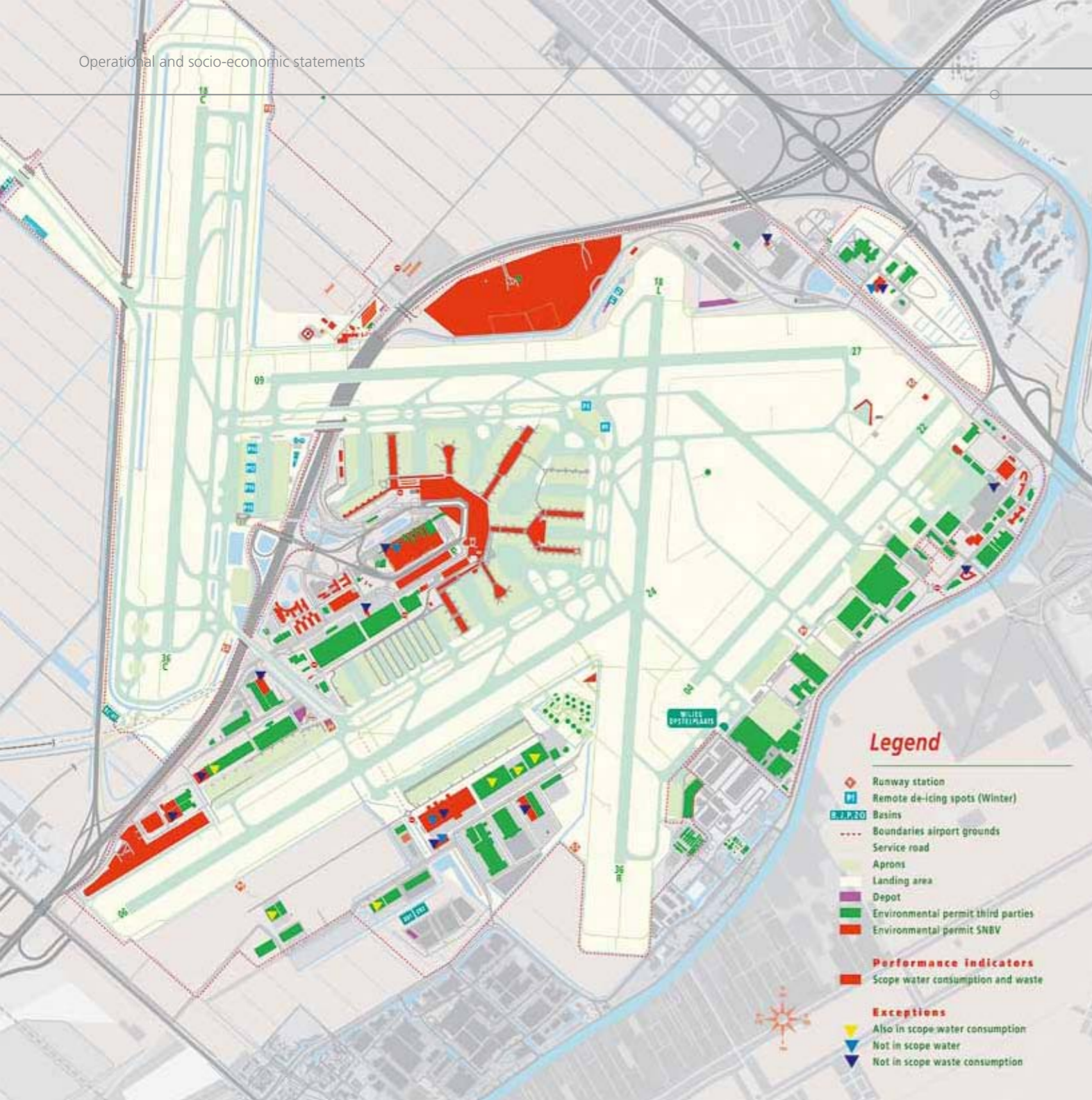
### 1. KPI Number of noise enforcement point breaches

- Internal reports: quarterly
- Reporting period: operating year
- Scope: Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2011: no breaches (no breaches in 2010)

The noise impact for the surrounding area is measured on the basis of noise enforcement points. A noise enforcement point is a monitoring point that is subject to a maximum permitted noise limit set by the central government. There are 35 noise enforcement points for the 24-hour period and 25 additional points for the night-time period (11:00 p.m. - 7:00 a.m.).

The operating year ended without any breaches of the aircraft noise limit values at any enforcement point. The objective of preventing breaches also applies in the long term. As a result of strict monitoring, the noise impact at 24-hour period monitoring point 33, located under Runway 06-24's climb-out routes, precisely equals the legally permitted limit value.

Major repairs were carried out near Runways 18L-36R and 06-24 during the 2011 operating year. Both runways were consequently unavailable for a number of weeks. Air traffic was handled at other runways, causing a redistribution of noise impact in the surrounding area which, in the absence of provisions, could potentially lead to breaches of noise limits at one or more noise enforcement points. Amsterdam Airport Schiphol requested that the Ministry of Infrastructure and the Environment draw up alternate limit values, which the Ministry provided accordingly. It also issued an exemption allowing Runway 09-27 to be used as an alternative take-off runway at night for the duration of the maintenance work on Runway 06-24.



## Performance indicators – supply chain management

### 2. KPI Purchasing from responsible suppliers

- Internal reports: annually
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: Schiphol Nederland B.V.
- 2011: 66% of total purchasing volume (63% of total purchasing volume in 2010)

Amsterdam Airport Schiphol's central purchasing department is responsible for selecting suppliers for the airport's business areas and services. The selection criteria include Corporate Responsibility, which is assessed by requiring potential suppliers to provide a recent Corporate Responsibility policy document, an integrated Corporate Responsibility report, an ISO 14001 or product/product group-specific certificate and an EMAS certificate.

Eighty per cent of purchased products and services are obtained from approximately 60 suppliers, the other 20% from over 1,300 suppliers. We measure the KPI on the basis of the group of approximately 60 suppliers, from whom we obtain 80% of our products and services. As a result, the KPI score cannot exceed 80%.

Sixty-six per cent of our purchasing volume for 2011 was obtained from suppliers that have an active Corporate Responsibility policy, as evidenced by – at least – a recent Corporate Responsibility policy document. We aim to continue this upward trend.

## Performance indicators – Environment

### Policy and management systems

The Environmental Policy Plan for 2008-2011 describes targets and measures for the environmental sub-areas of noise, air, waste, soil, energy, water, hazardous substances, nature and landscape at the Schiphol site. The environmental policy plan serves as a coordinating framework for sub-plans and provides the context within which current and future business activities are to be developed.

Tasks, responsibilities, authorisations and working agreements for the management of environmental risks associated with business operations at Amsterdam Airport Schiphol are recorded in the environmental management system. This system handles the planning and control of the airport's various environmental sub-areas.

Amsterdam Airport Schiphol designs company-wide programmes in which all business areas collaborate to help achieve the energy and mobility objectives. These programmes are derived from the Energy Strategy 2020 programme – an energy plan for achieving sustainable energy management in 2020 – and the Sustainable Mobility programme, which seeks to improve the air quality at the airport as well as airport accessibility. In some cases, new programmes are designed in response to laws and regulations. Examples include programmes focusing on managing the quality of the surface water or improving the quality of the air at and around Amsterdam Airport Schiphol.

### 3. KPI CO<sub>2</sub> emissions from our own activities

- Internal reports: annually
- Reporting period: operating year
- Scope: Amsterdam Airport Schiphol activities at the Schiphol site
- Registration: Amsterdam Airport Schiphol
- 2011: 6,684 tonnes (6,804 tonnes in 2010)

Amsterdam Airport Schiphol aims to run a CO<sub>2</sub> neutral operation for its own activities at the Schiphol location by 2012. To that end a step-by-step plan aimed at minimising CO<sub>2</sub> emissions was drawn up. Among other measures, this will require reducing energy and fuel consumption, using the necessary energy and fuel more efficiently, using sustainable energy and fuel and, last but not least, compensating for energy consumption.

The CO<sub>2</sub> emissions reported here are the non-compensated CO<sub>2</sub> emissions resulting from our own activities totalling 140,411 tonnes. Of the remaining CO<sub>2</sub> emissions, Amsterdam Airport Schiphol compensates the greater part (133,727 tonnes) by purchasing Guarantees of Origin (green energy certificates). In 2011, emissions were compensated on the basis of Norwegian hydropower. The net CO<sub>2</sub> emissions totalled 6,684 tonnes.

Amsterdam Airport Schiphol also compensates CO<sub>2</sub> emissions for business trips by air. Business trips made with Air France-KLM are compensated by the KLM CO<sub>2</sub> compensation service; trips made with other airlines are compensated by Climate Neutral Group.

### 4. KPI EPBD labels for existing buildings

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: existing buildings in Schiphol Real Estate B.V. (SRE)'s commercial property portfolio, located solely at the Schiphol site
- Registration: Amsterdam Airport Schiphol
- 2011: 74.2% of the lettable floor area carried a C label or higher (N/A in 2010)

The existing buildings in the SRE portfolio are being transformed into more sustainable premises. At the end of 2011, 74.2% of the lettable floor area in the relevant buildings carried an Energy Performance of Buildings Directive (EPBD) C label, or higher. The labels range from G to A, with A representing the highest rating.

The percentage is calculated on the basis of the lettable floor area (LFA). We aim to ensure that 90% of all LFA in existing buildings carries a C certificate or higher by 2013.

This performance indicator relates to commercial real estate at the Schiphol location. It does not include properties for operating activities, commercial property at other locations or property owned by entities other than SRE. Investment property earmarked for demolition has similarly not been included. Industrial buildings have been excluded since no EPBD label is available for this category of investment property.

##### 5. KPI Number of aircraft stands using Fixed Electrical Ground Power (FEGP)

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2011: 30 aircraft stands (0 aircraft stands in 2010)

In accordance with the Airport Traffic Ruling (Luchthavenverkeerbesluit, LVB), air quality in the airport vicinity is to be improved by connecting aircraft stands to FEGP facilities and to pre-conditioned air units providing climate control in the aircraft cabins. In the period from 2010 through 2013, an average of 15 aircraft stands will be adapted each year.

The airport provides the required infrastructure and 400Hz equipment. This equipment supplies the aircraft with power during aircraft handling. We will also install connections for PCAs purchased by the ground handlers. PCAs provide the aircraft with warm and cold air. A total of 30 aircraft stands were adapted in 2011.

The use of Auxiliary Power Units (APU) at Piers F, G, and B South and the use of Ground Power Units (GPU) was banned from 1 January 2011. GPUs supply power, while APUs supply aircraft with both power and warm and cold air during handling at the gate. Both units are a source of NO<sub>x</sub> emissions and soot. The ban on the use of APUs and GPUs is expanded each year to promote the use of FEGP facilities and PCA units.

##### 6. KPI Oxygen content in surface water

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: surface water on Amsterdam Airport Schiphol grounds
- Registration: Amsterdam Airport Schiphol
- 2011: 95.4% (N/A in 2010)

Measures to keep aircraft free of ice – the process of de-icing – and to keep snow and ice off taxiways, take-off and landing runways and aprons significantly affect the quality of the surface water on and around the airport grounds. De-icing agents are biodegradable, and thus extract oxygen from water. Water quality is determined on the basis of oxygen content.

The Rijnland Water Board conducts measurements at three transfer points using equipment calibrated to ISO and NEN standards. The measurement results are used to calculate 24-hour averages. Data is reported on a daily basis via the joint web interface developed by a third party in collaboration with the Rijnland Water Board and the airport. Amsterdam Airport Schiphol accesses the data via the web interface.

The number of days during which average oxygen content exceeded 3 mg/l at the three enforcement points was 98.58%, 97.17% and 90.57% in 2011. This rise in comparison with 2010 is mainly attributable to the warm fourth quarter of 2011, the wintry weather in 2010 and the use of potassium acetate in 2010 (which has since been phased out). The target we have set is that all three enforcement points comply with the standards at all times in 2015.

##### 7. KPI Consumption of drinking water per passenger

- Internal reports: twice a year
- Reporting period: operating year
- Scope: drinking water consumption at Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2011: 14.0 litres (15.9 litres in 2010)

Amsterdam Airport Schiphol supplies drinking water to buildings on the Schiphol premises. Drinking water consumption per passenger is calculated on the basis of the amount of drinking water consumed in the terminal divided by the total number of passengers. This includes all drinking water used at catering outlets, toilets, drinking fountains and the offices above the lounges. The scope of this performance indicator is outlined on the map on page 116. This scope does not correspond entirely with that indicated in the environmental permit. This is due, among other things, to the fact that part of drinking water consumption is invoiced to Schiphol Real Estate, which then passes on these charges in the rent.

Drinking water consumption dropped to 14 litres per passenger in 2011. This is due to the fact that cooling towers do not need to be replenished as frequently, thanks to the increased use of water filtered by reverse osmosis.

##### 8. KPI Recycling of normal waste

- Internal reports: quarterly
- Reporting period: operating year
- Scope: normal waste at Amsterdam Airport Schiphol
- Registration: Van Gansewinkel
- 2011: 30.2% (34% in 2010)

Van Gansewinkel collects waste at various locations. The airport is working to raise the recycling rate in respect of its own normal waste, including wood, household chemical waste, glass, paper, ordinary rubbish and other waste material. In 2011, 30.2% of the airport's own normal waste was separated for processing. We aim to further increase this percentage in the future. The scope of this performance indicator is outlined on the map on page 116. This scope does not correspond entirely with that indicated in the environmental permit as some tenants are free to

enter into individual contracts with a waste collection company of their choice. As a result, Van Gansewinkel does not collect waste at all locations within the scope of the environmental permit.

## Performance indicators – Safety

### Policy and management systems

Safety at Amsterdam Airport Schiphol concerns aviation safety, fire safety, road safety and occupational health and safety. To guarantee and improve the level of safety, we use the Terminal Safety Management System (TSMS) in the terminal complex and the Airside Safety Management System (ASMS) for the area beyond. All operating activities have been charted in these two systems, as well as the operational risks, the corresponding risk control measures and the process owners who bear responsibility. Reporting is used to manage these risk control measures. This enables Amsterdam Airport Schiphol to take stock of, analyse and manage safety risks via the TSMS and ASMS 'plan-do-check-act' cycles. The current risks in the TSMS control cycle are as follows:

- Fire in the terminal
- Injury from mechanical systems
- Infectious diseases
- Traffic safety on drop-off roads at the terminal
- Dangerous situations/injury resulting from construction and maintenance work

The current risks in the ASMS control cycle are as follows:

- Runway incursions
- Bird strikes
- Litter

### 9. KPI Runway incursions

- Internal reports: monthly
- Reporting period: calendar year
- Scope: Amsterdam Airport Schiphol airside
- Registration: incidents registered by Air Traffic Control the Netherlands (LVNL) and Amsterdam Airport Schiphol
- 2011: 36 runway incursions (31 in 2010)

In respect of aviation safety, runway safety, which entails the prevention of incidents on and around the runways, has our constant attention.

The basic principle for the 24-hour operations of both LVNL and Amsterdam Airport Schiphol as well as in developing procedures and infrastructure, is to raise or at least maintain the level of safety.

Runway safety is measured on the basis of the number of runway incursions. A runway incursion is an incident on a runway involving an aircraft, vehicle or person not authorised to be there at that time. Incidents are registered in the same way by both LVNL and Amsterdam Airport Schiphol. LVNL plays a leading role in this area. The airport reports on this performance indicator but is reliant on LVNL for the completeness of notifications and incident reports.

Thirty-six runway incursions were registered in 2011, all without major safety risks. We aim to achieve a downward trend for this performance indicator.

### 10. KPI Bird strike rate

- Internal reports: monthly
- Reporting period: calendar year
- Scope: boundaries of airport grounds
- Registration: bird strikes registered by KLM and Amsterdam Airport Schiphol
- 2011: 7.6 bird strikes per 10,000 air transport movements (7.7 in 2010)

Bird strikes are incidents in which traces of a bird are found on an aircraft or dead birds or parts thereof are found on a runway and in which it can reasonably be assumed that the strike occurred within the airport boundaries. That upper limit is fixed at a height of 200 feet for landing aircraft, and 500 feet for aircraft taking off. Large birds and those that fly in flocks pose a particular risk for aircraft and aircraft engines during take-off and landing.

Since 2005 home carrier KLM and Amsterdam Airport Schiphol have been using the same bird strike registration procedure. Amsterdam Airport Schiphol discusses these incidents with KLM on a monthly basis. The incidents registered by the two parties are discussed every quarter in the Schiphol Bird Strike Committee (SBC), which also discusses policy and the various bird dispersal resources and their effectiveness. Other members of the SBC include transavia.com, LVNL, the Dutch Civil Airports Association (Nederlandse Vereniging van Luchthavens, NVL), the Ministry of Infrastructure and the Environment's Directorate-General for Accessibility and, on an ad hoc basis, the Transport and Water Management Inspectorate (IVW) and the Dutch Airline Pilots Association Vereniging van Nederlandse Verkeersvliegers, (VNV).

The bird strike rate for 2010 was adjusted, resulting in 7.7 bird strikes per 10,000 air transport movements instead of the 7.2 bird strikes per 10,000 air transport movements reported last year. A joint assessment of the data with KLM provided new insights into the relevant air transport movements.

In 2011 there were 7.6 bird strikes per 10,000 air transport movements at Amsterdam Airport Schiphol. This figure is down by 0.1 from 2010. In the long term, we aim to achieve a downward trend in terms of the bird strike rate. The average bird strike figure was calculated by dividing the total number of bird strikes reported by KLM and the number of bird strikes reported by Amsterdam Airport Schiphol involving KLM aircraft and occurring within the relevant airspace zone by the number of KLM air transport movements. The resulting average figure is thus calculated on the basis of reports covering approximately 50% of the total number of air transport movements. We have opted for this method in view of the fact that bird strike reporting by pilots is not always reliable. Since KLM is the airport's home carrier, KLM pilots' readiness to report incidents is much greater and the number of reports therefore more reliable.

Nevertheless, in view of the fact that Amsterdam Airport Schiphol is largely dependent on KLM for the registration of bird strikes, for which KLM, in its turn, is dependent on its pilots, the completeness of the reported data is inherently limited in a manner that cannot be quantified.

#### 11. KPI Integral fire safety testing

- Internal reports: monthly
- Reporting period: calendar year
- Scope: Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2011: 91% of the integral tests were carried out according to schedule (N/A in 2010)

The airport is responsible for fire safety in the terminal. Integral tests are conducted in order to ensure fire safety and the operational reliability of fire protection system overrides. Fire alarm systems, air conditioning systems, baggage systems, lift controls, fire-resistant blinds and evacuation systems in the terminal are integrally tested under operational circumstances. Ninety-one per cent of the integral tests were carried out in accordance with the planning schedule. The aim is to maintain the same level of integral tests in 2012.

## Performance indicators – Employees

### Policy and management systems

Amsterdam Airport Schiphol has developed anti-fraud and whistleblowing regulations as well as additional codes addressing inappropriate behaviour, the use of e-mail and the Internet, and dealing with external relations.

Our health and safety policy aims to ensure the health, safety and well-being of our employees in the work place. The key focus is the prevention of physical or psychological injury to our employees and third-party personnel, as well as to passengers and visitors. Amsterdam Airport Schiphol makes use of an OHS management system based on the international OHSAS 18001 standard (Occupational Health and Safety Assessment Series).

#### 12. KPI Employee commitment

- Internal reports: every 18 months
- Reporting period: 18 months
- Scope: Schiphol Nederland B.V.
- Registration: MeyerMonitor
- 2011: 7.9 (7.3 in 2010)

Employee commitment is measured on the basis of the results of the Company Monitor carried out by MeyerMonitor, a research and dialogue consultancy company. The monitor determines the difference between the desired and actual situation for seven strategic themes. Based on the identified differences, management can then determine which themes require greater focus in order to achieve the strategic objectives.

The Schiphol Monitor included three additional questions regarding satisfaction with current work, pride taken in work and intention to continue working at Amsterdam Airport Schiphol should other options arise. The average of these three scores results in a value representing employee commitment, in this case 7.9. Employee commitment will be measured again in 2013. We aim to ensure that the score continues to improve. The Schiphol Monitor was sent to all Schiphol Nederland B.V. employees and the employees at Schiphol Telematics. The response rate was 61%.

#### 13. KPI Diversity

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: Schiphol Nederland B.V.
- 2011: 23.4% (22% in 2010)

Schiphol Nederland B.V.'s diversity policy is aimed at promoting talented women to top-level positions within the organisation. The term 'top-level' is defined as the upper three management tiers at Schiphol Nederland B.V. The scope includes all positions in reporting levels I, II and III with a certain degree of influence on developing strategy, policy and/or decision-making concerning our core activities.

The N.V. Luchthaven Schiphol and Schiphol Nederland B.V. Management Board (consisting of the CEO, CCO, COO and CFO) is referred to as Reporting Level I. Reporting level II is the management layer that reports directly to Reporting Level I. Reporting level III is the management layer that reports directly to Reporting Level II. Currently 23.4% of these positions are filled by women. We aim to raise this percentage to 30% by the end of 2014.

#### 14. KPI Absence due to illness

- Internal reports: monthly
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: Schiphol Nederland B.V.
- 2011: 4.7% (4.4% in 2010)

Schiphol Nederland B.V. wants its employees to be fit, healthy and continually employable. Above all else, this is obviously in the employees' best interests. After all, our employees will spend a considerable portion of their lives at work. The health of our employees is also important in terms of operational continuity and quality. A fit and healthy employee is one who possesses the required competencies and physical health to be able and willing to perform his or her duties.

Overall employee fitness is calculated on the basis of the average absenteeism rate for the Schiphol Nederland B.V. workforce. This percentage does not include absence due to maternity leave. In 2011, Schiphol Nederland B.V. recorded an absenteeism rate due to illness of 4.7%. This percentage was calculated on the basis of the Verbaan standard. The rise was caused by a higher number and longer duration of medium and long-term absences. We aim to achieve a downward trend in absenteeism due to illness.

#### 15. KPI Schiphol College

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Schiphol location
- Registration: Schiphol College
- 2011: Work to learn places – 75% of all exam candidates obtained their diploma (2010: 44 work to learn placements) Senior secondary vocational education (MBO) – 382 enrollees (2010: 472 enrollees) 108 work placements (2010: 90 work placements) 50 vocational training programmes were completed by 147 groups (2010: 81 training programmes by 42 groups)

#### Work to learn places

Work to learn places are intended for unemployed people who have not completed their education. Work to learn places offer these people basic qualifications and better opportunities on the labour market. The percentage of participants who have successfully completed the programme is used to measure whether performance expectations have been met. In 2011, 75% of exam candidates passed the examination completing the learning programme. Given that the performance indicator was adjusted over the course of 2011, the same target will be applied in 2012: successful completion of the work to learn programme by at least 70% of exam candidates. As a result of the above adjustment, last year's data cannot be compared with 2010.

#### Senior secondary vocational education (MBO) programmes

MBO programmes are designed especially for work at the airport and focus on security and air cargo logistics. In 2011, 382 participants commenced the MBO programme. There is no clear reason for the drop in the number of enrolments. We aim to increase the number of enrollees to 400 in 2012.

#### Work placements

Schiphol College also acts as an agency for work placements at Schiphol Group. In 2011, a total of 108 students were given work placement positions at Schiphol Group. The number of work placements rose in comparison with 2010, due to the fact that a growing number of students and teachers are now familiar with Schiphol College and are satisfied with the products and services it provides. The objective for 2012 remains the same as 2011: Schiphol College aims to provide at least 100 students a work placement position at Schiphol Group.

#### Vocational training programmes

Schiphol College also offers vocational and other training programmes. These are courses designed specifically for the aviation sector and are provided in collaboration with the Amsterdam ROC. In 2011, 50 groups completed a total of 147 different vocational training programmes. A growing number of companies are now familiar with Schiphol College, and are satisfied with the products and services it provides. This has resulted in an increase over 2010. In view of the economic situation the target will remain unchanged for 2012.

## Global Reporting Initiative reference table

GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
<b>1 Profile</b>			
1.1 CEO statement	Foreword	8, 9	
1.2 Key effects, risks and opportunities	- Strategic objectives - Risk management	34-36 100-105	
<b>2 Organisation Profile</b>			
2.1 Name of the organisation	- Doing business in a complex environment	18-31	
2.2 Primary products, and/or services	- Doing business in a complex environment	18-31	
2.3 Operational structure	- Doing business in a complex environment	18-31	
2.4 Location of organisation's headquarters	+		Evert van de Beekstraat 202, 1118 CP Schiphol
2.5 Number of countries where the organisation operates	- Doing business in a complex environment	18-31	
2.6 Nature of ownership and legal form	- Corporate Governance - Shareholder information	90, 91 106	
2.7 Doing business in a complex environment	- Doing business in a complex environment - Our performance in 2011/Competitive position	18-31 44-49	
2.8 Scale of the organisation	- Doing business in a complex environment - Our performance in 2011/Financial performance	18-31 38-43	Amsterdam Airport Schiphol covers 2,787 hectares and has 6 runways.
2.9 Significant operational changes during the reporting period	- Doing business in a complex environment	18-31	No significant changes
2.10 Awards received in the reporting period	- Our performance in 2011/ Operating capacity	49-55	
<b>3 Reporting Parameters</b>			
3.1 Reporting period	+		01 Jan. 2011-31 Dec. 2011
3.2 Date of most recent previous report (if any)	5 April 2011		<a href="http://www.schiphol.nl/SchipholGroup/InvestorRelations/FinancialInformation/AnnualReports.htm">http://www.schiphol.nl/SchipholGroup/InvestorRelations/FinancialInformation/AnnualReports.htm</a>
3.3 Reporting cycle	+		Annual
3.4 Contact point for questions	+		<a href="http://www.schiphol.nl/SchipholGroup/InvestorRelations/IRServicesContact.htm">http://www.schiphol.nl/SchipholGroup/InvestorRelations/IRServicesContact.htm</a> <a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/Contact.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/Contact.htm</a>
3.5 Process for defining report content	- Operational and socio-economic performance	114, 115	
3.6 Scope of the report	- Operational and socio-economic performance	114, 115	
3.7 State any specific limitations on the scope of the report	- Operational and socio-economic performance	114, 115	
3.8 Basis for reporting	- Operational and socio-economic performance	114, 115	
3.9 Data measurement techniques and calculation principles	- Operational and socio-economic performance	114, 115	Specific GRI indicators were found to be immaterial for Schiphol Group in terms of content. As a result, no measurements or calculations were carried out and no data is available. In other cases, data is not publicly available.
3.10 Re-statements of information provided in previous reports	+		The definitions of CO <sub>2</sub> emissions resulting from our own activities and of work to learn places, one of the factors underlying the Schiphol College KPI, have been adjusted. As a result, data on these aspects cannot be compared with previous data.  The 2010 bird strike rate has been recalculated due to improved insight into the number of relevant air transport movements.
3.11 Significant changes relative to the previous reporting period	+		
3.12 GRI table of contents	- Operational and socio-economic performance	122- 130	
3.13 Verification report	- Operational and socio-economic performance	132	

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Ref. Guideline Description			
<b>4 Governance Structure Indicators</b>			
4.1 Organisational governance structure	- Report of the Supervisory Board - Corporate Governance - The Board and Management	10-15 90, 91 92-95	
4.2 Relationship between the Chair of the highest governing body and executive position	- The Board and Management	92-95	
4.3 Number of members of the highest governing body that are independent and/or non-executive members	- The Board and Management	92-95	
4.4 Mechanisms available to shareholders and employees for submitting recommendations to, or exercising participation in decision-making	- Corporate Governance - Shareholder information	90, 91 106	
4.5 Link between compensation for members of the highest governing body, top executives and managers and the organisation's performance	- Remuneration report	96-99	
4.6 Processes in place for the highest governing body to ensure conflicts of interest are avoided	- Corporate Governance	90, 91	See also: <a href="http://www.schiphol.nl/SchipholGroup/InvestorRelations/CorporateGovernance.htm">www.schiphol.nl/SchipholGroup/InvestorRelations/CorporateGovernance.htm</a>
4.7 The highest governing body's knowledge of Corporate Responsibility	- Remuneration report - Organisation of Corporate Responsibility	96-99 107	
4.8 Internally developed mission statements, principles and codes of conduct	+		The CLA features codes of conduct on appropriate behaviour, use of e-mail and dealing with external parties. In addition there are anti-fraud regulations and whistleblower regulations. See also: <a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/CodesOfConductAndConventions.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/CodesOfConductAndConventions.htm</a>
4.9 Corporate Governance	- Corporate Governance	90, 91	See also: <a href="http://www.schiphol.nl/SchipholGroup/InvestorRelations/CorporateGovernance.htm">http://www.schiphol.nl/SchipholGroup/InvestorRelations/CorporateGovernance.htm</a>
4.10 Processes for evaluating the highest governing body's own performance	- Remuneration report	96-99	
4.11 Precautionary principle	+		<a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/EuropesPreferredAirport.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/EuropesPreferredAirport.htm</a>
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives	+		Global Compact
4.13 Membership of associations (such as industry associations) and/or national/international interest groups	- The Board and Management	92-95	Member of industry association Airports Council International
4.14 List of stakeholder groups engaged by the organisation	- Doing business in a complex environment	18-31	See also: <a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/OurStakeholders.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/OurStakeholders.htm</a>
4.15 Basis for identifying and selecting stakeholders with whom to engage	- Doing business in a complex environment	18-31	Stakeholders have not been awarded a specific place in the Management Board's Report, but are discussed at various points in the 2011 Annual Report.
4.16 Method of engaging stakeholders	- Doing business in a complex environment	18-31	Stakeholders are regularly consulted through various consultative bodies. We organise approximately four stakeholder dialogues per year, at which the Management Board meets with a selection of stakeholders to elicit their views on our strategic direction and explain certain decisions.
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	+		The main discussion topics are socio-economic capacity, environment, accessibility and safety.

GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
<b>5.1 Economic Performance Indicators</b>			
Management approach to economic performance			<p>Schiphol Group creates sustainable value for its stakeholders by developing AirportCities and positioning Amsterdam Airport Schiphol as Europe's preferred airport. Amsterdam Airport Schiphol ranks among the leading, most efficient transport hubs for air, rail and road connections and offers its visitors and the businesses located at Schiphol the services they require 24 hours a day, seven days a week. Amsterdam Airport Schiphol offers scheduled services to 313 destinations. The airport's market share for passenger transport and cargo transport is 10.9% and 13.9% respectively. These are key indicators for companies wishing to establish their business in the Netherlands and, in particular, in the proximity of Amsterdam Airport Schiphol.</p> <p>Amsterdam Airport Schiphol is the airport manager. In this role, it develops and operates the airport grounds. We invest between EUR 250 and EUR 300 million on an annual basis. A substantial portion of this amount is invested in improving, maintaining and optimally deploying the infrastructure related to the airport. The long-term investments contribute to the quality, accessibility and usage options of the airport. Additionally, regular substantial investments have been made to improve parking facilities and airport-related real estate such as hotels, offices and cargo buildings. The investments generate significant additional economic activity and increase employment at and around the airport, particularly in the areas of construction and installation. The facilities realised attract other companies that set up business at the airport and project their own economic influence on the region.</p> <p>500 companies are established at the airport offering employment to almost 62,000 people. Schiphol College enables Schiphol Group employees as well as people employed by companies operating at the Schiphol location to undergo further training and retraining to ensure that personnel are mobile and can be efficiently deployed. At the end of 2011, Schiphol Group employed 2,145 people.</p> <p>More information on                      - Financial developments: Our performance in 2011/Financial performance (38-43)                      - Passenger and cargo transport, including market presence: Our performance in 2011/competitive position (44-49)                      - Investments: Our performance in 2011/Financial performance (42)                      - Employment and Schiphol College: Our performance in 2011/Human Resources (74-78) and www.schipholcollege.nl</p>
EC1 Direct economic values	- Financial statements	134	
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change	- Our performance in 2011/ The Environment	65-71	- theGROUNDS See also: <a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/EnvironmentAndNoise/theGROUNDS1.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/EnvironmentAndNoise/theGROUNDS1.htm</a>
EC3 Coverage of the organisation's defined benefit plan obligations	- Financial statements	134	
EC4 Significant financial assistance received from government	+		Amsterdam Airport Schiphol has not received any significant financial assistance.
EC5 Range of ratios of standard entry level wage compared to local minimum wage	+		Salaries are set down in the CLA.
EC6 Policy, practices, and proportion of spending on locally based suppliers	-		Not available
EC7 Procedures for local hiring and proportion of senior management hired from the local community	+		International activities only involve a small number of managers seconded from the Netherlands.
EC8 Development and effect of infrastructure investments and services provided primarily for public benefit	- Our performance in 2011/Financial performance	38-43	We invest between EUR 250 to 300 million on an annual basis. A substantial portion of this is invested in improving, maintaining and optimally deploying the infrastructure related to the airport. The long-term investments contribute to the quality, accessibility and usage options of the airport. Additionally, regular substantial investments have been made to improve parking facilities and airport-related property such as hotels, offices and cargo buildings.
EC9 Insight into and description of significant indirect economic consequences, including their scale	+		The investments generate substantial additional economic activity and increase employment at and around the airport, particularly in the areas of construction and installation. The facilities built attract other companies that set up business at the airport and project their own economic influence on the surrounding area. This was also confirmed in the Mainport Study conducted by McKinsey and the Boston Consultancy Group, published in March 2011.
AO1 Number of passengers handled over the course of one year, categorised into international and domestic flights and O&D and transfer passengers, including transit-direct passengers	+		<p>Amsterdam Airport Schiphol</p> <ul style="list-style-type: none"> <li>- Passengers (incl. transit-direct passengers) 49,755,252</li> <li>- Domestic 419</li> <li>- European 33,846,307</li> <li>- Intercontinental 15,908,526</li> <li>- O&amp;D passengers (total) 29,491,315</li> <li>- O&amp;D European 22,433,362</li> <li>- O&amp;D Intercontinental 7,057,953</li> <li>- Transfer (total) 20,189,310</li> <li>- Transfer European 11,391,948</li> <li>- Transfer Intercontinental 8,797,362</li> <li>- Transit passengers 74,627</li> </ul>

GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
AO2 Number of air transport movements over the course of one year, categorised into day and night-time flights, and commercial, non-commercial, cargo and military flights.	+		<p>Amsterdam Airport Schiphol</p> <ul style="list-style-type: none"> <li>- Air transport movements totalled 437,083</li> <li>- Cargo flights (commercial) 15,928</li> <li>- Passenger flights (commercial) 404,321</li> <li>- General aviation (non-commercial) 16,834</li> <li>- Military flights (non-commercial) 152</li> <li>- Other GA flights (non-commercial) 16,682</li> <li>- Night-time flights total 21,592</li> <li>- Night-time flights (commercial) 20,979</li> <li>- Night-time flights (non-commercial) 613</li> </ul>
AO3 Cargo Volume	+		Amsterdam Airport Schiphol - 1.523.806 ton
<b>5.2 Environmental Performance Indicators</b>			
Management approach of environmental indicators			<p>Amsterdam Airport Schiphol plays an active and leading role in the area of the environment, a role in which innovations take centre stage. It is our intention to achieve a sustainable energy and water management programme, improve air quality and enhance the accessibility of Amsterdam Airport Schiphol.</p> <p>These objectives have been included in the environmental policy plan that consists of the following compartments: air, energy, water, noise pollution, waste, soil, hazardous substances, and nature and landscape. The progress of our activities is monitored in the environmental management system. Energy and mobility are priority areas for us, and the subjects of the following ambitious programmes: The EnergieStrategy 2020 and the Sustainable Mobility Concept. theGROUNDS is the catalyst that Amsterdam Airport Schiphol uses to achieve its environmental objectives (faster) by working closely with companies and knowledge institutes.</p> <p>Furthermore, each quarter the Management Board receives an overview of developments surrounding key non-financial objectives. The CEO is responsible for Corporate Responsibility in its entirety. As the airport manager, the COO is responsible for environmental developments at the Schiphol location. The COO is responsible for the mobility and accessibility dossier, while the CFO is tasked with selecting responsible suppliers. Theme directors have been appointed in the organisation. These directors make sure that business divisions focus on achieving the objectives wherever possible. The directors of Airport Operations and Asset Management are the theme directors for the environmental compartments. We are actively pursuing a more engaged approach to the environment with regard to the performance indicators energy efficiency, the CO<sub>2</sub> neutrality of our own activities, BREEAM certification for new office buildings, FEGP for aircraft stands, recycling of waste, drinking water consumption per passenger and surface water quality.</p> <p>More information on:                      - Energy, CO<sub>2</sub>, water and air quality, waste, mobility: Doing business in a complex environment/ The environment (28), Our performance in 2011/The environment (65-71) and Operational and socio-economic performance (117-119)                      - Accessibility: Doing business in a complex environment/Accessibility (28) and Our performance in 2011/ Accessibility (71)                      - at www.schiphol.nl/cr and at www.theGROUNDS.com.</p>
EN1 Total amount of materials used by weight or volume	+		In view of the fact that we are a service company, this performance indicator is not materially significant. We only record the purchase of materials, not the quantity of materials actually used.
EN2 Use of recycled materials	- Our performance in 2011/The environment	70, 71	
EN3 Direct energy consumption by primary energy source	- Our performance in 2011/The environment	65, 66	
EN4 Indirect energy consumption by primary source	+		The energy consumption recorded concerns the total amount of energy consumed (electricity and gas). No indirect energy is purchased separately. If necessary, Schiphol will itself arrange for the transition from direct to indirect energy consumption.
EN5 Energy saved due to conservation and efficiency improvements	- Our performance in 2011/The environment	65, 66	
EN6 Initiatives to promote energy efficiency and the use of sustainable energy, as well as reduce energy needs as a result of these initiatives	- Our performance in 2011/The environment	65, 66	
EN7 Initiatives to reduce indirect energy consumption	- Our performance in 2011/The environment	65, 66	Reducing our indirect energy consumption is part of the energy reduction and efficiency goals set out in the MYA and our climate goals.
EN8 Total water draw-off by source	- Our performance in 2011/The environment	68	We do not draw off water to treat it for drinking purposes or industrial applications.
EN9 Water sources significantly affected by water draw-off	- Our performance in 2011/The environment	68	
EN10 Percentage of water recycled and reused	- Our performance in 2011/The environment	68	We do not recycle or reuse water.
AO4 Captured rainwater from the airport grounds. Rainwater may be polluted as a result of airport processes (such as kerosene leakage)	-		Not available



GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
EN11 Location and size of land owned, leased, managed, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	+		The airport did not build any new runways or terminals in 2011. As a result, there was no need to move any flora or fauna to a new location.
EN12 Description of significant effects of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value	+		Our business operations do not take place in protected areas or areas adjacent to such areas. Because we leave the natural environment between our runways undisturbed, it is home to special specimens of flora and fauna. For more information, read the book: 'Natuurgebied Schiphol. Flora en Fauna in kaart gebracht (Schiphol nature reserve. A compendium of its Flora and Fauna)'. Our business operations do not take place in protected areas or areas adjacent to such areas. Because we leave the natural environment between our runways undisturbed, it is home to special specimens of flora and fauna. For more information, read the book: 'Natuurgebied Schiphol. Flora en Fauna in kaart gebracht (Schiphol nature reserve. A compendium of its Flora and Fauna)'.
EN13 Habitats protected or restored	+		
EN14 Strategies, current actions, and future plans for managing effects on biodiversity	+		
EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by business operations, by level of extinction risk	+		
EN16 Total direct and indirect greenhouse gas emissions	- Our performance in 2011/The environment	65-69	Only CO <sub>2</sub> and NO <sub>x</sub> emissions available. For the environmental permit, the other emissions no longer need to be reported to the province of North-Holland. Consequently, this information is not available.
EN17 Other relevant indirect greenhouse gas emissions	+		The focus is on CO <sub>2</sub> , the most important greenhouse gas. See also EN16.
EN18 Initiatives to reduce greenhouse gas emissions	- Our performance in 2011/The environment	65-69	
EN19 Emissions of ozone-depleting substances	+		The use of cooling agents no longer needs to be reported to the province of North-Holland for environmental permit purposes. Consequently, this information is not available.
EN20 NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	- Our performance in 2011/The environment	65-69	Only CO <sub>2</sub> and NO <sub>x</sub> emissions available. For the environmental permit, the other emissions no longer need to be reported to the province of North-Holland. Consequently, this information is not available.
A05 Air quality composition	+		Air quality is monitored by the government through the National Air Quality Cooperation Programme. Additionally, an external party calculates the air composition at Amsterdam Airport Schiphol once a year.
EN21 Total water discharge by quality and destination	+		All waste water (sanitary and otherwise) is discharged from our buildings to an Evides waste water treatment installation.
EN22 Total weight of waste by type	- Our performance in 2011/The environment	70, 71	
EN23 Total number and volume of significant spills	+		There have been no significant discharges into surface water.
EN24 Weight of transported, imported, exported, or treated waste	+		We outsource the transportation and processing of our waste, including hazardous waste.
EN25 Water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff	-		Not available
A06 Amount of de-icing agent used to de-ice aircraft and remove ice from runways and taxiways	- Our performance in 2011/The environment	67	
EN26 Initiatives to mitigate the environmental impact of products and services	- Our performance in 2011/The environment	65-71	
EN27 Packaging materials of products	+		Schiphol Group does not sell pre-packaged products.
EN28 Fines and non-monetary sanctions for non-compliance with environmental laws and regulations	+		No matters were taken to court concerning operations carried out at the Amsterdam Airport Schiphol site, nor were any fines or penalties imposed, or any other administrative coercive measures used in relation to non-compliance with environmental laws or regulations.
EN29 Significant environmental impact of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	- Our performance in 2011/The environment - Our performance in 2011/Accessibility	66, 67 71	
EN30 Total environmental protection expenditures and investments by type	-		Not available
A07 Number of people living in noise-affected areas	- Our performance in 2011/Socio-economic capacity	56, 57	Visit <a href="http://www.bezoekbas.nl">www.bezoekbas.nl</a> for an easy-to-read overview of noise impact distribution across the various regions.

GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
<b>5.3 Working Conditions and Full-Time Work Indicators</b>			
Management approach of working conditions			Schiphol Group attaches great value to pursuing a balanced personnel policy and developing its staff. The employees are essential to guaranteeing the quality of the services provided. To strike the right balance between their work and private lives, employees can opt for flexible working hours as advocated under the New Style of Working. Our Occupational Health and Safety (OHS) management system allows the airport to monitor the vitality of its workforce. We strive to ensure a healthy and well-motivated workforce, by focusing on the issues of absence due to illness, diversity and employee commitment. Safe working conditions are crucial to keeping operations running smoothly. We are continually exploring ways to further improve safety.  Safe working conditions are defined in laws and regulations, which also deal with exposure to noise and emissions. We instruct our employees on safe working practices through the use of warning signs, newsletters and the Safety & Security Pocket Guide.  The CEO is responsible for employee policies. This responsibility has been delegated to the Human Resources director, who has also been appointed theme director for the subjects relating to 'people and society'.  For more information: - Employee development and safe working conditions : Doing business in a complex environment/ Human Resources (31) and Our performance in 2011/ Human Resources (74-78) - Absenteeism due to illness, diversity and employee commitment: Our performance in 2011/ Human Resources (74-78) and Operational and socio-economic performance (120, 121) - <a href="http://www.schiphol.nl/cr">http://www.schiphol.nl/cr</a> and <a href="http://www.schiphol.nl/WerkenVacatures">www.schiphol.nl/WerkenVacatures</a>
LA1 Total workforce by employment type, employment contract, and region	- Our performance in 2011/Human Resources	74-78	No information is available about type of work.
LA2 Employee turnover	- Our performance in 2011/Human Resources	74-78	
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, per major activity	+		All group benefits available to employees with full-time employment contracts apply in full to employees working part-time, albeit on a pro rata basis. Individual payments and/or supplements apply equally to full-time and part-time employees.
LA4 Percentage of employees covered by collective labour agreements	+		93.7%
LA5 Minimum notice period(s) regarding operational changes	+		No specific agreements were made on notice periods that would apply in the event of operational changes.
LA6 Percentage of total workforce represented in formal joint employer-employee health and safety committees that help monitor and advise on working conditions programmes.	+		0.45%
LA7 Rates of injury, occupational disease, lost days, and absenteeism, and number of work-related fatalities by region	- Our performance in 2011/Human Resources	74-78	There were no work-related deaths in 2011.
LA8 Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members	- Our performance in 2011/Human Resources	74-78	Also see: <a href="http://www.schiphol.nl/SchipholGroup/Company1/Career.htm">http://www.schiphol.nl/SchipholGroup/Company1/Career.htm</a>
LA9 Health and safety topics covered in formal agreements with trade unions	+		Agreements on occupational safety and health topics have been set down in the collective labour agreement, but no formal agreements have been made with trade unions.
LA10 Average hours of training per year per employee by employee category	+		Number of training hours as yet unknown, but the average training budget has been recorded. See also: <a href="http://www.schiphol.nl/SchipholGroup/Company1/Career.htm">http://www.schiphol.nl/SchipholGroup/Company1/Career.htm</a>
LA11 Programmes for competency management and lifelong learning that support the continued employability of employees and assist them in completing their career	+		<a href="http://www.schiphol.nl/SchipholGroup/Company1/Career.htm">http://www.schiphol.nl/SchipholGroup/Company1/Career.htm</a>
LA12 Percentage of employees receiving regular performance and career development reviews	+		100%
LA13 Composition of governing bodies	- The Board and Management	92-95	
LA14 Ratio of basic salary of men to women	+		Basic salaries for men and women are the same. This has been set down in the CLA.
<b>5.4 Human Rights</b>			
Management approach of human rights			The majority of our operations take place in the Netherlands. Our foreign associates are located in developed countries (United States, Australia, France, Sweden, Italy, Hong Kong and Aruba). Consequently, these indicators apply to a lesser degree. Moreover, we operate (in any event in the Netherlands) in line with Dutch legislation and regulations which guarantee these aspects. For Schiphol Nederland B.V. employees, the following codes of conduct have been drawn up: inappropriate behaviour, use of e-mail and Internet, and dealing with external parties. We have also put in place anti-fraud regulations and whistleblower regulations. Our purchasing regulations set out requirements that suppliers of our products and services must meet. In 2010, Schiphol Group also signed the Global Compact. The CEO is responsible for employee policies. The Dutch Border Police (Koninklijke Marechaussee) is responsible for Passport and Border Control and is therefore also responsible for matters such as human trafficking.  For more information: - Risk management; Risk M: Supplier and outsourcing liability (104) Doing business in a complex environment/Human Resources (31) and Our performance in 2011/ Human Resources (74-78)

GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
HR1 Investment and purchasing agreements that include human rights clauses	+		<a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/PurchaseAndSupplyChainManagement1.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/PurchaseAndSupplyChainManagement1.htm</a>
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and action taken	+		Schiphol Group applies a purchasing policy. However, suppliers are not specifically screened in terms of their human rights record. See also: <a href="http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/PurchaseAndSupplyChainManagement1.htm">http://www.schiphol.nl/SchipholGroup/CorporateResponsibility/CRAAtSchiphol/PurchaseAndSupplyChainManagement1.htm</a>
HR3 Total hours of staff training on policies and procedures concerning aspects of human rights that are relevant to operations	+		Schiphol Group does not provide services in countries where human rights are at stake. Therefore, no training courses are provided to employees in this area.
HR4 Discrimination	+		No cases of discrimination have been reported.
HR5 The right to exercise freedom of association and collective bargaining	+		Employees are free to unite in trade unions and to negotiate collectively.
HR6 Child labour	+		The majority of our operations take place in the Netherlands. Our operations fully comply with Dutch laws and regulations and do not touch upon such issues as child labour or forced or compulsory labour.
HR7 Forced or compulsory labour	+		The majority of our operations take place in the Netherlands. Our operations fully comply with Dutch laws and regulations and do not touch upon such issues as child labour or forced or compulsory labour.
HR8 Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations	+		The security personnel working at Schiphol have been seconded from companies that comply fully with Dutch laws and regulations. In the performance of their work, our security personnel fully respect human rights.
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	+		Not applicable. We do not carry out operations in developing countries.
HR10 Percentage of operations screened in terms of their human rights impact	+		Not applicable
HR11 Number of complaints regarding human rights received through official channels.	+		Not applicable

### 5.5 Social Performance Indicators

Management approach of social performance indicators

Amsterdam Airport Schiphol operates as a multimodal hub for the Netherlands. The airport connects our country with the rest of the world, both in terms of passengers and cargo. As a Mainport, Schiphol is of socio-economic importance to the Randstad which, together with Amsterdam, benefits from the network of destinations and flight frequencies. The airport plays an important part in attracting international companies that benefit from fast, worldwide connections and an attractive business climate. As a result, not only does Schiphol provide direct employment for almost 62,000 people at Amsterdam Airport Schiphol but it also is the driver of a significant amount of indirect employment both within the region and beyond. A Mainport requires an open market economy with healthy competition so that in all areas, pricing is balanced, passengers have sufficient choice and all airlines can offer their services at Amsterdam Airport Schiphol.

The socio-economic function of the airport was discussed in detail during the stakeholder dialogue that took place in 2011. Amsterdam Airport Schiphol is engaged in a continuous dialogue with the local communities and relevant government authorities on a wide variety of subjects. In the Alders Platform consultative body, we hold discussions on how the airport can continue to develop up to 2020 and on how to protect the quality of life in the surrounding area. In this regard, two performance indicators are actively monitored: socio-economic capacity and exceeding noise impact enforcement points. Schiphol is also a member of the Schiphol Regional Consultative Committee (CROS) and participates in the Alders Platform. The Local Community Contact Centre Schiphol (Bas) is the information centre where local residents can obtain information on air traffic flying to and from the airport.

Amsterdam Airport Schiphol is not only an economic driver that provides employment in the Amsterdam metropolitan region, it is also involved at the social level. The Schiphol Fund, established in 1994, provides funding to associations and foundations. Schiphol College was established to prepare students for airport-related careers or work placements. After having concluded a three-year partnership with SOS Children's Villages, the airport entered into a new agreement with UNICEF in 2012. Finally, Schiphol has sponsored the Amsterdamse Bos theatre for 15 years.

The COO is responsible for the Alders Platform and has delegated this responsibility to the Airside Operations director, who is theme director for the noise-reduction environmental compartment. Schiphol College comes under the responsibility of the Human Resources director.

More information on:

- Stakeholder dialogue: Doing business in a complex environment (20)
- Alders Platform, breaches of noise enforcement points and the Local Community Contact Centre (Bas): Doing business in a complex environment/Socio-economic capacity (27), Our performance in 2011/Socio-economic capacity (56, 57) and Operational and socio-economic performance (115) and [www.bezoekbas.nl](http://www.bezoekbas.nl)
- Schiphol College: Doing business in a complex environment/Human Resources (31), Our performance in 2011/ Employees (78), Operational and socio-economic performance (121) and [www.schipholcollege.nl](http://www.schipholcollege.nl)
- Schiphol Fund: Doing business in a complex environment/Human Resources (31), Our performance in 2011/Human Resources (78) and [www.schipholfonds.nl](http://www.schipholfonds.nl)
- <http://www.schiphol.nl/SchipholGroup/CorporateResponsibility.htm>

SO1 The way in which activities affect communities		56, 57	- Our performance in 2011/Socio-economic capacity
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GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
SO9 Operational activities with a significant (potentially) negative impact on the local environment	- Our performance in 2011/Socio-economic capacity	56, 57	The environment is especially likely to encounter noise disturbance. See also: <a href="http://www.bezoekbas.nl">www.bezoekbas.nl</a> and GRI indicator PR1.
SO10 Measures taken to minimise (potentially) negative effects on the local environment	- Our performance in 2011/Socio-economic capacity	56, 57	The environment is especially likely to encounter noise disturbance. See also: <a href="http://www.bezoekbas.nl">www.bezoekbas.nl</a> and GRI indicator PR1.
SO2 Corruption-related risks	+		The internal audit department investigates any reports of corruption. No corruption incidents were reported.
SO3 Employees trained in anti-corruption policies and procedures	+		The company's senior management took part in a Fraud Awareness Workshop in 2011. This training programme focused on the issues of integrity, fraud and signs of fraud.
SO4 Actions taken in response to incidents of corruption	+		Not applicable, as there are no known cases of fraud.
SO5 Positions with regard to public policy, participation in public policy development, and lobbying activities.	+		Member of industry association Airports Council International.
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	+		We do not make any financial or in-kind contributions.
SO7 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	+		Schiphol Group lodged an appeal against the judgment of the District Court of Rotterdam of November 2010 regarding the NMA's ruling that the costs of facilities at Runway 18R-36L could not be factored into the charges. easyJet has withdrawn its appeal against the NMA's ruling regarding the relatively high charges for O&D passengers. easyJet is now bringing the case before the European Court of Justice.  In November 2011, the NMA published its decision on the Schiphol Aviation Club's application. The NMA ruled that the take-off and landing fees and the Passenger Service Charge at Schiphol-East for the aviation club and similar users were unreasonable. In response to this ruling, we adjusted the fees for flights and passengers handled at Schiphol-East. We have lodged an appeal against this NMA decision. The Schiphol Aviation Club also submitted an application to the NMA regarding the fees taking effect on 1 April 2012.
SO8 Fines and non-monetary sanctions for non-compliance with laws and regulations	+		No penalties were imposed in 2011.
AO8 (Estimated) number of people to be voluntarily or involuntarily relocated in connection with the development or expansion of an airport	+		Expansion of the airport in 2011 was limited and did not require any people to be relocated.

### 5.6 Product Responsibility

Management approach to consumer health and safety

For Schiphol Group this component is less relevant given the products and services that Schiphol offers. The Dutch Border Police (Koninklijke Marechaussee) is responsible for Passport Control, Border Control and protecting civil aviation against attacks and hijacks. Customs monitors the import, export and transit of goods and it levies and collects taxes and duties owed on imported goods.

The health of passengers is promoted through good hygiene and medical facilities, the timely emptying of waste bins and offering facilities such as restaurants with healthy food options, as well as spa and massage facilities.

Passenger safety is safeguarded in the TSMS and ASMS (fire and aviation safety). Two key performance indicators are runway incursions and bird strikes. Keeping the terminal, the aprons and the runways clean is another important factor in preventing unsafe situations.

The COO is responsible for safety and the environment at the Schiphol location. The directors of Airside Operations, Asset Management and Safety, Security & Environment are the theme directors for the subjects relating to safety and the environment.

More information on:

- Safety: Doing business in a complex environment/Safety (29), Our performance in 2011/Safety (71-73) and Operational and socio-economic performance (119, 120)
- [www.schiphol.nl/cr](http://www.schiphol.nl/cr)

PR1 Life cycle stages in which health and safety effects of products and services are assessed	+		Employees are provided with a safe and healthy workplace. Employees are protected against high noise impact levels and high emission concentrations. Among other measures aimed at the environment, an up-to-date overview of noise impact levels has been made available via <a href="http://www.bezoekbas.nl">www.bezoekbas.nl</a> . Read more about our measures in the sections Safety, Socio-economic Capacity, Environment, and Accessibility.
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety effects of products and services during their life cycle	+		No known incidents.
PR3 Type of information on products and services that are mandatory for procedures	+		The aviation sector is subject to a multitude of national and international laws and regulations. The airport provides services and does not sell durable products.

GRI - G3 guidelines for sustainability reporting	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	+		No known incidents.
PR5 Policy on customer satisfaction and the results of customer satisfaction surveys	- Our performance in 2011/Performance per business area	80-87	Amsterdam Airport Schiphol conducts surveys to assess the satisfaction levels of passengers, concessionaires and tenants. Amsterdam Airport Schiphol also participates in the ACI Airport Service Quality Survey. Amsterdam Airport Schiphol won various awards in 2011, including the prestigious ACI Europe Best Airport Award.
PR6 Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	+		Our marketing communication policy adheres to generally accepted ethical and cultural values and advertising codes. This renders the deployment of special programmes for compliance with laws and regulations in this field unnecessary.
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship	+		No such incidents were reported during the reporting year.
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	+		No known substantiated complaints.
PR9 Fines for non-compliance with laws and regulations concerning the provision and use of products and services	+		During the reporting year no fines were imposed on Schiphol Group for failure to provide services, or to provide them in full.
AO9 Number of animals involved in wildlife strikes per 10.000 air transport movements	- Our performance in 2011/Safety - Operational and socio-economic performance	72 119, 120	Bird strikes are an issue of material significance to Amsterdam Airport Schiphol

## Global Compact Communication on Progress

Global Compact principles	Incorporated in	See also: GRI indicator
<b>Human rights</b>		
1. Schiphol supports and respects human rights	- Codes of conduct - Purchasing regulations	LA4, LA6-9, LA13-14 HR1-9
2. Schiphol is certain that it does not take part in any activity violating human rights	- Codes of conduct - Purchasing regulations	HR1-9
<b>Working conditions</b>		
3. Schiphol's employees are free to join associations and exercise their right to collective bargaining	- Employees are free to join associations. Schiphol makes an annual payment to the trade unions as a contribution and to help cover training costs. Furthermore, employees that are active on behalf of the trade union and/or the Works Council receive a certain amount of free time to conduct these activities	LA4-5 HR1-3 HR5
4. Schiphol eliminates all forms of forced labour	- The type of work, working conditions and work times are set out in the CLA - Purchasing regulations	HR1-3, HR7
5. Schiphol eliminates child labour	- Schiphol does not conclude employment agreements with people under the age of 18 - Purchasing regulations	HR1-3, HR6
6. Schiphol eliminates discrimination based on profession	- Remuneration conditions for men and women are the same - Code of Conduct on Undesirable Behaviour - Internal Complaints Committee - Purchasing Regulations	LA2, LA13-14 HR1-4
<b>Environment</b>		
7. Schiphol focuses on environmental challenges as a precautionary measure	- The Energy Strategy 2020 programme, the Sustainable Mobility programme, the Water Plan - theGROUNDS, SIM Innovative Mainport Alliance, Knowledge and Development Centre (KDC) - Purchasing Regulations	EC2 EN18, EN26, EN30
8. Schiphol takes initiatives to enhance responsibility for the environment	- The Energy Strategy 2020 programme, the Sustainable Mobility programme, the Water Plan - Schiphol Quality of Life Foundation (Stichting Leefomgeving) - Local Community Contact Centre (Bas) - Purchasing Regulations	EN1-30
9. Schiphol promotes the development and introduction of environmentally friendly technologies	- Tests with solar panels, sustainable new buildings (e.g. TransPort) - theGROUNDS, SIM Innovative Mainport Alliance, Knowledge and Development Centre (KDC)	EN2, EN5-7, EN18, EN26, EN30
<b>Anti-corruption</b>		
10. Schiphol combats all forms of corruption, including bribery and extortion	- Codes of conduct, whistleblower regulations, anti-fraud regulations - Purchasing regulations	SO2-6

### The Management Board

Schiphol, 16 February 2012

## Assurance report

To the Management Board of N.V. Luchthaven Schiphol

### Report on selected Corporate Responsibility disclosures

#### Engagement and responsibilities

In the Annual Report N.V. Luchthaven Schiphol (hereafter: 'Schiphol Group') reports on its policies, activities, events and performance relating to Corporate Responsibility ('CR') in the reporting period 2011 (hereafter referred to as: 'the CR disclosures'). We have been engaged by the Management Board of Schiphol Group to review selected CR disclosures in the Annual Report.

A review is focused on obtaining limited assurance which does not require exhaustive gathering of evidence as in audit engagements. Consequently a review engagement provides less assurance than would be obtained from an audit engagement.

Our engagement is confined to providing limited assurance on selected CR disclosures as listed in the paragraph 'Reporting Guidelines' on page 114. We do not provide assurance on other CR disclosures in the Annual Report which are outside our limited assurance scope. Furthermore, we do not provide any assurance on the assumptions and feasibility of prospective information relating to CR, such as targets, expectations and ambitions, included in the Annual Report.

The Management Board of Schiphol Group is responsible for the preparation of the CR disclosures in the Annual Report. We are responsible for providing an assurance report on the CR disclosures as listed in the paragraph 'Reporting Guidelines' on page 114.

#### Reporting criteria

Schiphol Group developed its reporting criteria on the basis of the G3 Guidelines of the Global Reporting Initiative ('GRI'). These reporting criteria contain certain inherent limitations which may influence the reliability of the CR disclosures. These limitations are adequately explained in the CR disclosures on pages 108 to 131.

The CR disclosures in our assurance scope do not cover all entities of Schiphol Group as they only include data from Amsterdam Airport Schiphol. Detailed information on the reporting scope is given in the paragraph 'Scope of the Report' on pages 114 and 115 of the Annual Report. We consider the reporting criteria to be relevant and appropriate for our examination.

#### Review procedures performed

We planned and performed our review procedures in accordance with Dutch law, including Standard 3410N 'Assurance engagements relating to sustainability reports'. Our most important review procedures were:

- performing an analysis of Schiphol Group's operating context and obtaining insight into the industry, relevant social issues, relevant laws and regulations as well as the characteristics of the organisation;
- reviewing the acceptability of the reporting policies and their consistent application, such as review of the outcomes of the stakeholder dialogue and the reasonableness of estimates made by management;
- with regard to the CR disclosures in our assurance scope, reviewing the systems and processes for data gathering, internal controls and the aggregation process of data to the CR disclosures as presented in the Annual Report;
- with regard to the CR disclosures in our assurance scope, reviewing internal and external documentation to determine whether the CR disclosures in the Annual Report are adequately substantiated;
- evaluating the overall presentation of the CR disclosures in the Annual Report, in line with Schiphol Group's reporting criteria;
- assessing the consistency of CR disclosures in the Annual Report; and
- reviewing the application level according to the G3 Guidelines of GRI.

We believe that the evidence obtained from our examination is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

Based on our review procedures performed, nothing has come to our attention that would cause us to conclude that, in all material respects, the CR disclosures as listed in the paragraph 'Reporting Guidelines' on page 114 do not provide a reliable and adequate presentation of the CR policy of Schiphol Group or of the activities, events and performance of the organisation relating to CR during the reporting year, in accordance with Schiphol Group's reporting criteria.

Schiphol, 16 February 2012

PricewaterhouseCoopers Accountants N.V.

S. Barendregt-Roojers RA



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## Consolidated profit and loss account for the year 2011

(in thousands of euros)	Note	2011	2010
<b>Revenue</b>	1	<b>1,278,300</b>	<b>1,180,148</b>
Sales of property		<b>23,336</b>	2,715
Cost of sales of property		<b>22,760</b>	2,866
Result on sales of property	2	<b>576</b>	- 151
Fair value gains and losses on property	3	<b>- 664</b>	22,180
<b>Other income, from property</b>		<b>- 88</b>	<b>22,029</b>
Costs of outsourced work and other external charges	4	<b>579,834</b>	522,072
Employee benefits	5	<b>177,470</b>	183,737
Depreciation and amortisation	6	<b>206,134</b>	185,829
Impairment	7	<b>1,473</b>	467
Restructuring	8	<b>-</b>	9,135
Other operating expenses	9	<b>9,114</b>	4,229
<b>Total operating expenses</b>		<b>- 974,025</b>	<b>- 905,469</b>
<b>Operating result</b>		<b>304,187</b>	<b>296,708</b>
Financial income and expenses	10	<b>- 91,252</b>	- 115,181
Share in results of associates	11	<b>35,889</b>	57,076
<b>Result before tax</b>		<b>248,824</b>	<b>238,603</b>
Corporate income tax	12	<b>- 51,314</b>	- 66,889
<b>Result</b>		<b>197,510</b>	<b>171,714</b>
Attributable to:			
<b>Minority interests</b>	13	<b>3,025</b>	2,754
<b>Shareholders (net result)</b>		<b>194,485</b>	168,960
<b>Earnings per share</b> (in euros)	14	<b>1,045</b>	908
<b>Diluted earnings per share</b> (in euros)	14	<b>1,045</b>	908

## Consolidated comprehensive income statement for the year 2011

(in thousands of euros)	Note	2011	2010
<b>Result</b>		<b>197,510</b>	<b>171,714</b>
Translation differences	31	<b>3,795</b>	9,697
Changes in fair value on hedge transactions	31	<b>- 55,318</b>	13,790
Changes in fair value on other financial interests	31	<b>- 4,617</b>	3,450
<b>Total other income and expenses</b>		<b>- 56,140</b>	<b>26,937</b>
<b>Total comprehensive income</b>		<b>141,370</b>	<b>198,651</b>
Attributable to:			
<b>Minority interests</b>		<b>3,150</b>	2,773
<b>Shareholders (net result)</b>		<b>138,220</b>	195,878



## Consolidated balance sheet as at 31 December 2011

### Assets

(in thousands of euros)	Note	31 December 2011	31 December 2010
<b>Non-current assets</b>			
Intangible assets	15	41,395	43,200
Assets used for operating activities	16	2,402,813	2,376,031
Assets under construction or development	17	397,032	390,695
Investment property	18	1,068,872	1,053,313
Deferred tax	19	243,352	228,647
Investments in associates	20	725,048	689,413
Loans to associates	21	92,141	88,221
Other financial interests	22	6,141	10,758
Lease receivables	23	-	3,300
Other loans	24	1,561	4,260
Derivative financial instruments	33	89,565	89,415
Other non-current receivables	25	34,381	23,170
		<b>5,102,301</b>	<b>5,000,423</b>
<b>Current assets</b>			
Lease receivables	23	3,299	2,223
Other loans	24	30	84
Assets held for sale	26	23,577	38,242
Trade and other receivables	27	177,881	161,004
Corporate income tax	38	3,116	-
Cash and cash equivalents	28	413,287	304,202
		<b>621,190</b>	<b>505,755</b>
		<b>5,723,491</b>	<b>5,506,178</b>

### Equity and liabilities

(in thousands of euros)	Note	31 December 2011	31 December 2010
<b>Share capital and reserves attributable to shareholders</b>			
Issued share capital	29	84,511	84,511
Share premium	29	362,811	362,811
Retained profits	30	2,728,149	2,609,827
Other reserves	31	- 25,292	30,973
		<b>3,150,179</b>	<b>3,088,122</b>
Minority interests	32	24,334	21,295
		<b>3,174,513</b>	<b>3,109,417</b>
<b>Non-current liabilities</b>			
Borrowings	33	1,773,877	1,609,317
Lease liabilities	34	52,597	57,917
Employee benefits	35	33,227	35,525
Other provisions	36	17,927	29,573
Derivative financial instruments	33	63,000	1,464
Other non-current liabilities	37	89,834	93,786
		<b>2,030,462</b>	<b>1,827,582</b>
<b>Current liabilities</b>			
Borrowings	33	101,834	122,756
Lease liabilities	34	5,914	55,731
Derivative financial instruments	33	6,311	16,413
Corporate income tax	38	-	11,582
Trade and other payables	39	404,457	362,697
		<b>518,516</b>	<b>569,179</b>
		<b>5,723,491</b>	<b>5,506,178</b>

## Consolidated statement of changes in shareholders' equity

(in thousands of euros)	Note	Attributable to shareholders					Total
		Issued share capital	Share premium	Retained profits	Other reserves	Minority interests	
<b>Balance as at 31 December 2009</b>		<b>84,511</b>	<b>362,811</b>	<b>2,505,423</b>	<b>4,054</b>	<b>18,633</b>	<b>2,975,432</b>
Result		-	-	168,960	-	2,754	<b>171,714</b>
Other comprehensive income	31,32	-	-	-	26,919	18	<b>26,937</b>
Comprehensive income		-	-	168,960	26,919	2,772	<b>198,651</b>
Dividend paid	30	-	-	- 64,556	-	- 110	<b>- 64,666</b>
<b>Balance as at 31 December 2010</b>		<b>84,511</b>	<b>362,811</b>	<b>2,609,827</b>	<b>30,973</b>	<b>21,295</b>	<b>3,109,417</b>
Result		-	-	194,485	-	3,025	<b>197,510</b>
Other comprehensive income	31,32	-	-	-	- 56,265	125	<b>- 56,140</b>
Comprehensive income		-	-	194,485	- 56,265	3,150	<b>141,370</b>
Dividend paid	30	-	-	- 76,163	-	- 111	<b>- 76,274</b>
<b>Balance as at 31 December 2011</b>		<b>84,511</b>	<b>362,811</b>	<b>2,728,149</b>	<b>- 25,292</b>	<b>24,334</b>	<b>3,174,513</b>

The dividend per share paid in 2011 and 2010 can be calculated as follows:

	dividend for 2010, paid in 2011	dividend for 2009, paid in 2010
Dividend attributable to shareholders (in euros)	<b>76,163,000</b>	64,556,000
Average number of shares in issue during the year	<b>186,147</b>	186,147
Dividend per share (in euros)	<b>409</b>	347

## Consolidated cash flow statement for 2011

(in thousands of euros)	Note	2011	2010
<b>Cash flow from operating activities:</b>			
Cash flow from operations	41	<b>526,670</b>	486,538
Corporate income tax paid		<b>- 60,164</b>	- 35,595
Interest paid		<b>- 103,481</b>	- 114,651
Interest received		<b>11,347</b>	2,544
Dividend received		<b>12,991</b>	11,753
		<b>- 139,307</b>	- 135,949
<b>Cash flow from operating activities</b>		<b>387,363</b>	<b>350,589</b>
<b>Cash flow from investing activities:</b>			
Investment in intangible assets	15	<b>- 11,133</b>	- 11,628
Investment in property, plant and equipment	17	<b>- 252,148</b>	- 236,316
Proceeds from disposals of investment property	2	<b>17,059</b>	2,715
Proceeds from disposals of property, plant and equipment	16	<b>558</b>	41
Acquisitions	42	<b>- 3,550</b>	- 9,708
Sale of subsidiary	20	<b>362</b>	2,157
Share capital contributions to associates	20	<b>- 9,419</b>	-
Repayment on other loans	24	<b>2,808</b>	85
Finance lease instalments received	23	<b>3,079</b>	3,025
Other non-current receivables received	25	<b>1,594</b>	-
<b>Cash flow from investing activities</b>		<b>- 250,790</b>	- 249,629
<b>Free cash flow</b>		<b>136,573</b>	<b>100,960</b>
<b>Cash flow from financing activities:</b>			
New borrowings	33	<b>583,034</b>	116
Repayment of borrowings	33	<b>- 460,770</b>	- 211,942
Interest difference buy-back of EMTN bonds	33	<b>-</b>	- 19,328
Settlement derivative financial instruments	31	<b>- 15,076</b>	- 11,723
Dividend paid	30	<b>- 76,274</b>	- 64,666
Finance lease property, plant and equipment	34	<b>689</b>	-
Other non-current liabilities paid	37	<b>2,136</b>	-
Finance lease instalments paid	34	<b>- 61,377</b>	- 13,644
<b>Cash flow from financing activities</b>		<b>- 27,638</b>	- 321,187
<b>Net cash flow</b>		<b>108,935</b>	- 220,227
Opening balance of cash and cash equivalents	28	<b>304,202</b>	524,403
Net cash flow		<b>108,935</b>	- 220,227
Exchange differences	10	<b>150</b>	26
<b>Closing balance of cash and cash equivalents</b>	28	<b>413,287</b>	<b>304,202</b>

## Notes to the consolidated financial statements

### General information

N.V. Luchthaven Schiphol is a public limited liability company (N.V. - a large company within the meaning of the Netherlands Civil Code), based at Schiphol in the municipality of Haarlemmermeer. The address of the company's registered office is Evert van der Beekstraat 202, 1118 CP, Schiphol, Netherlands. N.V. Luchthaven Schiphol trades under the name of Schiphol Group.

Schiphol Group is an airport business, with Amsterdam Airport Schiphol as our main asset. We wish to create sustainable value for our stakeholders, who represent a diverse range of interests. Our core values of reliability, efficiency, hospitality, inspiration and sustainability play a central role in how we conduct our business. Our mission is to link the Netherlands to other important cities and regions in the world via the Mainport Schiphol. It is the aim of Amsterdam Airport Schiphol to be and remain Europe's preferred airport: the airport that is valued for its quality, capacity and extensive network of destinations. We wish to serve airlines, handlers, passengers and business people as efficiently as possible, with a well-equipped airport and modern facilities.

On 16 February 2012 the Supervisory Board agreed the financial statements as prepared by the Management Board. The Management Board will present the financial statements for adoption to the General Meeting of Shareholders to be held on 18 April 2012.

### Accounting policies

Set forth below are the accounting policies providing the basis of consolidation, valuation of assets, equity and liabilities and determination of results for Schiphol Group. These policies are in accordance with IFRS, as endorsed for use in the EU, and are applied consistently to all the information presented unless otherwise indicated.

#### New standards and amended standards that are mandatory with effect from 2011

Various new standards, interpretations and amendments to existing standards have been issued which are mandatory from 1 January 2011 and are applied

by Schiphol Group but have little or no effect on the explanatory notes and financial data in the 2011 financial statements:

- Amendments in the context of the 2010 Annual Improvements Project
- IFRS 1, First time adoption amendments
- IAS 24, Related Party Disclosures
- IAS 32, Classification of rights issues
- IFRIC 14, Prepayments of a minimum funding requirement amendment
- IFRIC 19, Extinguishing Financial liabilities with Equity Instruments

#### New standards and amended standards that are mandatory with effect from 2012 or afterwards

Schiphol Group has not voluntarily applied new standards, amended standards or interpretations in advance that will not be mandatory until 2012 or afterwards.

Schiphol Group is currently examining the consequences of the following new standards, interpretations and amendments to existing standards, the application of which is mandatory as from the financial statements 2012 or afterwards, as stated below:

- IFRS 7 Financial Instruments amendment
- IFRS 1 First time adoption amendment (not yet endorsed)
- IAS 12 Income taxes amendment (not yet endorsed)
- IAS 1 Financial Statement Presentation amendment (not yet endorsed)
- IAS 19 Employee Benefits amendment (not yet endorsed, mandatory taking effect from the 2013 financial statements)
- IFRS 10 Consolidated Financial Statements and amendments within IAS 27 Consolidated and Separate Financial Statements (not yet endorsed, mandatory taking effect from the 2013 financial statements)
- IFRS 11 Joint Arrangements and amendments within IAS 28 Associates and Joint Ventures (not yet endorsed, mandatory taking effect from the 2013 financial statements)
- IFRS 12 Disclosures of interests in other entities (not yet endorsed, mandatory taking effect from the 2013 financial statements)
- IFRS 13 Fair Value Measurements (not yet endorsed, mandatory taking effect from the 2013 financial statements)

- IFRS 9 Financial Instruments; Classification and Measurement (not yet endorsed, mandatory taking effect from the 2015 financial statements)
- IFRIC 20 Stripping cost in the production phase of a surface mine (not yet endorsed, mandatory taking effect from the 2013 financial statements)

Where applicable, the statutory provisions relating to annual reporting contained in Part 9, Book 2, of the Netherlands Civil Code have also been complied with.

Schiphol Group adheres to the historical cost convention except for buildings and land in the investment property portfolio, derivative financial instruments and other financial interests, which are stated at fair value.

#### Change in accounting estimates in 2010

With regard to the lands pertaining to the investment property, a reassessment took place in 2010 of the discount rate applied in determining the market value, including the associated risk mark-ups. This was done in order to ensure consistency with the more common methods used by independent external surveyors. Based on this reassessment, the discount rate has been reduced. Furthermore, with effect from 2010 a final value is determined for all leasehold contracts, even if the contract only expires after 20 years. Previously, the final value of contracts expiring after 20 years was fixed at zero because of uncertainty about the use of the lands after the expiry of these contracts. The aforesaid changes in the discount rate applied and the determination of the final value resulted in a one-off fair value gain on investment property of EUR 26 million in 2010.

#### Subsidiaries, joint ventures and associates

##### (a) General

Where necessary, appropriate adjustments are made to the accounting policies of subsidiaries, joint ventures and associates so that they comply with the Schiphol Group accounting policies.

##### (b) Subsidiaries

The financial information of N.V. Luchthaven Schiphol and its subsidiaries is fully consolidated. Subsidiaries are those companies in which N.V. Luchthaven Schiphol has control over operating and financial policy.

The share of the other shareholders in consolidated equity and consolidated results is presented in the balance sheet as minority interests (part of total equity) and in the profit and loss account as result attributable to minority interests.

##### (c) Joint ventures

The financial information of joint ventures is consolidated in proportion to the size of the interest. A joint venture is an activity performed by either a legal entity or a partnership in which there is contractually agreed sharing of control by a limited number of venturers, with decisions requiring their unanimous consent.

The results of subsidiaries and interests in joint ventures acquired in the course of the year are consolidated as from the date on which the company gains sole or joint control of them. The financial information relating to subsidiaries and interests in joint ventures disposed of in the course of the year continues to be included in the consolidation up to the date on which sole or joint control ceases.

##### (d) Associates

An associate is an entity over which the company has significant influence. Investments in associates are accounted for by applying the equity method, i.e. the investment is initially recognised at cost and adjusted thereafter for the company's post-acquisition share in the change in the associate's net assets. The carrying amount of these investments in associates includes the goodwill arising on their acquisition. The company's share in the results of associates over which the company has significant influence is recognised in the profit and loss account (share in results of associates). The cumulative changes in the net assets of associates are accounted for in proportion to the company's interest under the heading of investments in associates. The company ceases to recognise its share in the result of an associate in the profit and loss account and its share in the net asset value of that associate immediately if recognition would cause the carrying amount of the investment to become negative and the company has not entered into any commitments or made any payments on behalf of the associate. Investments in associates are accounted for as other financial interests with effect from the date on which the company ceases to have significant influence or control.

**(e) Acquisition of subsidiaries, joint ventures and associates**

An acquisition of a subsidiary, an interest in a joint venture or an investment in an associate is accounted for according to the purchase method. Under this method, the cost of such an acquisition is the aggregate of: the fair values of assets given, liabilities incurred or assumed and equity instruments issued. The identifiable assets, liabilities and contingent liabilities acquired are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the company's interest in the net fair value of the acquired assets, equity and liabilities is recognised as goodwill in the consolidated financial statements and included under intangible assets (in the case of subsidiaries and joint ventures) or as part of the carrying amount in the case of associates. If the net fair value exceeds cost, the difference is recognised immediately in the profit and loss account. Costs relating to an acquisition are recognised directly in the profit and loss account.

**(f) Eliminations**

Transactions between the company and its subsidiaries, associates and joint ventures are eliminated, in the case of joint ventures and associates in proportion to the company's interest in those entities, along with any unrealised gains and assets and liabilities arising out of them. Unrealised losses are also eliminated unless there are indications of impairment of the assets concerned.

**Corporate profit and loss account**

Use has been made of the option of presenting the corporate profit and loss account in abridged form provided by Section 402, Book 2, of the Netherlands Civil Code.

**Cash flow statement**

The cash flow statement has been prepared using the indirect method.

**Segment information**

An operating segment is a clearly identifiable part of a company which carries out business activities with the associated revenue, costs and operating results, and about which separate financial information is available that is regularly reviewed by the Management Board in order to assess the performance of the segment and in order to take decisions, as the chief operating

decision maker, about the resources to be allocated to the segment. Schiphol Group distinguishes 14 operating segments, which have been combined into nine reporting segments for reporting purposes.

Group overheads are allocated to the operating segments largely on the basis of their relative share in the direct costs of Schiphol Group.

**Foreign currency**

**(a) Functional currency and presentation currency**

The primary economic environment of Schiphol Group is the Netherlands. Both the functional currency and the reporting currency of Schiphol Group therefore are the euro. Financial information is presented in thousands of euros unless otherwise indicated.

**(b) Transactions, assets and liabilities**

Transactions (investments, income and expenses) in foreign currencies are accounted for at the settlement rate of exchange. Monetary assets and liabilities (receivables, payables and cash) in foreign currencies are translated at the rate prevailing on the balance sheet date. The exchange differences arising on translation and on settlement of these items are recognised in the profit and loss account under financial income and expenses. The same applies to exchange differences on non-monetary assets and liabilities unless these items are included directly in equity, in which case the exchange differences are also accounted for in equity.

An exception to the above concerns exchange differences on financial instruments denominated in foreign currencies against which derivative financial instruments are held with the object of hedging exchange risks on future cash flows. The exchange differences on these financial instruments are recognised directly in shareholders' equity provided the hedge is determined to be highly effective. The ineffective portion is recognised in the profit and loss account under financial income and expenses.

**(c) Subsidiaries, joint ventures and associates**

Income and expenses denominated in foreign currencies are translated at average rates. Assets and equity and liabilities are translated at the rate prevailing on the balance sheet date. Goodwill and fair value adjustments arising on the acquisition of investments in associates are treated as assets and liabilities of the

entity concerned and are likewise translated at the rate prevailing on the balance sheet date. Exchange differences arising on the translation of balance sheets and profit and loss accounts of subsidiaries, joint ventures and associates outside the Euro zone are recognised directly in equity under the translation differences reserve. On disposal of subsidiaries, joint ventures and associates outside the Euro zone, the accumulated translation differences initially recognised in the translation differences reserve are recognised in the profit and loss account as part of the result on disposal.

**Total revenue**

Many of Schiphol Group's activities generate turnover that qualifies as turnover from the provision of services (airport charges, concession fees, rents and leases and parking fees). This turnover is recognised by reference to the stage of completion at the balance sheet date, provided that the result can be reliably estimated. The turnover from retail sales is generated by the sale of goods and is recognised at the moment when these sales transactions, effected exclusively in cash, take place.

Total revenue represents the income from the supply of services less discounts and tax (VAT and excise duty). Revenue equals total revenue minus the revenue from intra-group transactions. Costs are recognised in the profit and loss account in the year in which the related revenue is recognised.

**Financial income and expenses**

Interest income and expense is recognised on a time proportion basis that takes into account the effective yield on the asset. Royalties are recognised on an accrual basis. Dividends are recognised when Schiphol Group's right to receive payment is established.

**Earnings per share**

The undiluted earnings per share are calculated by dividing the profit attributable to holders of ordinary shares by the weighted average number of ordinary shares in issue during the year. The diluted earnings per share are in fact equal to the undiluted earnings per share since there are currently no shares to be issued, in connection with options or convertible bonds, that could potentially lead to dilution of the earnings per share.

**Intangible assets**

Intangible assets relate to the cost of goodwill purchased from third parties, contract-related assets and the cost of software.

Goodwill arising on the acquisition of subsidiaries and interests in joint ventures is included in intangible assets. Goodwill arising on the acquisition of investments in associates is included in the carrying amount of the investments concerned. Goodwill is initially recognised at cost, this being the difference between the cost of acquisition and the company's share in the fair value of the acquired assets and liabilities. The carrying amount of goodwill is subsequently reduced by accumulated impairment losses. Goodwill is not amortised. The above impairment losses are identified by an impairment test performed annually, comparing the carrying amount with the recoverable amount. In order to perform this test, goodwill is allocated to the cash-generating unit (subsidiary, joint venture or associate) to which it relates. This allocation is described in greater detail in the note to the balance sheet item of intangible assets. There is no reversal of goodwill impairment losses.

The item contract-related assets concerns contracts, acquired upon the acquisition of activities from third parties. The fair value of these contracts, determined in accordance with the purchase method, has been set at cost, which is amortised over the remaining contract period.

Software concerns both purchased and internally developed software. In the case of internally developed software, both internal and external hours involved in the development and implementation stages of ICT projects are capitalised according to records of hours charged. Internal and external hours charged in the initiative and definition stages are not capitalised. Software is amortised on a straight-line basis over its useful life.

**Assets under construction or development**

All capital expenditure except for that relating to intangible assets is initially recognised as assets under construction or development, if it is probable that the Group will derive future economic benefit and the amount can be measured reliably. Three categories of assets are distinguished in this context:

- a) assets under construction for future operating activities;
- b) assets under construction or development as future investment property;
- c) assets under construction or development by order of third parties.

Assets under construction or development for future operating activities (category a) are carried at historical cost including:

- interest during construction of all capital projects, i.e. interest payable to third parties on borrowed capital attributable to the project; and
- hours charged at cost to capital projects by Schiphol Group employees during the construction stage.

Assets under construction or development for future operating activities are not depreciated, although it could be necessary to recognise impairment losses. The same applies to assets under construction or development as future investment property (category b) until the time that the fair value can be measured reliably. At that time these assets are stated at fair value, and the changes in the fair value are recognised in the profit and loss account under 'fair value gains and losses on property'.

When the assets of category a are delivered and ready for use, they are transferred at historical cost to 'assets used for operating activities', which is also when the straight-line depreciation commences at the expense of the profit and loss account. The assets of category b are transferred upon completion to 'investment property' at fair value. As to the manner in which investment property is subsequently recorded, reference is made to the separate description of accounting policies for this balance sheet item.

Assets under construction or development by order of third parties (category c) are recorded in accordance with the percentage-of-completion method. Revenues and costs relating to such assets are recognised in the profit and loss account under 'sales of property' and 'cost of sales of property' respectively, in proportion to the completion stage of the project activities on the balance sheet date.

#### Assets used for operating activities

Assets used for operating activities include runways, taxiways, aprons, car parks, roads, buildings,

installations and other assets. These assets are stated at historical cost less investment grants received, straight-line depreciation and impairment losses. Subsequent expenses are added to the carrying amount of these assets if it is probable that the Group will derive future economic benefit and the amount can be measured reliably.

Assets used for operating activities, with the exception of land, are depreciated on a straight-line basis over the useful life of the assets concerned, which depends on the nature of the asset and the components into which each asset can be divided for depreciation purposes. Useful lives and residual values are reappraised each year-end.

The net result on the disposal of assets used for operating activities is recognised in the profit and loss account as part of revenue from other activities.

#### Depreciation and amortisation

The intangible assets and assets used for operating activities are amortised and depreciated on a straight-line basis according to the schedule below, depending of the character of the asset. Goodwill is not amortised and no depreciation is charged on investment property, assets under construction or land.

The amortisation and depreciation periods applied by Schiphol Group, based on the expected useful life, are as follows:

#### Intangible assets

• Contract-related assets	5 years
• ICT hours charged to application development	5 years
• Software licences	5 years

#### Assets used for operating activities

• Runways and taxiways	15-60 years
• Aprons	30-60 years
• Paved areas etc.:	
Car parks	30 years
Roads	30 years
Tunnels and viaducts	40 years
Drainage systems	20-40 years
• Buildings	20-40 years
• Installations	5-30 years
• Other assets	5-20 years

#### Impairment

The carrying amounts of non-current assets are periodically compared with their recoverable amounts if there are indications of impairment. In the case of goodwill, the impairment test is performed annually, regardless of any such indications. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The above test is performed at cash-generating unit level.

If the recoverable amount is lower than the carrying amount, the difference is recognised as an impairment loss in the profit and loss account and the carrying amount of the asset is reduced by the same amount. Also, where applicable, the straight-line depreciation over the remaining useful life of the asset concerned is adjusted accordingly. In certain circumstances, it may also be appropriate to reverse an impairment loss. There will be no reversal of impairment losses on goodwill, however.

#### Investment property

Investment property is stated at fair value, also while this property still forms part of the assets under construction or development, provided that the fair value can already be measured reliably at that time. If this is not possible, the property is stated at historical cost. Upon completion, investment property is transferred at fair value to the item 'investment property'. Any difference between the fair value and the historical cost is recognised in the profit and loss account under 'fair value gains and losses on property'.

Property purchased from outside the Group is initially recognised at cost, including transaction costs. Expenditure after property has been commissioned is capitalised if it can be measured reliably and it is probable that future economic benefits will flow to the Group. Other expenditure is recognised immediately in the profit and loss account.

The buildings classified as investment property are carried at fair value, i.e. their market value as let property. All of the properties in the portfolio are taxed at minimum once a year by independent appraisers. To prevent double counting, the fair value of investment property as presented in the balance sheet takes account of the lease incentives included in the balance sheet. Gross rental revenues from operational leases are recognised on a time-proportionate basis for the period of the leases. Rent-free periods, discounts on rent and other lease incentives are incorporated as an integral part of the gross rental revenues. Service costs relate to the costs of energy, concierges, maintenance and so forth, which costs may be passed on to the tenant under the lease. The portion of the service costs not passed on relates in large part to non-leased property investments is recognised in the profit and loss account. The costs and cost charges are not presented in the profit and loss account separately.

Land in the investment property portfolio is also carried at fair value. Land is valued by internal and external surveyors. Each year a different portion of our total land holdings is valued by independent external surveyors. The market value of land leased out on a long lease is calculated by discounting the value of the future annual ground rents under the contracts concerned (DCF method).

Fair value gains and losses on investment property are recognised in the profit and loss account in the year in which the value adjustment occurs. On disposal of assets, realised gains or losses, i.e. differences between carrying amount and net selling price, are taken to the profit and loss account.

Investment property is not depreciated.

#### Deferred tax

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amount of assets and liabilities according to tax rules and according to the accounting policies used in preparing these financial statements.

Deferred tax assets, including those arising from tax loss carry-forwards, are recognised when it is probable that there will be sufficient future taxable profits against which tax losses can be set off, allowing the assets to be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except to the extent that Schiphol Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets and liabilities are calculated at the tax rates expected to be applicable to the period in which an asset is realised or a liability is settled, based on the tax rates (and tax legislation) in respect of which the legislative process has been concluded (or materially so) on the balance sheet date.

#### Leases

##### (a) Classification

Assets where the company or one of its subsidiaries has economic ownership under a lease contract are classified as finance leases. The company, or a subsidiary, has beneficial ownership if substantially all the risks and rewards incidental to ownership are transferred to it. Contracts where beneficial ownership remains with third parties are classified as operating leases. Whether a lease is a finance lease or an operating lease depends on the economic reality (substance of the transaction rather than the form of the contract).

##### (b) Schiphol Group as lessee in a finance lease

These assets are recognised as either assets used for operating activities or investment property. The borrowings associated with such lease contracts are accounted for as lease liabilities. The assets and liabilities concerned are initially recognised at the lower of the amount equal to the fair value of the leased assets and the present value of the minimum lease payments at the inception of the lease. The assets are depreciated, using a method consistent with that used for identical assets owned by the company. The depreciation period may be shorter if the lease term is shorter, if it cannot be extended and if ownership will not be obtained. The lease payments are apportioned between the finance charge and the reduction of the outstanding liability so as to present a constant periodic effective rate of interest on the remaining balance.

##### (c) Schiphol Group as lessee in an operating lease

In the case of leases where beneficial ownership is in the hands of third parties, recognition is restricted to presenting the lease payments in equal instalments, allowing for lease incentives, as expenses in the profit and loss account.

##### (d) Schiphol Group as lessor in a finance lease

Assets leased out on a contract that qualifies as a finance lease are included in the balance sheet as a lease receivable and carried at the present value of the minimum lease payments receivable at the inception of the lease. The lease payments receivable are apportioned between the finance income and the reduction of the outstanding receivable so as to present a constant periodic effective rate of interest on the remaining balance.

##### (e) Schiphol Group as lessor in an operating lease

Assets leased out on a contract that qualifies as an operating lease are recognised in the balance sheet and accounted for according to the type of asset. The lease payments receivable under such leases are recognised as income in equal instalments, allowing for lease incentives, in the profit and loss account.

#### Loans to associates and other loans

Loans to associates and other loans are recognised initially at cost, representing the fair value of the loans granted. Transaction costs are deducted from this amount. Loans to associates and other loans are subsequently carried at amortised cost, with differences between the redemption value and the fair value less transaction costs at the time of issue amortised over the remaining term to maturity using the effective interest method.

#### Other financial interests

In the case of other financial interests, the company has neither control nor significant influence. This generally concerns interests of less than 20%. Such interests are carried at fair value, derived from quoted share prices or, if the entity is not listed, other valuation methods. If it is not possible to estimate the fair value reliably using valuation methods, owing to a lack of information or up-to-date information, other investments are carried at cost. Movements in the fair value of these other financial interests are recognised in the reserve, through the total comprehensive income for other financial interests included in equity in the year

in which the movement occurs. The dividend received from these interests and, in the event of disposal of such interests, the difference between net selling price and carrying amount are recognised in the profit and loss account under financial income and expenses.

#### Derivative financial instruments

The company makes use of derivative financial instruments exclusively to hedge the risk of changes in future cash flows connected with periodic interest payments and repayments on loans as a result of movements in market interest rates and exchange rates. The instruments used to hedge these risks are interest rate swaps, interest rate caps and currency swaps. In view of their specific use, hedge accounting is applicable in the case of all these hedging instruments, with all the hedging transactions being treated as cash flow hedges.

Derivative financial instruments are initially recognised at cost and subsequently carried at fair value, based either on quoted prices or a model for valuing derivative financial instruments. Movements in the fair value are recognised in the reserve for hedging transactions (part of equity), provided the hedge is highly effective. The ineffective portion of the hedges is recognised in the profit and loss account under financial income and expenses.

At the inception of a hedge, the contract is formally documented. The parameters (maturity and face value) of the underlying instrument and the hedge will correspond exactly. The effectiveness of hedging transactions is nevertheless measured periodically to determine whether the hedge has been effective over the preceding period and whether it is probable that it will be effective over the period ahead.

If a hedging instrument expires or is sold, ends or is exercised or the hedge ceases to satisfy the hedge accounting criteria, hedge accounting is discontinued immediately. The fair value gains and losses accumulated up to that date continue to be carried in the hedging transactions reserve and are subsequently recognised in the profit and loss account simultaneously with the realisation of the hedged cash flow.

#### Other non-current receivables

In the case of prepaid ground rents, the amount paid to acquire the leasehold is included as a lease asset in

the balance sheet and recognised as an expense in the profit and loss account in equal instalments over the lease term.

#### Assets held for sale

Non-current assets are presented as held for sale if the carrying amount will be recovered through sale. Land falling into this category is carried at the lower of cost and fair value less costs to sell. The historical cost also includes the costs associated with acquiring the land and site preparation costs. Assets held for sale are not depreciated.

#### Trade and other receivables

Trade and other receivables are included at fair value, normally face value, less a provision for credit risks. Amounts added to and released from this provision are recognised in the profit and loss account.

#### Cash and cash equivalents

Cash and cash equivalents comprise current account credit balances with banks and deposits with original maturities of less than three months. Bank overdrafts are accounted for in trade and other payables. Cash and cash equivalents are carried at fair value, which is normally the same as face value.

#### Equity

##### (a) Issued share capital

The issued share capital consists of the amounts paid up on the shares issued, up to their nominal value.

##### (b) Share premium reserve

The share premium reserve consists of the amounts paid up on the shares issued, insofar as these payments exceed the nominal value of the shares in question.

##### (c) Retained profits

Retained profits refers to net results (i.e. that part of the result which is attributable to shareholders) accumulated in previous years.

##### (d) Other reserves

Other reserves comprise the reserve for hedging transactions, the reserve for other financial interests and the reserve for translation differences.

The reserve for other financial interests is increased or reduced, via the total comprehensive income in respect of movements in the fair value of Schiphol Group's

other financial interests. On disposal of other financial interests the accumulated fair value gains and losses are recognised in the profit and loss account as part of the result on disposal.

The policies with respect to the reserve for hedging transactions are discussed under 'derivative financial instruments'. The policies with respect to the reserve for translation differences are discussed under (c) under 'foreign currency'.

#### **Borrowings**

This item relates to bonds, private placements and bank loans. Borrowings are initially carried at cost, i.e. the amount raised, allowing for any premium or discount and net of transaction costs. Subsequently borrowings are carried at amortised cost, with differences between the redemption value and the fair value less transaction costs at the time of issue amortised over the remaining term to maturity using the effective interest method.

Borrowings expected to be repaid within twelve months of the balance sheet date are presented under current liabilities.

#### **Employee benefits**

There are four categories of employee benefits:

- a) short-term employee benefits;
- b) post-employment benefits;
- c) other long-term employee benefits; and termination benefits.
- d) termination benefits

Definitions of these categories and brief descriptions of the Schiphol Group employee benefits falling into them are given below.

##### **(a) Short-term employee benefits**

Short-term employee benefits are benefits payable for current employees within twelve months of the end of the year in which the service is rendered. Within Schiphol Group, this category includes wages and -salaries (including paid annual leave and holiday allowances) and other fixed and variable allowances, social security contributions, paid sick leave, profit sharing and variable (short-term) remuneration components. The costs in respect of these employee benefits are recognised in the profit and loss account at the time when the service is rendered or the rights to benefits are accrued (e.g. holiday entitlements).

##### **(b) Post-employment benefits**

This category of benefits covers employee benefits that may be due following termination of employment. They include pensions and other retirement benefits, job-related early retirement benefit, payment of healthcare insurance costs for pensioners and -supplementary incapacity benefit.

Schiphol Group's pension scheme is administered by ABP. The pension scheme is treated as a group scheme involving more than one employer. Based on the formal terms of the pension scheme, it qualifies as a defined benefit plan. However, Schiphol Group does not have access to sufficient information to apply the proper method of accounting for defined benefit plans. ABP is currently not in a position to supply the information necessary in order to account for the pension scheme as a defined benefit plan. Consequently, the scheme is provisionally accounted for as a defined contribution plan.

Accordingly, in measuring the obligations arising from the pension scheme, Schiphol Group merely recognises the pension contributions payable as an expense in the profit and loss account.

For the defined benefit pension schemes of several subsidiaries and joint ventures, however, the information needed in order to account for a defined benefit plan is available. In those cases, a net asset or liability is recognised in the balance sheet, comprising:

1. the present value of the defined benefit obligation at the balance sheet date measured using the projected unit credit method, under which the present value of the pension obligations is determined on the basis of the number of active years of service prior to the balance sheet date, the estimated salary level at the expected date of retirement and the market interest rate;
2. plus any actuarial gains (less any actuarial losses) not yet recognised in the profit and loss account. Actuarial gains and losses are not recognised in the profit and loss account unless the total amount of the accumulated gains and losses falls outside a bandwidth of 10% of the higher of the maximum obligation under the scheme and the fair value of the associated investments. The part which is not within the bandwidth is credited or debited to the profit and loss account over the remaining years of service of the plan members (corridor approach);

3. minus any past service cost not yet recognised.

If, owing to changes in the pension schemes, the expected obligations based on future salary levels with respect to prior years of service (past service costs) increase, the amount of the increase is not recognised in full in the period in which the rights are granted but is charged to the profit and loss account over the remaining years of service; and

4. minus the fair value at the balance sheet date of plan assets (if any) out of which the obligations are to be settled directly.

The other provisions for employee benefits belongs too to job-related early retirement benefit, payment of healthcare insurance costs for pensioners and supplementary incapacity benefit are also calculated according to actuarial principles and accounted for using the method as described under 1–4 above.

##### **(c) Other long-term employee benefits**

This category concerns employee benefits payable twelve months or more after the end of the period in which the service is rendered by the employee. At Schiphol Group, this includes variable remuneration components for the members of the Management Board and senior executives in charge of corporate staff departments and the business areas, long-service components, supplementary income for employees in receipt of incapacity benefit (long-term paid sick leave) and paid sabbatical leave.

The long-term variable remuneration components are a performance-related remuneration component which is conditional on the executives concerned having satisfied certain performance criteria (economic profit) cumulatively over a period of three years (the reference period) from the time of award of the variable remuneration. Payment is only made if the executive is still employed by the company at the end of that period. If it is mutually agreed that the contract of employment should be ended, the award is made on a pro rata basis. At each year-end, an estimate is made of the variable remuneration components payable at the end of the three-year period. During the reference period a pro rata part thereof is charged each year to the result for the relevant year.

The expected costs of supplementary income for employees in receipt of incapacity benefit are recognised in full in the profit and loss account effective on the date on which an employee is declared wholly or partially incapacitated. A provision for paid sabbatical leave entitlements is recognised in the balance sheet, the costs being accounted for in the year in which the leave entitlements are granted.

The long-term variable remuneration provisions are recognised at the present value of the obligation. Other long-term employee benefit obligations are not discounted.

##### **(d) Termination benefits**

Termination benefits are employee benefits payable as a result of either a decision by Schiphol Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. The scheme supplementing the statutory amount of unemployment benefit is an example of a termination benefit. The costs are recognised in full in the profit and loss account as soon as such a decision is made.

Termination benefits are recognised at the present value of the obligation.

#### **Other provisions**

Provisions are made for legally enforceable or constructive obligations existing on the balance sheet date when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Other provisions are included at the present value of the obligation, if the effect of the time value of money is material.

#### **Other non-current liabilities**

In the case of prepaid ground rents, the amount paid to acquire the leasehold is included as a lease liability in the balance sheet and recognised as income in the profit and loss account in equal instalments over the lease term.

#### **Trade and other payables**

Trade and other payables are carried at fair value, which is normally the same as face value.

## Judgement regarding application of accounting policies

The preceding pages provide a comprehensive description of Schiphol Group's accounting policies. In certain situations, management's judgement will be decisive in determining the way in which the accounting policies are applied.

This relates mainly to:

### Control, joint control and significant influence

Control is the power to govern an entity's financial and operating policies so as to obtain benefits from its activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers). The existence of a contractual arrangement distinguishes interests that involve joint control from investments in associates in which the investor has significant influence. Activities that have no contractual arrangement to establish joint control are not joint ventures. The contractual arrangement establishes joint control over the joint venture. Such a requirement ensures that no single venturer is in a position to control the activity unilaterally.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. If an investor holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. The latter will be the case, for example, if the investor is represented on the Management Board, Supervisory Board or an equivalent administrative body, and is involved

in the decision-making process. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event. In assessing whether potential voting rights contribute to control, Schiphol Group examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights, except the intention of management and the financial ability to exercise or convert.

### Distinction between assets used for operating activities and investment property

Investment property is distinguished from operating property on the basis of the following criteria:

- investment property is held for rental income and realisation of fair value gains;
- investment property generates cash flows that are largely independent of the other assets held by the company.

The above assessment is made for each individual property.

Some properties comprise a part that is used for operating activities and another part that is investment property. If these portions could be sold separately or leased out separately, the parts are accounted for separately as assets used for operating activities and as investment property. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in connection with operating activities.

Investment property does not include property for immediate or future use by the company or property under construction or development intended for future use as investment property.

## Key assumptions and estimates

In applying the accounting policies, management in some cases inevitably has to rely on estimates and assumptions that could affect the amounts presented, the disclosures and the other information contained in the financial statements. Actual figures may differ from the estimates and assumptions used. This is particularly true of the following.

### Impairment of goodwill and other non-current assets

Impairment tests are performed on non-current assets comparing their carrying amounts with the recoverable amounts, should there be evidence of impairment. For non-current assets, other than land, where the carrying amount is not amortised (goodwill), an impairment test is performed at least once a year. The need to recognise an impairment loss may be indicated if, in the management's estimation, there has been, for example, a more rapid decline in the market value of an asset than would result from the passage of time or normal use, a significant change in the use of an asset or in the business strategy, performance falling well below forecast levels, a significant deterioration in the sector or in the economy as a whole, accelerated obsolescence of an asset or damage to an asset. It is also possible for circumstances, in management's estimation, to indicate the need to reverse a previously recognised impairment loss. Reversal of impairment losses on goodwill, however, is not permitted.

Deciding whether impairment losses should indeed be recognised, or reversed, in the above circumstances involves determining the recoverable amount. To that end, management makes use of estimates and assumptions with regard to defining cash-flow-generating units, the future cash flows and the discount rate. The assessments underpinning such estimates and assumptions may differ from year to year, depending on the state of the economy, market conditions, changes in the business or regulatory environment or other factors outside the company's control. If the projected recoverable amounts need revising, it may be necessary to recognise impairment losses or (except in the case of goodwill) to reverse existing impairment losses.

## Useful life and residual value of assets used for operating activities

Assets used for operating activities constitute a significant part of the company's total assets and the scheduled straight-line depreciation charges form a significant part of the annual operating expenses. The useful lives and residual values arrived at on the basis of management's estimates and assumptions have a major impact on the valuation of assets used for operating activities. The useful life of assets used for operating activities is estimated on the basis of design life, experience with similar assets, an asset's maintenance history and the period for which economic benefits will flow to Schiphol Group from the operation of the asset. Existing estimates and assumptions are reviewed each year-end for any changes warranting adjustment of an asset's useful life and/or residual value. Such adjustments are applied prospectively.

### Share in results of associates

The estimate of the contribution of associates, including Aéroports de Paris S.A. and Brisbane Airport Corporation Holdings Ltd. to Schiphol Group's result is based on information available at year end and is determined by the Schiphol Group Board of Management. The estimate of the contribution of Aéroports de Paris S.A. to Schiphol Group's result is based on publically available information. Any necessary adjustments to the estimated contribution to the result will be incorporated into the subsequent financial year's figures.

### Valuation of investment property at fair value

As previously mentioned, the annual measurement of the fair value of the land recognised under 'investment property' is carried out by external and in-house appraisers and, in that context, the following estimates and assumptions are important. The best evidence of fair value are current prices in an active market for similar investment property and other contracts. In the absence of such information, Schiphol Group determines the amount within a range of reasonable fair value estimates.

In making its judgement, Schiphol Group considers information from a variety of sources including:

- current prices in an active market for properties that differ in terms of their nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;



- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessment of the uncertainty in the amount and timing of the cash flows.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rents, expected future market rentals, vacancy levels, maintenance requirements and appropriate discount rates. These valuations are regularly compared with actual market yield data and actual transactions by Schiphol Group and those reported by the market.

#### Deferred tax assets

Deferred tax assets, including tax loss carry-forwards, are recognised if it is probable that sufficient taxable profits will be available in the future against which the losses can be set, enabling the deferred tax assets to be utilised. In its assessment of this probability, management makes use of estimates and assumptions which also affect the carrying amount of the asset.

#### Actuarial assumptions with regard to employee benefit provisions

Provisions relating to employee benefit schemes as well as the net assets or liabilities in respect of pension schemes of associates are measured actuarially, based on assumptions relating to future trends in pay levels, mortality rates, staff turnover, returns on plan assets and other factors. Changes in these estimates and assumptions can result in actuarial gains and losses which, if not in a bandwidth of 10% of the greater of the obligations under the plan and the fair value of the plan assets, are credited or debited to the profit and loss account over the average remaining years of service of the plan members (corridor approach).

#### Assets and liabilities with regard to claims and disputes

A receivable in respect of a claim or dispute is recognised in the balance sheet as soon as there is a high degree of certainty that an inflow of resources embodying economic benefits will occur. If such an inflow of resources is merely probable, the receivable is disclosed in the notes as a contingent asset. A provision is recognised for present obligations when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent obligations are disclosed in the note on Contingent assets and liabilities.

Management periodically reviews all claims and disputes. The outcome of this review determines which claims and disputes will be recognised and which merely require disclosure as contingent assets or obligations. Where an asset or liability is recognised, estimating the probability and amount of any inflow or outflow of resources to a large extent involves arbitrary decisions. In arriving at these decisions, management also draws on legal opinion.

#### Management of financial and tax risks

##### Financial risk factors

Due to the nature of its activities, Schiphol Group faces a variety of risks including market risk, counterparty risk and liquidity risk. The financial risk management programme (which is part of Schiphol Group's total risk management programme) focuses on the unpredictability of the financial markets and on minimising any adverse effects this may have on Schiphol Group's financial results. Schiphol Group uses derivative financial instruments to hedge certain risk positions. The financial risk management is carried out by a central treasury department (Corporate Treasury) and is part of approved Management Board policy. In addition to drawing up written guidelines for financial risk management, the Management Board determines the policy for specific key areas such as currency risk, interest-rate risk, counterparty risk, the use of derivative and non-derivative financial instruments (derivatives), and the investment of a temporary liquidity surplus.

#### Market risk

Market risk comprises three types of risk: currency risk, price risk and interest-rate risk.

##### (a) Currency risk

Currency risk occurs if future business transactions, recognised assets and liabilities and net investments in activities outside the euro zone are expressed in a currency other than the functional currency of the entity (in the case of Schiphol Group this is the euro). Schiphol Group operates at international level and faces currency risks via several currency positions, in particular the Japanese yen (borrowings), the US dollar (net investments in activities outside the euro zone) and the Australian dollar (net investments in activities outside the euro zone).

Schiphol Group manages the currency risk with regard to borrowings by using futures contracts. The financial risk management policy is that virtually 100% of the expected cash flows is hedged. As at 31 December 2011, 10.7% of total borrowings had been drawn in foreign currency (one loan with a carrying amount of EUR 200.6 million, being the equivalent of 20 billion Japanese yen, nominal value) compared with 10.7% of total borrowings (one loan with a carrying amount of EUR 185.3 million, being the equivalent of 20 billion Japanese yen, nominal value) a year earlier. This position is fully hedged by means of currency swaps, in accordance with the aforementioned policy. Therefore a change in the rate of the relevant foreign currency will not affect the results relating to these borrowings. The effect on equity is temporary (i.e., only for the duration of the hedging transaction) and amounts to 2011 EUR 12.1 million negative in 2011 (after deduction of deferred taxes).

Schiphol Group has a number of strategic investments in activities outside the euro zone, of which the net investments, recognised in the balance sheet under 'investments in associates' and 'loans to associates', are affected by a translation risk. In accordance with the policy, the currency position relating to Schiphol Group's net investments in the activities outside the euro zone, totalling EUR 181.4 million as at 31 December 2011 (EUR 171.2 million as at 31 December 2010), is not hedged, with the exception of the Redeemable Preference Shares included herein which Schiphol Group owns in Brisbane Airport Corporation Holdings Pty Ltd. The currency risk on this

receivable, including interest owed, with a book value as at 31 December 2011 of EUR 92.1 million (EUR 88.2 million as at 31 December 2010), is largely hedged with forward exchange transactions. A change in the rate of the relevant foreign currency will not, therefore, affect the results relating to this receivable. Translation differences on this position are recognised in the reserve for translation differences, and have minor influence on the result. The effect on equity in 2011 is EUR 3.8 million (given the development in the balance of the reserve for translation differences from 18.2 million as at 31 December 2010 to 22.0 million as at 31 December 2011).

Corporate Treasury is responsible for the management of the net position in the individual foreign currencies.

##### (b) Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices. Schiphol Group is affected especially by the price risk of land and buildings which it recognises at fair value under 'property investments'. This fair value is influenced by developments in supply and demand and changes in interest rates and the rate of inflation. An average increase of one percentage point in the net initial yield on offices and industrial buildings demanded by property investors would reduce the value of our offices and industrial buildings by a total amount of approximately EUR 90 million. Given the aforementioned accounting policy, our profitability before tax in that situation would fall by the same amount.

Furthermore, Schiphol Group owns shares that also involve a price risk. These shares are recognised under 'other financial interests' at their fair value, which is derived from the market price of these shares. Changes in the fair value are recognised in the reserve for other financial interests, which is part of equity. Therefore these changes have no direct influence on the result. The effect on equity is relatively small (given the development in the balance of the reserve for other financial interests from EUR 3.7 million as at 31 December 2010 to EUR 0.9 million negative as at 31 December 2011).

Schiphol Group purchases electricity and gas, for which purpose it concludes long-term contracts with regard to its own use. The remaining term as at 31 December 2011 and 31 December 2010 respectively of the obligations under the long-term contracts for electricity and gas is as follows:

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
	<b>2011</b>				
Obligations relating to gas	<b>3,517</b>	3,517	-	-	-
Obligations relating to electricity	<b>16,761</b>	9,133	7,628	7,628	-
	<b>20,278</b>	<b>12,650</b>	<b>7,628</b>	<b>7,628</b>	<b>-</b>

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
	<b>2010</b>				
Obligations relating to gas	<b>4,015</b>	2,887	1,128	1,128	-
Obligations relating to electricity	<b>22,603</b>	9,621	12,982	12,982	-
	<b>26,618</b>	<b>12,508</b>	<b>14,110</b>	<b>14,110</b>	<b>-</b>

#### (c) Interest-rate risk

The interest-rate risk is divided into a fair value interest-rate risk and a cash flow interest-rate risk.

##### Fair value interest-rate risk

The fair value interest-rate risk is the risk of fluctuations in the value of a financial instrument as a result of fluctuations in the market interest rate. Schiphol Group does not have any significant financial assets that attract a fair value interest-rate risk. Schiphol Group is affected by the fair value interest via fixed-interest borrowings. Schiphol Group's policy is to take out at least 75% of the funds borrowed at a fixed interest rate, where necessary by using derivative financial instruments. With regard to Airport Real Estate Basisfonds C.V. (AREB C.V.), at least 60% of all borrowings should be fixed-interest or capped-interest borrowings. As at 31 December 2011, the percentage of fixed-interest borrowings for Schiphol Group was 100% (against 100% as at 31 December 2010, excluding subsidiaries and participating. For AREB C.V. this percentage was 66%, shortly after balance sheet date as at 4 January 2012, after refinancing of the loans (against 65.4% as at 31 December 2010). It is the management's intention to retain borrowings until the end of the term. As a result, these borrowings are valued at amortised cost. This means that interim

fluctuations in the fair value of borrowings have little effect on the financial position and the result.

##### Cash flow interest-rate risk

The cash flow interest-rate risk is the risk of fluctuations in the future cash flows of a financial instrument as a result of fluctuations in the market interest rate. Except for liquid resources, Schiphol Group has no significant financial assets that attract a cash flow interest-rate risk. If the average interest paid on deposits during the year 2011 had been 1% lower, the interest income relating to deposits would have been EUR 2.7 million lower (2010: EUR 1.5 million).

In addition, Schiphol Group runs a cash flow interest-rate risk in respect of long-term borrowings at a variable interest rate. This position is hedged by Schiphol Group's policy to take out no more than 25% of the funds borrowed at a variable interest rate, where necessary by using derivatives, excluding the loan portfolio of AREB C.V. For AREB C.V., a maximum of 40% applies. As at 31 December 2011, the percentages of variable-interest borrowings were 0% for Schiphol Group and 34% for AREB C.V., shortly after balance sheet date at 4 January 2012 (0% and 34.6% respectively as at 31 December 2010).

The cash flow interest-rate risk is managed by using interest rate swaps, with which a variable interest rate can be changed to a fixed interest rate, and interest rate caps, with which any increase in interest rates is limited. As part of an interest rate swap, Schiphol Group agrees with a counterparty to effect a swap, at predetermined moments, of the difference between a fixed contract rate and a variable interest rate. This difference is calculated on the basis of the underlying principal sum agreed. If the average variable interest rate during the year 2011 had been 1% higher, this would have had no effect on the interest expense relating to group financing loans (2010: no effect).

In order to limit the cash-flow risk on long-term loans in the medium term, derivatives were concluded which fixed the rates of interest at which loans maturing in 2013 and 2014 could be refinanced. The effect of these transactions on equity is temporary (only lasting until refinancing in 2013 and 2014) and amounted to EUR 42.4 million negative (after deduction of deferred taxes) as at 31 December 2011 (2010: no effect).

#### Counterparty risk

Counterparty risk is the risk that one party to

The movements in the bad debt provision are as follows:

(in millions of euros)	2011	2010
<b>Carrying amount 1 January</b>	<b>5.4</b>	5.8
Utilised during the year	<b>- 2.8</b>	- 0.6
Added during the year	<b>1.3</b>	0.2
<b>Carrying amount 31 December</b>	<b>3.9</b>	<b>5.4</b>

The ageing analysis of trade receivables is as follows:

(in millions of euros)	2011	2010
Younger than 60 days	<b>76.2</b>	74.8
Older than 60 days	<b>2.6</b>	1.4
Older than 360 days	<b>1.0</b>	1.6
Bankruptcies	<b>1.0</b>	1.3
	<b>80.8</b>	<b>79.1</b>
Provision for bad debt	<b>- 3.9</b>	- 5.4
Security deposits received	<b>- 2.2</b>	- 2.2
<b>Total Trade receivables</b>	<b>74.7</b>	<b>71.5</b>

a financial instrument fails to fulfil its obligations, causing the other party to sustain a financial loss. Schiphol Group's counterparties in derivative financial instruments and liquidity transactions are limited to financial institutions with high creditworthiness (a minimum S&P credit rating of A), whereby the net position (balance of receivables and payables relating to financial instruments) for each counterparty should not exceed EUR 200.0 million. The maximum net position as at 31 December 2011 was EUR 130.0 million (against a maximum of EUR 131.0 million as at 31 December 2010).

As at 31 December 2011, the item trade receivables amounts to EUR 74.7 million (EUR 71.5 million as at 31 December 2010). This amount includes a bad debt provision of EUR 3.9 million (EUR 5.4 million as at 31 December 2010) and EUR 2.2 million in security deposits received (EUR 2.2 million as at 31 December 2010). The provision fully covers receivables owed by debtors that went into liquidation or applied for a moratorium. The same applies to receivables older than one year and larger receivables younger than one year which are expected to be irrecoverable.

Of the trade receivables amounting to EUR 80.8 million (before deduction of the provision for bad debt amounting to EUR 3.9 million and the security deposits received amounting to EUR 2.2 million), an amount of EUR 4.6 million fell due without a provision having been made. Expectations are that these trade receivables will be paid, as the debtors concerned have no default history.

The ageing analysis of these accounts receivable is as follows:

(in millions of euros)	2011	2010
Younger than 30 days	2.9	3.2
Younger than 60 days	0.5	1.3
Older than 60 days	1.2	1.1
<b>Total past due, not impaired</b>	<b>4.6</b>	<b>5.6</b>

Parties procuring services from Schiphol Group are first assessed on their creditworthiness. Depending on the outcome of this assessment, the buyer may be required to provide security (in the form of a bank guarantee or deposit) in order to limit the bad debt risk. As at 31 December 2011, Schiphol Group has an amount of EUR 32.7 million in bank guarantees and security deposits (EUR 29.6 million as at 31 December 2010). Koninklijke Luchtvaartmaatschappij N.V. (KLM), has an individual balance in excess of EUR 10.0 million.

#### Liquidity risk

Liquidity risk is the risk that Schiphol Group will have difficulty in raising the financial resources required to honour the commitments relating to financial instruments. Careful liquidity risk management entails that Schiphol Group maintains sufficient liquid resources and has access to sufficient financing opportunities, in the form of promised (and preferably committed) credit facilities and the EMTN programme.

Our financing policy is also aimed at reducing the refinancing risk. For brevity's sake, reference is made to note 33, dealing with borrowings, in which the aforesaid margin and facilities are explained in more detail.

The remaining term as at 31 December 2011 and 31 December 2010 respectively of the (net) obligations relating to financial instruments is as follows:

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
	<b>2011</b>				
Borrowings	1,875,711	101,834	1,773,877	794,131	979,746
Finance lease liabilities	58,511	5,914	52,597	6,192	46,405
Derivative financial instrument liabilities	69,311	6,311	63,000	6,442	56,558
Trade payables	95,767	95,767	-	-	-
<b>Liabilities</b>	<b>2,099,300</b>	<b>209,826</b>	<b>1,889,474</b>	<b>806,765</b>	<b>1,082,709</b>
Loans to associates	- 92,141	-	- 92,141	- 92,141	-
Other financial interests	- 6,141	-	- 6,141	-	- 6,141
Finance lease receivables	- 3,299	- 3,299	-	-	-
Other loans	- 1,591	- 30	- 1,561	- 1,561	-
Derivative financial instrument receivables	- 89,565	-	- 89,565	-	- 89,565
Trade receivables	- 74,670	- 74,670	-	-	-
Cash and cash equivalents	- 413,287	- 413,287	-	-	-
<b>Assets</b>	<b>- 680,694</b>	<b>- 491,286</b>	<b>- 189,408</b>	<b>- 93,702</b>	<b>- 95,706</b>
<b>Total</b>	<b>1,418,606</b>	<b>- 281,460</b>	<b>1,700,066</b>	<b>713,063</b>	<b>987,003</b>
	<b>2010</b>				
Borrowings	1,732,073	122,756	1,609,317	1,001,340	607,977
Finance lease liabilities	113,648	55,731	57,917	10,093	47,824
Derivative financial instrument liabilities	17,877	16,413	1,464	1,464	-
Trade payables	76,556	76,556	-	-	-
<b>Liabilities</b>	<b>1,940,154</b>	<b>271,456</b>	<b>1,668,698</b>	<b>1,012,897</b>	<b>655,801</b>
Loans to associates	- 88,221	-	- 88,221	- 88,221	-
Other financial interests	- 10,758	-	- 10,758	-	- 10,758
Finance lease receivables	- 5,523	- 2,223	- 3,300	- 3,300	-
Other loans	- 4,344	- 84	- 4,260	- 4,260	-
Derivative financial instrument receivables	- 89,415	-	- 89,415	-	- 89,415
Trade receivables	- 71,546	- 71,546	-	-	-
Cash and cash equivalents	- 304,202	- 304,202	-	-	-
<b>Assets</b>	<b>- 574,009</b>	<b>- 378,055</b>	<b>- 195,954</b>	<b>- 95,781</b>	<b>- 100,173</b>
<b>Total</b>	<b>1,366,145</b>	<b>- 106,599</b>	<b>1,472,744</b>	<b>917,116</b>	<b>555,628</b>

All the items in the above overview are shown at the amounts for which they are also recognised in the balance sheet, together with the year of redemption or settlement agreed for each item with the other party. Schiphol Group's policy dictates that no more than 25% of obligations may have a term of less than one year. As at 31 December 2011, this percentage was 10.0 % (against 14.0% as at 31 December 2010).

The financial instruments can be divided, based on the applied accounting policies, as follows:

	(in thousands of euros)			
	Total 2011	Amortised cost	Fair value through equity	Fair value through profit and loss
Borrowings	1,875,711	1,875,711	-	-
Finance lease liabilities	58,511	58,511	-	-
Derivative financial instrument liabilities	69,311	-	69,311	-
Trade payables	95,767	-	-	95,767
<b>Liabilities</b>	<b>2,099,300</b>	<b>1,934,222</b>	<b>69,311</b>	<b>95,767</b>
Loans to associates	- 92,141	- 92,141	-	-
Other financial interests	- 6,141	-	- 6,141	-
Finance lease receivables	- 3,299	- 3,299	-	-
Other loans	- 1,591	- 1,591	-	-
Derivative financial instrument receivables	- 89,565	-	- 89,565	-
Trade receivables	- 74,670	-	-	- 74,670
Cash and cash equivalents	- 413,287	-	-	- 413,287
<b>Assets</b>	<b>- 680,694</b>	<b>97,031</b>	<b>95,706</b>	<b>487,957</b>
<b>Total</b>	<b>1,418,606</b>	<b>1,837,191</b>	<b>- 26,395</b>	<b>- 392,190</b>

	(in thousands of euros)			
	Total 2010	Amortised cost	Fair value through equity	Fair value through profit and loss
Borrowings	1,732,073	1,732,073	-	-
Finance lease liabilities	113,648	113,648	-	-
Derivative financial instrument liabilities	17,877	-	17,877	-
Trade payables	76,556	-	-	76,556
<b>Liabilities</b>	<b>1,940,154</b>	<b>1,845,721</b>	<b>17,877</b>	<b>76,556</b>
Loans to associates	- 88,221	- 88,221	-	-
Other financial interests	- 10,758	-	- 10,758	-
Finance lease receivables	- 5,523	- 5,523	-	-
Other loans	- 4,344	- 4,344	-	-
Derivative financial instrument receivables	- 89,415	-	- 89,415	-
Trade receivables	- 71,546	-	-	- 71,546
Cash and cash equivalents	- 304,202	-	-	- 304,202
<b>Assets</b>	<b>- 574,009</b>	<b>- 98,088</b>	<b>- 100,173</b>	<b>- 375,748</b>
<b>Total</b>	<b>1,366,145</b>	<b>1,747,633</b>	<b>- 82,296</b>	<b>- 299,192</b>

#### Fair value estimate

The fair value of financial instruments that are traded on active markets is based on their market prices on the balance sheet date (level 1). In the case of Schiphol Group, this only concerns the 1% stake in Flughafen Wien AG, which is recognised at fair value under other financial interests.

The fair value of financial instruments that are not traded on active markets is determined with the aid of valuation techniques. Schiphol Group uses various methods and assumptions for this purpose based on the market conditions on the balance sheet date (level 2). The fair value of these financial instruments is determined on the basis of the present value of the projected future cash flows converted into euros, with reference to the relevant exchange rates and the market interest rate applicable to Schiphol Group on the balance sheet date (for comparable financial instruments).

In the case of Schiphol Group this concerns borrowings, loans to associates and derivatives, with only the derivatives being recognised in the balance sheet at fair value. The fair value of the other items is only reported in the explanatory notes.

It is assumed that the nominal value, reduced by the estimated adjustments for trade receivables and trade payables, approximates the fair value.

For information provision purposes, the fair value of financial assets and liabilities is estimated by factoring in the future contractual cash flows at the current market interest rate which Schiphol Group applies to comparable financial instruments.

#### Capital management

Schiphol Group's long-term capital strategy and dividend policy is geared towards returning value to its shareholders, facilitating sustainable long-term growth and preserving an appropriate financial structure and sound creditworthiness. With the current shareholder base (public shareholders) Schiphol Group only has access to the debt market. Nonetheless, Schiphol Group has a continued focus on further optimising its capital structure and cost of capital.

Schiphol Group makes use of certain financial ratios, including cash flow-based metrics to capture the dynamics of capital structure, dividend policy and cash flow generation and monitor its capital structure in line with credit rating agencies and comparable best practices. In this context, key financial ratios employed include:

- Funds From Operations (FFO) Interest Coverage concerns the FFO plus interest charges divided by the interest charges.
- Leverage concerns interest-bearing debt divided by equity plus the interest-bearing debt.
- Funds From Operations (FFO)/Total debt, which is the FFO divided by the Total debt.

Funds From Operations is structured as follows:

(in thousands of euros)	2011	2010
Operating result	304,187	296,708
Depreciation and amortisation	206,134	185,829
Impairment	1,473	467
Result from the sale of assets	- 432	- 26
Other income, from property	88	- 22,029
Non cash changes receivables	2,357	- 5,607
Non cash changes liabilities	- 1,992	- 3,030
Movements in provisions	- 13,883	- 1,927
Income tax paid	- 60,164	- 35,595
Interest paid	- 103,481	- 114,651
Interest received	11,347	2,544
Dividend received	12,991	11,753
<b>Funds From Operations</b>	<b>358,625</b>	<b>314,436</b>

The item 'Funds From Operations' is calculated specifically for the purpose of determining the financial ratios and differs from the cash flow from operations, as calculated in accordance with our accounting policies in the consolidated cash flow statement.

The rise in the FFO is mainly the result of a higher operating result – adjusted for write-downs and changes in the provisions – of EUR 47.5 million and a fall of the net interest paid of EUR 20.0 million. On the other hand, EUR 24.6 million more corporate income tax was paid in 2011.

The total debt is structured as follows:

(in thousands of euros)	2011	2010
<b>Non-current liabilities</b>		
Borrowings	1,773,877	1,609,317
Lease liabilities	52,597	57,917
<b>Current liabilities</b>		
Borrowings	101,834	122,756
Lease liabilities	5,914	55,731
<b>Total debt</b>	<b>1,934,222</b>	<b>1,845,721</b>

For capital management purposes, debt capital consists of the non-current and current liabilities as shown under 'total debt'.

Equity for capital management purposes is equal to equity shown in the consolidated balance sheet. As at 31 December 2011, equity was EUR 3,174.5 million (EUR 3,109.4 million as at 31 December 2010).

As at 31 December, the FFO/total debt and leverage were:

	2011	2010
FFO/total debt	18.5%	17.0%
Leverage	37.9%	37.2%

The reduction in the FFO/total debt is caused primarily by the decrease in the total debt being smaller than the increase in the FFO. The reduction in the leverage is the result of a stronger increase in the interest-bearing loans than the increase in equity.

The FFO interest coverage ratio is calculated by dividing the FFO plus the interest charges relating to borrowings and lease liabilities, amounting to EUR 103.6 million in 2011 (EUR 112.7 million in 2010), by these interest charges. As a result, the FFO interest coverage ratio for 2011 was 4.5x (compared with 3.8x for 2010).

The ratios as at 31 December 2011 are consistent with Schiphol Group's policy to maintain a single A credit rating (S&P's).

#### Tax risk factors

Because of its diverse range of activities, Schiphol Group deals with many different types of tax. The internal control procedures for the related tax risks (also known as the 'tax control framework') are part of Schiphol Group's overall risk management and control system. This system serves to identify tax risks and monitor internal control. Tax risk management is facilitated by the central control department (Corporate Control) and is part of approved Management Board policy. This policy proceeds from the assumption that Schiphol Group is a reliable taxpayer through the application of professional tax compliance procedures. In addition, Schiphol Group seeks to develop and implement a reasoned tax planning framework.

The general tax risk for Schiphol Group concerns the timely submission of complete tax returns and the payment of the tax amounts concerned, as well as compliance with all tax laws and regulations and reporting rules specifically relating to corporate income tax. Activities abroad entail an increased risk because of different local tax laws.

## Segment information

Schiphol Group distinguishes fourteen operating segments, which have been combined into nine reporting segments for reporting purposes.

The Aviation business area operates solely at Amsterdam Airport Schiphol and provides services and facilities to airlines, passengers and handling agents. The Aviation business area has been subdivided into two reporting segments: Aviation and Security. Sources of revenue for Aviation include airport charges (aircraft and passenger related charges) and concession fees (paid by oil companies for the right to provide aircraft refuelling services). The source of revenue for Security consists of airport charges (security related charges). The Netherlands Competition Authority (NMa) regulates the charges which are levied and sets limits on the returns generated.

The activities of the Consumer Products & Services business area consist of granting and managing concessions for shops and food service outlets (reporting segment: Concessions, providing revenue from concessions and lease of retail locations), the operation of car parks (reporting segment: Parking, providing revenue from parking fees) and the operation of shops, the marketing of advertising opportunities at Amsterdam Airport Schiphol and the operation of management contracts at domestic airports (reporting segment Other), providing revenue from retail sales, the lease of advertising space and management fees respectively).

The Real Estate business area, which is also a reporting segment, develops, manages, operates and invests in property at and around domestic and foreign airports. The greater part of the portfolio, comprising both operational buildings and commercial properties is located at and around Amsterdam Airport Schiphol. Sources of revenue include income from development and letting out buildings and sites. The business area also makes contributions to Schiphol Group results via other property results (sales, the fair value gains or losses on property and the granting of long lease of land).

The Alliances & Participations business area comprises the reporting segments Domestic Airports, Foreign Airports and Other Subsidiaries. Airport charges and parking charges are the main sources of revenue of the regional airports. The airports abroad contribute to the Group result through performance fees and dividends as accounted for in share in results, through the interest paid on loans and through intellectual property fees. This involves stakes in airports such as Aéroports de Paris S.A., Brisbane Airport Corporation Ltd and JFK IAT Member LLC. The other subsidiaries include Schiphol Telematics and Utilities, among others. Schiphol Telematics delivers telecom services on and around the airport. The Utility activities generate revenue from the transport of electricity and gas and from the supply of water.

Information relating to alliances specifically associated with a particular business area is presented under the reporting segments of that business area. The information relating to other alliances is presented under the reporting segments of the Alliances & Participations business area. Group overheads are allocated to the business segments largely on the basis of their relative share in the direct costs of Schiphol Group.

The Management Board and the central treasury department review the obligations and the financial income and expenditure at group level rather than reporting segment level. Transactions between the reporting segments are conducted at arm's length.

Since Schiphol Group's current activities are largely concentrated in the Netherlands (99% of the consolidated revenue in 2011, the same as in 2010), there is no geographical segmentation. Around 42% of revenue (35% in 2010) relates to one external client and is generated primarily in the Aviation business area.

## Segment information (continued)

2011 (in thousands of euros)	Aviation		Consumer Products & Services			Real Estate	Alliances & Participations			Total
	Aviation	Security	Concessions	Parking	Other		Foreign	Domestic	Other	
							airports	airports	participations	
Total revenue	486,881	247,507	147,020	85,795	106,803	171,562	12,511	62,079	89,158	<b>1,409,314</b>
Elimination of internal revenue	- 368	- 87	- 28,599	- 898	75	- 35,427	- 574	- 156	- 64,982	<b>- 131,014</b>
<b>Revenue</b>	<b>486,513</b>	<b>247,420</b>	<b>118,421</b>	<b>84,897</b>	<b>106,878</b>	<b>136,135</b>	<b>11,937</b>	<b>61,923</b>	<b>24,175</b>	<b>1,278,300</b>
Fair value gains and losses on investment property	-	-	-	-	-	- 1,692	-	1,028	-	<b>- 664</b>
Depreciation and amortisation	- 124,853	- 27,902	- 13,237	- 8,152	- 4,327	- 16,339	- 12	- 4,329	- 6,984	<b>- 206,134</b>
Impairment	-	-	-	-	-	- 1,473	-	-	-	<b>- 1,473</b>
Restructuring costs	-	-	-	-	-	-	-	-	-	<b>-</b>
Operating result	48,370	663	105,148	37,465	5,418	72,212	9,089	14,212	11,611	<b>304,188</b>
Share in results of associates*	642	-	-	-	-	1,348	41,522	-	534	<b>44,047</b>
Total assets	2,227,651	257,848	138,168	136,549	19,886	1,850,955	926,078	93,079	73,278	<b>5,723,492</b>
Total non-current assets (excluding corporate income tax)	1,891,161	218,899	117,297	115,923	16,882	1,571,365	786,192	79,019	62,210	<b>4,858,949</b>
Investments in associates and other financial interests	2,995	-	-	-	-	33,626	679,456	-	15,113	<b>731,190</b>
Capital expenditure	150,742	31,818	13,721	10,392	4,428	35,170	43	8,977	7,987	<b>263,279</b>

2010 (in thousands of euros)	Aviation		Consumer Products & Services			Real Estate	Alliances & Participations			Total
	Aviation	Security	Concessions	Parking	Other		Foreign	Domestic	Other	
							airports	airports	participations	
Total revenue**	448,105	236,964	134,635	79,177	85,187	173,266	6,130	53,891	86,702	<b>1,304,057</b>
Elimination of internal revenue**	- 2,137	- 539	- 20,991	- 1,137	35	- 36,347	- 247	- 213	- 62,334	<b>- 123,908</b>
<b>Revenue</b>	<b>445,967</b>	<b>236,426</b>	<b>113,644</b>	<b>78,040</b>	<b>85,222</b>	<b>136,920</b>	<b>5,883</b>	<b>53,678</b>	<b>24,368</b>	<b>1,180,148</b>
Fair value gains and losses on investment property	-	-	-	-	-	21,071	-	1,109	-	<b>22,180</b>
Depreciation and amortisation	- 108,044	- 27,500	- 11,900	- 6,877	- 3,174	- 16,069	- 5	- 4,295	- 7,965	<b>- 185,829</b>
Impairment	-	-	-	-	-	-	-	- 153	- 314	<b>- 467</b>
Restructuring costs	- 3,596	- 2,055	- 359	- 454	- 719	- 884	- 22	- 410	- 637	<b>- 9,135</b>
Operating result	45,246	- 306	96,584	31,837	4,575	96,366	3,179	10,568	8,660	<b>296,708</b>
Share in results of associates*	532	-	-	-	-	1,480	62,847	-	- 224	<b>64,636</b>
Total assets	2,168,008	230,680	131,877	132,096	15,796	1,802,834	878,486	87,172	59,228	<b>5,506,178</b>
Total non-current assets (excluding corporate income tax)	1,878,844	199,912	114,287	114,478	13,689	1,562,376	761,315	75,546	51,328	<b>4,771,776</b>
Investments in associates and other financial interests	2,941	-	-	-	-	32,955	658,875	-	5,400	<b>700,171</b>
Capital expenditure	154,967	8,727	7,225	13,624	5,418	51,589	-	2,365	4,030	<b>247,944</b>

\*) The share in results of associates includes the share in results of associates presented as such in the profit and loss account and the share of interest income and dividends presented as part of financial income and expenses that is attributable to investments in associates, lease receivables and other financial interests.

\*\*) As at 1 January 2011 Schiphol Dienstverlening B.V. is no longer included in the consolidated figures of Schiphol Group. The comparative figures of the business area Aviation and reporting segments Aviation and Security have been changed with regard to the revenues and the expenses. The changes that have been made have no effect on the operating result.

## Notes to the consolidated profit and loss account

### 1. Revenue

The revenue analysis by reporting segment is as follows:

2011 (in thousands of euros)	Aviation					Consumer Products & Services					Real Estate	Alliances & Participations			Total
	Aviation	Security	Concessions	Parking	Other	Concessions	Parking	Other	Foreign airports	Domestic airports		Other participations			
Airport charges	458,933	246,514	-	-	-	-	-	-	-	39,123	-	-	<b>744,569</b>		
Concessions	12,207	-	130,585	3,429	2,064	-	-	1,401	-	3,649	-	-	<b>153,334</b>		
Rent and leases	28	-	15,649	381	-	-	-	156,488	-	2,816	-	-	<b>175,363</b>		
Parking fees	-	-	-	77,633	-	-	-	2,943	-	11,905	-	-	<b>92,481</b>		
Retail sales	-	-	-	-	78,190	-	-	-	-	-	-	-	<b>78,190</b>		
Other activities	15,713	992	785	4,353	26,549	-	-	10,730	12,511	4,587	89,158	-	<b>165,377</b>		
<b>Total revenue</b>	<b>486,881</b>	<b>247,507</b>	<b>147,020</b>	<b>85,795</b>	<b>106,803</b>	-	-	<b>171,562</b>	<b>12,511</b>	<b>62,079</b>	<b>89,158</b>	-	<b>1,409,314</b>		
Elimination of internal revenue	- 368	- 87	- 28,599	- 898	75	-	-	- 35,427	- 574	- 156	- 64,982	-	<b>- 131,014</b>		
<b>Revenue</b>	<b>486,513</b>	<b>247,420</b>	<b>118,421</b>	<b>84,897</b>	<b>106,878</b>	-	-	<b>136,135</b>	<b>11,937</b>	<b>61,923</b>	<b>24,175</b>	-	<b>1,278,300</b>		

2010 (in thousands of euros)	Aviation					Consumer Products & Services					Real Estate	Alliances & Participations			Total
	Aviation	Security	Concessions	Parking	Other	Concessions	Parking	Other	Foreign airports	Domestic airports		Other participations			
Airport charges	420,542	234,943	-	-	-	-	-	-	-	33,620	-	-	<b>689,106</b>		
Concessions	11,521	-	119,478	3,043	1,894	-	-	1,248	-	3,174	-	-	<b>140,358</b>		
Rent and leases	-	-	14,791	222	-	-	-	156,143	-	2,923	-	-	<b>174,080</b>		
Parking fees	-	-	28	70,915	-	-	-	2,832	-	10,276	-	-	<b>84,051</b>		
Retail sales	-	-	-	-	58,259	-	-	-	-	-	-	-	<b>58,259</b>		
Other activities*	16,042	2,021	338	4,997	25,033	-	-	13,043	6,130	3,896	86,702	-	<b>158,203</b>		
<b>Total revenue</b>	<b>448,105</b>	<b>236,964</b>	<b>134,635</b>	<b>79,177</b>	<b>85,187</b>	-	-	<b>173,266</b>	<b>6,130</b>	<b>53,891</b>	<b>86,702</b>	-	<b>1,304,057</b>		
Elimination of internal revenue*	- 2,137	- 539	- 20,991	- 1,137	35	-	-	- 36,347	- 247	- 213	- 62,334	-	<b>- 123,908</b>		
<b>Revenue</b>	<b>445,967</b>	<b>236,426</b>	<b>113,644</b>	<b>78,040</b>	<b>85,222</b>	-	-	<b>136,920</b>	<b>5,883</b>	<b>53,678</b>	<b>24,368</b>	-	<b>1,180,148</b>		

\*) Comparative figures have been changed for comparison (see page 169, second footnote)

#### Airport charges

The activities of the Aviation business area (the operation of Amsterdam Airport Schiphol) are regulated. This means, among other things, that the annual process of fixing the airport charge rates is overseen by the Netherlands Competition Authority (NMa) and that the aviation industry should be consulted as part of this process. When setting the airport charges, the Aviation business area's profitability is also limited to an average weighted cost of capital (WACC) for regulated assets; both must be determined in compliance with the regulations laid down in the Aviation Act. Under the Aviation Act, Schiphol Group must settle surpluses relative to the

above returns with the industry. Deficits relative to these returns may be passed on. Settlement must in principal take place after the close of a financial year and after the preparation of the financial accounts for Aviation & Security using the subsequent new airport charge rates. In accordance with the accounting policies, surpluses and deficits eligible for settlement in the airport charge rates are not presented as assets and liabilities in the balance sheet. The above procedure does not apply to the airport charges of Rotterdam, Eindhoven and Lelystad, which are accounted for in the Domestic Airports reporting segment.



The 2009 financial year was marked by a significant deficit (EUR 31.7 million for the reporting segment Aviation and EUR 17.3 for the reporting segment Security). Schiphol Group decided not to factor this deficit into the 2011 charges owing to the market conditions.

The 2010 financial year yielded a surplus, however, and this was factored into the charges that took effect on 1 November 2011. In respect of the Aviation and Security reporting segments this amounted to an airport charges refundable in the amount of EUR 29.1 million and EUR 16.2 million respectively.

The 2011 financial year yielded a higher result from normal business operations than expected, estimated to EUR 15.1 million, of which EUR 5.6 million derived from the Aviation reporting segment and EUR 9.5 million from the Security reporting segment. This higher result is primarily due to passenger numbers being higher than was assumed at the time of consultation on the rates as of 1 November 2011. Furthermore, there are specific costs which are lower than was assumed at the time of consultation. In view of the current economic situation, Schiphol Group has decided to accelerate the set-off of this additional result by repaying it to the airlines on a short notice, in proportion to their share in our revenues from airport charges in 2011.

The income from airport charges has the following analysis:

(in thousands of euros)	2011	2010
Aircraft-related fees	193,051	179,562
Passenger-related fees	283,004	250,554
Security service charge	275,661	251,031
Aircraft parking fees	7,953	7,959
Settlement airport charges	- 15,100	-
	<b>744,569</b>	<b>689,106</b>

#### Concessions

Schiphol Group's reporting segment Concessions has a total of 107 concession contracts (2010: 99 concession contracts) concerning the performance of various commercial activities at Amsterdam Airport Schiphol.

A concession involves granting non-exclusive rights to a concession holder to operate and manage a commercial activity (outlet) in a specific location designated by Schiphol Group. The concession charges are calculated according to an agreed scale as a percentage of the sales generated by the concession holder. A separate contract is entered into with concession holders for the required space, for which a fixed rent is payable. The concessions run for an average of 3–5 years. At balance sheet date, around 66% of the concessions had a remaining term of less than three years (2010 around 55%), 23% had between three and five years to run (2010 around 28%) and 11% had more than five years to run (2010 around 17%).

The income from concessions generated by the Aviation reporting segment of EUR 12.2 million (EUR 11.5 million in 2010) and by the Parking reporting segment of EUR 3.4 million (EUR 3.0 million in 2010) concerns concession contracts relating to the third-party supply of fuel and the use of drop-off roads by taxi services and car rental respectively.

#### Rents and leases

The analysis is as follows:

(in thousands of euros)	2011	2010
Investment property buildings, including service costs	71,083	57,303
Investment property sites	25,663	24,620
Operating property, including service costs	47,069	61,057
Elimination of internal revenue	31,548	31,100
	<b>175,363</b>	<b>174,080</b>

The occupancy figure as at 31 December 2011 was 88.5% (86.5% as at 31 December 2010) in the Real Estate reporting segment.

The proportion of all leases (measured in terms of income from rents and leases) expiring within one year is approximately 7% (10% in 2010). Approximately 47% expires after one year and within five years (41% in 2010) and approximately 46% expires after more than five years (49% in 2010).

Property management expenses can be analysed as follows:

(in thousands of euros)	2011	2010
Occupied buildings	36,214	36,574
Unoccupied buildings	7,327	6,033
	<b>43,541</b>	<b>42,607</b>

In the case of buildings that are only partially leased up, the management expenses have been apportioned on the basis of floor area.

#### Parking fees

The analysis is as follows:

(in thousands of euros)	2011	2010
<b>Parking at Amsterdam Airport Schiphol:</b>		
Short-stay car park	37,738	34,297
Long-stay car park	22,939	20,743
Other public car parking	4,509	4,214
Business parking	14,626	13,716
	<b>79,812</b>	<b>72,970</b>
Parking at other locations	11,905	10,276
Elimination of internal revenue	764	805
	<b>92,481</b>	<b>84,051</b>

The parking fees generated on other locations relate to Rotterdam, Eindhoven and Lelystad and are accounted for by the Domestic Airports reporting segment.

#### Retail sales

The turnover from retail sales in 2011 of EUR 78.2 million (EUR 58.3 million in 2010) represents revenue from the liquor, tobacco and chocolate retail activities. The cost of sales of EUR 39.4 million (EUR 30.2 million in 2010) related to this revenue is accounted for on the line 'Costs of outsourced work and other external charges' under operating expenses.

#### Other activities

The analysis is as follows:

(in thousands of euros)	2011	2010
Advertising	18,608	15,847
Services and activities on behalf of third parties	18,459	22,740
Electricity, gas and water	6,788	6,455
Other operating income	28,594	26,612
Miscellaneous	19,415	14,626
Elimination of internal revenue*	73,513	71,921
	<b>165,377</b>	<b>158,201</b>

\*) comparative figures have been changed, see page 169, second footnote

## 2. Result on sales of property

The amount of EUR 23.3 million recognised under 'sales of property' concerns the contribution of land in GEM Badhoevedorp-Zuid C.V. of EUR 21.3 million and GEM A4 Zone West C.V. of EUR 2.0 million. This contribution resulted in EUR 17.1 million in cash for Schiphol Group as well as a 19% interest in GEM Badhoevedorp-Zuid C.V. (valued at EUR 4.2 million) and a 33% interest in GEM A4 Zone West C.V. (valued at EUR 2.0 million).

## 3. Fair value gains and losses on property

The analysis is as follows:

(in thousands of euros)	2011	2010
New long leases granted	-	- 2,932
Acquisition and completions of buildings	1,497	3,826
Market value adjustment land	- 4,017	35,982
Market value adjustment buildings	1,856	- 14,696
	<b>- 664</b>	<b>22,180</b>

The gains resulting from the granting of new long leases are connected with the change in valuation on the release of land from historical cost to fair value upon the release of the leasehold land. The fair value is calculated by discounting the annual ground rents from the leases concerned (DCF method), using a discount rate based on the interest rate on Dutch State Loans plus a risk mark-up.

With regard to the lands pertaining to the investment property, a reassessment took place in 2010 of the discount rate applied in determining the fair value, including the associated risk mark-ups. Based on this reassessment, the discount rate has been reduced. This was done in order to ensure consistency with the more common methods used by independent external surveyors. Furthermore, with effect from 2010 a final value is determined for all leasehold contracts, even if the contract only expires after 20 years. Previously, the final value of contracts expiring after 20 years was fixed at zero because of uncertainty about the use of the lands after the expiry of these contracts. The aforesaid changes in the discount rate applied and the determination of the final value resulted in a one-off fair value gain on property of EUR 26 million in 2010 and are part of the overall market value adjustment for land.

Property under development is stated at fair value, provided that this value can be measured reliably. A change in the value is recognised in this line under 'fair value gains and losses on property', as are changes in value resulting from the refurbishment of existing properties (which may have been purchased recently) so that these can be leased more profitably, leading to an increase in fair value.

The fair value of all the properties is reassessed each year and adjusted as necessary on the basis of internal and external appraisals. The fair value takes account of any lease incentives granted. The resulting adjustments to the fair value are included in the market value adjustments in the above analysis.

## 4. Costs of outsourced work and other external charges

The analysis is as follows:

(in thousands of euros)	2011	2010
Cleaning	29,481	26,722
Security activities	177,803	165,025
Maintenance	79,052	79,527
Other outsourcing	83,829	67,547
Energy and water	25,168	26,100
Cost price retail sales	39,444	30,215
Hired personnel	24,302	24,067
Commercial expenses	33,069	23,802
Insurance	18,465	19,551
Advice and audit expenses	16,770	14,295
Costs related to investments	10,638	6,706
Other expenses	41,813	38,515
	<b>579,834</b>	<b>522,072</b>

The other expenses concern costs as general expenses, renting and leasing.

As at 31 December 2011, there were commitments (not included in the balance sheet) in respect of long-term security, maintenance and cleaning contracts etc. totalling EUR 399.8 million (31 December 2010: EUR 417.7 million). The size of these commitments is primarily attributable to contracts in relation to security, with a total value of EUR 171.3 million. The total amount stated above also includes commitments with respect to outsourced work (EUR 110.0 million), maintenance (EUR 51.7 million), cleaning (EUR 29.9 million) and gas and electricity purchasing (EUR 20.3 million). The total for the obligations relating to 2012 amounts to EUR 201.0 million. In addition, maintenance contracts were concluded that do not involve a purchase obligation.

Under operating leases with Schiphol Group as lessee, the following future lease instalments are payable (not included in the balance sheet):

(in thousands of euros)	Total	> 1 year but			
		≤ 1 year	> 1 year	≤ 5 years	> 5 years
Rental and lease contract commitments	<b>36,700</b>	5,046	31,654	17,331	14,323

#### Auditor's fees

Included in the advice and audit expenses are the following costs with respect to auditor's fees.

(in thousands of euros)	2011	2010
Audit of the financial statements	<b>602</b>	625
Other audit services	<b>731</b>	764
Tax advisory	<b>310</b>	131
Other non-audit services	<b>10</b>	206
	<b>1,653</b>	1,726

The above fees concern the activities carried out at Schiphol Group and the consolidated group companies by the audit firm within the meaning of Section 1(1) of the Act on the Supervision of Audit Firms and represent the fees charged by the entire network of which this audit firm is part. The fees of PricewaterhouseCoopers Accountants N.V. make up EUR 1.3 million (in 2010: EUR 1.4 million) while the activities performed by other members of the PwC network amount to EUR 0,3 million (against EUR 0.3 million in 2010).

#### 5. Employee benefits

The analysis is as follows:

(in thousands of euros)	2011	2010
<b>Short-term employee benefits</b>		
Salaries	<b>140,551</b>	146,585
Social security charges	<b>11,511</b>	12,547
Internal hours capitalised	<b>- 12,167</b>	- 11,055
	<b>139,895</b>	148,077
<b>Post-retirement benefits</b>		
Pension charges (defined contribution plans)	<b>19,951</b>	18,184
Pension charges (defined benefit plans)	<b>927</b>	2,153
Early retirement benefits	<b>1,595</b>	1,634
	<b>22,473</b>	21,971
<b>Other long-term employee benefits</b>		
Long-service bonuses	<b>246</b>	558
Management long-term bonuses	<b>1,014</b>	1,036
Other employee benefits	<b>44</b>	- 199
	<b>1,304</b>	1,395
<b>Termination benefits</b>	<b>1,696</b>	630
<b>Other staff costs</b>	<b>12,102</b>	11,664
<b>Total employee benefits</b>	<b>177,470</b>	183,737

The average number of employees, on a full-time equivalent basis, of N.V. Luchthaven Schiphol and its subsidiaries totalled 2,115 (2010: 2,328).

The capitalised internal hours concern capitalised own production in the form of internal hours charged by staff in the implementation phases of investment projects.

The costs of post-retirement benefits, other long-term employee benefits and redundancy payments are explained in more detail in note 35, dealing with employee benefits.

For an explanation of the remuneration of Supervisory and Management Board members under Section 2:383c of the Dutch Civil Code, reference is made to the chapter entitled 'Related Party Disclosures'.

## 6. Depreciation and amortisation

The analysis is as follows:

(in thousands of euros)

### Intangible assets

Contract related assets	2,301	4,241
Automated application development	6,710	4,523
Software licences	3,195	2,126
	<b>12,206</b>	<b>10,890</b>

### Assets used for operating activities

Runways, taxiways and aprons	21,153	20,499
Paved areas, roads etc.	11,235	11,373
Buildings	34,573	31,878
Installations	95,792	84,490
Other assets	27,320	25,971
	<b>190,073</b>	<b>174,211</b>

**Depreciation and amortisation relating to disposals** 3,855 728

**Total depreciation and amortisation** 206,134 185,829

## 7. Impairment

The analysis is as follows:

(in thousands of euros)

### Intangible assets

Software under development	-	314
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### Assets used for operating activities

Other assets	-	153
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### Assets under construction or development

Assets under construction for operating activities	1,000	-
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### Current assets

Assets held for sale	473	-
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**Total impairment losses** 1,473 467

As a result of recent, less positive forecasts regarding the development and commercial operation of land at and around the Amsterdam Airport Schiphol location, the book value of this land depreciated by EUR 1.5 million in 2011.

## 8. Reorganisation

In 2011, further substance was given to the reorganisation resulting from the strategy recalibration in 2009. This resulted in the outsourcing of non-core activities in 2010 and 2011 and a fall in the average number of employees at the Schiphol location of around 7% in 2010 and 9% in 2011. The provisions accounted for in the profit and loss of 2009 and 2010 proved to have been adequate so that the reorganisation did not result in additional costs in 2011.

## 9. Other operating expenses

The other operating expenses include a variety of different operating cost items. In 2011, as in 2010, no exceptional cost items were recorded.

## 10. Financial income and expenses

The analysis is as follows:

(in thousands of euros)

### Interest expense

Borrowings	- 98,053	- 103,141
Interest difference buy-back of EMTN bonds	-	- 19,328
Lease liabilities	- 5,550	- 9,515
	<b>- 103,603</b>	<b>- 131,984</b>

### Interest income

Cash and cash equivalents	3,947	2,951
Loans to associates	7,038	6,127
Lease receivables	855	1,059
Capitalised construction period borrowing costs	3,835	8,115
Tax collection	516	521
Other	907	448
	<b>17,098</b>	<b>19,221</b>

### Other financial gains and losses

Exchange differences on loans to associates	65	764
Exchange differences on cash and cash equivalents	150	26
Exchange differences on other assets and liabilities	- 691	- 159
Derivative financial instruments	- 4,664	- 2,660
Dividends from other financial interests	370	375
Other	23	- 764
	<b>- 4,747</b>	<b>- 2,418</b>

**Total financial income and expenses** - 91,252 - 115,181

The capitalised construction period borrowing cost concerns interest charges incurred during the construction phase of large investment projects.

The exchange differences on loans to associates concern the redeemable preference shares of Brisbane Airport Corporation Holdings Pty Ltd held by Schiphol Group. In view of the terms requiring repayment of the nominal value to the shareholders within a period of 10 years, among other conditions, the shares are considered not to be part of the net investment in the associate. Consequently, the exchange differences should be accounted for in the profit and loss account instead of in the exchange differences reserve. However, the currency risk relating to this long-term receivable is largely hedged by using annual forward transactions for the nominal value and accrued interest. By means of these transactions, the Australian dollar position is hedged to euros. The hedge transactions are recognised as a cash flow hedge, while the associated exchange differences are recognised in the reserve for hedging transactions. The other exchange differences are recognised in the profit and loss account.

#### 11. Share in results of associates

The item 'share in results of associates' presents the share in the results of non-consolidated associates, including Aéroports de Paris S.A. (ADP), Brisbane Airport Corporation Holdings Ltd (BACH) en JFK IAT LLC.

The share in results of associates for 2011 includes a contribution of EUR 3.2 million from Brisbane Airport Corporation Holdings Ltd (BACH). In the years up to and including 2010, no share in BACH's result could be presented because of this participation's negative equity, under Schiphol Group accounting policies. In 2011, this negative equity became positive.

ADP's contribution to Schiphol Group's financial result for 2011 consists of a gain of EUR 31.4 million (a gain of EUR 26.4 million in 2010), including adjustments in connection with differences in the accounting policies mainly relating to investment property.

The share in results of associates for 2010 includes a one-off result of EUR 28.1 million that can be attributed to the extension of our stake in JFK IAT LLC. This acquisition is explained in more detail in note 42, 'Acquisitions', to which we refer for brevity's sake.

#### 12. Corporate income tax

The corporate income tax charge in the profit and loss account can be analysed as follows:

(in thousands of euros)	2011	2010
Result before tax	248,824	238,603
Share in result of associates *	- 35,659	- 56,865
	<b>213,165</b>	<b>181,738</b>
<b>Standard rate of corporate income tax</b>	<b>25.0%</b>	<b>25.5%</b>
Corporate income tax calculated at the standard tax rate	53,291	46,343
Different rate for foreign subsidiaries	158	12,466
Corporate income tax before extraordinary items	<b>53,449</b>	<b>58,809</b>
<b>Effective rate of corporate income tax before extraordinary items</b>	<b>21.5%</b>	<b>24.6%</b>
Adjustment deferred taxes due to a decrease in the standard rate of corporate income tax	-	5,075
Other movements corporate income tax liabilities	- 1,105	2,896
Other movements deferred tax assets and liabilities	- 1,030	109
Corporate income tax in the profit and loss account	<b>51,314</b>	<b>66,889</b>
<b>Effective rate of corporate income tax after extraordinary items</b>	<b>20.6%</b>	<b>28.0%</b>

\*) In calculating the corporate income tax payable, the share in results of associates is deducted because they satisfy the substantial holding privilege tax rule. This does not apply to the results of limited partnerships (C.V.s), which are not independently liable for tax and whose results are included in the result of the N.V. Luchthaven Schiphol fiscal entity.

In 2011, the effective tax burden of 20.6% was lower than the nominal corporate income tax rate of 25%. This is primarily attributable to the share in the results of associates, which were not subject to Dutch corporate income tax. Furthermore, once-only results were achieved owing to the application of tax-deductible losses that had not been valued by a deferred tax asset and with the set-off of withholding tax of previous years.

The effective tax burden for 2010 was 28.0%, which is higher than the nominal corporate income tax rate of 25.5%, primarily on account of a relatively high tax burden on the one-off result relating to the extension of our stake in JFK IAT LLC and a write-down of deferred tax liabilities in connection with the adjustment of the tax rate to 25% as at 1 January 2011.

### 13. Result attributable to minority interests

Included in the result attributable to minority interests is the share of third parties in the results of the group companies Eindhoven Airport N.V. and Avioport SpA. An abridged profit and loss account for these companies has been included in the chapter entitled 'Related Party Disclosures' (under 'subsidiaries').

### 14. Earnings per share

Earnings per share is calculated as follows:

	2011	2010
Result attributable to shareholders (net result in euros)	194,485,000	168,960,000
Average number of shares in issue during the year	186,147	186,147
<b>Earnings per share (in euros)</b>	<b>1,045</b>	<b>908</b>

At the moment, there is no question of potential share issues resulting from options or convertible equity instruments that might dilute the profit per share.

## Notes to the consolidated balance sheet

### 15. Intangible assets

The analysis and movements were as follows:

(in thousands of euros)	Goodwill	Contract-related assets	Automated application development	Software licences	Software under development	Total
<b>Analysis as at 31 December 2009</b>						
Cost	7,591	27,884	30,636	14,126	15,917	<b>96,154</b>
Cumulative amortisation and impairment	- 5,350	- 21,342	- 18,942	- 8,399	-	<b>- 54,033</b>
<b>Carrying amount</b>	<b>2,241</b>	<b>6,542</b>	<b>11,694</b>	<b>5,727</b>	<b>15,917</b>	<b>42,121</b>
<b>Movements in 2010</b>						
Additions	-	-	-	-	11,628	<b>11,628</b>
Completions	-	-	9,522	2,314	- 11,836	-
Amortisation	-	- 4,241	- 4,523	- 2,126	-	<b>- 10,890</b>
Impairment	-	-	-	-	- 314	<b>- 314</b>
Reclassification	-	-	-	-	655	<b>655</b>
<b>Total movements in the year</b>	<b>-</b>	<b>- 4,241</b>	<b>4,999</b>	<b>188</b>	<b>133</b>	<b>1,079</b>
<b>Analysis as at 31 December 2010</b>						
Cost	7,591	27,884	40,158	16,440	16,364	<b>108,437</b>
Cumulative amortisation and impairment	- 5,350	- 25,583	- 23,465	- 10,525	- 314	<b>- 65,237</b>
<b>Carrying amount</b>	<b>2,241</b>	<b>2,301</b>	<b>16,693</b>	<b>5,915</b>	<b>16,050</b>	<b>43,200</b>
<b>Movements in 2011</b>						
Additions	-	-	-	86	11,047	<b>11,133</b>
Completions	-	-	9,666	8,384	- 18,050	-
Amortisation	-	- 2,301	- 6,710	- 3,195	-	<b>- 12,206</b>
Disposals	-	-	- 577	- 155	-	<b>- 732</b>
<b>Total movements in the year</b>	<b>-</b>	<b>- 2,301</b>	<b>2,379</b>	<b>5,120</b>	<b>- 7,003</b>	<b>- 1,805</b>
<b>Analysis as at 31 December 2011</b>						
Cost	7,591	27,884	49,247	24,755	9,361	<b>118,838</b>
Cumulative amortisation and impairment	- 5,350	- 27,884	- 30,175	- 13,720	- 314	<b>- 77,443</b>
<b>Carrying amount</b>	<b>2,241</b>	<b>-</b>	<b>19,072</b>	<b>11,035</b>	<b>9,047</b>	<b>41,395</b>

The goodwill recognised under intangible assets as at 31 December 2011 consists of an amount of EUR 0.8 million that relates to Schiphol Telematics B.V. and an amount of EUR 1.4 million that relates to Villa Carmen B.V.

At year-end 2011, an impairment test was performed on the carrying amount of the related goodwill, comparing it with the value in use of the related cash-generating unit (Schiphol Telematics B.V.) calculated on the basis of information taken from its 2012-2016 business plan using a discount rate of 5.3%. The test did not indicate any need to recognise an impairment loss.

Malpensa Real Estate II B.V. (MRE II B.V., a subsidiary of Schiphol Group) acquired an interest of 47.44% in Villa Carmen B.V. in 2005. The goodwill this created is derived from the appreciation of the land contributed by MRE II B.V. on acquisition of its share. In 2011, as in 2010, there were no developments which necessitated an impairment loss.

Automated application development relates to internal and external hours charged to ICT projects in the implementation and completion phases. Software licences relates to third-party packages. For an explanation of the impairment losses, see note 7.

## 16. Assets used for operating activities

The analysis and movements were as follows:

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
<b>Analysis as at 31 december 2009</b>						
Cost	647,423	577,156	1,163,522	1,408,595	343,470	<b>4,140,166</b>
Cumulative depreciation and impairment	- 273,145	- 145,500	- 450,636	- 830,239	- 242,078	<b>- 1,941,598</b>
<b>Carrying amount</b>	<b>374,278</b>	<b>431,656</b>	<b>712,886</b>	<b>578,356</b>	<b>101,392</b>	<b>2,198,568</b>
<b>Movements in 2010</b>						
Completions	7,144	4,667	104,136	211,536	25,734	<b>353,217</b>
Depreciation	- 20,499	- 11,373	- 31,878	- 84,490	- 25,971	<b>- 174,211</b>
Impairment	-	- 67	-	-	- 86	<b>- 153</b>
Sales	-	-	-	- 2	- 14	<b>- 16</b>
Changes in the consolidation	-	-	-	-	- 17	<b>- 17</b>
Disposals	- 446	-	-	- 125	- 156	<b>- 727</b>
Reclassification	-	-	- 2,977	2,977	- 656	<b>- 656</b>
Exchange differences	-	-	-	-	26	<b>26</b>
<b>Total movements in the year</b>	<b>- 13,801</b>	<b>- 6,773</b>	<b>69,281</b>	<b>129,896</b>	<b>- 1,140</b>	<b>177,463</b>
<b>Analysis as at 31 december 2010</b>						
Cost	654,567	581,823	1,264,681	1,623,108	368,548	<b>4,492,727</b>
Cumulative depreciation and impairment	- 294,090	- 156,940	- 482,514	- 914,856	- 268,296	<b>- 2,116,696</b>
<b>Carrying amount</b>	<b>360,477</b>	<b>424,883</b>	<b>782,167</b>	<b>708,252</b>	<b>100,252</b>	<b>2,376,031</b>
<b>Movements in 2011</b>						
Completions	22,077	12,826	28,934	116,519	29,439	<b>209,795</b>
Depreciation	- 21,153	- 11,235	- 34,573	- 95,792	- 27,320	<b>- 190,073</b>
Sales	-	- 125	-	-	-	<b>- 125</b>
Changes in the consolidation	-	-	-	-	- 23	<b>- 23</b>
Disposals	-	- 26	- 343	- 2,314	- 440	<b>- 3,123</b>
Reclassification	60	2,450	1,202	6,125	497	<b>10,334</b>
Exchange differences	-	-	-	-	- 3	<b>- 3</b>
<b>Total movements in the year</b>	<b>984</b>	<b>3,890</b>	<b>- 4,780</b>	<b>24,538</b>	<b>2,150</b>	<b>26,782</b>
<b>Analysis as at 31 december 2011</b>						
Cost	676,704	596,948	1,294,474	1,743,438	398,018	<b>4,709,582</b>
Cumulative depreciation and impairment	- 315,243	- 168,175	- 517,087	- 1,010,648	- 295,616	<b>- 2,306,769</b>
<b>Carrying amount</b>	<b>361,461</b>	<b>428,773</b>	<b>777,387</b>	<b>732,790</b>	<b>102,402</b>	<b>2,402,813</b>

For an explanation of the impairment losses, see note 7.

## 17. Assets under construction or development

The analysis and movements were as follows:

(in thousands of euros)	Assets under construction for operating activities	Assets under construction for investment property	Total
<b>Carrying amount as at 31 December 2009</b>	<b>393.332</b>	<b>154.949</b>	<b>548.281</b>
<b>Movements in 2010</b>			
Capital expenditure	196.464	39.852	<b>236.316</b>
Construction period borrowing cost capitalised	7.615	500	<b>8.115</b>
Completed assets and investment property	- 353.217	- 48.694	<b>- 401.911</b>
Fair value gains and losses	-	- 106	<b>- 106</b>
<b>Total movements in the year</b>	<b>- 149.138</b>	<b>- 8.448</b>	<b>- 157.586</b>
<b>Carrying amount as at 31 December 2010</b>	<b>244.194</b>	<b>146.501</b>	<b>390.695</b>
<b>Movements in 2011</b>			
Capital expenditure	220.326	31.822	<b>252.148</b>
Construction period borrowing cost capitalised	3.564	271	<b>3.835</b>
Completed assets and investment property	- 209.795	- 16.749	<b>- 226.544</b>
Fair value gains and losses	-	438	<b>438</b>
Impairment	-	- 1.000	<b>- 1.000</b>
Reclassification	- 7.352	- 15.188	<b>- 22.540</b>
<b>Total movements in the year</b>	<b>6.743</b>	<b>- 406</b>	<b>6.337</b>
<b>Carrying amount as at 31 December 2011</b>	<b>250.937</b>	<b>146.095</b>	<b>397.032</b>

The reclassification of the assets under construction for investment property amounting to EUR 15.2 million relates to the Cornerstone building at Rotterdam The Hague Airport. The prepayment on this asset is recognised as other long-term receivables.

The capitalisation of borrowing costs during the construction period is calculated by applying a percentage that is determined on a quarterly basis according to the current ratio of equity to borrowed capital. In 2011, the rate varied between 2,47% and 2,54% per annum which takes into account former mentioned ratio.

At year-end 2011, there were assets under construction for investment property that are stated at a fair value of EUR 3.2 million (2010: zero).

As at 31 December 2011, there were obligations to invest in assets under construction or development up to an amount of EUR 106.5 million, of which EUR 21.6 million in property (as at 31 December 2010: EUR 136.4 million, of which EUR 26.0 million in property).



## 18. Investment property

The analysis and movements were as follows:

(in thousands of euros)	Buildings	Sites	Total
<b>Carrying amount as at 31 December 2009</b>	<b>706,013</b>	<b>276,426</b>	<b>982,439</b>
<b>Movements in 2010</b>			
Completions	44,388	4,306	<b>48,694</b>
Fair value gains and losses	- 14,593	36,773	<b>22,180</b>
<b>Total movements in the year</b>	<b>29,795</b>	<b>41,079</b>	<b>70,874</b>
<b>Carrying amount as at 31 December 2010</b>	<b>735,808</b>	<b>317,505</b>	<b>1,053,313</b>
<b>Movements in 2011</b>			
Completions	14,468	2,281	<b>16,749</b>
Acquisitions	2,894	-	<b>2,894</b>
Fair value gains and losses	1,183	- 2,285	<b>- 1,102</b>
Reclassification	- 2,982	-	<b>- 2,982</b>
<b>Total movements in the year</b>	<b>15,563</b>	<b>- 4</b>	<b>15,559</b>
<b>Carrying amount as at 31 December 2011</b>	<b>751,371</b>	<b>317,501</b>	<b>1,068,872</b>

Airport Real Estate Basisfonds C.V. (AREB C.V.) has encumbered 16 of its investment properties with liens in favour of ING Bank N.V. and ABN AMRO N.V. for a combined amount of EUR 330 million. The proportionate consolidation of AREB C.V. means that 61.15% of this amount in respect of investment property is reflected in the Schiphol Group balance sheet as at 31 December 2011.

Buildings includes an amount of EUR 89.6 million (31 December 2010: EUR 93.1 million) in respect of the fair value of assets (Triport) where the company has the risks and rewards incidental to ownership but not legal title (finance lease). Sites includes land leased under long-lease contracts.

The calculation of the cash flows (which are a factor in determining the fair value at which investment property is presented in the balance sheet) takes into account the existence of deferred lease incentives. For an explanation of the sales and fair value gains and losses, see notes 2 and 3, respectively, in the notes to the consolidated profit and loss account.

It is Schiphol Group policy to grant rights to all sites solely on either a long-lease or a ground rent basis except for those sites which management intends to sell. This concerns sites away from Amsterdam Airport Schiphol, which are presented in the balance sheet as assets held for sale.

## 19. Deferred tax

With effect from 1 January 2002, Schiphol Group has been subject to corporate income tax. Schiphol Group and the Tax Authorities signed the settlement agreement on 8 September 2006. This agreement specifies the final opening balance sheet for tax purposes and contains some further agreements on the determination of Schiphol Group's taxable profit.

Assets used for operating activities and assets under construction are valued at cost both for reporting purposes and for tax purposes. However, the aforementioned settlement agreement resulted in differences between the cost for reporting and tax purposes respectively of assets held as at 1 January 2002. The balance sheet for tax purposes equates the cost with the market value as at 1 January 2002, whereas the balance sheet for reporting purposes equates the cost with the (lower) historical cost. In addition, property investments, derivative financial instruments and borrowings in foreign currencies are valued at fair value for reporting purposes and at cost for tax purposes. Furthermore, the property investments are depreciated for tax purposes (with a residual value of 25%), whereas there is no depreciation of this property for reporting purposes.

Furthermore, the Working on Profit Act came into force effective the 2007 financial year. This Act limits the depreciation for tax purposes of both commercial buildings and operational buildings to the so-called base value. The base value is 50% of the WOZ value (i.e., the value under the Valuation of Immovable Property Act) of operational buildings and 100% of the WOZ value of commercial buildings. This limitation on tax-related depreciation also causes a valuation difference.

Finally, there are differences in the valuation of personnel provisions because of a deviation in the actuarial assumptions applied. Deferred tax assets and liabilities are recognised in respect of all these valuation differences, and in respect of the deferred tax liability resulting from the extension of our stake in JFK IAT LLC.

The deferred tax assets and liabilities arise from the following balance sheet items:

(in thousands of euros)	2011	2010
<b>Deferred tax assets</b>		
Assets used for operating activities	<b>185,930</b>	190,184
Assets under construction or development	<b>78,878</b>	78,987
Derivative financial instruments and borrowings	<b>13,236</b>	-
Employee benefits	<b>3,294</b>	2,890
<b>Deferred tax liability</b>		
Investment property	<b>- 26,187</b>	- 25,198
Derivative financial instruments and borrowings	<b>-</b>	- 7,209
Investments in associates	<b>- 11,799</b>	- 11,007
	<b>243,352</b>	<b>228,647</b>
Non-current (settlement is not expected)	<b>83,574</b>	83,574
Non-current (expected to be recovered or settled after longer than 12 months)	<b>158,200</b>	145,449
Current (expected to be recovered or settled within 12 months)	<b>1,578</b>	- 376
	<b>243,352</b>	<b>228,647</b>

Pursuant to IAS 12, Income Taxes, a deferred tax asset should be included insofar as it is likely that sufficient taxable profit will be available against which the deductible temporary difference can be utilised. However, it is not to be expected that the deferred tax assets will actually be realised in relation to a part of the operating assets (EUR 83.6 million). The difference between the value for reporting and tax purposes respectively will be realised only in the event of a sale (resulting in a lower profit for tax purposes and a lower corporate income tax liability), in the event of impairment (resulting in higher costs for tax purposes and a lower corporate income tax liability), or upon termination of the aviation activities (resulting in higher costs for tax purposes, because compensation will only be obtained up to the book value for reporting purposes). Schiphol Group is not-authorized to sell the land for operating activities. The expectations with regard to future cash flows do not suggest that impairment losses will be necessary. Finally, it is not likely either that the activities will be terminated.

The deferred tax assets and liabilities are netted, because these assets and liabilities are part of the same fiscal unity and the company at the head of this fiscal unity has a legally enforceable right to do so.

The movements in the deferred tax assets and deferred tax liabilities during the year were as follows:

(in thousands of euros)	Assets used for operating purposes	Assets under construction or development	Investment property	Derivative financial instruments	Employee benefits	Associates	Total
<b>Carrying amount as at 31 December 2009</b>	<b>193,988</b>	<b>80,567</b>	<b>- 20,888</b>	<b>- 811</b>	<b>4,134</b>	<b>-</b>	<b>256,990</b>
<b>Movements in 2010</b>							
Deferred tax on depreciation for tax purposes	-	-	- 2,442	-	-	-	- 2,442
Deferred tax recognised in the profit and loss account	-	-	- 2,235	- 2,293	- 718	- 10,834	- 16,080
Deferred tax recognised in equity	-	-	-	- 4,229	-	-	- 4,229
Adjustment due to the reduction in the tax rate	- 3,804	- 1,580	367	124	- 58	-	- 4,951
Other movements	-	-	-	-	- 468	- 173	- 641
<b>Total movements in the year</b>	<b>- 3,804</b>	<b>- 1,580</b>	<b>- 4,310</b>	<b>- 6,398</b>	<b>- 1,244</b>	<b>- 11,007</b>	<b>- 28,343</b>
<b>Carrying amount as at 31 December 2010</b>	<b>190,184</b>	<b>78,987</b>	<b>- 25,198</b>	<b>- 7,209</b>	<b>2,890</b>	<b>- 11,007</b>	<b>228,647</b>
<b>Movements in 2011</b>							
Deferred tax on depreciation for tax purposes	- 4,254	-	- 1,701	-	-	-	- 5,955
Deferred tax recognised in the profit and loss account	-	- 109	- 228	926	404	- 792	199
Deferred tax recognised in equity	-	-	-	19,519	-	-	19,521
Other movements	-	-	940	-	-	-	940
<b>Total movements in the year</b>	<b>- 4,254</b>	<b>- 109</b>	<b>- 989</b>	<b>20,445</b>	<b>404</b>	<b>- 792</b>	<b>14,705</b>
<b>Carrying amount as at 31 December 2011</b>	<b>185,930</b>	<b>78,878</b>	<b>- 26,187</b>	<b>13,236</b>	<b>3,294</b>	<b>- 11,799</b>	<b>243,352</b>

## 20. Investments in associates

The movements were as follows:

(in thousands of euros)	2011	2010
<b>Carrying amount as at 1 January</b>	<b>689,413</b>	629,815
<b>Movements in the year</b>		
Share in results	35,889	57,076
Dividend	- 12,621	- 13,183
Investments	-	9,708
Sales	-	- 2,157
Changes in the consolidation	182	-
Value gains and losses	- 354	-
Share capital contributions to associates	9,419	-
Exchange differences	3,120	8,154
<b>Total movements in the year</b>	<b>35,639</b>	59,598
<b>Carrying amount as at 31 December</b>	<b>725,048</b>	689,413

The EUR 9.4 million capital increase realised in 2011 relates to the participation in Schiphol Area Development Company N.V. As all shareholders have deposited additional capital in proportion to their shareholdings, Schiphol's share in this participation has remained unchanged.

The investments in 2010 for a total amount of EUR 9.7 million concern the extension of our share in JFK IAT LLC, reference is made to note 42.

The carrying amount of the investments in associates as at 31 December 2011 includes EUR 244 million of goodwill relating to Aéroports de Paris and EUR 34 million of goodwill relating to Brisbane Airports Corporation Ltd. For both investments, the annual impairment test on goodwill did not indicate a need to recognise an impairment loss.

Further details on the associates can be found in the chapter entitled 'Related Party Disclosures'. Further details on the share in the results of associates can be found in note 11.

## 21. Loans to associates

The movements were as follows:

(in thousands of euros)	2011	2010
<b>Carrying amount as at 1 January</b>	<b>88,221</b>	66,541
<b>Movements in the year</b>		
Accrued interest	838	6,990
Exchange differences hedging transactions	3,017	13,926
Other Exchange differences	65	764
<b>Total movements in the year</b>	<b>3,920</b>	21,680
<b>Carrying amount as at 31 December</b>	<b>92,141</b>	88,221

The loans to associates relate exclusively to the redeemable preference shares in Brisbane Airport Corporation Holdings Pty Ltd (BACH) held by Schiphol Group.

The redeemable preference shares includes a cumulative dividend entitlement. The nominal value of these shares is also repayable to the shareholders by 2014 at the latest. On the basis of these features, the redeemable preference shares, amounting to AUD 116.6 million (EUR 92.1 million), are classified as a long-term loan to an associate and the dividend on these shares is treated as interest income.

The interest accrued concerns the valuation of the redeemable preference shares at amortised cost and part of the interest accrued for the past two and a half years, which the management of BACH in mid 2009 decided not to distribute as yet. Given its cumulative preference nature, however, this interest is still recognised as receivable and financial income.

Where the nominal value is concerned, the currency risk relating to this long-term receivable is hedged by using annual forward transactions. By means of these transactions, the Australian dollar position is hedged to euros. The hedge transactions are recognised as a cash flow hedge. The exchange differences relating to part of the receivable that is not hedged and the period between the successive annual forward transactions are recognised in the profit and loss account. The other exchange differences are included in the reserve for hedging transactions through the total comprehensive income.

The fair value of the loans to associates as at 31 December 2011 amounted to EUR 91.8 million (AUD 116.2 million). The effective interest rate was 10%. The fair value is estimated by discounting the future contractual cash flows at current market interest rates available to the borrower for similar financial instruments.

## 22. Other financial interests

Other financial interests concern the 1% interest in Flughafen Wien AG. The investment is recognised at fair value, derived from the quoted price of the shares. In 2011, the fair value decreased by EUR 4.6 million from EUR 10.8 million to EUR 6.2 million. The decrease in value has been recognised in the other financial interests reserve via total comprehensive income.

### 23. Lease receivables

The movements were as follows:

(in thousands of euros)	2011	2010
<b>Carrying amount as at 1 January</b>	<b>5,523</b>	<b>7,489</b>
<b>Movements in the year</b>		
Accrued interest on lease receivables	855	1,059
Lease instalments received	- 3,079	- 3,025
<b>Total movements in the year</b>	<b>- 2,224</b>	<b>- 1,966</b>
<b>Carrying amount as at 31 december</b>	<b>3,299</b>	<b>5,523</b>

The lease receivables as at 31 December 2011 are presented in full under current assets (31 December 2010: EUR 2.2 million).

Beheer- en beleggingsmaatschappij Balnag B.V. (Balnag – a wholly-owned subsidiary of Schiphol Group) took out a 20-year lease on the air traffic control tower at the centre of the airport from a financing company, Abinton B.V., in 1992. The control tower was in turn leased to Air Traffic Control the Netherlands (LVNL) for a similar period. Both contracts qualify as finance leases, resulting in the recognition of a lease receivable under the lease to LVNL and a lease liability to Abinton B.V. On expiry of the lease, LVNL has the option of purchasing the control tower for a payment of EUR 6.8 million from Balnag. The effective interest rate of the lease contract between Balnag and LVNL is 13.0%. Both LVNL and Balnag have decided to invoke their option to purchase. The purchase and sale transaction is expected to be executed in 2012, at the prices agreed to in the leases.

### 24. Loans

The movements were as follows:

(in thousands of euros)	2011	2010
<b>Carrying amount as at 1 January</b>	<b>4,344</b>	<b>4,170</b>
<b>Movements in the year</b>		
Accrued interest	445	195
Repayments	- 2,808	- 85
Other	- 390	64
<b>Total movements in the year</b>	<b>- 2,753</b>	<b>174</b>
<b>Carrying amount as at 31 December</b>	<b>1,591</b>	<b>4,344</b>

The current portion of the other loans as at 31 December 2011, amounting to EUR 0.1 million (31 December 2010: EUR 0.1 million) is presented under current assets.

In 2011, the two loans totalling EUR 2.7 million to the Ministry of Infrastructure and the Environment were repaid early.

Also included in other loans is a loan to the Aviodrome with a redemption value of EUR 1.6 million. In view of the Aviodrome's current financial situation, it was decided in 2007 to recognise a provision covering the loan in full.

### 25. Other long-term receivables

The composition of the other long-term receivables is as follows:

(in thousands of euros)	2011	2010
Purchased long leases	3,410	3,500
Lease incentives	15,784	19,670
Prepaid assets	15,187	-
<b>Total other non-current receivables</b>	<b>34,381</b>	<b>23,170</b>

The purchased long leases concern the rent instalments which Schiphol Group paid in advance in respect of land it acquired on a long lease.

Lease incentives concerns the cost of benefits which Schiphol Group provided to tenants at the start of their lease. Both items are charged to the profit and loss account over the term of the underlying contracts. In establishing the cash flows underlying the determination of the fair value of property, account is taken of the existence of lease incentives.

The prepayment of EUR 15.2 million in respect of assets relates to the development of the Cornerstone building located in Rotterdam The Hague Airport at the expense and risk of Dura Vermeer Real Estate, where Schiphol Group paid the purchase price in advance.

## 26. Assets held for sale

The land which is intended to be sold is presented as assets held for sale. At year-end 2010, this land concerned the A4 zone West, an extensive logistics site adjacent to the A4 motorway to the south of the Amsterdam Airport Schiphol cargo zones, and Badhoevedorp Zuid, a site for offices and industrial premises to the north of the A4 motorway.

In 1987, the municipality of Amsterdam, the municipality of Haarlemmermeer, Schiphol Group and the province of North-Holland incorporated the land development company Schiphol Area Development Company N.V. (SADC) as a public-private partnership. In December 2005 and November 2009, the shareholders decided in cooperation agreements (known as SADC II and SADC III respectively) to contribute the land at the Badhoevedorp South site referred to above to a land bank as yet to be established so as to be able subsequently to develop this area together. To this end, GEM Badhoevedorp Zuid C.V. was incorporated in 2011 and Schiphol Group contributed land priced at EUR 20.8 million, which yielded Schiphol Group a direct interest of 19% in this entity, amounting to EUR 4.3 million.

In December 1999 and December 2009, the municipality of Haarlemmermeer, Schiphol Real Estate B.V. and SADC decided in cooperation agreements (SOK I and SOK II respectively) to jointly acquire and allocate plots in the A4 Zone West area. The land in the area was first acquired by the municipality of Haarlemmermeer on behalf of the three land bank partners. When this land is contributed to GEM A4 Zone West C.V., which was incorporated in 2011 and in which Schiphol Real Estate B.V. has a direct interest of 33%, the associated costs will be settled between the parties involved. This does not apply to the land that was acquired in 1999, which was financed by the three partners on an equal basis.

In 2008 and in 2011, the municipality of Haarlemmermeer decided to acquire four plots, financing the acquisition by taking out a loan from Bank Nederlandse Gemeenten. Schiphol Real Estate B.V.'s interest in this will amount to EUR 21.5 million, to be increased by financing and acquisition costs. The land still needs to be contributed.

Furthermore, in 2011 Schiphol Group sold a part of the land it had previously financed with a book value of EUR 2 million to the province of North-Holland, in connection with the construction of the N201 provincial road in the A4 Zone West area. Schiphol Real Estate B.V. subsequently contributed this amount to the GEM A4 Zone West C.V. as a limited partner's capital contribution.

## 27. Trade and other receivables

The analysis is as follows:

(in thousands of euros)	2011	2010
Trade receivables	74,670	71,546
Accrued income	29,327	18,941
Value-added tax reclaimable	15,571	12,793
Prepayments	13,687	13,059
Stock	6,888	6,196
Lease incentives	3,949	3,731
Receivable from shareholders and associates	16	915
Purchased long leases	-	90
Other receivables	33,773	33,733
	<b>177,881</b>	<b>161,004</b>

The trade and other receivables are included at the fair value of the consideration receivable, which is usually the face value, less a provision for bad debts.

Trade receivables as at 31 December 2011 takes account of bad debt provisions of EUR 3.9 million (31 December 2010: EUR 5.4 million) and received security deposits of EUR 2.2 million (31 December 2010: EUR 2.2 million). With respect to these provisions, an amount of EUR 2.8 million (2010: EUR 0.6 million) was utilised for bad debts and an amount of EUR 1.3 million (2010: EUR 0.2 million) was added and charged to the profit and loss account in 2011.

As in previous year, the other receivables include an amount of EUR 19.0 million which Schiphol Group paid to Chipshol. A more detailed explanation can be found in note 36, dealing with other provisions.

## 28. Cash and cash equivalents

Cash amounts to EUR 413.3 million as at 31 December 2011 (31 December 2010: 304.2 million) and includes deposits with original terms ranging from 2.5 months to 4 months (average 3.3. months) for EUR 348.8 million as at 31 December 2011 (31 December 2010: EUR 186.6 million). The average interest rate on these deposits as at 31 December 2011 is 1.4 % (31 December 2010: 1.1%). The cash is freely available.

Cash is included at fair value, which is usually face value.

## 29. Issued share capital

The authorised share capital as at 31 December 2011 amounts to EUR 142,960,968 divided into 300,000 A shares and 14,892 B shares, each with a nominal value of EUR 454. In total, 171,255 of the A shares and 14,892 of the B shares have been issued. The shareholders' interests are as follows:

	(in numbers)	(percentage)	(in thousands of euros)
<b>Share holder:</b>			
State of the Netherlands	129,880	69.77%	58,966
Municipality of Amsterdam	37,276	20.03%	16,923
Aéroports de Paris	14,892	8.00%	6,761
Municipality of Rotterdam	4,099	2.20%	1,861
	<b>186,147</b>	<b>100.00%</b>	<b>84,511</b>

In 2011 there were no changes in the issued share capital.

## 30. Retained profits

On a resolution proposed by the Management Board and following Supervisory Board agreement, the General Meeting of Shareholders voted to declare a regular dividend of EUR 76.2 million for 2010. This amount, paid in 2011, was deducted from retained profits. The dividend for 2009, which amounted to EUR 64.6 million, was paid out in 2010 and deducted from retained profits.

The entire amount of the net result for 2011 has been added to retained profits so that retained profits as at 31 December 2011 still includes the proposed dividend distribution for 2011, as detailed in the Other information section.

### 31. Other reserves

The movements were as follows:

(in thousands of euros)	Exchange	Other	Hedging	Total
	difference	financial	transactions	
	reserve	interests	reserve	
<b>Balance as at 31 December 2009</b>	<b>8,478</b>	<b>251</b>	<b>- 4,675</b>	<b>4,054</b>
<b>Movements in 2010</b>				
Exchange differences	9,697	-	-	<b>9,697</b>
Fair value changes	-	3,450	-	<b>3,450</b>
Exchange differences on hedged borrowings	-	-	- 34,302	<b>- 34,302</b>
Exchange differences on hedged loans to associates	-	-	13,926	<b>13,926</b>
Fair value changes on derivative financial instruments	-	-	47,934	<b>47,934</b>
Of which are reported through the profit and loss account	-	-	2,042	<b>2,042</b>
Deferred tax on fair value changes derivative financial instruments	-	-	- 12,976	<b>- 12,976</b>
Deferred tax on fair value changes borrowings	-	-	8,747	<b>8,747</b>
Settlement of hedge transactions	-	-	- 11,723	<b>- 11,723</b>
Adjustment to deferred tax due to a change in tax rate	-	-	124	<b>124</b>
<b>Total movements in the year</b>	<b>9,697</b>	<b>3,450</b>	<b>13,772</b>	<b>26,919</b>
<b>Balance as at 31 December 2010</b>	<b>18,175</b>	<b>3,701</b>	<b>9,097</b>	<b>30,973</b>
<b>Movements in 2011</b>				
Exchange differences	3,795	-	-	<b>3,795</b>
Fair value changes	-	- 4,617	-	<b>- 4,617</b>
Exchange differences on hedged borrowings	-	-	- 16,283	<b>- 16,283</b>
Exchange differences on hedged loans to associates	-	-	3,017	<b>3,017</b>
Fair value changes on derivative financial instruments	-	-	- 51,284	<b>- 51,284</b>
Of which are reported through the profit and loss account	-	-	4,664	<b>4,664</b>
Deferred tax on fair value changes derivative financial instruments	-	-	15,679	<b>15,679</b>
Deferred tax on fair value changes borrowings	-	-	3,840	<b>3,840</b>
Settlement of hedge transactions	-	-	- 15,076	<b>- 15,076</b>
<b>Total movements in the year</b>	<b>3,795</b>	<b>- 4,617</b>	<b>- 55,443</b>	<b>- 56,265</b>
<b>Balance as at 31 December 2011</b>	<b>21,970</b>	<b>- 916</b>	<b>- 46,346</b>	<b>- 25,292</b>

### Translation differences reserve

The translation differences reserve is made up of exchange differences arising on the translation of the net investments in subsidiaries, joint ventures and associates outside the Euro zone.

### Other financial interests reserve

This concerns movements in the fair value of financial interests in which Schiphol Group has neither control nor significant influence.

### Hedging transactions reserve

This comprises the movements in the fair value of derivative financial instruments and borrowings used in cash flow hedges, net of deferred tax assets and liabilities. Also included in the hedging transactions reserve are the translation differences arising on the translation of loans at closing rates. In both cases, recognition in the hedging transactions reserve requires that the hedge is determined to be highly effective.

The tax effects of the changes recognised directly in equity via total comprehensive income are as follows:

(in thousands of euros)	Before tax	Tax	After tax
Translation differences	3,795	-	3,795
Changes in fair value on hedge transactions	- 74,837	19,519	- 55,318
Changes in fair value on other financial interests	- 4,617	-	- 4,617
<b>Other Comprehensive income 2011</b>	<b>- 75,659</b>	<b>19,519</b>	<b>- 56,140</b>
Translation differences	9,697	-	9,697
Changes in fair value on hedge transactions	18,019	- 4,229	13,790
Changes in fair value on other financial interests	3,450	-	3,450
<b>Other Comprehensive income 2010</b>	<b>31,166</b>	<b>- 4,229</b>	<b>26,937</b>

Further details of the restrictions on the distribution of reserves can be found in note 45, shareholders' equity included in the corporate balance sheet.

### 32. Minority interests

Minority interests as at 31 December 2011 represents the shares of third parties in the net assets of the group companies Eindhoven Airport N.V. and Avioport SpA. An abridged balance sheet for these companies has been included in the chapter entitled 'Related Party Disclosures' (under 'subsidiaries').

### 33. Borrowings

The analysis is as follows:

(in thousands of euros)	Year	Interest rate	Currency	Nominal amount (x 1,000)	Hedging reference	2011	2010
						redeemable	
XS0171966269	2013	4.38%	EUR	175,929		175,685	299,593
XS0399674216	2014	6.63%	EUR	370,704		369,155	646,959
XS0495479555	2016	4.46%	EUR	50,000		49,927	49,911
XS0459479472	2016	4.46%	EUR	15,000		14,940	14,927
XS0167622454	2018	5.16%	EUR	30,000		29,954	29,947
XS0459479399	2019	4.94%	EUR	50,000		49,841	49,821
XS0459442710	2019	4.97%	EUR	85,000		84,868	84,851
XS0621167732	2021	4.43%	EUR	438,447		404,960	-
XS0378569247	2038	3.16%	JPY	20,000,000	A	200,614	185,252
<b>EMTN programme</b>						<b>1,379,944</b>	<b>1,361,261</b>
<b>Namenschuldverschreibung (miv 2013)</b>	2023	5.07%	EUR	25,000		<b>- 100</b>	-
XF0000NS4ET7	2016	5.38%	EUR	84,000		83,721	83,652
XF0000NS4FH9	2016	5.45%	EUR	40,000		39,929	39,912
XF0000NS4FX6	2016	5.12%	EUR	10,000		9,982	9,978
XF0000NS4DN2	2019	5.75%	EUR	50,000		49,099	48,972
XF0000NS4PP1	2019	5.50%	EUR	11,000		10,784	10,754
<b>Schuldschein</b>						<b>193,515</b>	<b>193,268</b>
<b>European Investment Bank</b>	2031	3.95%	EUR	180,000		<b>175,500</b>	-
<b>European Investment Bank</b>	2006-2011	3.75%	EUR	150,000		-	16,285
ING RA Finance	2012	Euribor+mark-up	EUR	26,559		26,559	26,168
ABN AMRO	2011	Euribor+mark-up	EUR	12,796		-	12,608
ING Bank	2012	Euribor+mark-up	EUR	5,781		5,781	5,696
ING Bank	2012	Euribor+mark-up	EUR	14,586		14,586	14,373
ING Bank	2012	Euribor+mark-up	EUR	15,224		15,224	15,000
ABN AMRO	2011	Euribor+mark-up	EUR	18,511		-	18,239
ING Bank	2012	Euribor+mark-up	EUR	9,051		9,051	8,917
ABN AMRO	2011	Euribor+mark-up	EUR	2,782		-	2,742
ABN AMRO	2011	Euribor+mark-up	EUR	2,293		-	2,259
<b>AREB C.V. loans</b>						<b>71,201</b>	<b>106,002</b>
Villa Carmen phase 1	2012	Euribor+mark-up	EUR	14,100		1,864	2,160
Avioport phase 2	2012	Euribor+mark-up	EUR	21,750		17,249	15,926
Avioport phase 1	2013	Euribor+mark-up	EUR	28,000	G	28,000	28,000
Other						8,538	9,171
<b>Other borrowings</b>						<b>55,651</b>	<b>55,257</b>
<b>Total borrowings</b>						<b>1,875,711</b>	<b>1,732,073</b>

The current portion of the borrowings as at 31 December 2011, amounting to EUR 101.8 million (31 December 2010: EUR 122.8 million), is presented under current liabilities.

Schiphol Group launched a Euro Medium Term Note (EMTN) programme in 1999, making it possible to raise funds as required in the years ahead up to a maximum of EUR 2.0 billion, provided the prospectus is updated annually. The prospectus was updated in 2011. As at year-end 2011, borrowings under the programme totalled EUR 1,379.9 million (31 December 2010: EUR 1,361.3 million). Schiphol Group could be obliged to redeem the notes prematurely in the event of specific circumstances commonly stipulated for this type of instrument. No such circumstances arose in 2011.

In June 2008, Schiphol Group launched a Euro-Commercial Paper (ECP) programme with a limit of EUR 750 million in addition to the existing EMTN programme. On 31 December 2011, no short-term loans were outstanding under the ECP programme.

In April 2011, Schiphol Group acquired a 'Namenschuldverschreibung' (registered bond) that grants the group guaranteed financing of EUR 25 million from 2013 at a fixed rate of interest (5.072%). The current book value consists of the capitalised costs.

Schiphol Group issued so-called Schuldschein notes (fixed-interest loans with terms of 7 and 10 years) for a nominal amount of EUR 195 million. In principle, the Schuldschein documentation contains the same covenants as the EMTN programme, as well as a 'change of control' in combination with a 'downgrade below investment grade' for early redemption.

In 2002 the company contracted a facility of EUR 150.0 million with the European Investment Bank. This amount was drawn down in 2003. Repayment commenced in August 2006, involving ten six-monthly instalments. The final part of this loan was repaid in February 2011.

In 2010, Schiphol Group contracted a facility of EUR 350 million with the European Investment Bank. This loan had not yet been drawn as at 31 December 2010. As at 31 December 2011 a number of withdrawals totalling EUR 180 million have been made from this facility (of which EUR 4.5 million has since been repaid). Schiphol Group could be obliged to repay the loan prematurely if (in addition to the usual circumstances) other loans are repaid early or shareholders' equity falls below 30% of total assets. Additional security will be demanded if the credit rating is BBB or lower (S&P) or Baa2 or lower (Moody's). In addition, the loan agreement contains a 'change of control' clause.

The debt raised under the EMTN programme, the ECP programme and the loan facility with the European Investment Bank are not subordinate to other liabilities and are eligible for voluntary early repayment.

In December 2011, AREB C.V. contracted a facility of EUR 195 million from Svenska Handelsbanken, with a term of four years and six months. On 4 January 2012, EUR 181 million was withdrawn from this facility (our portion amounted to EUR 110 million), which was used to redeem the existing loans of AREB C.V. partly in December 2011 and partly in January 2012.

The new loan is a mortgage loan and is subject to mandatory early redemption if the amount of the loan exceeds 60% of the appraised value of the financed properties. To provide collateral security for the repayment, AREB C.V. has granted Svenska Handelsbanken a lien on the receivables relating to the leasehold and rental rights enjoyed by the property company vis-à-vis the tenants of the properties in its portfolio as at balance sheet date. AREB C.V. has also pledged all existing and future rent receivables relating to the property that are already available for pledging. Furthermore, AREB C.V. has pledged all claims and all rights derived from insurance policies with respect to the properties.

Villa Carmen Srl (a subsidiary of the joint venture Villa Carmen B.V., in which Schiphol Group owns a 47.44% interest) arranged a mortgage loan with three banks (Banca Popolare di Lodi, Banca Popolare Italiana and Unicredit) for a total amount of EUR 33.1 million (our proportional share being EUR 14.1 million). As at 31 December 2011, the outstanding amount of this loan is EUR 3.9 million (our proportional share being EUR 1.9 million).

Avioport SpA (a 70% subsidiary of Schiphol Group) arranged a mortgage loan with two banks (Banca Popolare di Lodi and Banca Popolare Italiana) for a total amount of EUR 49.8 million (EUR 28.0 million for phase 1 and EUR 21.8 million for phase 2). Of this loan, EUR 45.3 million was utilised as at 31 December 2011 (EUR 28.0 million for phase 1 and EUR 17.2 million for phase 2). The collateral for phase 1 consists of the buildings, the shares and the rental income, while the collateral for phase 2 is the entire project. Furthermore, the shareholders have committed themselves to contributing financial resources – in addition to the aforementioned loan – in order to fund the overall project.

In October 2011 Schiphol Group refinanced its EUR 175 million syndicated and committed one-year facility by means of a syndicated and committed five-year facility for the same sum of EUR 175 million.

Of the total loan amount, EUR 200.6 million has been drawn in Japanese yen (JPY 20 billion). In line with the financial risk management policy, interest rate swaps, currency swaps and, in some cases, combined currency and interest rate swaps have been contracted on the loans to hedge the risks inherent in exposure to movements in interest rates and exchange rates. In principle, the transactions concerned correspond to the underlying loans in all relevant characteristics, such as maturity, amount and so on, and hedge the positions with respect to the euro or to either fixed or capped interest rates, or both. All hedging transactions are accounted for as cash flow hedges.

The derivative financial instruments comprise the following contracts, with the references relating to various loans in the analysis of borrowings.

Reference	Counterparty	Type	Interest rate	Currency	Nominal amount (x1000)	Maturity rate	Fair value in thousands of euros		
							31 December 2011	31 December 2010	
A	JP Morgan	Currency swap	3.16%	JPY	20,000,000	2038	- 89,565	- 89,415	
B	RBS	Rate swap	4.03%	EUR	370,000	2024	39,968	-	
C	JP Morgan	Rate swap	3.93%	EUR	150,000	2023	16,590	-	
D	ING	Rate swap	2.95%	EUR	24,461	2016	1,704	-	
E	ING	Rate swap	2.83%	EUR	24,461	2016	1,550	-	
F	ABN AMRO	Rate swap	3.40%	EUR	24,461	2016	2,279	-	
G	BPL	Rate swap	4.32%	EUR	21,000	2013	909	1,464	
H	ING	Forward	N/A	AUD	113,000	2012	6,311	-	
H	ING	Forward	N/A	AUD	51,300	2011	-	7,550	
H	ING	Forward	N/A	AUD	50,000	2011	-	7,358	
	ING	Rate swap	4.84%	EUR	13,729	2011	-	385	
	ING	Rate swap	4.12%	EUR	15,411	2011	-	452	
	ING	Rate swap	5.11%	EUR	9,051	2011	-	359	
	ABN AMRO	Rate swap	5.16%	EUR	2,782	2011	-	75	
	ABN AMRO	Rate swap	5.16%	EUR	2,293	2011	-	62	
	BPL	Rate swap	4.30%	EUR	12,041	2011	-	172	
<b>Total</b>								<b>- 20,254</b>	<b>- 71,538</b>
<b>Recognised in the balance sheet under:</b>									
Non-current assets								- 89,565	- 89,415
Non-current liabilities								63,000	1,464
Current liabilities								6,311	16,413
								<b>- 20,254</b>	<b>- 71,538</b>

Schiphol Group's risk in respect of the currency swap (reference A) is mitigated by a cash collateral agreement with JPMorgan, which results in a maximum net position for both parties depending on the parties' credit rating. If the credit rating of either party is reduced, the maximum net position for that party will decrease as well. Under the cash collateral agreement, the difference between the market value of the swap and the applicable maximum net position is paid weekly through the bank.



As at 31 December 2011, the maximum net position of both parties amounted to EUR 10 million (EUR 10 million as at 31 December 2010) while the market value of the swap was approximately EUR 89.6 million (EUR 89.4 million as at 31 December 2010) in Schiphol Group's favour. As at 31 December 2011 JPMorgan paid Schiphol Group EUR 77.6 million (EUR 79.0 million as at 31 December 2010) (cash) by way of collateral.

References B and C relate to two forward-starting interest-rate swaps acquired in May 2011 which principally fixed the interest rates at which outstanding EMTN loans can be refinanced in 2013 and 2014.

References D, E en F relate to three forward-starting interest rate swaps acquired in April, May and June 2011 which fixed the interest rates at which part of the loans of AREB C.V. will be refinanced in January 2012.

Reference H relates to the derivative financial instrument for hedging the translation differences on the redeemable preference shares presented in loans to associates.

The interest rates shown against the various currency swaps and interest rate swaps and the combined currency and interest rate swap are the fixed rates at which interest is payable to the counterparty, for which interest at the variable (or fixed) rate that Schiphol Group in turn has to pay on the loans concerned is receivable from the counterparty.

The remaining terms of the borrowings as at 31 December 2011 can be analysed as follows. The portion of the borrowings due within one year is presented under current liabilities.

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
EMTN programme	1,379,944	- 4,563	1,384,507	596,154	788,353
Namenschuldverschreibung	- 100	-	- 100	-	- 100
Schuldschein	193,515	- 246	193,761	133,095	60,666
European Investment Bank	175,500	9,000	166,500	36,000	130,500
AREB C.V. borrowings	71,201	71,201	-	-	-
Other borrowings	55,651	26,441	29,209	28,982	227
<b>Total borrowings</b>	<b>1,875,711</b>	<b>101,834</b>	<b>1,773,877</b>	<b>794,131</b>	<b>979,746</b>

The total carrying amount of the borrowings (at amortised cost) has the following fair value analysis:

(in thousands of euros)	Carrying amount as at 31 December 2011	Fair value as at 31 December 2011
EMTN programme	1,379,944	1,627,600
Namenschuldverschreibung	- 100	3,100
Schuldschein	193,515	239,100
European Investment Bank	175,500	209,400
AREB C.V. borrowings	71,201	71,201
Other borrowings	55,651	55,651
<b>Total borrowings</b>	<b>1,875,711</b>	<b>2,206,052</b>

(in thousands of euros)	Carrying amount as at 31 December 2010	Fair value as at 31 December 2010
EMTN programme	1,361,261	1,574,300
Schuldschein	193,268	234,500
European Investment Bank	16,285	16,600
AREB C.V. borrowings	106,002	106,002
Other borrowings	55,257	55,258
<b>Total borrowings</b>	<b>1,732,073</b>	<b>1,986,660</b>

The fair value is estimated by discounting the future contractual cash flows using the current market interest rates available to the borrower for similar financial instruments.

The movements in borrowings during the year were as follows:

(in thousands of euros)	Borrowings > 1 year	Borrowings ≤ 1 year	Total
<b>Carrying amount as at 31 December 2009</b>	<b>1,847,114</b>	<b>60,750</b>	<b>1,907,864</b>
<b>Movements in 2010</b>			
New borrowings	116	-	116
Accrued interest	514	-	514
Transferred to current liabilities	- 122,756	122,756	-
Repayments	- 151,192	- 60,750	- 211,942
Exchange differences	34,302	-	34,302
Other movements	1,219	-	1,219
<b>Total movements in the year</b>	<b>- 237,797</b>	<b>62,006</b>	<b>- 175,791</b>
<b>Carrying amount as at 31 December 2010</b>	<b>1,609,317</b>	<b>122,756</b>	<b>1,732,073</b>
<b>Movements in 2011</b>			
New borrowings	583,034	-	583,034
Accrued interest	4,216	-	4,216
Transferred to current liabilities	- 101,834	101,834	-
Repayments	- 338,014	- 122,756	- 460,770
Deconsolidations	- 425	-	- 425
Acquisitions	1,584	-	1,584
Exchange differences	16,283	-	16,283
Other movements	- 284	-	- 284
<b>Total movements in the year</b>	<b>164,560</b>	<b>- 20,922</b>	<b>143,638</b>
<b>Carrying amount as at 31 December 2011</b>	<b>1,773,877</b>	<b>101,834</b>	<b>1,875,711</b>

On 28 April 2011, Schiphol Group successfully placed a new bond loan of EUR 438 million with a maturity of 10 years. Schiphol Group used the net proceeds of this bond issue to finance the purchase of bond loans with a nominal value of EUR 403 million. By buying back a portion of two existing bonds loans with maturities up to 2013 and 2014, the term of Schiphol Group's debt has effectively been extended while the transaction took advantage of favourable market conditions. This transaction together with the previous buy-back in 2010 resulted in a reduction of the repayment commitments in 2013 and 2014 to approximately EUR 545 million.

Schiphol Group's financial instruments comprise the borrowings and derivative financial instruments described in this note, as well as the loans to associates (21), other financial interests (22), loans (24), trade and other receivables (27), cash and cash equivalents (28), a number of items under the other non-current liabilities (37) and trade and other payables (39). Further information on these financial instruments can be found in the notes shown in brackets.

### 34. Lease liabilities

The analysis is as follows:

(in thousands of euros)	Counterparty	Effective interest rate	Expiry date of lease		
				2011	2010
P1 car park / walkway	ABP	6.7%	2035	-	52,394
Triport	ABP	7.0%	2034	52,649	53,666
Control tower	Abinton B.V.	7.7%	2012	4,222	6,121
Other				1,640	1,467
<b>Total lease liabilities</b>				<b>58,511</b>	<b>113,648</b>

The current portion of the lease liabilities as at 31 December 2011, amounting to EUR 5.9 million (31 December 2010: EUR 55.7million), is presented under current liabilities.

In April 2011, Schiphol Group repaid the 40-year lease agreement before maturity with regard to the P1 car park and related walkway for a total of EUR 53.5 million.

The Triport office building contract with ABP runs for a total of 40 years, with options to cancel the lease after 25 years and again after 30 years. If the lease is cancelled before the end of the 40-year period, Schiphol Group will be liable to pay a lump sum and penalty interest, by which the buildings will become the property of Schiphol Group. The rent will be increased annually in line with the consumer price index. The leasehold of the land on which the Triport buildings stand has been granted to ABP for the duration of the lease.

Beheer- en beleggingsmaatschappij Balnag B.V. (Balnag – a 100% subsidiary of Schiphol Group) also leases the air traffic control tower at the centre of the airport from a financing company, Abinton B.V., on a 20-year lease taken out in 1992. The control tower is in turn leased to Air Traffic Control the Netherlands (LVNL) for a similar period. Both contracts qualify as finance leases. The receivable under the lease to LVNL is included in lease receivables. On expiry of the lease Balnag has the option of purchasing the control tower from Abinton B.V. for a payment of EUR 2.1 million. Both LVNL and Balnag have decided to invoke their option to purchase. The purchase and sale transaction is expected to be executed at the prices agreed to in the leases.

The remaining terms of the lease liabilities as at 31 December 2011 can be analysed as follows. The portion of the lease liabilities due within one year is presented under current liabilities.

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
Face value of finance lease instalments	115,177	9,955	105,223	20,285	84,937
Interest component in finance lease instalments	- 56,666	- 4,041	- 52,626	- 14,093	- 38,532
<b>Carrying amount of finance lease liabilities</b>	<b>58,511</b>	<b>5,914</b>	<b>52,597</b>	<b>6,192</b>	<b>46,405</b>

The movements in the lease liabilities during the year were as follows:

(in thousands of euros)	2011	2010
<b>Carrying amount as at 1 January</b>	<b>113,648</b>	<b>117,777</b>
<b>Movements in the year</b>		
Accrued interest on lease liabilities	5,550	9,515
Lease instalments paid	- 61,377	- 13,644
Finance lease-investments	690	-
<b>Total movements in the year</b>	<b>- 55,137</b>	<b>- 4,129</b>
<b>Carrying amount as at 31 December</b>	<b>58,511</b>	<b>113,648</b>

### 35. Employee benefits

The employee benefits concern the following net liabilities:

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
<b>Carrying amount as at 31 December 2010</b>				
Present value of benefit obligation	34,370	10,557	2,557	<b>47,484</b>
Fair value of plan assets	9,253	-	-	<b>9,253</b>
	<b>25,117</b>	<b>10,557</b>	<b>2,557</b>	<b>38,231</b>
Unrecognised actuarial gains and losses	- 2,640	-	- 66	<b>- 2,706</b>
<b>Benefit liability in the balance sheet</b>	<b>22,477</b>	<b>10,557</b>	<b>2,491</b>	<b>35,525</b>
<b>Carrying amount as at 31 December 2011</b>				
Present value of benefit obligation	34,167	10,229	1,981	<b>46,377</b>
Fair value of plan assets	10,475	-	-	<b>10,475</b>
	<b>23,692</b>	<b>10,229</b>	<b>1,981</b>	<b>35,902</b>
Unrecognised actuarial gains and losses	- 2,610	-	- 65	<b>- 2,675</b>
<b>Benefit liability in the balance sheet</b>	<b>21,082</b>	<b>10,229</b>	<b>1,916</b>	<b>33,227</b>

Post-employment benefits consist of retirement benefits (defined benefit), job-related early retirement benefits and pensioners' medical expenses.

Other long-term employee benefits consist of long-term service pay, (long-term) variable pay, paid sabbatical leave and incapacity benefit supplements.

Termination benefits consist of redundancy pay, special early retirement benefits and unemployment benefit supplements other than those included in the provision relating to the reorganisation.

The defined benefit pension scheme which ABP administers on Schiphol Group's behalf is recognised as a defined contribution scheme. A more detailed explanation of this scheme can be found in note 40. The pension schemes of a number of subsidiaries that also qualify as defined benefit schemes are indeed recognised as such.

As regards these pension schemes, the developments in the present value of benefit obligation, the fair value of plan assets and the actuarial gains and losses not taken into account have been as follows in recent years:

(in thousands of euros)	2011	2010	2009	2008	2007
<b>Carrying amount as at 31 December</b>					
Present value of benefit obligation	<b>11,964</b>	10,780	18,904	15,440	16,585
Fair value of plan assets	<b>10,475</b>	9,253	14,645	12,036	13,631
	<b>1,489</b>	<b>1,527</b>	<b>4,259</b>	<b>3,404</b>	<b>2,954</b>
Unrecognised actuarial gains and losses	<b>- 1,527</b>	- 1,615	- 3,139	- 1,729	- 951
<b>Benefit liability in the balance sheet</b>	<b>- 38</b>	<b>- 88</b>	<b>1,120</b>	<b>1,675</b>	<b>2,003</b>

The different employee benefits gave rise to the following net benefit expense in the year:

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
Current service cost	1,699	1,345	655	<b>3,699</b>
Interest cost on benefit obligation	2,074	334	48	<b>2,456</b>
Net actuarial gain/loss recognised in the year	76	- 240	-	<b>- 164</b>
Released (as a result of amended plan terms)	-	-	- 18	<b>- 18</b>
Expected return on plan assets	63	-	-	<b>63</b>
Other costs	- 125	- 44	- 55	<b>- 224</b>
<b>Total net benefit expense in 2009</b>	<b>3,787</b>	<b>1,395</b>	<b>630</b>	<b>5,812</b>
Current service cost	1,163	1,519	1,666	<b>4,348</b>
Interest cost on benefit obligation	1,536	315	36	<b>1,887</b>
Net actuarial gain/loss recognised in the year	42	- 509	-	<b>- 467</b>
Expected return on plan assets	- 219	-	-	<b>- 219</b>
Other costs	-	- 21	- 6	<b>- 27</b>
<b>Total net benefit expense in 2010</b>	<b>2,522</b>	<b>1,304</b>	<b>1,696</b>	<b>5,522</b>

With regard to the defined benefit pension schemes, under post-employment benefits a total expense of EUR 1.7 million is expected for the employer in 2012. In 2011, the actual expenses under these schemes amounted to EUR 0.9 million, as explained in note 5, dealing with employee benefits.

The movements resulting from the relevant employee benefit liabilities during the year were as follows:

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
<b>Carrying amount as at 31 December 2009</b>	<b>25,042</b>	<b>10,656</b>	<b>2,636</b>	<b>38,334</b>
<b>Movements in 2010</b>				
Total net benefit expense for the year	3,787	1,395	630	<b>5,812</b>
Benefits paid during the year	- 2,990	- 1,294	- 950	<b>- 5,234</b>
Payment of contributions	- 1,384	-	- 172	<b>- 1,556</b>
Changes in the consolidation	- 1,996	- 198	-	<b>2,194</b>
Other movements	18	- 1	346	<b>363</b>
<b>Total movements in the year</b>	<b>- 2,565</b>	<b>- 98</b>	<b>- 146</b>	<b>- 2,809</b>
<b>Carrying amount as at 31 December 2010</b>	<b>22,477</b>	<b>10,558</b>	<b>2,490</b>	<b>35,525</b>
<b>Movements in 2011</b>				
Total net benefit expense for the year	2,522	1,304	1,696	<b>5,522</b>
Benefits paid during the year	- 3,150	- 1,598	- 1,123	<b>- 5,871</b>
Payment of contributions	- 923	-	- 174	<b>- 1,097</b>
Other movements	156	- 34	- 974	<b>- 852</b>
<b>Total movements in the year</b>	<b>- 1,395</b>	<b>- 328</b>	<b>- 575</b>	<b>- 2,298</b>
<b>Carrying amount as at 31 December 2011</b>	<b>21,082</b>	<b>10,230</b>	<b>1,915</b>	<b>33,227</b>

The employee benefit liabilities have been calculated on the basis of the following actuarial assumptions and estimates on the part of management:

	31 December 2011	31 December 2010
Discount rate	4.75%	4.75%
Return on plan assets	4.75%	4.75%
Inflation	2.00%	2.00%
General pay increase	2.00%	2.00%
Life expectancy	Forecast table 2060 with adjustment factors geared to the company's average salary level	Forecast table 2060 with adjustment factors geared to the company's average salary level
Individual pay rises, depending on age	4.00% (age untill 39), 3.00% (age 40-49), 2.00% (age 50-59), 2.00% (age 60-65)	4.00% (age untill 39), 3.00% (age 40-49), 2.00% (age 50-59), 2.00% (age 60-65)
Age difference	Men 3 years older than female partners	Men 3 years older than female partners
Incapacity risk	UKV 2007-IV, based on inflow 2006 and 2007	UKV 2007-IV, based on inflow 2006 and 2007
Termination probability, depending on age	0.10% (age 60) to 4.20% (age 25)	0.10% (age 60) to 4.20% (age 25)
Continued service probability (job-related early retirement scheme)	100%	100%

For further details of the obligations under the pension scheme insured with ABP, see the contingent assets and liabilities note.

### 36. Other provisions

The reorganisation and the related costs are further clarified in note 8. As at 31 December 2011 a provision of EUR 7.8 million remained in respect of this reorganisation (31 December 2010: EUR 19.6 million). Among other things, the provision relates to the temporary continued pay of redundant staff and the costs of accompaniment other employment, benefits for participants in the FPU senior staff scheme until their retirement, non-recurrent transfer payments to staff members in subcontracting projects, and other arrangements with individual employees.

Schiphol Group faces a liability in connection with several claims and disputes. As in 2010, the provision of EUR 10.0 million recognised in respect of the combined amount of these claims and disputes in 2004 remained unchanged in 2011. The most important of the above claims and disputes concerns the consequences of the ban on the development of the Groenenberg terrain that was in place from 19 February 2003 to 28 June 2007.

Based on the insights available in 2003, development of the Groenenberg terrain could seriously compromise the use of Runway 18L-36R. In February 2003, The State Secretary at the Ministry of Infrastructure and Environment accordingly prohibited development of this terrain under the provisions of Section 38 of the Aviation Act (old act). In June 2003, the beneficial owner of the terrain (Chipshol) filed a claim against Schiphol Group under Section 50 of the Aviation Act for the losses resulting from the imposition of this prohibition.

Based on enhanced insight and new data, the Minister decided that it was no longer necessary to maintain the ban for the entire terrain. On 28 June 2007, in response to the request from Schiphol Group and Chipshol, the Minister of Infrastructure and Environment lifted the development ban. The law provides for a scheme to deal with value increases when bans are lifted, similar to the compensation provided for when a development ban is imposed. This is known as the separate repayment proceedings under Section 55 of the Aviation Act. Schiphol Group instituted such proceedings against Chipshol before the Court of Haarlem.

In 2007, Schiphol Group paid an advance of EUR 19.0 million (EUR 16.0 million plus interest) to Chipshol in compliance with an interlocutory decision in the proceedings under Section 50. To hedge the restitution risk with respect to that amount, Chipshol was instructed by the Court to provide a bank guarantee for Schiphol Group in the amount of EUR 21.5 million.

In its final decision of 30 January 2008 the Court, by virtue of Section 50 of the Aviation Act, set the compensation amount which Schiphol Group should pay to Chipshol at EUR 16.0 million (to be increased by statutory interest). Chipshol's claim regarding tax damage was rejected. Both parties lodged appeals in cassation against the interlocutory decisions and the final decision. The airport has instituted proceedings under Section 55 of the Aviation Act to establish the increase in the value of the land on the Groenenberg terrain since the development ban was lifted, in order to determine the amount to be paid by Chipshol or to be deducted from the advance payable by Schiphol Group. The Court ruled in the proceedings that the security for restitution risk will remain in place.

On 19 February 2010, the Supreme Court pronounced judgment in the proceedings under Section 50 of the Aviation Act, ruling that the final decision of the Court of Haarlem on 30 January 2008 could not be upheld. It was ruled that Chipshol is entitled to compensation as a result of the imposition of the development ban but that Schiphol Group is likewise entitled to compensation for the value increase as a consequence of the ban having been lifted. The amount of this compensation will be determined by the Court of Amsterdam, whereby consideration must be given to aspects such as Chipshol's own fault, double counting of settlements which Chipshol effected with the municipality of Haarlemmermeer and the province of North-Holland on the one hand and the non-recognised component of tax damage on the other.

The Court of Haarlem has since pronounced final judgment in the case regarding compensation under Section 55 of the Aviation Act in connection with the ban on development of the Groenenberg terrain. The judgment is particularly procedural in nature and has identified the judicial authority that is ultimately to decide in this case with respect to the level of any compensation to be paid (which will be the Amsterdam Court of Appeal). Chipshol has announced that it will (again) appeal against the judgment with the Dutch Supreme Court.

Shortly thereafter, on 27 December 2011, the Amsterdam Court of Appeal issued an interlocutory ruling in which it more precisely described the instruction of the Supreme Court to further examine the most important outstanding issues and in which it answered a number of questions. One of the most important decisions of the court of appeal is that it is bound by all decisions previously taken. This decision means the court rejected all attempts by Chipshol to again discredit the experts (or judges) of the Court of Haarlem or to resume from the beginning the case about the level of the compensation or to introduce new elements to the proceedings. The court of appeal follows the 'blueprint' that the Supreme Court provided and will probably appoint experts. The court of appeal's next ruling or interlocutory ruling is set for December 2012 as Chipshol's appeal to the Supreme Court must first be submitted.

In view of the foregoing, the Management Board is of the opinion that no adjustment is required to the estimate it made of Schiphol Group's net liabilities towards Chipshol. The Board expects that the remaining amount of the compensation which Schiphol Group will eventually have to pay to Chipshol with regard to the Groenenberg terrain will not exceed the provision made in this respect.

### 37. Other non-current liabilities

The analysis of the other non-current liabilities is as follows:

(in thousands of euros)	2011	2010
Purchased long leases	84,895	86,396
Unrealised profit on contribution in kind Schiphol Logistics Park C.V.	3,646	3,646
Liability to Stichting Mainport en Groen	-	2,150
Lease incentives	209	152
Other movements	1,084	1,442
	<b>89,834</b>	<b>93,786</b>

The purchased long leases concern the rent instalments which Schiphol Group received in advance in respect of land leased out to third parties on a long lease. This item is credited to the profit and loss account over the term of the underlying contracts.

In 2006, SRE B.V. contributed land to Schiphol Logistics Park C.V. and in so doing acquired an interest in this company in excess of 38%. The difference between the fair value of the site at the time of its contribution, amounting to EUR 23.7 million, and the total historical cost of the site, of EUR 11.7 million is EUR 12 million. Applying the accounting policies, an amount in excess of 38% of this profit, representing SRE B.V.'s share in Schiphol Logistics Park C.V., or EUR 4.6 million, should be treated as unrealised. In 2009 this profit was partly realised when part of the land was sold.

Schiphol Group made EUR 8.5 million available to Stichting Mainport en Groen, which amount was charged to the financial year 2006. This amount was promised in 1996, on which occasion it was agreed that payment would take place on the basis of more detailed plans. As at 31 December 2011 the final instalment of 25% was recognised under 'current liabilities'. Stichting Mainport en Groen is dedicated to creating an attractive green landscape around Amsterdam Airport Schiphol.

Lease incentives concern the cost of benefits which Schiphol Group provided to tenants at the start of their lease. These are credited to the profit and loss account over the period during which the lease incentives apply.

### 38. Corporate income tax

The corporate income tax liability is calculated on the profit for reporting purposes, allowing for permanent differences between the profit as calculated for reporting purposes and for tax purposes. The corporate income tax liability on the fair value gains and losses (in the Netherlands) is recognised in the provision for deferred tax assets and liabilities. The corporate income tax receivable of EUR 3.1 million shown in the balance sheet as at 31 December 2011 concerns the sum of the corporate income tax payable in respect of the years 2010–2011 net of provisional assessments already paid.

The corporate income tax return for 2009 was discussed with the tax inspector and recognised accordingly in these financial statements. The corporate income tax returns for 2010 and 2011 have not yet been filed and may potentially result in reclassification of existing short-term corporate income tax liabilities to deferred tax liabilities.

Differences between the corporate income tax paid according to the cash flow statement and the corporate income tax recognised in the profit and loss account concern additions to and withdrawals from deferred tax assets and liabilities, estimation differences between taxable amounts in provisional and final tax assessments, and settlements in respect of previous years.

### 39. Trade and other payables

The analysis is as follows:

(in thousands of euros)	2011	2010
Trade payables	95,767	76,556
Payable to shareholders and associates	7	780
Payable in respect of wage tax and social security contributions	4,803	5,040
Payable in respect of pensions	2,186	2,130
Interest payable	58,735	63,423
Liability to Stichting Mainport en Groen	2,150	2,150
Accruals	95,934	84,025
Settlement airport charges	15,100	-
Deferred income	39,030	36,632
Purchased long leases	1,643	1,838
Lease incentives	657	612
Other payables	88,445	89,511
	<b>404,457</b>	<b>362,697</b>

The higher result for the 2011 financial year, of the regulated reporting segments Aviation and Security is estimated to amount to EUR 15.1 million. Schiphol Group has decided to accelerate the set-off of this result by repaying it on a short notice through credit notes.

The collateral of approximately EUR 77.6 million paid up under the cash collateral agreement with JPMorgan was recognised under 'other payables' as at 31 December 2011 (31 December 2010: EUR 79.0 million).

The trade and other payables are included at fair value, which is usually the face value.

### 40. Contingent assets and liabilities

#### Pension scheme

Schiphol Group's pension scheme is administered by ABP. Based on the formal terms of the pension scheme, it qualifies as a defined benefit plan. This means that Schiphol Group ought to present its share of the present value of the defined benefit obligation, plan assets and income and expenses arising out of the scheme, including related disclosures. However, Schiphol Group does not have access to sufficient information to apply the proper method of accounting for defined benefit plans. ABP is currently not in a position to supply the information necessary in order to account for the pension scheme as a defined benefit plan. There is no consistent and reliable basis for allocating the benefit obligations, plan assets and costs of the ABP scheme to individual affiliated employers participating in the plan because the schemes of the affiliated employers are exposed to actuarial risks associated with the existing and former employees of other affiliated employers. The scheme is consequently accounted for as a defined contribution plan. Schiphol Group recognises the pension contributions payable to ABP as an expense in the profit and loss account.

With regard to Schiphol Group's share in surpluses or deficits of the pension fund, it should be noted that the pension scheme does not contain any provisions whatsoever concerning additional contributions to the fund or withdrawals from the fund. For Schiphol Group, therefore, any surpluses and deficits will result exclusively in changes in the amount of the contributions payable in the future, which will depend on the financial position of the pension fund (and expectations in that regard), as reflected in the funding ratio. As at 31 December 2011, ABP's funding ratio was 94%. ABP must take measures to ensure that it recovers its financial soundness. These measures consist of, on the one hand, a possible reduction in the pensions from 1 April 2013 (pension claims of workers and pension rights of retired individuals) if the funding ratio is still insufficient on 31 December 2012 and, on the other, an increase of the temporary pension contribution to restore the financial position from 1% to 3% in 2012.

#### Covenants on the future development of Amsterdam Airport Schiphol

The Alders Platform was created in December 2006 and is a consultative forum presided over by Mr Hans Alders. Its purpose is to advise the Government on balancing the requirements of aviation growth at Amsterdam Airport Schiphol, nuisance reduction and local environmental quality for the short term (up to and including 2010) and the medium term (up to and including 2020). All the parties involved are represented in the Alders Platform: the State (representatives of the Ministries of Infrastructure and Environment (I&M)), the aviation parties (Schiphol Group, Air Traffic Control the Netherlands (LVNL) and KLM), a number of regional and local authorities (the provinces of North-Holland and South-Holland, the municipalities of Haarlemmermeer, Amstelveen, Uitgeest and Amsterdam) united in the Schiphol Regional Airport Governance Group (BRS), residents living in the vicinity of Amsterdam Airport Schiphol via the Schiphol Regional Consultative Committee (CROS), and the Association of Joint Platforms (VGP). On 1 October 2008, the Alders Platform presented its advice for the medium term (up to 2020) to the Minister of I&M. The details of this advice were elaborated in three covenants: 'Local environmental quality for the medium term', 'Disturbance reduction and development of Amsterdam Airport Schiphol for the medium term' and 'Maintaining and strengthening the main-port function and network quality'.

The parties involved have been performing the agreements since 1 October 2008. Progress is discussed within the Alders Platform at least twice a year. The first agreements made are expected to be reviewed in 2012 in terms of, among other things, timing and mutual consistency with sub agreements concerning regional airports.

On 1 November 2010, a two-year experiment was started in respect of a new noise reduction system for Amsterdam Airport Schiphol. The purpose of the new noise reduction system is to maintain the network of connections at Amsterdam Airport Schiphol and to provide equal or better protection to the local community. In addition, the system should not be complicated and should be easy to explain. During the experiment,

the present system with limit values at measurement points will remain in force. If it appears that the limit values within the current system are about to be exceeded as a result of the experiment, an 'experimental scheme' with replacement limit values can be drawn up. The Alders Platform has concluded that the use of the runway system at Amsterdam Airport Schiphol must be such as to affect the lowest number of people on a consistent basis.

#### **Covenant on the quality of the local environment for the medium term**

The arrangements to be made under this covenant concern area-specific projects (improvement of the quality of the local environment in particular areas), individual measures (mitigation in individual cases of noise-related distress) and generic arrangements. Schiphol Group has provided EUR 10 million (chargeable to the financial year 2006) for the term to 2010, earmarked exclusively for the funding of individual measures in distress cases. The State and the province of North-Holland have also provided EUR 10 million each in order to fund all the above measures. Furthermore, if the chosen approach proves to be successful when measured against the substantive criteria from the covenant, the process and the availability of projects whose primary financing has been arranged, the three parties intend to provide a second amount of EUR 10 million each for the medium term (up to 2020). In 2012 the parties will evaluate the approach and determine whether a second tranche is opportune.

#### **Covenant on disturbance reduction and development of Amsterdam Airport Schiphol for the medium term**

This covenant includes arrangements on subjects such as traffic volume and selectivity (a maximum traffic volume of 580,000 air transport movements per annum until 2020, of which 70,000 elsewhere). With regard to disturbance-reducing measures Schiphol Group specifically undertakes, whether on its own or in collaboration with other parties, to optimise a number of flight routes, to develop glide approaches, to take measures restricting ground-noise levels, to discourage operations with 'bottom Chapter 3' aircraft (marginally conforming aircraft), to objectify criteria for prioritising the installation of new noise monitoring points and to provide insight into the current quality assurance of the NOMOS system, to develop an environmental simulator providing insight into ground noise perception, and to extend the provision of information via the Local Community Contact Centre Schiphol (Bas).

#### **Covenant on maintaining and strengthening the main-port function and network quality**

The parties are making every effort to ensure that the additional capacity at the regional airports of around 35,000 air transport movements in total can be realised as the limit of 95% of the 510,000 air transport movements is attained, in line with the Alders Platform. The aviation market is expected to recover in the coming years - in line with the economic expectations. This means that the airport capacity at Amsterdam Airport Schiphol will probably become insufficient at a later stage.

The realisation of airport capacity at the regional airports requires planning procedures and other preparatory activities before actual additional capacity becomes available. The average completion time of these procedures and activities and the stakeholders' involvement in making and implementing decisions require a well-timed and careful process. For this reason, the parties will adhere to the arrangements made in the covenant, which will now be effectuated at a later stage. Schiphol Group, in cooperation with the Ministry I&M, is developing measures to stimulate the transfer of non main-port related traffic to the regional airports.

#### **Rerouting of the A9**

In 2005, an agreement was concluded between the State of the Netherlands, the province of North-Holland, the municipality of Haarlemmermeer, the Amsterdam Regional Body, the municipality of Amsterdam and Schiphol Nederland B.V. concerning the financing of the project to reroute the A9 motorway at Badhoevedorp. Schiphol Nederland B.V. has undertaken to pay a conditional contribution towards the costs of up to EUR 15.0 million, provided that the rerouting of the A9 meets the conditions it has set in relation to, among other things, the cost-effectiveness of the expenditure, the flow of traffic and the accessibility of the airport grounds, which amount will become payable in 2012 according to the current schedule. The amount indexed up to and including 2012 is around EUR 16.4 million.

In the spring of 2007 Schiphol Group and the municipality of Haarlemmermeer reached agreement about an additional contribution of EUR 14.8 million from the Elzenhof area development for the rerouting of the A9 motorway. This amount is indexed and amounted to a total of EUR 15.6 million in 2011. As a condition for this contribution, Schiphol Group stipulated that irreversible planning permission be given to the development of 100,000 m<sup>2</sup> of the Elzenhof area that it owns. This permission was given concrete form in the new Schiphol zoning plan adopted by the Municipal Council on 24 November 2011. The time at which and instalments in which the contribution referred to will be paid by Schiphol Group depends on the time at which the zoning plan becomes irrevocable.

#### **Rerouting of the N201**

In 2005, an agreement was concluded between the province of North-Holland and Schiphol Nederland B.V. concerning the financing of the project to reroute the N201 provincial road between Uithoorn and Hoofddorp. Under the terms of the agreement, Schiphol Nederland B.V. has promised to contribute up to EUR 5.0 million in cash (payable on completion in equal annual instalments) and up to EUR 7.0 million in kind. Conditions relating to completion of those parts of the project of material importance to Schiphol Group, guarantees regarding the airport's strategic and immediate interests and position as a main port, cost-effectiveness of the expenditure and transparency with regard to financial reporting have been attached to this contribution.

The first instalment of the contribution in cash will become due and payable one year after the required changes in the zoning plan regarding those elements of the project that are most essential to Schiphol Group have become irreversible. According to current expectations, this will be the case in 2012.

In anticipation of our obligation becoming irrevocable, the contribution in kind is already given shape with effect from 2005 in the secondment of staff members of Schiphol Group or third parties, working in the area of project management and/or services supporting project management.

#### **Water sanitation plan**

To improve the quality of the surface water in the long term, a sanitation plan was drawn up in 2007 to reduce the harmful effects of de-icing. The sanitation plan includes source-reducing and infrastructure-related measures like the use of sand on taxiways and aircraft stands as a means to counter snow and slipperiness and the mechanical removal of the pollution by suction before it is dispersed by rainfall. The plan's feasibility depends on the extent to which it is supported by the Rijnland Water Board. At the beginning of June 2011, the Water Board issued a management resolution stating that there was support for the measures that Schiphol Group had proposed within the framework of this sanitation plan. Implementation of the plan is expected to take until 2015 inclusive.

Schiphol Group's Management Board is not yet in a position to make a reliable estimate of the investments and costs that the group will have to bear in the coming years in connection with the sanitation plan.

#### **Compensation for nitrogen dioxide**

In 2010, the amended 'Airport Traffic Ruling' (LVB) entered into force. The LVB is geared towards controlling the environmental impact of the air traffic to and from Amsterdam Airport Schiphol. Among other things, this ruling includes measures which will more than compensate for the expected increase in nitrogen dioxide concentrations. The amended ruling provides that Schiphol Group will annually, from 2010, install fixed power points and preconditioned air units at 15 aircraft stands. At the end of year 2014, there will be 61 aircraft stands where electricity is provided.

The current estimate is that Schiphol Group will have to invest EUR 8 million in the coming years to have the necessary infrastructure located. In addition, in consultation with the sector, it was decided at the beginning of 2011 that Schiphol Group also take charge of the costs of the 400Hz converters, which is currently estimated to require an investment of over EUR 4 million in the coming years.

#### Airport charge settlements

In June 2010, the hearings before the Court of Rotterdam took place in the appeal cases regarding the airport charges from 1 April 2009. The NMa had ruled in July 2009 that easyJet's complaint about the relatively high charges for O/D passengers was unfounded. easyJet appealed against this ruling.

Schiphol Group itself appealed against the NMa's ruling that the costs of the facility at Runway 18R-36L – to be constructed in order to reduce the ground noise produced by aircraft –, the costs of recruiting and training baggage handling staff, and the unexpected costs of audit activities by the external auditor in respect of the allocation system should not be included in the airport charges.

The Court of Rotterdam dismissed both appeals in the judgment that it passed at the end of November 2010. Appeals have been lodged in both cases by easyJet and Schiphol respectively. The court has not yet issued a date for these proceedings.

easyJet submitted a complaint with the Netherlands Competition Authority (NMa) against the charges as from 1 April 2009 concerning the difference in passenger charges between O/D and transfer passengers. The NMa declared this complaint unfounded on 14 July 2009. EasyJet appealed against this decision to the Court of Rotterdam, which declared easyJet's appeal unfounded.

easyJet also submitted a complaint with the NMa on the same grounds concerning the charges as from 1 April 2010, but then withdrew this complaint with the intention of bringing it before the European Court. However, according to easyJet the European Court has indicated that it will not hear this case.

#### Border Control Reform (No-Q)

By mid-2009, Schiphol Group and the Immigration and Naturalisation Service (IND) of the Ministry of Justice decided, as part of their ongoing cooperation in the area of safety and security at Amsterdam Airport Schiphol, to launch a joint Border Management Reform programme. The aim of the programme is to help increase the safety, quality and speed of services by creating an effective and efficient border control process involving the greatest possible use of information-driven action on the one hand, based on previously received data about passengers and their baggage, and the application of new automatic border passage concepts on the other. Schiphol Group and the IND have committed one-off financial contributions to the programme up to a maximum of EUR 16.5 million and EUR 10 million respectively for the development and application of a new automatic border passage concept as currently investigated and elaborated in the No-Q project. Of Schiphol Group's contribution, an amount of EUR 8 million is expected to become available for the period up to and including 2013. The remaining EUR 16.5 million may be made available after 2013.

#### Contamination by extinguishing water

In July 2008, the Rijnland Water Board collected contaminated extinguishing water released during an incident at a KLM hangar in Schiphol Southeast and stored the water in basins made available by Schiphol. Rijnland had been granted a permit for the purpose by the province of North-Holland. In spite of the removal and purification of the contaminated extinguishing water in 2009, it was later discovered that the soil and groundwater at the location of the basins had been contaminated. As the owner of the land concerned, Schiphol suffered damage as a result of the contamination. Rijnland removed the sludge from the basins in 2011, as a result of which no further contamination is taking place through the soil. Rijnland, KLM and Schiphol are now working together to take control measures aimed at preventing the further spread of contamination through groundwater. The contaminated basins will ultimately have to be sanitised. A study will be carried out in 2012 to determine the sanitation method to be used.

The watercourses of Schiphol that were contaminated during the same incident will be cleaned within the framework of the regular dredging programme. The most heavily contaminated locations close to the hangar will be accorded priority. The additional costs relative to the regular dredging programme for the transport and processing of the contaminated material will be charged to KLM. The water purification company Evides is taking measures in consultation with the municipality of Haarlemmermeer to deal with the technical facilities that were likewise contaminated by this incident.

#### Other contingent assets and liabilities

The company is committed to making a contribution in 2010 of EUR 0.5 million to the Schiphol Fund and has given guarantees for loans taken out by employees as well as other guarantees together totalling EUR 0.3 million. A bank guarantee amounting to EUR 2.3 million relating to payment commitments connected with the 'Storage in Underground Tanks' order has been given to the North-Holland Provincial Authority.

Villa Carmen Srl and Avioport Spa issued bank guarantees to construction companies amounting to EUR 5.8 million (the share for Schiphol Group being EUR 3.4 million).

Various other claims have been filed against N.V. Luchthaven Schiphol (hereafter: the company) and/or its group companies as well, and there are disputes which have still to be settled. All claims and disputes are being contested and the company has taken legal counsel regarding them. However, as it is impossible to predict the outcomes with any certainty it is not yet clear whether any of the cases will result in actual liabilities for the company and/or its group companies. Accordingly, no provisions have been included in the balance sheet in respect of these claims and disputes.

The company has also brought claims against third parties and has disputes pending in which it is claimant. Since it is not yet clear whether these cases will be resolved in the company's favour, no related receivables have been included in the balance sheet either.



## Notes to the consolidated cash flow statement

### 41. Cash flow from operations

The analysis is as follows:

(in thousands of euros)	2011	2010
<b>Result</b>	<b>197.510</b>	<b>171.714</b>
Corporate income tax	51.314	66.889
Share in result of associates	- 35.889	- 57.076
Financial income and expenses	91.252	115.181
	<b>106.677</b>	124.994
<b>Operating result</b>	<b>304.187</b>	<b>296.708</b>
Adjustments for:		
Depreciation and amortisation	206.134	185.829
Impairment	1.473	467
Result on sales of property	- 576	151
Fair value gains and losses on property	664	- 22.180
Other non cash changes lease receivables and liabilities	365	- 8.637
Result on disposal of assets	- 432	- 26
Change in other provisions and employee benefits	- 13.883	- 1.927
	<b>193.745</b>	<b>153.677</b>
<b>Operating result after adjustments</b>	<b>497.932</b>	<b>450.385</b>
<b>Change in working capital</b>	<b>28.738</b>	<b>36.153</b>
<b>Cash flow from operations</b>	<b>526.670</b>	<b>486.538</b>

### 42. Acquisitions

#### Increase of interest in Airport Real Estate Basisfonds C.V. (AREB) in 2011

On 29 April 2011, Schiphol Group increased its stake in AREB from 60.25% to 61.15% by participating in the purchase of property by AREB that was disproportionate to its interest in AREB. Following this increase in its interest, Schiphol Group and the other shareholders have retained their joint control of the company.

#### Expansion of stake in JFK IAT LLC in 2010

In the first half of 2010, Schiphol Group increased its stake in JFK IAT LLC. JFK IAT Member LLC – an associate of Schiphol USA Inc. – extended its stake in JFK IAT LLC from 40% to 100%. Since then, SUSA Inc. holds all the class A shares and Delta Airlines Inc. holds all the class B shares in JFK IAT Member LLC.

In this transaction, Schiphol Group exchanged 40% of the rights currently attached to the class B shares for the remaining 60% of the rights currently attached to the class A shares, and paid an additional amount of EUR 9.7 million.

The 100% stake in class A shares has a fair value of EUR 37.8 million and is included as an associate. The difference between this fair value and the additional payment of EUR 9.7 million has been stated as one-off income of EUR 28.1 million under 'share in results of associates'. On this result, a deferred tax liability (also a tax charge) of EUR 10.9 million has been recognised.

Based on the governance structure described in the chapter entitled 'Related Party Disclosures', the stake in JFK IAT Member LLC is included as an associate and valued in accordance with the equity method.

### Events after the balance sheet date

There are no events after the balance sheet date.

## Related Party Disclosures

### Shareholders

The shareholders are:

State of the Netherlands	69.77%
Municipality of Amsterdam	20.03%
Aéroports de Paris S.A.	8.00%
Municipality of Rotterdam	2.20%

### Dividend policy

The dividend amounts to a maximum of 50% of the net result, excluding the fair value gains and losses on investment property after tax.

### Government-related affiliated parties

Schiphol Group maintains a significant banking relationship with ABN AMRO N.V. over which it exercises no control.

### Operation of the airport

In its legislative capacity, the government (State of the Netherlands) is responsible for the legislation governing the operation of Amsterdam Airport Schiphol, which is provided for indefinitely in law in Chapter 8, Part 4, of the Aviation Act and other legislation.

Sections 8.7 and 8.17 of the Aviation Act set forth the constraints on the development and use of Amsterdam Airport Schiphol. The Airport Traffic Decree lays down rules for airport use and stipulates limits for noise levels, air pollution and risks to public safety. The Airport Planning Decree describes the airport zone and the restrictions governing the use of the area in and around the airport.

Pursuant to the provisions of Section 8.18 of the Aviation Act, the operator is under obligation to keep the airport open in accordance with the rules laid down in the Airport Traffic Decree. The operator may ignore this requirement if necessary in the interests of safety. The airport operator together with the provider of air traffic services and the airlines is required to promote the smooth operation of air traffic in accordance with the Airport Traffic Decree.

Pursuant to the provisions of Section 8.25a of the Aviation Act, the operator of Amsterdam Airport Schiphol is under obligation to operate the airport, making such provisions as are necessary for the proper handling of the airport traffic and the associated transport of persons and goods, having due regard to the provisions of Section 8.3 of the Aviation Act -- the objective of achieving sustainable growth of Schiphol as a main port. This concerns important elements of the services provided by an airport, such as the runway system, the baggage system, the aircraft parking aprons, the terminal building, the piers, the gates etc.

Airport operation imposes a duty of care on the operator to record the threat to public safety and the environmental impact associated with air traffic. In that context, the operator is required to perform measurements and computations necessary in order to maintain such records.

Chapter 3A of the Aviation Act contains the obligations incumbent on the operator with regard to airport safety. The specific requirements are specified in Section 37, paras. b–e.

Chapter 6 of the Aviation Supervision Rules requires the operator to take certain precautions with regard to the safety of the airfield such as marking of obstacles, installation of airfield lighting, provision of fire services and general maintenance of the airfield. In that context, the operator is under obligation to take measures to ensure effective supervision of safety and good order on the airfield. For this purpose, the operator has set up a safety management system which has been certified by the authorities.

### Supervision of operation

There are two lines along which supervision of the operation of Amsterdam Airport Schiphol is monitored.

- One line of supervision concerns preventing of use of a position of economic power by the operator. The body responsible for this supervision is the NMa Office of Transport Regulation. The supervision relates to the charges and the conditions fixed by the operator pursuant to Section 8.25d of the Aviation Act to be met by the airport users in the forthcoming year. The charges are regulated on the basis of the mandatory annual consultation of users by the operator concerning the proposed charges and conditions for the forthcoming tariff year. In submitting its proposal, the operator provides the users with a statement of the level of service to be provided as measured by the indicators stipulated in the Amsterdam Airport Schiphol Operation Decree. The NMa Office of Transport Regulation exercises supervision on the basis of complaints from users concerning the question of whether the charges have been arrived at in accordance with the statutory requirements. By law, the charges for all of the airport activities should be transparent. This also applies to the revenue from activities that are directly associated with the aviation activities at the airport that are factored into the charges. For this purpose, the operator is required to keep separate accounts for the airport activities, including subaccounts for the costs of security relating to passengers and their baggage and the revenue generated by security charges. For the income and expenses of these activities, the operator has implemented an industry-standard allocation system that is proportionate and comprehensive. The NMa Office of Transport Regulation, after consulting the airlines, approved the allocation system in 2010.
- The other line of supervision involves the Ministry of Infrastructure and Environment and relates to the operation of Amsterdam Airport Schiphol, for which a licence has been granted pursuant to Section 8.25 of the Aviation Act. The operator reports to the Minister on the operation of the airport at least once every three years, in particular concerning the investments that are important to the development of the airport. This report was issued for the first time in 2008 and was also issued in 2011. Based on information obtained from the operator, the Minister makes an assessment of whether the airport is being mismanaged in a way which could jeopardise its continuity. The ability to foster the main port status of the airport, to the extent that the operator is able to influence that status, is -particularly dependent on the development of the airport infrastructure in the medium and long term.

Incidentally, the Aviation Act provides for the exchange of information between the two regulators to avoid the need for the operator to provide the same information more than once.

### Supervisory Board

The disclosure of the remuneration of members of the Supervisory Board required by Section 2:383c of the Netherlands Civil Code is as follows:

(in euros)	2011	2010
Anthony Ruys	41,500	38,000
Trude A. Maas-de Brouwer	39,000	39,000
Hans van den Broek	-	14,500
Frans J.G.M. Cremers	35,000	35,000
Pierre Graff	-	-
Jan G.B. Brouwer	18,000	-
Herman J. Hazewinkel	35,000	35,000
Margot A. Scheltema	29,000	20,542
Willem F.C. Stevens	40,000	40,000
Toon H. Woltman	-	9,917
<b>Total</b>	<b>237,500</b>	<b>231,959</b>

The Supervisory board Chairman's remuneration is EUR 36,500 per annum. The ordinary members receive directors' fees of EUR 24,000 per annum. In addition to the above remuneration, membership of a Supervisory Board committee confers the right to supplementary remuneration. Audit Committee members receive an additional fee of EUR 6,000, Remuneration Committee members receive an additional EUR 5,000 per annum, Public Affairs & Corporate Responsibility Committee members receive an additional EUR 5,000 per annum and Members of the Selection and Appointments Committee also receive an additional fee of EUR 5,000 per annum.

All the members of the Supervisory Board also receive expense allowances of EUR 1,600 per annum, which have not been included in the above remuneration for members of the Supervisory Board.

Mr Graff has indicated that he does not wish to receive any remuneration or expense allowance with regard to his membership of the Supervisory Board and its committees.

Mr Hazewinkel indirectly holds bonds in Schiphol Group, which he already owned when he was appointed Supervisory Director. His intention is to retain these bonds until the end of their term and not to trade them in the interim.

No shares, options, loans, advances or guarantees have been or will be granted to members of the Supervisory Board.

### Management Board

The disclosure of the remuneration of members of the Management Board required by Section 2:383c of the Netherlands Civil Code is as follows.

Regular salary (in euros)	2011	2010
Jos A. Nijhuis	383,243	377,994
Pieter M. Verboom	299,365	295,265
Ad P.J.M. Rutten	299,365	295,265
Maarten M. de Groof	299,365	295,265
<b>Total</b>	<b>1,281,338</b>	<b>1,263,789</b>

The annual (short-term) variable remuneration depends on the achievement of financial targets, a number of personal performance targets and the Supervisory Board's assessment regarding general performance. The financial target concerns the Return on Equity (ROE) in accordance with the budget for that year approved by the Supervisory Board. For that purpose, the ROE is determined by dividing the result, reduced by other property results not generated by Schiphol Group's own actions after corporate income tax (in particular fair value gains and losses on investment property), by the average equity capital. The personal performance targets may vary from year to year. The on-target level of the (short-term) variable remuneration is 35% of the fixed salary, with achievement of the financial target accounting for approximately two-thirds of the total short-term variable remuneration. If the financial targets are exceeded, the (short-term) variable remuneration can be up to 1.625 times the on-target level for that component for the CEO, for the other members of the Management Board this can be up to 1.67. In the event of exceptional performance the maximum short-term variable remuneration for the CEO can be 47.5% of the fixed salary and for the other members of the Management Board this can be 45.1%. The extent to which the targets have been achieved is determined partly on the basis of the audited financial statements.

Based on the assessment by the Supervisory Board of the extent to which the targets were achieved, the following (short-term) variable remuneration has been charged to the result for 2011 in respect of the variable remuneration scheme (short-term) for 2011. The variable remuneration for the CEO was set at 42.5% of the fixed salary and for the other members of the Management Board at 40.1% of the fixed salary.

Variable remuneration (short term) (in euros)	2011	2010
Jos A. Nijhuis	162,869	160,648
Pieter M. Verboom	119,896	118,401
Ad P.J.M. Rutten	119,896	118,401
Maarten M. de Groof	119,896	118,401
<b>Total</b>	<b>522,556</b>	<b>515,851</b>

Schiphol Group is not a listed company and therefore does not have the ability to award Schiphol Group shares or share options. Instead, to foster the achievement of Schiphol Group's long-term objectives, there is a (long-term) variable remuneration scheme which rolls forward over a three-year period. The (long-term) variable remuneration is a remuneration component payable each year with an on-target level of 35% of the fixed salary, depending on the cumulative economic profit realised over a period of three successive years, based on the medium-term business plan approved by the Supervisory Board. If the company performs exceptionally well, the (long-term) variable remuneration may be increased up to a maximum of 52.5% of the fixed salary.

The (long-term) variable remuneration in each case relates to the period of three years from the time of award of the variable remuneration (the reference period):

- The performance criteria for the 2009 (long-term) variable remuneration relate to the economic profit for the three-year period 2009, 2010 and 2011 with payment, if applicable, made in 2012.
- The performance criteria for the 2010 (long-term) variable remuneration relate to the economic profit for the three-year period 2010, 2011 and 2012, with payment, if applicable, made in 2013.
- The performance criteria for the 2011 (long-term) variable remuneration relate to the economic profit for the three-year period, 2011, 2012 and 2013 with payment, if applicable, made in 2014.

At the end of each year, an estimate is made of the amount of the (long-term) variable remuneration payable on conclusion of the three-year period. During the reference period, a pro rata part thereof is charged each year to the result for the relevant year. Payment is only made if the relevant Management Board member is still employed by the company at the end of the three-year period. If it is mutually agreed that the contract of employment should be terminated, the award is made pro rata. It is also possible in that case to calculate and pay out future variable remuneration in advance.

In respect of the (long-term) variable remuneration, the Supervisory Board's assessment of the development of economic profit has resulted in justifying a provision for employee remuneration as at 31 December 2011 as follows:

- the full (long-term) variable remuneration for 2009 (reference period 2009-2011), including a swing factor of 1.5 and
- two-thirds of the (long-term) variable remuneration for 2010 (reference period 2010-2012), including a swing factor of 1.0 and
- one-third of the (long-term) variable remuneration for 2011 (reference period 2011-2013), including a swing factor of 1.0.

The foregoing gives rise to the following costs chargeable to the financial year:

Variable remuneration (long term)	2011	2010
(in euros)		
Jos A. Nijhuis	197,704	88,485
Pieter M. Verboom	154,432	154,661
Ad P.J.M. Rutten	154,432	154,661
Maarten M. de Groof	154,432	154,661
<b>Total</b>	<b>661,000</b>	<b>552,468</b>

The cost increase chargeable to the financial year is attributable inter alia to the fact that Mr Nijhuis is entitled to the long-term variable remuneration for the first time, over a three-year period.

In 2011, payment was made of the 2008 (long-term) variable remuneration, for which provisions had been built up. Accordingly, the payment did not lead to a charge on the 2011 result. In 2012, payment will be made out of the provisions accumulated for the 2009 (long-term) variable remuneration, relating to the economic profit over the three-year period 2009, 2010 and 2011.

The pension costs presented below concern the payment of regular pension contributions and a refund of contributions unduly withheld.

Pension costs	2011	2010
(in euros)		
Jos A. Nijhuis	96,259	92,658
Pieter M. Verboom	75,399	202,120
Ad P.J.M. Rutten	75,399	111,502
Maarten M. de Groof	75,399	71,834
<b>Total</b>	<b>322,456</b>	<b>478,114</b>

Defined benefit pensions adhere to the average earnings scheme applicable since 1 January 2004, in accordance with the standard Algemeen Burgerlijk Pensioenfonds (ABP) rules. The amount of the contribution payable to the pension scheme is calculated each year by ABP and paid in full by the company.

Mr Verboom will be retiring in 2012 at the age of 62. Mr Rutten will be eligible to retire at the age of 62 in 2013. Both have defined retirement benefits equalling 70% of their final total fixed salary. To this end, a supplementary allocation is made each year according to the standard 'ABP Extra Pension' (AEP) rules, in addition to the accrual under the ABP pension scheme. Should the accrued supplement prove to be inadequate, a payment will be made to fulfil the agreement made. Calculations by ABP showed that supplementary allocations were necessary in 2011 for Mr Rutten.

Mr Nijhuis and Mr De Groof also participate in the ABP average earnings scheme (under which retirement benefits based on full pension build-up are paid from the age of 65). It has been contractually agreed with them that their term of office will end at the age of 62. They are entitled to a fixed annual contribution (representing a percentage of fixed salary) towards a life-course savings scheme in order to compensate for the missing pensionable years between the ages of 62-65.

The foregoing gives rise to the following costs chargeable to the financial year:

**Pension costs (supplementary)**

(in euros) **2011** 2010

Jos A. Nijhuis	<b>32,210</b>	32,129
Pieter M. Verboom	-	58,385
Ad P.J.M. Rutten	<b>28,731</b>	18,509
Maarten M. de Groof	<b>35,511</b>	35,432
<b>Total</b>	<b>96,443</b>	<b>144,455</b>

The other payments concern allowances for private healthcare insurance costs and entertainment expenses, the employers' share of social security contributions and various non-recurring benefits.

**Other payments**

(in euros) **2011** 2010

Jos A. Nijhuis	<b>7,656</b>	8,937
Pieter M. Verboom	<b>7,656</b>	7,668
Ad P.J.M. Rutten	<b>7,656</b>	8,464
Maarten M. de Groof	<b>7,656</b>	6,779
<b>Total</b>	<b>30,624</b>	<b>31,848</b>

**Total remuneration to the Management Board charged to profit and loss** **2,914,416** 2,986,525

## Subsidiaries

The following subsidiaries are fully consolidated:

	Registered in	Direct / indirect interest in %
Schiphol Nederland B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Australia Pty Ltd	Schiphol	100.00
Schiphol Socrates B.V.	Schiphol	100.00
Schiphol North American Holding Inc.	Delaware	100.00
Schiphol Services Inc.	Delaware	100.00
Eindhoven Airport N.V.	Eindhoven	51.00
Schiphol Asia Sdn. Bhd.	Kuala Lumpur	100.00
N.V. Luchthaven Lelystad <sup>1)</sup>	Lelystad	100.00
Luchthaven Lelystad Vastgoed B.V.	Lelystad	100.00
Schiphol USA Inc	New York	100.00
Rotterdam Airport B.V. <sup>1)</sup>	Rotterdam	100.00
Rotterdam Airport Supplies Services B.V. <sup>1)</sup>	Rotterdam	100.00
Rotterdam Airport Holding B.V. <sup>1)</sup>	Rotterdam	100.00
Rotterdam Airport Vastgoed B.V. <sup>1)</sup>	Rotterdam	100.00
Beheer- en beleggingsmaatschappij Balnag B.V. <sup>1)</sup>	Schiphol	100.00
Brisbane Airport Real Estate B.V.	Schiphol	100.00
Malpensa Real Estate B.V.	Schiphol	100.00
Malpensa Real Estate II B.V.	Schiphol	100.00
Schiphol Real Estate Caravelle B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol International B.V.	Schiphol	100.00
Schiphol Real Estate Badhoevedorp B.V.	Schiphol	100.00
Schiphol Real Estate Participaties A4 Zone West B.V.	Schiphol	100.00
Schiphol Real Estate Logistics Park B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Real Estate B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Real Estate Eindhoven B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Real Estate Eindhoven Finance B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Real Estate Eindhoven II B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Real Estate International B.V.	Schiphol	100.00
HAFOK B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Real Estate World Trade Center B.V. <sup>1)</sup>	Schiphol	100.00
European Chinese Trade Center B.V.	Schiphol	100.00
Schiphol Real Estate Italy Srl	Lonate Pozzolo	100.00
Airport Real Estate Management B.V. <sup>1)</sup>	Schiphol	100.00
Airport Property Management B.V. <sup>1)</sup>	Schiphol	100.00
Dartagnan B.V. <sup>1)</sup>	Amsterdam	100.00
Avioport SpA	Lonate Pozzolo	70.00
Schiphol Telematics B.V. <sup>1)</sup>	Schiphol	100.00
Schiphol Consumer Services Holding B.V.	Schiphol	100.00
Schiphol Airport Retail B.V. <sup>1)</sup>	Schiphol	100.00

<sup>1)</sup> The provisions of Section 403, Book 2, of the Netherlands Civil Code apply with respect to these companies

Abridged balance sheet for the minority interests in Eindhoven Airport N.V. and Avioport Spa exclusive of the interests of Schiphol Group:

(in thousands of euros)	2011	2010
<b>Assets</b>		
Non-current assets	42,742	39,476
Current assets	13,515	10,557
	<b>56,257</b>	<b>50,033</b>
<b>Equity and liabilities</b>		
Total equity	24,334	21,295
Non-current liabilities	25,205	24,798
Current liabilities	6,718	3,940
	<b>56,257</b>	<b>50,033</b>
The profit and loss account for these minority interests exclusive of the interests of Schiphol Group:		
(in thousands of euros)	2011	2010
<b>Revenue</b>		
Other income, from property	- 467	96
	<b>15,449</b>	<b>13,642</b>
<b>Total operating expenses</b>		
	<b>- 10,516</b>	<b>- 9,144</b>
<b>Operating result</b>		
Financial income and expenses	- 953	- 845
	<b>3,980</b>	<b>3,653</b>
<b>Corporate income tax</b>		
	<b>955</b>	<b>899</b>
<b>Result</b>		
	<b>3,025</b>	<b>2,754</b>

## Joint ventures

The interests in the following companies are proportionately consolidated:

	Registered in	Direct / indirect interest in %
Airport Real Estate Basisfonds C.V.	Schiphol	61.15
Schiphol Travel Taxi B.V.	Schiphol	50.00
Flight Square Beheer B.V.	Schiphol	50.00
Flight Square C.V.	Schiphol	50.00
Flight Forum Beheer Venoot B.V.	Eindhoven	50.00
Beheer Personeelsrestaurant Schiphol B.V.	Schiphol	50.00
VOF Proefdraaiplaats Holding 27	Schiphol	50.00
Pantares Tradeport Asia Ltd	Hong Kong	50.00
Arlanda Schiphol Development Company AB	Stockholm	40.00
Villa Carmen B.V.	Amsterdam	47.44
Villa Carmen Srl	Milan	47.44
GEM A4 zone west C.V.	Schiphol	33.00
GEM A4 zone west Beheer B.V.	Schiphol	33.00
GEM Beheer Badhoevedorp Zuid B.V.	Schiphol	50.00
EnergyGrounds B.V.	Schiphol	51.00

The subsidiary Airport Real Estate Management B.V. and joint ventures Flight Forum Beheer B.V. and Flight Square Beheer B.V., as managing partners, bear joint and several liability for the debts of Airport Real Estate Basisfonds C.V., Flight Forum C.V. and Flight Square C.V., respectively.

Similarly, Schiphol Nederland B.V. bears joint and several liability for the debts of VOF Proefdraaiplaats Holding 27.

Although the interest held in certain companies may be greater or less than 50%, the group exercises joint control over them nevertheless and these companies are consequently consolidated on a proportional basis. In the contractual arrangements establishing these joint ventures, the venturers have agreed that decisions on important strategic, financial and operational matters shall require their unanimous consent.

Abridged balance sheet for Schiphol Group's interests in the proportionately consolidated companies:

(in thousands of euros)	2011	2010
<b>Assets</b>		
Non-current assets	229,757	216,429
Current assets	8,227	14,029
	<b>237,984</b>	<b>230,458</b>
<b>Equity and liabilities</b>		
Total equity	110,164	103,625
Non-current liabilities	83,585	114,426
Current liabilities	44,235	12,407
	<b>237,984</b>	<b>230,458</b>

Abridged profit and loss account for Schiphol Group's share in the results of these companies:

(in thousands of euros)	2010	2009
<b>Revenue</b>	23,739	23,628
Other income, from property	314	- 655
	<b>24,053</b>	<b>22,973</b>
<b>Total operating expenses</b>	<b>10,872</b>	<b>9,449</b>
<b>Operating result</b>	<b>13,181</b>	<b>13,524</b>
Financial income and expenses	- 3,846	- 3,171
Share in result of associates	- 736	- 308
	<b>8,599</b>	<b>10,045</b>
<b>Result before tax</b>	<b>8,599</b>	<b>10,045</b>
Corporate income tax	- 377	- 257
	<b>8,222</b>	<b>9,788</b>
<b>Result</b>	<b>8,222</b>	<b>9,788</b>

## Associates

As at 31 December 2011, this concerns the investments in the following companies measured by applying the equity method:

	Registered in	Direct / indirect interest in %
Mainport Innovation Fund B.V.	Delft	25.00
Flight Forum C.V.	Eindhoven	49.00
Brisbane Airport Corporation Holdings Ltd	Brisbane	18.72
JFK IAT Member LLC	New York	100.00 <sup>1)</sup>
Cargonaut B.V.	Schiphol	36.93
Vebege Airport Services B.V.	Schiphol	25.00
Schiphol Area Development Company N.V.	Schiphol	25.00
Schiphol Logistics Park B.V.	Schiphol	45.00
Schiphol Logistics Park C.V.	Schiphol	38.08
Tradeport Hong Kong Ltd	Hong Kong	18.75
Airport Medical Services B.V.	Haarlemmermeer	20.00
Airport Medical Services C.V.	Haarlemmermeer	20.00
Aéroports de Paris S.A.	Paris	8.00
GEM Badhoevedorp-Zuid C.V.	Schiphol	19.00

<sup>1)</sup> Schiphol Group holds all the class A shares and Delta Airlines holds all the class B shares. Schiphol Group's 100% stake in JFK IAT Member LLC concerns the class A shares.

Schiphol Group increased its interest in JFK IAT in the first six months of 2010. JFK IAT Member LLC – an associate of Schiphol USA Inc. – raised its interest in JFK IAT from 40% to 100%. Since then, SUSA Inc. has held all the class A shares and Delta Airlines Inc. all the class B shares in JFK IAT Member LLC.

Schiphol Group owns 100% of the class A shares in JFK IAT Member LLC and accordingly exerts significant influence. The governance structure is determined by the following agreements:

- Schiphol USA Inc. and Delta Airlines concluded an operating agreement under which Schiphol USA Inc. holds all the class A shares and Delta Airlines holds all the class B shares in JFK IAT Member LLC. This agreement also contains arrangements about the division of the result between the shareholders, the two shareholders' powers in respect of strategic decisions, operational management and the shareholders' further rights and obligations;
- JFK IAT LLC (a subsidiary of JFK IAT Member LLC) and Delta Airlines concluded an anchor tenant agreement under which JFK IAT LLC and Delta Airlines are proportionally represented in a Management Committee and an Operations Advisory Committee, which committees will determine the policies in key financial and operational areas;
- JFK IAT LLC and the Port Authority concluded a lease agreement regarding Terminal 4 under which the Port Authority has far-reaching consultation rights and veto rights in key strategic and operational areas
- Schiphol USA Inc.'s revenues primarily consist of regular revenues resulting from management contracts and depend to a limited extent on the revenues of JFK IAT LLC.

Schiphol Group has an interest of 18.72% in Brisbane Airport Corporation Holdings Pty Ltd. The latter company owns 100.00% of Brisbane Airport Corporation Holdings No.2 Pty Ltd, which in turn owns 100.00% of Brisbane Airport Corporation Ltd. (BACL). Despite Schiphol Group's interest in Brisbane Airport Corporation Ltd (BACL) being smaller than 20%, the company does have a significant influence on the basis of the following considerations:

- Schiphol Group has a blocking vote with respect to a variety of important decisions which can only be taken by the shareholders' meeting with a majority in excess of 90%;
- Schiphol Group has the right to appoint three out of the nine members of the Board of Directors, each of whom has equal voting rights, meaning that the members appointed by Schiphol Group represent 33.3% of the votes;
- The existence of a Technical Services Agreement between Schiphol Group and BACL under which Schiphol Group has, for instance, the sole right to put forward candidates for Managing Director (Chief Executive Officer); and
- The existence of an Intellectual Property Agreement between Schiphol Group and BACL under which BACL is able to share Schiphol Group's expertise relating to the operation and development of an airport.

Schiphol Group has an interest of 8% in Aéroports de Paris S.A. (ADP). Despite Schiphol Group's interest in ADP being smaller than 20%, the company does have significant influence based on the following considerations:

- It involves a long-term cooperation and a mutual shareholding;
- An Industrial Cooperation Committee (ICC) has been set up which supervises the cooperation between the two parties in eight specified areas of operation. Each company has four representatives on this committee, which is chaired alternately by the Presidents of ADP and Schiphol Group;
- The President (CEO) of Schiphol Group is a member of the ADP strategy committee and as such is able to exert significant influence on strategic decisions of the ADP one-tier board;
- The President (CEO) and Financial Director (CFO) of Schiphol Group have a seat on the ADP one-tier board;
- Joint international airport projects will be developed in the future, whereby our focus will be on reinforcing the dual hub within the SkyTeam international network.



The fair value of Aéroports de Paris S.A. (ADP), derived from the market price of the share as at 31 December 2011, amounts to EUR 5.1 billion (31 December 2010: EUR 5.8 billion). Our share in this amounts to EUR 408 million (in 2010 EUR 468 million).

The municipality of Amsterdam, the municipality of Haarlemmermeer, Schiphol Group and the province of North-Holland established the land development company Schiphol Area Development Company N.V. (SADC) as a public-private partnership in 1987. SADC's object is to safeguard and enhance the economic position of Amsterdam Airport Schiphol and surrounding areas through the ongoing development of business locations and supporting infrastructure projects.

The shareholders decided in cooperation agreements (known as SADC II and SADC III respectively) to contribute their holdings in the aforesaid areas to a land bank as yet to be established, and to have this land bank acquire land in the aforesaid areas that was not yet in their possession so as to be able subsequently to develop this area together. SADC may demand a maximum contribution of EUR 20 million from the shareholders for the acquisition of these lands. Since 2010, the four parties referred to above have each held 25% of the shares in SADC.

Below is some financial information relating to the Schiphol Group share of the above associates:

(in thousands of euros)	2011	2010
Total assets	1,286,742	1,181,949
Total equity	275,268	271,640
Revenue	414,582	417,891
Net result	178,251	166,923

The stake of JFK IAT Member LLC in JFK IAT is fully included in the above financial information.

At the time when these financial statements were compiled, Schiphol Group did not yet possess the complete financial information for 2011 (profit and loss account) or as at 31 December 2011 (balance sheet) for all the aforementioned associates. This is partly attributable to the non-calendar financial year of some of these associates. With regard to certain associates, therefore, the above financial information has been compiled on the basis of the most recent financial data available to Schiphol Group. In nearly all cases this information is not older than three months.

The fact that the above financial information relating to the associates in certain cases relies on information for different financial years plus the fact that some investments are currently stated at a value of nil mean that the above figures are not reconcilable with information contained elsewhere in these financial statements.

As at 31 December 2011, Tradeport Hong Kong had a loan outstanding of EUR 14.1 million. The guaranteed part of this loan amounts to EUR 1.9 million. On the basis of Schiphol Group's share in Tradeport Hong Kong (18.75%), the amount of the maximum guarantee attributable to Schiphol Group is EUR 0.4 million. Schiphol Group has also given guarantees for a maximum amount of EUR 4.0 million in respect of the liabilities of Tradeport Hong Kong relating to land on which the company has a concession for the operation of the logistics centre.

As at 30 June 2010, Brisbane Airport Corporation Ltd (BACL) had a contingent liability on the basis of passenger and traffic growth forecasts to capital expenditure at Brisbane Airport totalling EUR 197.6 million over a multiple-year period. For the coming years, major expansions have been planned in the form of a new runway and an extension of the terminals and the infrastructure. On the basis of our indirect interest of 18.72% in BACL, the associate's contingent liability amounts to EUR 36.9 million.

Schiphol, 16 February 2012

For the consolidated financial statements for 2011:

#### Supervisory Board

Anthony Ruys, Chairman  
 Trude A. Maas-de Brouwer, Vice-chairman  
 Jan G.B. Brouwer  
 Frans J.G.M. Cremers  
 Pierre Graff  
 Herman J. Hazewinkel  
 Marjan A. Scheltema  
 Willem F.C. Stevens

#### Management Board

Jos A. Nijhuis, President & Chief Executive Officer  
 Maarten M. de Groof, Member of the Management Board/Chief Commercial Officer  
 Ad P.J.M. Rutten, Member of the Management Board/Chief Operations Officer  
 Pieter M. Verboom, Member of the Management Board/Chief Financial Officer

## Corporate profit and loss account for 2011

(in thousands of euros)	2011	2010
Result on ordinary activities after tax	<b>29,467</b>	24,248
Results of subsidiaries	<b>165,018</b>	144,712
<b>Result attributable to shareholders (net result)</b>	<b>194,485</b>	<b>168,960</b>

## Corporate balance sheet as at 31 December 2011

### Before proposed profit appropriation

	Note	31 December 2011	31 December 2010
<b>Assets</b>			
(in thousands of euros)			
<b>Non-current assets</b>			
Investments in subsidiaries	43	<b>2,529,596</b>	2,492,226
Investments in associates		<b>586,462</b>	567,096
Other financial interests		<b>6,141</b>	10,758
		<b>3,122,199</b>	<b>3,070,080</b>
<b>Current assets</b>			
Receivables	44	<b>9,158</b>	1,427
Cash and cash equivalents		<b>20,830</b>	19,072
		<b>3,152,187</b>	<b>3,090,579</b>
<b>Equity and liabilities</b>			
(in thousands of euros)			
Issued share capital		<b>84,511</b>	84,511
Share premium		<b>362,811</b>	362,811
Retained profits		<b>2,078,989</b>	2,003,067
Translation differences reserve		<b>- 25,291</b>	30,973
Revaluation reserve		<b>417,065</b>	401,885
Other statutory reserves		<b>37,610</b>	35,915
Net result of the year		<b>194,485</b>	168,960
<b>Shareholders' equity</b>	45	<b>3,150,180</b>	<b>3,088,122</b>
<b>Employee benefits</b>	46	<b>1,102</b>	<b>1,123</b>
<b>Current liabilities</b>	47	<b>905</b>	<b>1,334</b>
		<b>3,152,187</b>	<b>3,090,579</b>

## Notes to the corporate financial statements

### General

The corporate financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code, utilising the option provided by Section 2:362, subsection 8, of the Netherlands Civil Code of applying the same accounting policies for the corporate financial statements as have been applied in preparing the consolidated financial statements.

Use has also been made of the provisions of Section 2:402 of the Netherlands Civil Code, permitting presentation of an abridged profit and loss account.

### Accounting policies

#### General

The accounting policies for the corporate financial statements are the same as for the consolidated financial statements. Where no specific policies are mentioned, reference should therefore be made to the accounting policies relating to the consolidated financial statements.

#### Subsidiaries

Companies in which Schiphol Group is able to exercise control or which Schiphol Group effectively manages are stated at net asset value determined by measuring the assets, provisions and liabilities and results according to the policies applied in preparing the consolidated financial statements.

If the share of losses attributable to Schiphol Group exceeds the carrying amount of a subsidiary, losses over and above that amount are not recognised unless Schiphol Group has given guarantees to the entity concerned or other commitments have been entered into or payments have been made on behalf of that entity. In that case, a provision is made for the consequent liabilities.

Results on transactions with subsidiaries are eliminated in proportion to the interest in the entities concerned, except where the results arise on transactions with third parties. Losses are not eliminated if there are indications of impairment of the assets concerned.

#### Elements of shareholders' equity

Various statutory reserves required by Part 9, Book 2, of the Netherlands Civil Code have been retained in the corporate balance sheet which form part of the retained profits in the consolidated balance sheet. These reserves restrict the ability to distribute equity. They are the reserve for property revaluations, the reserve for intangible assets and the reserve for participating interests. The latter two reserves have been combined under other statutory reserves.

The revaluation reserve (Section 2:390.1) is maintained in respect of fair value gains on individual items of investment property (buildings and land) held by companies forming part of Schiphol Group. Additions to this reserve are made via the profit appropriation, after allowing for corporate income tax. On the sale of investment property, the amount of the revaluation reserve for the property in question is transferred to other reserves.

The reserve for intangible assets (Section 2:365.2) is maintained in connection with capitalised research and development costs (software) carried by companies forming part of Schiphol Group.

The reserve for investments in associates (Section 2:389.6) is formed in respect of the share in the positive results of the entities concerned and in fair value gains accounted for directly in equity. Amounts are not recognised in respect of entities whose cumulative results are not positive. The reserve is reduced by the amount of dividend distributions, fair value losses accounted for directly in equity and any distributions which Schiphol Group would be able to effect without restriction.

Total equity in the consolidated balance sheet includes a exchange differences reserve, an other financial interests reserve and a hedging transactions reserve. These reserves (included collectively in the corporate financial statements under the heading of 'Other reserves of Schiphol Group') are also presented as part of corporate shareholders' equity since they likewise restrict the ability to distribute the reserves.

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

Where the notes to the corporate balance sheet and profit and loss account are not materially different from the notes to the consolidated balance sheet and profit and loss account, they have not been repeated here and the notes to the consolidated balance sheet and profit and loss account should be consulted for the items concerned.

#### 43. Non-current assets

The analysis and movements were as follows:

(in thousands of euros)	Investment in subsidiaries	Investment in associates	Other financial interests	Total
<b>Carrying amount as at 31 December 2009</b>	<b>2,464,046</b>	<b>551,542</b>	<b>7,308</b>	<b>3,022,896</b>
<b>Movements in 2010</b>				
Result for the year	144,712	26,400	-	<b>171,112</b>
Dividend	- 140,000	- 10,846	-	<b>- 150,846</b>
Fair value gains and losses	-	-	3,450	<b>3,450</b>
Translation differences	9,696	-	-	<b>9,696</b>
Changes in the hedging transactions reserve	13,772	-	-	<b>13,772</b>
<b>Total movements in the year</b>	<b>28,180</b>	<b>15,554</b>	<b>3,450</b>	<b>47,184</b>
<b>Carrying amount as at 31 December 2010</b>	<b>2,492,226</b>	<b>567,096</b>	<b>10,758</b>	<b>3,070,080</b>
<b>Movements in 2011</b>				
Result for the year	165,018	31,400	-	<b>196,418</b>
Dividend	- 76,000	- 12,034	-	<b>- 88,034</b>
Fair value gains and losses	-	-	- 4,617	<b>- 4,617</b>
Translation differences	3,795	-	-	<b>3,795</b>
Changes in the hedging transactions reserve	- 55,443	-	-	<b>- 55,443</b>
<b>Total movements in the year</b>	<b>37,370</b>	<b>19,366</b>	<b>- 4,617</b>	<b>52,119</b>
<b>Carrying amount as at 31 December 2011</b>	<b>2,529,596</b>	<b>586,462</b>	<b>6,141</b>	<b>3,122,199</b>

The investments in subsidiaries concern the wholly owned subsidiaries Schiphol Nederland B.V. and Schiphol International B.V. With regard to Schiphol Nederland B.V., Section 2:403 applies.

The investments in associates concern the 8% interest of N.V. Luchthaven Schiphol in Aéroports de Paris S.A. and the other financial interests concern the 1% interest in Flughafen Wien AG.

#### 44. Current assets

The receivables can be analysed as follows:

(in thousands of euros)	2011	2010
Corporate income tax	<b>1,485</b>	1,393
Group Companies	<b>7,631</b>	-
Other receivables	<b>42</b>	34
	<b>9,158</b>	<b>1,427</b>

The cash is freely available. Both receivables and cash are stated at fair value, which is usually the face value.

#### 45. Shareholders' equity

The analysis and movements were as follows:

(in thousands of euros)	Issued share capital	Share premium	Retained profits	Other reserves of Schiphol Group	Revaluation reserve	Other statutory reserves	Net Result Financial Year	Total
<b>Balance as at 31 December 2009</b>	<b>84,511</b>	<b>362,811</b>	<b>1,900,853</b>	<b>4,054</b>	<b>431,629</b>	<b>40,818</b>	<b>132,123</b>	<b>2,956,799</b>
<b>Movements in 2010</b>								
Appropriation of result for previous year	-	-	99,499	-	- 27,029	- 4,903	- 67,567	-
Distribution of dividend	-	-	-	-	-	-	- 64,556	<b>- 64,556</b>
Exchange differences	-	-	-	9,697	-	-	-	<b>9,697</b>
Changes in fair value on hedging transactions	-	-	-	13,772	-	-	-	<b>13,772</b>
Changes in fair value on other financial interests	-	-	-	3,450	-	-	-	<b>3,450</b>
Adjustments tot the corporate income tax rate	-	-	2,715	-	- 2,715	-	-	-
Net result	-	-	-	-	-	-	168,960	<b>168,960</b>
<b>Total movements in the year</b>	<b>-</b>	<b>-</b>	<b>102,214</b>	<b>26,919</b>	<b>- 29,744</b>	<b>- 4,903</b>	<b>36,837</b>	<b>131,323</b>
<b>Balance as at 31 December 2010</b>	<b>84,511</b>	<b>362,811</b>	<b>2,003,067</b>	<b>30,973</b>	<b>401,885</b>	<b>35,915</b>	<b>168,960</b>	<b>3,088,122</b>
<b>Movements in 2011</b>								
Appropriation of result for previous year	-	-	75,922	-	15,180	1,695	- 92,797	-
Distribution of dividend	-	-	-	-	-	-	- 76,163	<b>- 76,163</b>
Exchange differences	-	-	-	3,796	-	-	-	<b>3,796</b>
Changes in fair value on hedging transactions	-	-	-	- 55,443	-	-	-	<b>- 55,443</b>
Changes in fair value on other financial interests	-	-	-	- 4,617	-	-	-	<b>- 4,617</b>
Net result	-	-	-	-	-	-	194,485	<b>194,485</b>
<b>Total movements in the year</b>	<b>-</b>	<b>-</b>	<b>75,922</b>	<b>- 56,264</b>	<b>15,180</b>	<b>1,695</b>	<b>25,525</b>	<b>62,058</b>
<b>Balance as at 31 December 2011</b>	<b>84,511</b>	<b>362,811</b>	<b>2,078,989</b>	<b>- 25,291</b>	<b>417,065</b>	<b>37,610</b>	<b>194,485</b>	<b>3,150,180</b>

The other statutory reserves comprise the reserve for intangible assets and the reserve for investments in associates.

The other reserves of Schiphol Group comprise a exchange differences reserve, an other financial interests reserve and a hedging transactions reserve. These reserves are part of the consolidated equity and are also presented as part of corporate shareholders' equity since, like the revaluation reserve and the other statutory reserves, they restrict the ability to distribute the reserves. As a consequence, the ability to distribute shareholders' equity is restricted to retained earnings.

#### 46. Employee benefits

The liabilities regarding employee benefits relate to the Management Board of N.V. Luchthaven Schiphol and concern the net liabilities in respect of the (long-term) variable remuneration. Further details are specified under the explanatory notes on employee benefits in the consolidated financial statements.

#### 47. Current liabilities

The analysis is as follows:

(in thousands of euros)	2011	2010
Group companies	11	372
Accruals	852	788
Other liabilities	42	174
	<b>905</b>	<b>1,334</b>

Schiphol, 16 February 2012

For the corporate financial statements for 2011:

#### Supervisory Board

Anthony Ruys, Chairman  
 Trude A. Maas-de Brouwer, Vice-chairman  
 Jan B.G. Brouwer  
 Frans J.G.M. Cremers  
 Pierre Graff  
 Herman J. Hazewinkel  
 Marjan A. Scheltema  
 Willem F.C. Stevens

#### Management Board

Jos A. Nijhuis, President & Chief Executive Officer  
 Maarten M. de Groof, Member of the Management Board/Chief Commercial Officer  
 Ad P.J.M. Rutten, Member of the Management Board/Chief Operations Officer  
 Pieter M. Verboom, Member of the Management Board/Chief Financial Officer

## Other information

To the General Meeting of Shareholders of N.V. Luchthaven Schiphol

### Independent Auditor's report

#### Report on the financial statements

We have audited the accompanying financial statements 2011 of N.V. Luchthaven Schiphol, Amsterdam as set out on pages 134 to 244. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2011, the consolidated profit and loss account, the statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2011, the company profit and loss account for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

#### Management Board's responsibility

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of N.V. Luchthaven Schiphol as at 31 December 2011, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

#### Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of N.V. Luchthaven Schiphol as at 31 December 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### Report on other legal requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 16 February 2012  
PricewaterhouseCoopers Accountants N.V.

S. Barendregt-Roojers RA

## Proposed 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 2:105 of the Netherlands Civil Code, the profit according to the financial statements prepared by the Management Board shall be added to reserves unless the General Meeting of Shareholders resolves to make profit distributions according to a proposal by the Management Board having the agreement of the Supervisory Board.
2. The General Meeting of Shareholders shall decide the appropriation of the amounts thus reserved according to a proposal by the Management Board having the agreement of the Supervisory Board.

#### Proposed profit appropriation

(in thousands of euros)

<b>Result attributable to shareholders</b>	<b>194,485</b>
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With due observance of Article 25 of the Articles of Association,  
it is proposed that the result for the year be appropriated as follows:

<b>Addition to the revaluation reserve</b>	– 1,847
(fair value gains and losses on property recognised in the profit and loss account, after adjustment for fair value losses below cost and after deduction of corporate income tax)	

<b>Addition to the statutory reserve</b>	2,927
(sum of the results of associates, less dividend distributions, and investments in research and development less amortisation)	

<b>Dividend distribution</b>	– 97,492
(50% of the net result less fair value gains and losses on property after deduction of corporate income tax)	

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**– 96,412**

<b>Addition to retained profits</b>	<b>98,074</b>
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## Events after the balance sheet date

For details of the events after the balance sheet date, reference is made to the notes to the consolidated financial statements on page 221.

## Historical summary

Figures as from 2004 have been restated according to IFRS. The figures up to year-end 2003 are based on previous accounting policies.

(in millions of euros, unless otherwise indicated)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Profit and loss account</b>										
Revenue	1,278	1,180	1,154	1,154	1,146	1,037	948	876	860	774
Fair value gains and losses on property	- 1	22	- 40	19	111	29	13	5	83	15
Own work capitalised	-	-	-	-	-	-	-	-	13	16
Total operating revenue	-	-	-	-	-	-	-	-	956	805
Other income, from property	1	-	-	3	3	10	10	18	-	-
Total operating expenses before depreciation, amortisation and impairment	- 766	- 719	- 731	- 709	- 666	- 598	- 492	- 475	- 488	- 452
EBITDA	512	483	383	466	594	478	478	424	468	353
Depreciation, amortisation and impairment	- 208	- 186	- 196	- 172	- 175	- 162	- 167	- 160	- 131	- 106
Operating result	304	297	187	294	420	316	311	265	338	247
Financial income and expenses	- 91	- 115	- 91	- 54	- 35	- 36	- 34	- 26	- 43	- 39
Taxation, share in operating result of associates and minority interests	- 15	- 10	37	- 54	- 68	246	- 84	- 78	- 104	- 71
Result on ordinary activities after tax	198	172	133	187	316	527	193	161	191	137
Minority interests	- 3	- 3	-	-	-	-	-	-	-	-
Net result	194	169	133	187	316	527	193	161	191	137
<b>Balance sheet</b>										
Non-current assets	5,102	5,000	4,798	4,754	3,945	3,681	3,249	3,157	3,047	2,729
Current assets	621	506	729	655	342	483	432	399	422	209
<b>Total assets</b>	<b>5,723</b>	<b>5,506</b>	<b>5,527</b>	<b>5,409</b>	<b>4,287</b>	<b>4,165</b>	<b>3,681</b>	<b>3,556</b>	<b>3,469</b>	<b>2,938</b>
Equity (excl. minority interests)	-	-	-	-	-	-	-	-	2,024	1,871
Equity (incl. minority interests)	3,175	3,109	2,975	2,887	2,957	2,722	2,245	2,093	-	-
Provisions	51	65	69	50	54	63	84	115	64	41
Non-current liabilities (incl. minority interests)	-	-	-	-	-	-	-	-	1,044	523
Non-current liabilities (excl. minority interests)	1,979	1,762	2,061	1,747	914	865	1,006	958	-	-
Current liabilities	519	569	422	725	362	514	346	391	337	502
<b>Total equity and liabilities</b>	<b>5,723</b>	<b>5,506</b>	<b>5,527</b>	<b>5,409</b>	<b>4,287</b>	<b>4,165</b>	<b>3,681</b>	<b>3,556</b>	<b>3,469</b>	<b>2,938</b>
<b>Operating cash flow <sup>1)</sup></b>	<b>387</b>	<b>351</b>	<b>327</b>	<b>421</b>	<b>313</b>	<b>362</b>	<b>307</b>	<b>327</b>	<b>298</b>	<b>293</b>
<b>Ratios</b>										
Operating result as % of revenue	23,8	25,1	16,2	25,5	36,6	30,5	32,8	30,2	39,3	31,9
Return on average equity in % (ROE)	6,2	5,6	4,5	6,4	11,1	21,2	8,9	7,9	9,8	7,5
Return on Net Assets in % (RONA) <sup>2) 3)</sup>	7,4	7,9	4,9	7,5	12,3	10,1	9,7	8,6	11,7	9,4
Return on Capital Employed in % (ROCE) <sup>4) / (ROACE) <sup>5) 6)</sup></sup>	7,5	7,3	4,5	7,3	11,7	9,8	9,9	8,7	11,5	9,4
FFO/total debt in % <sup>7) 8)</sup>	18,5	17,0	18,5	19,3	34,3	39,0	28,7	33,4	-	-
FFO interest coverage ratio <sup>8) 9)</sup>	4,5	3,8	4,4	6,5	7,7	8,3	6,8	7,9	-	-
Leverage <sup>10) 11)</sup>	37,9	37,2	40,5	38,6	23,5	24,8	29,4	32,0	34,2	28,0
<b>Figures per share</b>										
Earnings per share	1,045	908	710	1,083	1,844	3,077	1,126	939	1,117	799
Operating cash flow per share	2,081	1,780	1,756	2,439	1,830	2,114	1,754	1,912	1,738	1,710
Dividend per share	524	409	347	371	543	462	323	271	239	245
<b>Personnel</b>										
Average effective full-time equivalent employees	2,115	2,328	2,496	2,506	2,459	2,293	2,179	2,216	2,231	2,134

<sup>1)</sup> For analysis see the cash flow statement

<sup>2)</sup> Up to and including 2005: Operating result / average non-current assets less deferred taxes

<sup>3)</sup> As from 2006: Operating result + result and interest associates / average non-current assets less deferred taxes.

<sup>4)</sup> Up to and including 2003: operating result / average of equity and liabilities less non-interest bearing short term debt

<sup>5)</sup> As from 2004: operating result / average of equity and interest-bearing debt

<sup>6)</sup> As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt

<sup>6)</sup> As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt

<sup>7)</sup> Up to and including 2005: Funds from operations adjusted for working capital / total debt

<sup>8)</sup> As from 2006: see calculation FFO/total debt and FFO interest coverage in the note on Financial Risk Management

<sup>9)</sup> Up to and including 2005: Funds from operating activities adjusted for working capital plus interest income / interest costs

<sup>10)</sup> Up to and including 2003: interest-bearing debt / total equity and liabilities

<sup>11)</sup> As from 2004: Interest-bearing debt / equity plus interest-bearing debt in %

# Glossary

## 70 MB

Investment Programme in the baggage system at Amsterdam Airport Schiphol designed to achieve an annual baggage handling capacity of 70 million bags, resulting in shorter connection times, greater flexibility, more automation (in part through robots), enhanced availability resulting in a lower IR rate

## ACI

Airports Council International; international industry organisation of airports

## Airport charges

Aircraft, passenger and security related charges

## Aerospace Exchange

Business park at Schiphol-East where Schiphol Real Estate develops properties for companies in the aviation sector

## Airport Carbon Accreditation

ACI (see above) benchmark that provides insight into the measures airports are taking to reduce CO<sub>2</sub>

## AirportCity formula

An integral development of aviation and non-aviation activities in which businesses and users are offered all the facilities they need. The AirportCity formula is comprised of activities in the Aviation, Consumer Products & Services and Real Estate business areas

## Airport Traffic Ruling

(Luchthavenverkeersbesluit, LVB) Part of the Dutch Aviation Act (Wet luchtvaart) that governs the use of Amsterdam Airport Schiphol

## Airside

Area where aircraft take off, land and taxi and where ground handling activities are carried out on aircraft

## Alders Platform

Consultative body for the aviation sector and regional partners, chaired by former Queen's Commissioner Hans Alders and concerned with the future growth of Amsterdam Airport Schiphol

## AREB Fund

Airport Real Estate Basisfonds C.V.: a property fund located at Amsterdam Airport Schiphol in which Schiphol Real Estate holds a share of 61.15% and institutional investors hold the remaining 38.85%

## Aviation Act (Wet luchtvaart) governing the operation of Amsterdam Airport Schiphol

Legislation laying down the terms of the operating licence as well as the economic regulations governing the charges and conditions for using Amsterdam Airport Schiphol; in force since July 2006

## Aviation Act (Wet luchtvaart) governing the organisation and use of Amsterdam Airport Schiphol

Legislation laying down standards for noise, air quality and safety at Amsterdam Airport Schiphol; in force since February 2003

## Aviation Policy Document

The government's vision on the development and growth of Dutch aviation

## Bas

Local Community Contact Centre Schiphol (Bewoners Aanspreekpunt Schiphol) is the information and complaints service centre to which local residents can turn with any questions and complaints about air traffic at Amsterdam Airport Schiphol. Bas is a joint initiative of Air Traffic Control the Netherlands (LVNL) and Amsterdam Airport Schiphol

## Bird strike

A bird strike is an incident in which traces of a bird, or dead birds (or parts thereof), have been found on a runway and in which it can reasonably be assumed that the strike occurred within the boundaries of the airport grounds

## Business area

A functional cluster of activities with the Schiphol Group organisation

## Cargo World

Business park at Schiphol-Southeast where Schiphol Real Estate develops properties for companies in the air cargo sector and related logistics services

## Catchment area

Area from which passengers travel to and from Amsterdam Airport Schiphol by road or rail

## CDM

Collaborative Decision-Making is part of the Single European Sky initiative of the European Commission. CDM enables all parties involved in operations at the airport to share their relevant data through a central point

## Commercial traffic

Commercial air traffic (other than military, police etc.)

## Concession income

Income from activities for which a concession (i.e. a licence to conduct specific activities) has been granted, usually in the form of a percentage of revenue

## Concessionaire

A person or company with whom or which a concession agreement (= non-exclusive right to conduct a commercial activity such as the operation of a store or catering establishment at a location designated by Schiphol) has been concluded

## Corporate Governance Code

The Corporate Governance Code for listed companies as drawn up in 2003 by the Tabaksblat Committee and renewed by the Frijns Committee

## CROS

The Schiphol Regional Consultative Committee (Commissie Regionaal Overleg luchthaven Schiphol); a discussion platform between the aviation sector and region

## De-icing

The removal of ice and snow from the body and wings of an aircraft prior to take-off

## Departure Lounges 1 & 4

Waiting area for passengers travelling to Schengen countries on flights departing from Piers A, B, C, D or M

## Departure Lounges 2 & 3

Waiting area for passengers travelling to non-Schengen countries on flights departing from Piers D, E, F, G or H

## Economic profit

RONA (after tax) minus the WACC, multiplied by average fixed assets

## Euro Medium Term Note (EMTN)

An umbrella programme under which investment-grade entities can issue unsecured certificates of debt ('notes')

## Excellence Parking

Covered car park adjoining the terminal (next to Departure Hall 3) and offering greater security and convenience for frequent flyers and business passengers

## FFO

Funds From Operations is the cash flow from operating activities before changes in working capital

## Fixed Electrical Ground Power (FEGP)

Power supply for onboard aircraft systems, situated on the aprons at airside

## FLUX Alliance

Partnership between the US and Dutch governments to facilitate fast border passage. The partnership is expected to be extended to include Canada

## FTE

Full-time equivalent: a full-time employment position

## Full-freighter

An aircraft that transports cargo only

## General Aviation

International term for private and business aircraft that seat no more than 20 passengers

## GFA

Gross Floor Area as measured in square metres

## Global Compact

United Nations initiative in which participating companies commit to ten ethical and environmental principles of good business

## GRI

Global Reporting Initiative: worldwide guideline for Corporate Social Responsibility reporting

## Groenberg site

A site near Runway 18L-36R owned by the property developer Chipshol to which a development ban applied for a number of years. Chipshol is claiming compensation from Schiphol Group and other parties because of the ban



**Ground noise**

Ground noise is low-frequency noise producing vibrations that can cause nuisance. Low-frequency noise is noise that is perceived differently from 'regular' noise, and is more often felt than heard. This noise is produced by aircraft taking off

**Health and safety incidents**

Incidents that compromise the safety of the airport's employees or of users of the airport's infrastructure. The seriousness of incidents ranges from 'minor' to 'extremely serious'. Extremely serious health and safety incidents are those that result in death or permanent injury

**Holland Boulevard**

Area in the terminal between Piers E and F that offers an attractive, modern space where transfer passengers can pass the time enjoying a number of characteristically 'Dutch' catering establishments and products, the world's first Airport Library, the Rijksmuseum Schiphol, wellness, a casino and the 'Bols Experience'

**Hub**

An important junction for continental and intercontinental flights

**Hub carrier**

Main network carrier at a hub airport

**IFRS**

International Financial Reporting Standards; the internationally prescribed and recognised reporting guidelines applied by Schiphol Group

**Instrument Landing System**

Air traffic guidance equipment used during aircraft approach and landing

**IR rate**

Irregularity Rate; the percentage of bags that do not arrive at the destination at the same time as the passenger

**Iris scan**

Device that uses iris recognition to establish personal identity

**Key Performance Indicator (KPI)**

Important indicator used to measure the performance of a company or business unit

**Landside**

The landside area (accessible to the public) of the airport or airport grounds

**LFA**

Lettable Floor Area as measured in square metres

**Liquids & Gels Regulations**

EU regulations limiting the quantity of liquids and gels allowed on aircraft

**Low-cost carrier**

A 'no frills' airline specialised in offering lower air fares, usually together with the option to obtain extra services at an additional fee

**Mainport**

A hub for air, road and rail transport which has a major significance for and impact on the development of the region and national economy

**Master Plan**

Directional plan which, in accordance with our ambition to be Europe's preferred airport, lays down the spatial development of the airport infrastructure and translates that development into an investment programme, drawn up in response to demand for capacity and quality, social developments and trends in the aviation industry

**MTOW**

Maximum Take-Off Weight of an aircraft upon which take-off and landing charges are based

**Night-time regime**

Period during the night when runway use is restricted and incoming aircraft must use silent approaches and departing flights must make use of special night routes

**NMa**

Netherlands Competition Authority; supervises the setting of aviation charges and conditions by Amsterdam Airport Schiphol

**Noise Enforcement point**

An enforcement point where a maximum permitted noise level applies as set by the central government. There are 35 enforcement points for the 24-hour period and 25 enforcement points for the night-time period (11:00 p.m. to 07:00 a.m.). All the enforcement points together make up the noise enforcement system

**O&D passenger**

Origin & Destination passengers begin or end their journey at Amsterdam Airport Schiphol

**Occupational safety**

Occupational safety concerns work-related safety for the airport's own employees and from third parties as well as users of our infrastructure

**Operating year**

Period from 1 November to 31 October inclusive

**Passenger Journey**

Vision of the future passenger product, aimed at the realisation of smooth and efficient passenger process with an optimal quality perception for passengers, and incorporating the latest technological innovations

**Passenger Service Charge**

The charge that is levied per departing passenger for the use of airport facilities

**Pax-combi aircraft**

Aircraft in which both cargo and passengers are transported on the main deck

**Permanent turning radius**

A highly precise, pre-determined flight path that has the shape of (a part of) a circle

**Preconditioned air**

Cooled or heated air used for climate control in aircraft

**Privium**

An exclusive service programme for Privium members. Privium membership always includes automated border passage using iris recognition technology

**Randstad**

The urbanised western region of the Netherlands, encompassing the major cities of Amsterdam, The Hague, Rotterdam and Utrecht

**Retail Airside**

Shops located in the area accessible only to passengers flying from or passing through Amsterdam Airport Schiphol

**ROE**

Return on Equity; net result (payable to shareholders) divided by average shareholders' equity

**RONA**

Return on Net Assets; operating result divided by average fixed assets, less deferred tax assets and receivables on derivatives older than one year

**Runway 18R-36L (Polderbaan)**

Runway in use since 2003. Runway 18R-36L is the fifth main runway at Amsterdam Airport Schiphol

**Runway incursion**

A runway incursion is an incident on a runway involving an aircraft, vehicle or person not authorised to be there at that time

**Runway safety**

Safety on or near runways

**Schengen countries**

Countries in Europe that have agreed to allow unrestricted cross-border movement of people and goods (named after the town in Luxembourg where this treaty was signed)

**Schiphol worker**

An employee of one of the businesses established at Amsterdam Airport Schiphol

**Security scan**

The security scan uses 'millimetre wave' technology. The millimetre waves, which are harmless, do not pass through the body; instead, they bounce off the surface of the body and any objects. The scan shows the objects that a person is carrying

**Security Service Charge**

Charge levied per departing passengers in connection with security measures

**See Buy Fly**

Shops selling traditional duty-free articles such as perfume, cosmetics, liquor and tobacco

**SkyTeam**

Worldwide alliance of airlines grouped around Air France-KLM and Delta Airlines

**Slot Coordinator**

Government-appointed organisation tasked with allocating available slots (licences to take-off and land at specific times) in accordance with international regulations

**Smart Parking**

Online service (via [www.schiphol.nl](http://www.schiphol.nl)) for advance booking of discounted parking spaces in the P3 long-stay car park

**Sternet**

Public bus service connecting Amsterdam Airport Schiphol with regional towns and cities and with all airport parking facilities and work locations

**Strike Force**

A group of people that have teamed up in order to bring about quick improvements in airport processes

**Terminal**

The airport building with arrival and departure halls

**Transfer passenger**

A passenger who changes planes at an airport

**Transit direct passenger**

A passenger who arrives at an airport and continues his or her journey on the same plane

**Valet Parking**

A service allowing passengers flying from Amsterdam Airport Schiphol to leave their car at Schiphol Valet Parking outside the departure hall and arrange to have it waiting for them on their return to Schiphol

**Visit costs**

The total costs an airline pays for calling at an airport

**WACC**

Weighted Average Cost of Capital as based on the capital asset pricing model (CAPM)

**Work Load Unit (WLU)**

A term used to measure production; equal to 1 passenger or 100 kg of cargo

**WTC**

World Trade Centre Schiphol Airport

**X-ray**

A system by which security personnel can check baggage fully automated for prohibited objects

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