

**Rating Action: Moody's affirms Schiphol Group's A1 ratings; stable outlook**

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London, 02 November 2015 -- Moody's Investors Service, ("Moody's") has today affirmed the A1 senior unsecured debt ratings of N.V. Luchthaven Schiphol, the provisional (P)A1 rating on the EUR2 billion medium-term note (EMTN) programme of N.V. Luchthaven Schiphol (NVLS) and Schiphol Nederland B.V. (SNBV), (together Schiphol Group). The outlook on the ratings remains stable.

The rating actions follow Schiphol Group's decision to designate NVLS as principal obligor of the outstanding notes issued under the EMTN programme of NVLS and SNBV for which SNBV was previously the principal obligor (the Notes).

**RATINGS RATIONALE**

Today's rating affirmations reflect the fact that the change in principal obligor does not alter the credit standing of the Notes, as, in accordance to the terms of the EMTN programme, SNBV shall unconditionally and irrevocably guarantee the obligations of NVLS as principal obligor. The affirmations also recognise the group's resilient financial performance and Moody's expectation that it will continue to demonstrate credit metrics commensurate with the current ratings. Passenger volume at Amsterdam Airport Schiphol in the first nine months of 2015 was 44.3 million, up 5.6% compared to the equivalent prior year period, reflecting a sound performance in the face of continuing economic uncertainty, across Europe in particular.

The A1 ratings reflect (1) Schiphol Group's ownership of Amsterdam Airport Schiphol, the fifth-largest airport in Europe by passenger numbers, and other airports in the Netherlands; (2) its fairly high exposure to transfer traffic, and reliance on AirFrance-KLM, a French Dutch airline group; (3) certain operational constraints that may impede the pace of volume growth in future years; (4) its moderate, albeit increasing capital expenditure programme; (5) the probable introduction of changes to the rate-setting regulatory regime, which should provide more forward-looking visibility to revenues and move closer to a single-till system of economic regulation; and (6) its current financial profile, which Moody's expects to be somewhat affected by increased capital expenditure over the next few years. The ratings also incorporate a two-notch uplift for the likelihood of extraordinary support being provided by the Government of the Netherlands.

The ratings of N.V. Luchthaven Schiphol and Schiphol Nederland B.V. are equalised because they both unconditionally and irrevocably guarantee each other's rated obligations.

**RATIONALE FOR STABLE OUTLOOK**

The stable outlook reflects Moody's expectation that Schiphol Group will continue to evidence moderate but steady traffic growth and will be able to manage its capital expenditure programme and any other investments so that its financial profile remains in line with its current rating. The outlook also reflects the stable outlook on the rating of the Government of the Netherlands.

**WHAT WOULD CHANGE THE RATINGS UP/DOWN**

A substantial reduction in the debt levels of Schiphol Group would be required before an upgrade in the rating was warranted. This is not considered likely to occur in the foreseeable future. An upgrade in the BCA from a3 to a2 would not of itself likely result in an upgrade of the rating. The BCA is considered well positioned in the a3 category and a material increase in debt levels or substantial deterioration in market circumstances would be required before a downwards rating move was considered likely. However, a downwards move in the rating of the Government of the Netherlands could result in a downgrade in the ratings.

The methodologies used in these ratings were Privately Managed Airports and Related Issuers published in December 2014, and Government-Related Issuers published in October 2014. Please see the Credit Policy page on [www.moody's.com](http://www.moody's.com) for a copy of these methodologies.

N.V. Luchthaven Schiphol ("Schiphol Group") is a holding company of a group that owns and operates Amsterdam Airport Schiphol, Rotterdam Airport, Lelystad Airport, and 51% of Eindhoven Airport, which together comprise most

of the airport capacity in the Netherlands. In addition, Schiphol Group has minority investments in a number of overseas airports. The largest of the Dutch airports, Amsterdam Airport Schiphol, is the fifth-largest airport in Europe by passenger numbers. Schiphol Group is currently 70% owned by the Government of the Netherlands (Aaa stable), 20% by the Municipality of Amsterdam, 2% by the Municipality of Rotterdam, and 8% by Aéroports de Paris ("ADP"). Schiphol Group has a cross-shareholding and co-operation agreement with ADP.

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