

Air Transport Colloquium
Antwerp, 4 December 2014

Challenges & Opportunities for Airports



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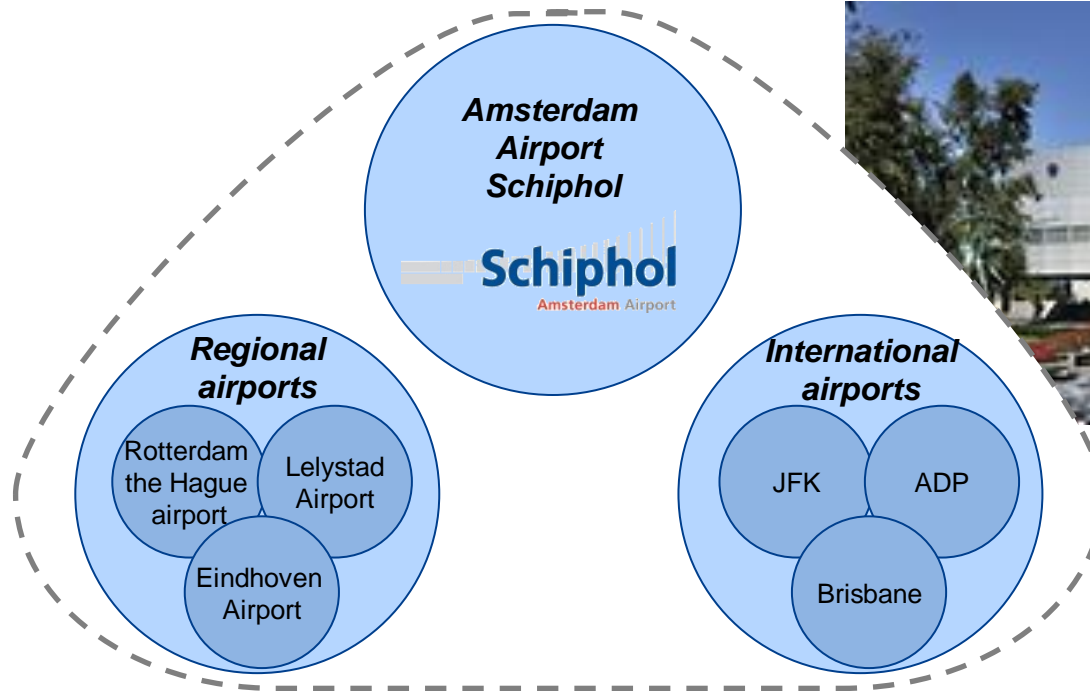


Schiphol Group: a mostly state-owned company more than just Amsterdam Airport



Shareholders:

- Dutch State 69.8%
- Municipality of Amsterdam 20.0%
- Municipality of Rotterdam 2.2%
- Aéroports de Paris 8.0%



Amsterdam Airport Schiphol in 2013



323 direct destinations



52.5 million passengers, **1.5 million** ton of cargo



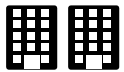
426,000 air traffic movements



290,000 jobs in the region, approx. **65,000** jobs at Schiphol location



650,000 m² of terminal floor space, **5** main runways covering **2,787 ha** in total



EUR 4.0 billion total value of fixed assets



EUR 1.4 billion operating revenue, with EBITDA of **EUR 587** million (42% EBITDA margin)



Vision, ambition and strategy Schiphol Group

The mission of Schiphol Group is to connect the Netherlands with all the important economic, political and cultural cities and centres in the world.

Europe's **Preferred** Airport

Facilitate
**Top
Connectivity**

Offer
**Excellent
Visit Value**

Realise
**Competitive
Marketplace**

Create
**Sustainable
Performance**

AirportCity formula

Aviation

Consumer Products
& Services

Real Estate

**Our
Mission**

**Our
Ambition**

**Our
Strategy**

**Our
Business**

Does Schiphol Group face challenges?



January – June 2014 results

Passengers: +4.2%

Cargo: +8.8%

Revenue: +3.2%

EBITDA: +19%



Challenges: Aviation

- Growth and larger aircraft require investments, while airlines need to substantially reduce costs
- Strong competition from other hubs, Europe and Middle East
- License to grow requires a constant focus



Aviation

AirportCity



Real Estate



Consumer Products
& Services

KLM announces €700m efficiency drive, freeze on cabin crew jobs

Business     November 28, 2014



Airline KLM is to make savings totalling €700m over the next five years, chief executive Pieter Elbers said on Thursday.

The cost cutting is necessary to pay for investments such as new aircraft, Elbers, who took over as CEO a month ago, said.

Speaking after a string of meetings with staff, Elbers did not rule out compulsory redundancies, [the Financieele Dagblad reported](#).

'Caution is more important than speed,' Elbers said. 'And if jobs are concerned, we will deal with this in a careful way.'

Challenges: Consumer Products & Services



- Increasing price transparency
- Growing competition: from online retail and airlines
- Crisis
- Risk of duty free abolition in core categories



Aviation

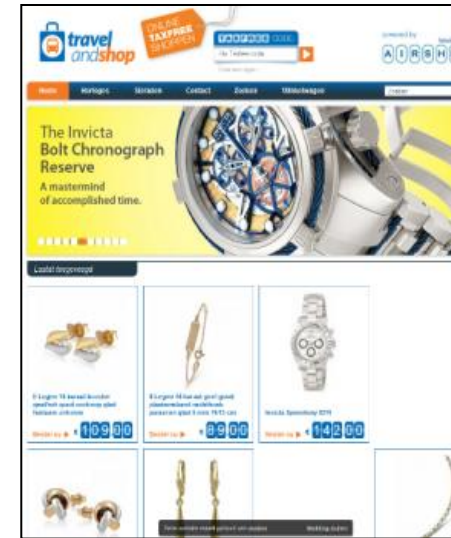
AirportCity



Real Estate

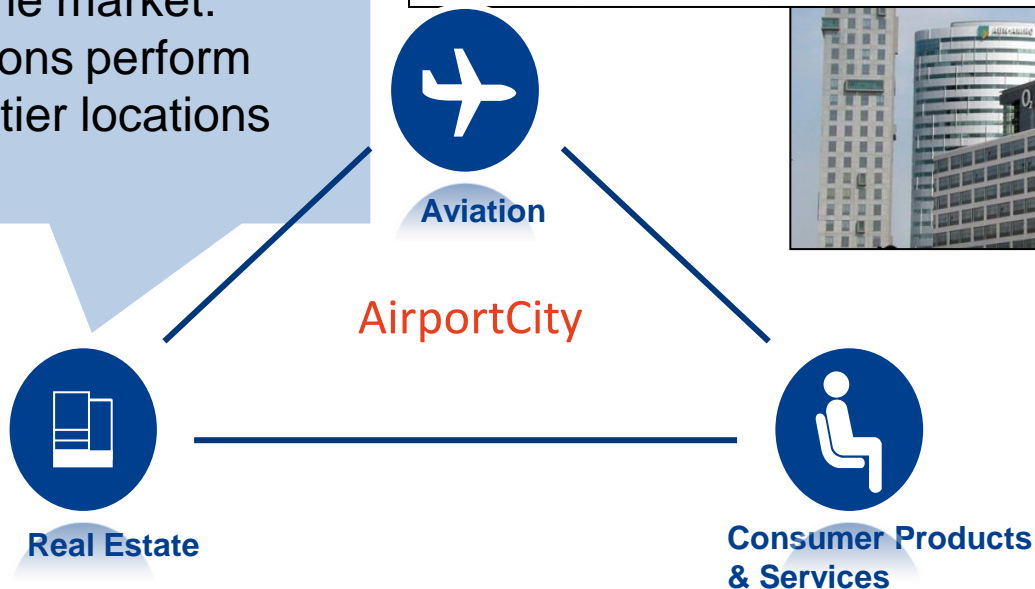


Consumer Products & Services



Challenges: Real Estate

- Overcapacity (continuing supply with reduced need for office space) putting occupancy and rates under pressure
- Dichotomy of the market: premium locations perform better, second tier locations worse



Opportunities? Diversifying into new businesses is difficult...



Our way of addressing these challenges

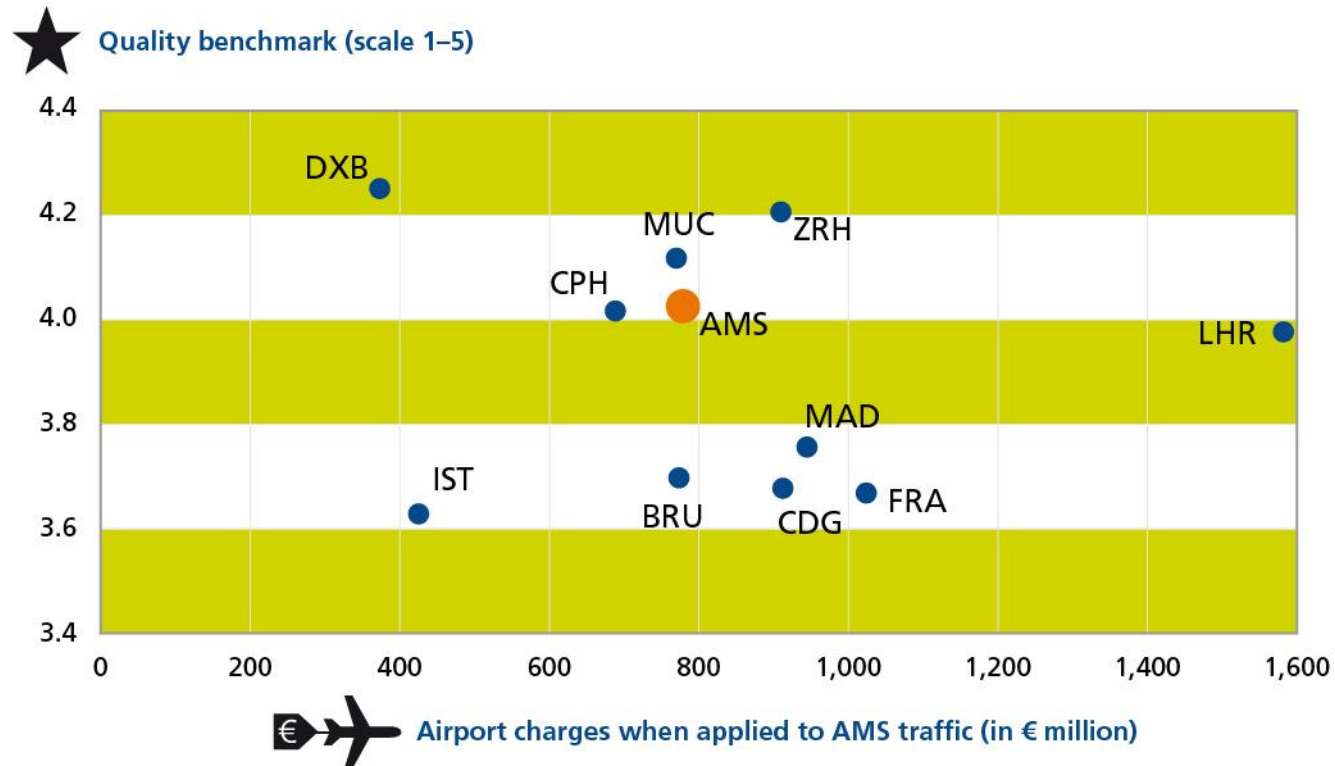
Some of our priorities:

- Competitive airport charges
 - Focus on cost efficiency with a sector point of view, with operational solutions before adding bricks
 - Flexibility in long-term investment plans
- Efficient, yet inspirational processes putting the passenger central and facilitating airline needs
- Create well-balanced offer in real estate addressing needs of workers and business at Schiphol
- International diversification



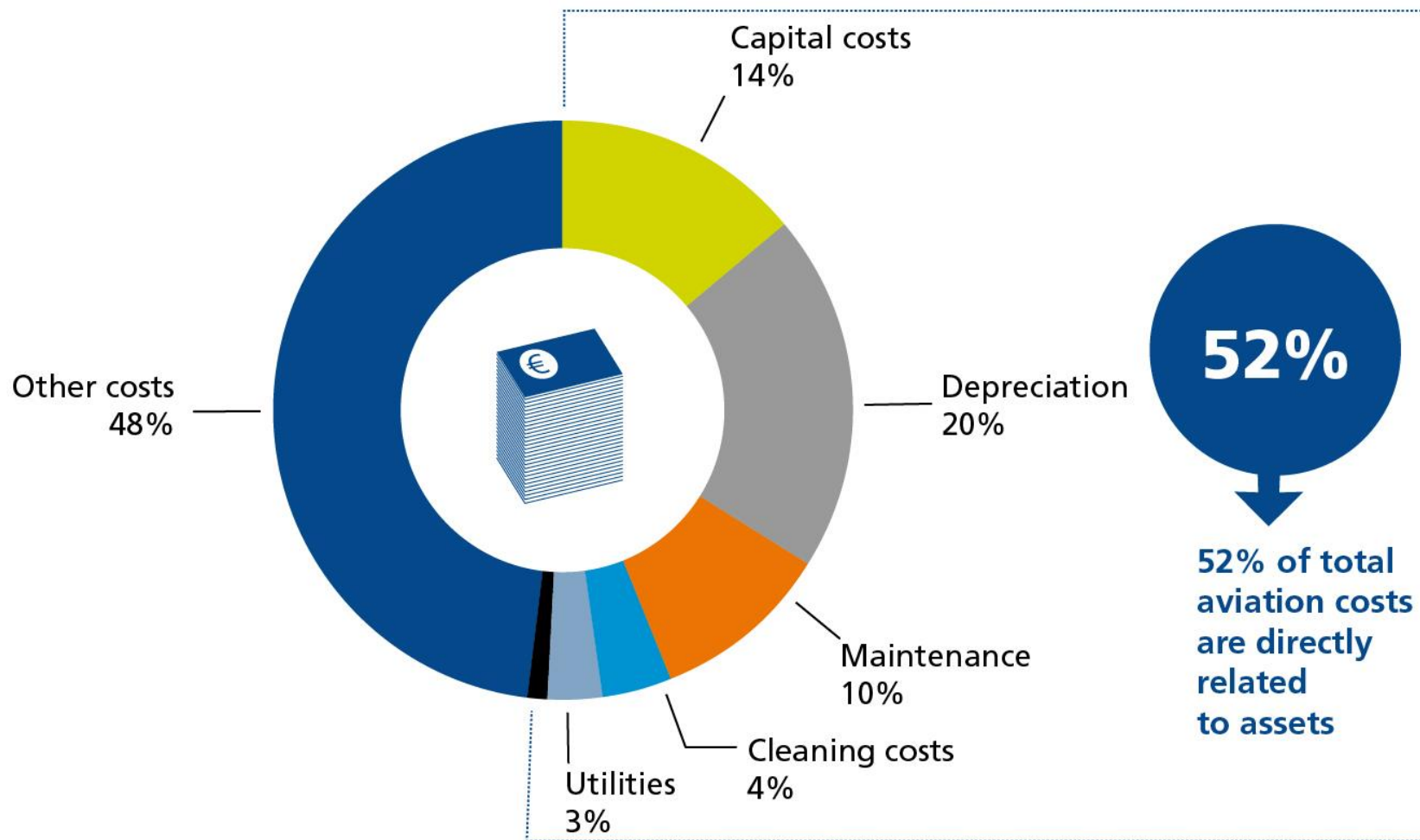
Competitive airport charges

Strike optimal balance between quality and price



Asset Management is key

Initial investment determines cost of ownership



AssetWise!

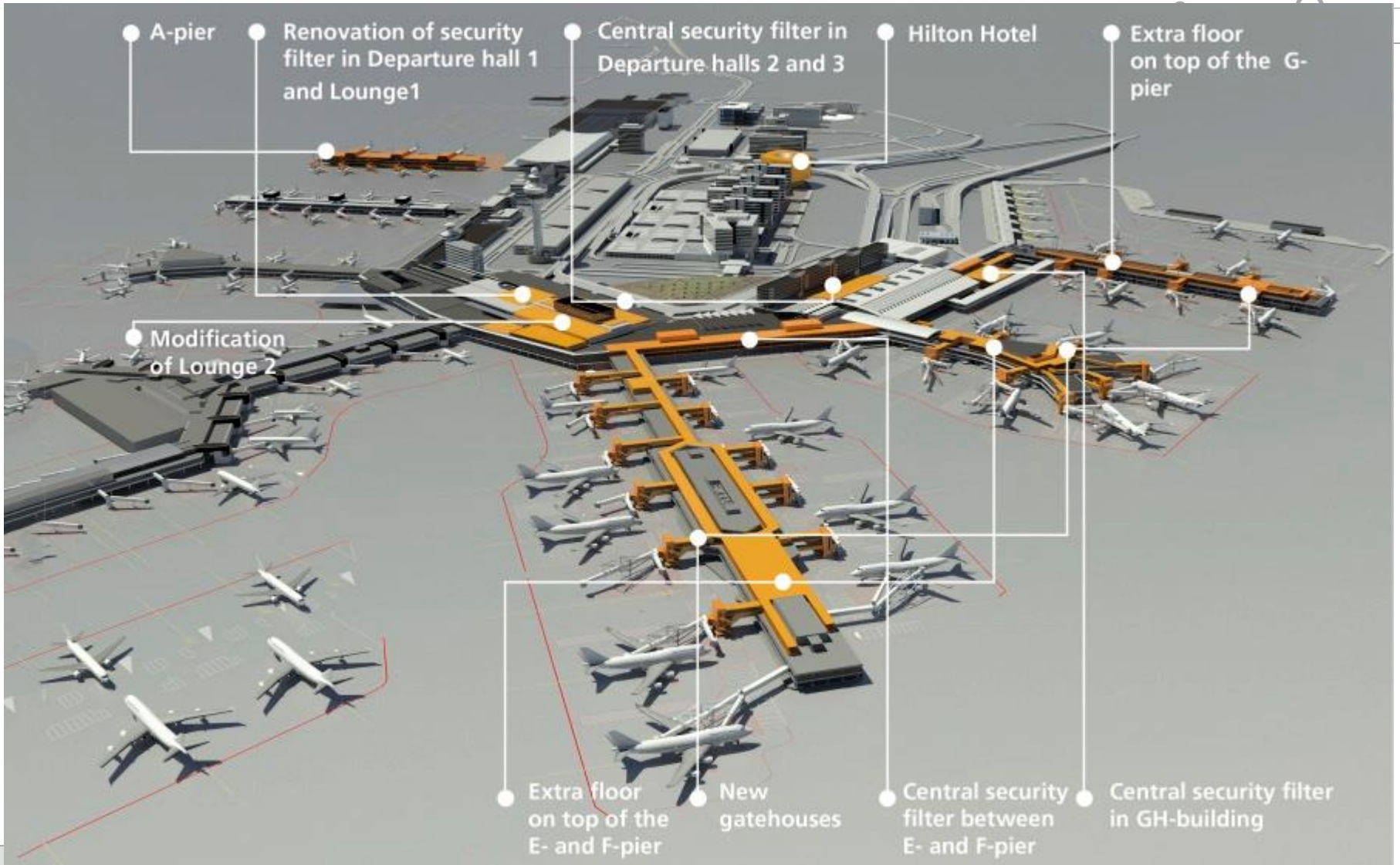
Lessons learnt: six wise moves

- **Planning process**
- **Function/Risk/€ based on Total Cost of Ownership**
- **Data management**
- **Market involvement**
- **Governance/organisation**
- **Culture**



Schiphol Constructs, Converts, Connects

Significant construction work on-going for Central Security and other projects



Efficient and inspirational processes

New security concept – Departures 1 (roll-out to all security filters planned)



Retail: still several inherent advantages of airport retailing which will remain in the future

✓ High-traffic location



✓ Commercially attractive demographic



✓ Audience with time to kill



✓ Tax advantage in core categories (NEU)



Retail: Lounge 2 Redevelopment



We vernieuwen Schiphol.

Samen werken we aan meer comfort, meer capaciteit en betere voorzieningen. Dat doen we om u een goede reis en een prettig verblijf te kunnen blijven bieden.

Op deze plek zijn we Lounge 2 geheel aan het vernieuwen. Voor een compleet horeca- en winkelaanbod verwijzen we u naar Lounge 3 (volg gates F, G en H).

Last minute-aankopen kunt u doen bij onze Vizzit shops op de pieren.

Welkom op Schiphol!

schiphol.nl/schipholvernieuwt



Amsterdam Airport Schiphol is being renewed.

We are working to create a more comfortable environment, increase capacity and upgrade airport facilities. Our goal is to continue guaranteeing you a smooth journey and a pleasant stay at the airport.

At this location, we are working on a complete renovation of Lounge 2. For a full range of stores, bars and restaurants, please visit Lounge 3 (follow gates F, G and H).

For your last-minute purchases, go to one of our Vizzit shops in the piers.

Welcome to Schiphol!

Schiphol

iphol Group

Real Estate: improving working environment

Working Business Class

Werken op Schiphol is Working Business Class. Werken in een prettige omgeving met verrassende activiteiten en goede voorzieningen. Gebouwen die aansluiten op de wensen van hun huurders. Faciliteiten die het voor de gebruikers van het gebied aantrekkelijk maken om er te werken, te verblijven en anderen te ontmoeten.

Of het nu in de gebouwen is of lekker buiten, we willen dat iedereen zich prettig voelt. En we proberen altijd nét dat beetje extra te doen waardoor het werken op Schiphol met recht Working Business Class heet.

Ontdek op onze website de dynamiek en diversiteit van de businesslocatie Schiphol.



Real Estate: redevelopment of office property



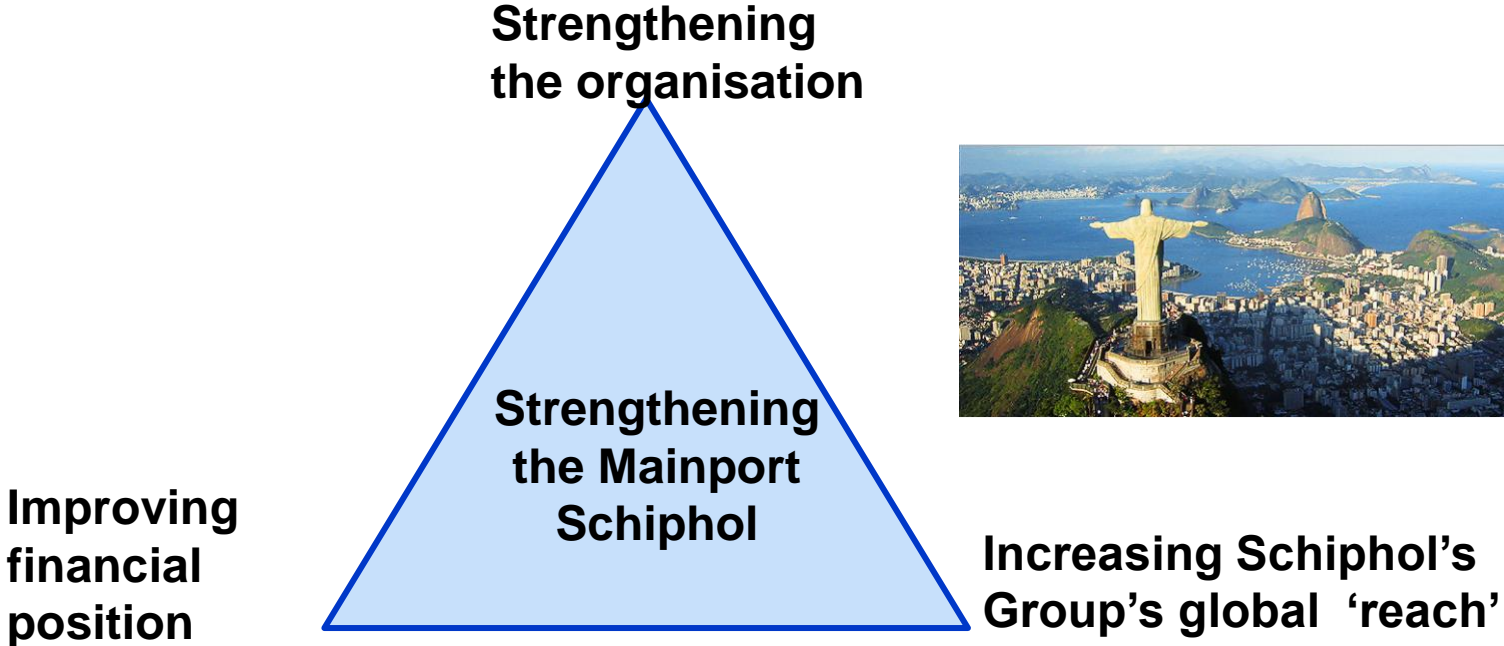
Real Estate: improving offer in hotels

New Hilton hotel with 433 rooms and conference center (opens in 2015)

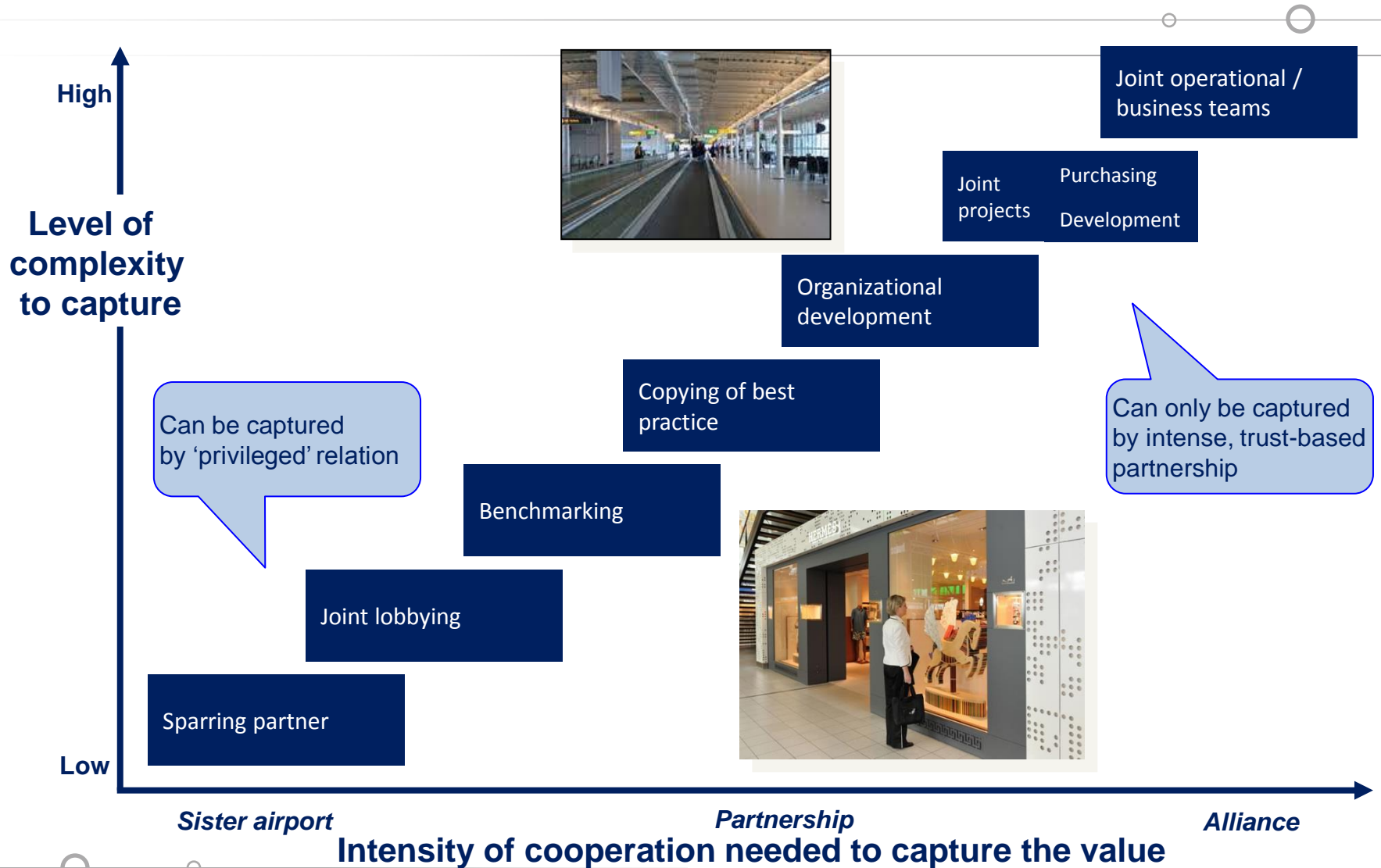


International diversification to strengthen the Mainport Schiphol

Elements taken into consideration by Schiphol when reviewing a possible new international opportunity



There are many sources of value in airport cooperation



Key take-aways

- Airports face challenges as well; not only in the aviation business
- There is no golden egg, not even for airports
- But still sufficient opportunities to improve, with our customers, the things we already do in the Netherlands and abroad!



Amsterdam Airport Schiphol

Europe's Preferred Airport

