

Schiphol Nederland B.V.
2010

Corporate Financial Statements

Schiphol Nederland B.V.

2010 Annual Report

Schiphol Nederland B.V. is part of Schiphol Group (N.V. Luchthaven Schiphol trades under the name of Schiphol Group) and uses the group exemption facility provided under Section 2:403 of the Netherlands Civil Code. The corporate financial statements of Schiphol Nederland B.V. for 2010 comprise the company financial statements, and a statement by the Management Board of Schiphol Nederland B.V.

The financial figures of Schiphol Nederland B.V. for 2010 have also been incorporated into the consolidated report of its parent company, N.V. Luchthaven Schiphol for 2010. The consolidated financial statements of N.V. Luchthaven Schiphol for 2010 have been drawn up in accordance with the International Financial Reporting Standards as accepted within the European Union. The consolidated financial statements of N.V. Luchthaven Schiphol for 2010 are available on the following website: www.jaarverslagschiphol.nl.

The corporate financial statements of Schiphol Nederland B.V. for 2010 have not been subjected to an audit or limited review by an external auditor.

Statements by the Management Board

The Management Board members specified below hereby declare that, to the best of their knowledge, the company financial statements of 2010 prepared in accordance with article 2:403 part 1 of the Netherlands Civil Code give a true and fair view of the assets and liabilities, the financial position and the profits of Schiphol Nederland B.V.

Schiphol, 5 April 2011,

The Management Board of Schiphol Nederland B.V.
For N.V. Luchthaven Schiphol

J.A. Nijhuis RA, President / Chief Executive Officer
M.M. de Groof, Board Member / Chief Commercial Officer
A.P.J.M. Rutten, Board Member / Chief Operations Officer
P.M. Verboom, Board Member / Chief Financial Officer

Company balance sheet as at 31 December 2010

Assets (in thousands of euro)	31 december 2010	31 december 2009
	<hr/>	<hr/>
Non-current assets	4,128,985	3,965,837
Current assets	<hr/> 394,058	<hr/> 672,066
	<hr/> 4,523,042	<hr/> 4,637,903
Equity and liabilities (in thousands of euro)	31 december 2010	31 december 2009
	<hr/>	<hr/>
Equity	2,347,381	2,352,528
Provisions	61,764	65,064
Liabilities	<hr/> 2,113,898	<hr/> 2,220,311
	<hr/> 4,523,042	<hr/> 4,637,903

Schiphol Nederland B.V.

Company profit and loss account 2010

(in thousands of euro)	2010	2009
Revenue	932,117	914,623
Other income from property	-	- 795
Total operating expenses	<u>- 778,890</u>	<u>- 797,933</u>
Operating result	153,227	115,895
Financial income and expenses	- 108,465	- 81,888
Share in results of associates	<u>112,275</u>	<u>46,931</u>
Result before tax	157,037	80,938
Corporate income tax	<u>- 35,910</u>	<u>29,545</u>
Result	121,127	110,483
Attributable to:		
Minority interests	-	-
Shareholders (net result)	121,127	110,483

Schiphol Nederland B.V.

Notes to the company balance sheet as at 31 December 2010 and the company profit and loss account for 2010

Accounting policies

General

Schiphol Nederland B.V. uses the group exemption facility provided under Section 2:403 of the Netherlands Civil Code. Pursuant to this scheme, Schiphol Nederland B.V. is exempted from the obligation to prepare its financial statements in accordance with the International Financial Reporting Standards as accepted within the European Union or under Title 9, Book 2 of the Netherlands Civil Code. Instead, it is sufficient for Schiphol Nederland B.V. to publish a balance sheet and profit and loss account that disclose at least the information referred to in Section 2:403, paragraph 1(a) of the Netherlands Civil Code. Section 2:403 does not lay down any requirements with respect to the accounting principles and policies to be used by Schiphol Nederland B.V. for the classification and valuation of its financial statements, nor requires the publication of notes to those financial statements. This means that, in principle, Schiphol Nederland B.V. is free to decide which accounting principles and policies to use and which notes to provide.

Assets

Assets, used for operating activities are stated at historical cost, net of received investment facilities, straight-line depreciation and impairments. Investment property is stated at fair value. This also applies while this property is still part of the assets under construction or development, provided that the fair value can already be measured reliably at that time. While this is not yet possible, the property is stated at historical cost.

Associates are valued on the basis of the equity method, which means that they are initially stated at cost, which cost is then adjusted for our share in the movements in the equity of the associate. The valuation of associates includes the goodwill that arose upon their acquisition. The share of the company in the results is recognised in the profit and loss account (under 'share in results of associates'). Group companies of Schiphol Nederland B.V. are, among others, Schiphol Real Estate B.V., Rotterdam Airport Holding B.V., Eindhoven Airport N.V., N.V. Luchthaven Lelystad, Schiphol Telematics B.V., Schiphol Consumer Services Holding B.V. and their associates.

Current assets are stated at fair value, which is in principal the face value.

Transactions (investments, revenue and costs) in foreign currency are recognised at the settlement rate. Monetary assets and liabilities (receivables, debts and liquid assets) in foreign currency are converted at the rate on the balance sheet date.

Schiphol Nederland B.V.

Equity

Equity comprises the issued capital at nominal value and other reserves.

Debts

Debts are stated at fair value, which is normally the nominal value.

Provisions

Provisions are created for legally enforceable or actual liabilities that exist on the balance sheet date, are likely to necessitate an outflow of resources and can be reliably estimated. Other provisions are stated at the present value of the associated liability if the effect of the time value of money is material and can be reliably calculated.

Revenue

Many activities generate turnover that qualifies as turnover from the provision of services (mainly airport charges, concession fees, rents and leases and parking fees). This turnover is recognised in proportion to the performance delivered by the time of 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.

Revenue is understood to refer to the income from services provided, net of discounts and turnover taxes (VAT and excise duties). Costs are recognised in the profit and loss account in the year in which the related turnover is recognised.

Financial income and expenses

Interest income and expense are recognised on a time-weighted basis, with due regard for the effective yield of the asset. Dividends are recognised at the moment the company acquires the right to receive them.

Schiphol Nederland B.V.

Enclosure: Schiphol Group 2010 Annual Report

Schiphol Group
Annual Report
2010

Schiphol Group Annual Report 2010

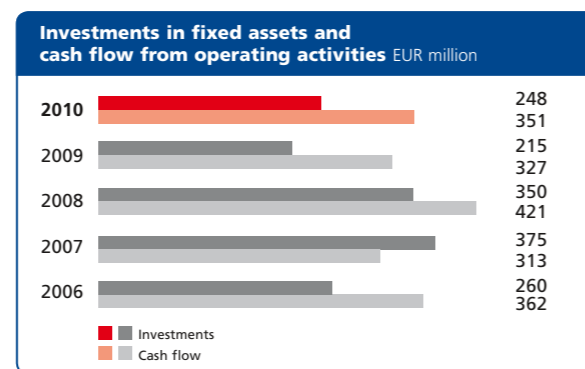
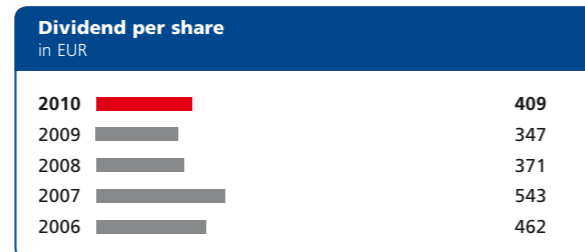
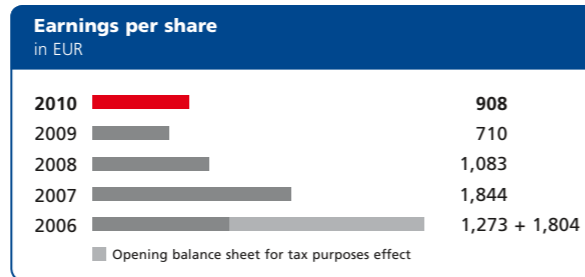
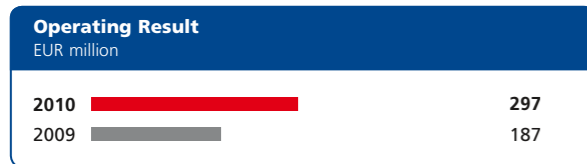
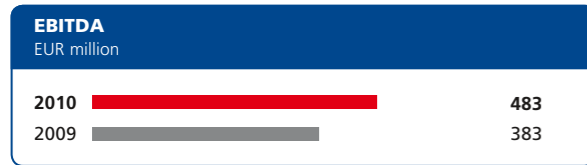
Schiphol Group
Annual Report
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Financial figures



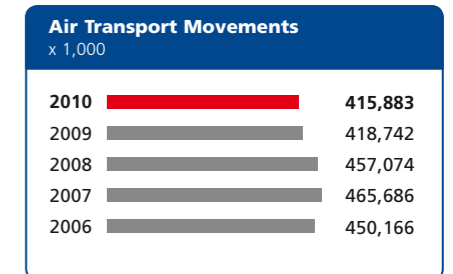
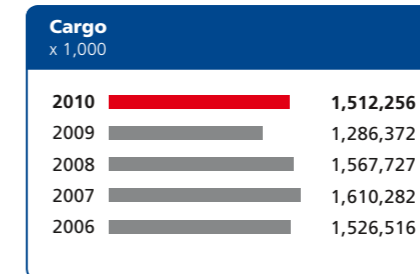
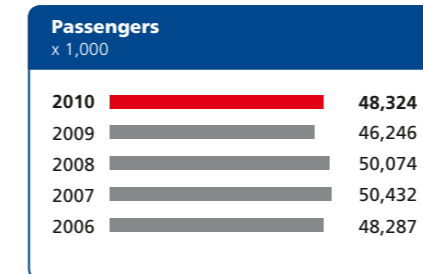
Key figures*

EUR million unless stated otherwise	2010	2009	+ / -
Results			
Revenue	1,180	1,154	2.3%
Fair value gains on investment property	22	-40	
Operating expenses	-905	-927	-2.3%
Operating result	297	187	58.6%
Result before tax	239	123	94.3%
Results attributable to shareholders (net result)	169	132	27.9%
Net result adjusted for purposes of dividend calculation	152	129	18.0%
Depreciation, amortisation and impairment	186	196	-5.0%
Cash flow from operating activities	351	327	7.2%
Balance sheet			
Total assets	5,506	5,528	-0.4%
Shareholders' equity	3,109	2,975	4.5%
Average non-current assets (excl. Deferred tax assets)	4,772	4,542	5.1%
Ratios			
Return on equity (ROE)	5.6%	4.5%	
Leverage	37.2%	40.5%	
FFO / total debt	17.0%	18.5%	
FFO interest coverage ratio	3.8x	4.4x	
Personnel			
Year-end Workforce in full-time equivalents	2,093	2,395	-12.6%

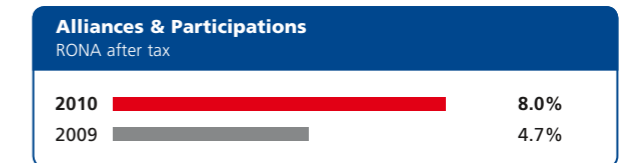
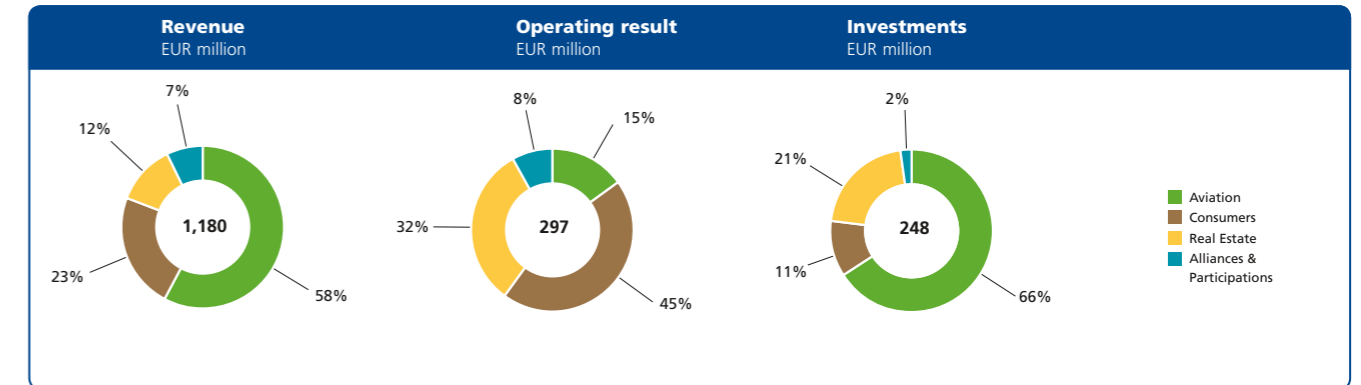
*) Refer to glossary for definitions of the ratios and abbreviations

Traffic Volume

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



Business area Information



Schiphol Group locations



- 1 Amsterdam Airport Schiphol
- 2 Rotterdam The Hague Airport
- 3 Eindhoven Airport
- 4 Lelystad Airport

- 1 Retail Joint Venture - Arlanda Stockholm
- 2 Shareholder - Vienna International Airport
- 3 Real Estate - Avioport Milan Malpensa
- 4 Real Estate - Villa Carmen Milan Malpensa
- 5 Shareholder and cooperation - Aéroports de Paris

- 1 Shareholder - Brisbane Airport
- 2 Shareholder - JFK International Terminal 4
- 3 Joint Venture - Angkasa Pura Schiphol Jakarta Indonesia
- 4 "Sapphire" programme, Indonesia
- 5 Real Estate - Tradeport Hong Kong
- 6 Management contract - Aruba Airport



Welcoming facilities

In August a refurbished Holland Boulevard was inaugurated with the opening of the world's first Airport Library by Her Royal Highness Princess Laurentien. The theme of the new Holland Boulevard is Dutch culture and design. June saw the opening of an innovative gate on Pier G, where a combination of new design and information provision will ensure that passengers' stay there is as pleasant as possible. A free wireless Internet service (WiFi), available throughout the terminal, began in mid-December.

Important Events

A stronger Main Port

Amsterdam Airport Schiphol has again succeeded in strengthening its position as a Main Port. The network of connections was expanded and now includes 301 destinations (+17), of which 274 are regular passenger destinations. The number of intercontinental passenger destinations rose by 5 to a total of 116.

The ash cloud and wintry weather

The so-called 'black swan' (an unpredictable event with a huge impact) that affected Amsterdam Airport Schiphol in 2010 – the closure of the airspace for a number of days in April and May as a result of the ash cloud that covered large parts of Europe – and the heavy snowfall at the beginning and end of the year under review, did not lead to any insurmountable problems. The organisation was able to respond effectively to these extraordinary events.

Baggage Hall South

In December all renovated check-in desks in Departure Hall 1 were connected to the new baggage systems in the Baggage Hall South. This baggage hall boasts one of the world's most innovative and fully automated baggage systems with six robots.

Trial of new enforcement system

1 November saw the start of an experiment with a new noise enforcement system, which is one of the results of the Alders Agreement. Rather than being based on measurement points, the new system is based on strict rules for runway usage. The present system will remain in operation while the experiment is under way.

New rate structure

We proposed a new rate structure during consultations with the aviation sector on our rates as of 1 April 2011. The effects this new rate

structure will have on the Main Port and the network are currently being studied by a group of international strategy consultants. Under our proposed rate structure, a rate is to be charged per piece of baggage. This will allow the aviation sector to do its part in financing the value creation we have realised on its behalf. The handling of transfer-passenger baggage has improved substantially thanks to the large investments made in the baggage system, which has yielded significant savings for the airlines.

Geese force emergency landing

On 6 June a Royal Air Maroc aircraft collided with Canada geese and was forced to return to Schiphol where it made an emergency landing with one engine shut down. In order to deal effectively with the growing number of incidents involving geese, a problem facing many north-European airports, and to improve airspace safety at and around the airport, the Netherlands Bird Strike Control Group was created in June.

Expansion of Terminal 4 in New York

On 11 August work began on the construction of nine international gates for Delta Airlines in Terminal 4 at JFK International Airport in New York. The extension will make Delta Airlines Terminal 4's most important customer by far. To finance the extension, the Port Authority of New York and New Jersey raised around USD 800 million. Delta's choice for Terminal 4 provides a huge impetus for further expansion of the North Atlantic SkyTeam network and Amsterdam Airport Schiphol's own Main Port network.

Reorganisation in final phase

The strategy review and the ensuing reorganisation, which began in 2009, reached the concluding phase at the end of 2010. By concentrating on its core activities, which involved outsourcing a number of operational activities and management and maintenance tasks, the organisation is now able to face the future with confidence.



Aviation

The Aviation business area 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 697 million
(1.4% vs '09)

Operating result

EUR 45 million
(-0.5% vs '09)



Consumers

The activities of the Consumers business area comprise developing, granting and managing concessions for shops, food service 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 299 million
(5.1% vs '09)

Operating result

EUR 133 million
(28.5% vs '09)



Real Estate

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 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 173 million
(0.8% vs '09)

Operating result

EUR 97 million
(233.3% vs '09)



Alliances & Participations

The Alliances & Participations business area 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 via 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 147 million
(2.9% vs '09)

Operating result

EUR 22 million
(139.2% vs '09)

Schiphol Group at a glance

Mission

We aim to rank among the world's leading airport companies. We create sustainable value for our stakeholders by developing AirportCities and by positioning Amsterdam Airport Schiphol as Europe's preferred airport. Schiphol ranks among the 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.

Profile

Schiphol Group is an airport operator, focusing particularly on AirportCities. A prime example of an AirportCity is Amsterdam Airport Schiphol. Europe's fifth-largest airport in terms of passengers and third-largest in terms of cargo. In addition to our Dutch operations (Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport), we have direct and indirect operations in the United States, Australia, Italy, Indonesia, Aruba and Sweden. Moreover, in 2008 we took a strategic 8% stake in Aéroports de Paris S.A.

Schiphol Group is structured and run as a commercial enterprise with a socio-economic function. These qualities are necessary for continued success in the competitive aviation industry, to secure long-term access to capital markets and to make it easier to attract and retain talented employees. In 2010, revenue totalled EUR 1,180 million, with a net result (attributable to shareholders) of EUR 169 million. Shareholders' equity at year-end 2010 amounted to EUR 3,109 million.

Activities

The operation of airports and the development of AirportCities involve three inextricably linked business areas: Aviation, Consumers and Real Estate. The integrated activities of Aviation, Consumers and Real Estate form the core of the AirportCity concept. This concept is not only applied to Amsterdam Airport Schiphol but also – either in part or in full – to other

airports, particularly through the Alliances & Participations business area. Our revenues derived from this broad range of activities are made up for the most part of airport charges, concession fees, parking fees, retail sales, rents and leases, and income from our international activities.

Amsterdam Airport Schiphol is an important contributor to the Dutch economy. It serves as one of the home bases for Air France-KLM and its SkyTeam partners, from which these airlines serve their European and intercontinental destinations. Amsterdam Airport Schiphol offers a high-quality network serving 301 destinations.

Strategy

The maintenance and reinforcement of the Main Port's competitive position, and that of Amsterdam Airport Schiphol in particular, is the single most important objective on which our strategy is focused. This strategy combines the airport's socio-economic function with our entrepreneurial business operations. The interconnection and interaction between these two elements are crucial for the robust and future-proof development of Schiphol Group going forward. Corporate Responsibility is an integral part of this strategy and has been permeating increasingly all aspects of our operations.

Stakeholders

Schiphol Group has many stakeholders and their interests can be quite divergent. We do our utmost to conduct an active dialogue with all our stakeholders. In this, and in everything else that we do, our core values play a key role: reliability, efficiency, hospitality, inspiration and sustainability. Achieving the ambition to be Europe's preferred airport calls for a culture driven by a desire to fulfil or, better yet, surpass the expectations of customers and local stakeholders.

Foreword

We can look back upon a successful year. In 2010 we had to deal with a number of events that hampered operations, such as the ash cloud and the extreme winter weather, events that left many thousands of passengers stranded at the airport. However, through the enormous efforts of people and equipment we were able to respond effectively to these challenges.

We are also satisfied with the growth in passenger numbers and cargo volumes. The spending patterns of passengers and visitors in the airport's shops and catering establishments indicate that the effects of the economic crisis are now behind us. Turnover in these segments rose even more sharply than the growth in passenger numbers.

The value of our property investments has not yet stabilised. This market, particularly in the Amsterdam region, is not yet out of the danger zone though we hope to see improvement at the Schiphol location during the course of 2011. Growth in passenger numbers and cargo volumes exceeded our expectations for 2010, which meant that we were able to raise turnover and profitability, thanks to sound management and tight cost-control measures.

In 2010, the network of destinations and flight frequencies was expanded to include 17 direct destinations, bringing the total to 301. Amsterdam Airport Schiphol now serves 274 passenger destinations, of which 116 are intercontinental. The backbone of the network of destinations and flight frequencies is formed by hub carrier Air France-KLM and the SkyTeam alliance. In short, the Schiphol Main Port is thriving and growing.

An important milestone in 2010 was the expansion of our interest in JFK International Airport Terminal. For Delta Airlines, one of the most important partners in the SkyTeam alliance, an expansion with nine new international gates is being realised, as well as additional space for baggage, customs and border-security facilities. Our collaboration with Aéroports de Paris, the second home base of hub carrier Air France-KLM, also strengthens our competitive position relative to other airports and has produced synergies in a number of areas.

In 2011 we will be launching an intensive management exchange programme.

The company's reorganisation, which began in 2009, was rolled out further in 2010. By concentrating on its core activities and a new way of working, the organisation has become more dynamic and lean & mean. In 2010 we said farewell to 137 colleagues and outsourced a number of business units. Despite the far-reaching nature of the reorganisation, it did not lead to any disruptions to operations. We are extremely grateful to all affected employees. The remaining non-core units will be outsourced in the first quarter of 2011, which will complete the reorganisation and yield a 20% staff reduction relative to 2009.

As Europe's preferred airport we will continue to expand on our core values: reliability, efficiency, hospitality, inspiration and sustainability. With the "I...Schiphol!" programme, we initiated a company-wide culture change process to become more focused on value creation and services for our customers. To prepare ourselves for the challenges that lie ahead, we also recruited fresh talent: ten talented trainees started work in late 2010.

Corporate Responsibility was further integrated into all of our business processes and we correspondingly raised our targets for Corporate Responsibility in 2010. We are members of Global Compact, a United Nations initiative whose participating companies commit to ten ethical and environmental principles. In 2011 Corporate Responsibility will be fully integrated into the planning & control cycle.

In 2010 we invested in more efficient and modern facilities to further our drive to be Europe's preferred airport. We took the world's most advanced baggage hall into operation and have realised a number of innovative and passenger-friendly facilities such as the renovated Holland Boulevard and the Innovative Gate in Pier G. Moreover, Holland Boulevard also offers the world's first Airport Library.

The past year was also marked by the discussion on airport charges. The change to our rate structure is essentially intended as a way for us



to recoup the large investments we have made in the baggage system – which have resulted in immediate cost benefits to the airlines – by introducing a charge per piece of baggage. However, this proposal has led to protests from a number of airlines. In response, KLM and Schiphol have commissioned a group of international strategy consultants to study the effects the proposed change will have on the Main Port, the network and the market. We expect to make an announcement on the study's results in 2011.

Looking ahead

In 2011 we will continue our entrepreneurial business management, centred around the sustainable development and maintenance of the Main Port as an international, multimodal transport hub that connects the Netherlands and the Randstad conurbation with the rest of the world. Developing the network depends on further pursuing our selectivity policy and developing the associated partnership with collaborating airports.

Amsterdam Airport Schiphol's priorities are the SkyTeam network, strengthening the

international network of destinations and flight frequencies and regaining market share. An important component of the Alders Agreement is the provision allowing Schiphol to handle 510,000 air transport movements (of a total demand of 580,000) up to and including 2020. We therefore need the national government to create space for the other 70,000 air transport movements at Eindhoven Airport and Lelystad Airport. If the projected market conditions and capacity utilisation levels allow and there is a sound financial basis for commercial operations, Schiphol will be ready to invest further in these airports.

In 2011 we will continue to develop Schiphol Group as an innovative and financially sound company. This means that we will strengthen our Main Port position in order to fulfil our role in optimally connecting the Netherlands with the rest of the world.

Jos Nijhuis
President and CEO

Report of the Supervisory Board

Annual Report

The Supervisory Board is pleased to present the Annual Report, which includes the financial statements for 2010. The financial statements were compiled by the Management Board. PricewaterhouseCoopers Accountants N.V. have audited the financial statements and issued an unqualified audit opinion in this respect, which can be found on page 267 of this report. The Audit Committee has 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 76 million on issued share capital. After additions to the revaluation reserve amounting to EUR 15 million and to the other statutory reserves of EUR 2 million, the remaining portion of EUR 76 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 2011. 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.

Events in 2010

In 2010 the Supervisory Board was closely involved with important events affecting Schiphol Group, and devoted a great deal of attention to the discussion with stakeholders on tariffs. 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.

Consultation procedure and discussion on rates

In 2009, the Supervisory Board had already held intensive discussions on how investments in, among other things, the baggage system (the 70 MB project) should be factored into the rates and the extent to which the airport fees affect Amsterdam Airport Schiphol's competitive position.

In 2010 we again received confirmation that Schiphol Group promotes interests that are not always in harmony with one another. For example, while generating a good return

for its shareholders is a clear and obvious aim, the company also serves the national interest. Schiphol Group facilitates the transfer network – largely operated by Air France-KLM – but it is also expected to be an open marketplace for other airlines that strengthen the Main Port and stimulate its development. It is against this background that the organisation must set its rates. The consultation procedure, which is an integral part of the rate-setting process, was prepared thoroughly and detailed discussions were held with the Supervisory Board regarding the proposal.

The Supervisory Board shares the Management Board's conviction that the network of destinations is of crucial importance for the Main Port function of Amsterdam Airport Schiphol. Air France-KLM and partners are an essential part of this network. At the same time, however, the healthy functioning of the overall network depends on the presence of other airlines. These other players help increase the number of destinations and frequencies, and the quality of connections available via Amsterdam Airport, as well as ensure healthy competition.

Furthermore, it is of great importance that the fundamental infrastructure at the airport is used to maximum efficiency, both during peak and off-peak times. It is against this background that Schiphol Group makes long-term investments in order to ensure that the network of destinations can continue to be served by one of the world's most modern airports. This long-term planning requires not just a sound financial base, but also a high degree of independence.

During the consultation procedure in August, it became clear that not all parties concerned agreed to the proposals. The Supervisory Board supports the decision made by the Management Board to defer the rate setting until further study results in increased support for a proposal.

Again in 2011, the discussion on rates involving direct and substantive dialogue with stakeholders will have the full attention of the Supervisory Board.

Participation in JFK IAT and collaboration with Delta Airlines

Throughout 2010, the Supervisory Board has kept itself abreast of developments concerning the expansion of the indirect interest in JFK IAT via Schiphol USA, a subsidiary of Schiphol Group. With the extension of Terminal 4 at JFK International Airport, Delta Airlines will become the most important customer of JFK IAT by far. The Supervisory Board has determined that this transaction is in line with Schiphol Group's international strategy to facilitate SkyTeam's operations as much as possible and hence consolidate the position of Amsterdam Airport Schiphol. The Supervisory Board was informed extensively, including at two special meetings held in January and March 2010, regarding the transaction and the possible risks and the Board has concluded it considers the shareholder's financing of the buy-out of the partners in JFK IAT as well as the collaboration with Delta Airlines to be sound and solid undertakings. Furthermore, the Audit Committee, in its meetings throughout 2010, has monitored the development of the identified risks and discussed its findings with the Supervisory Board.

Other subjects

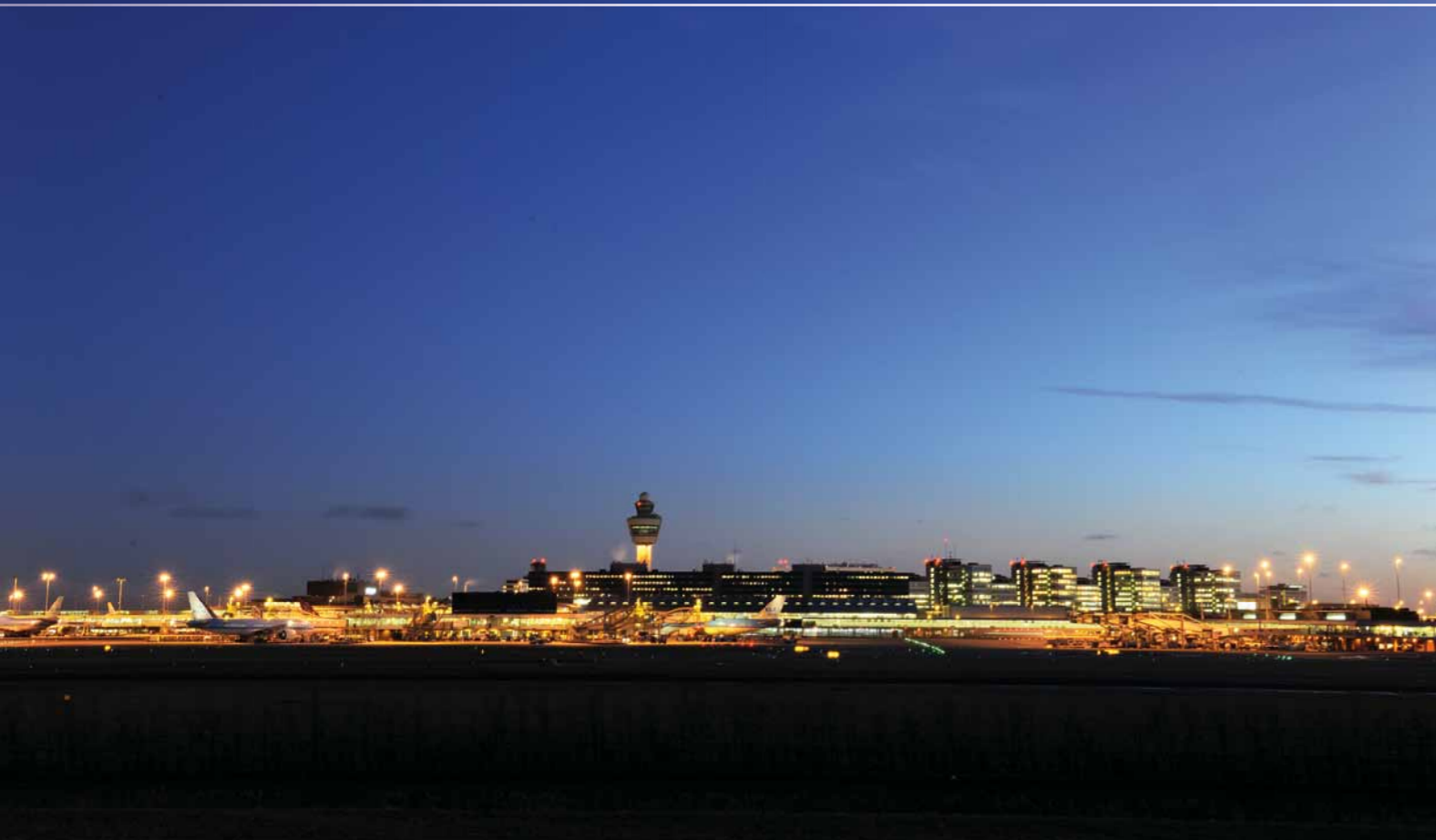
The airspace was closed in April and May 2010 as a result of the volcanic eruption in Iceland. The Supervisory Board discussed the ensuing state of affairs in detail with the Management Board and has concluded that the flexibility of the existing risk management systems is such that they are also suitable for unforeseen events such as the ash cloud.

In 2010 the Supervisory Board discussed and approved the 2011 budget and the 2011-2015 business plan.

In February 2010 the Supervisory Board discussed and approved the hotel development next to the existing Hilton hotel.

Strategic days were held in April and September, during which the Supervisory Board and the Management Board discussed Schiphol Group in a broader context as well as the group's long-term developments. For example, with a view to the expected growth in demand, the discussions took place on the 2025 Master Plan that offers two alternative development options: the Master Plan Southside Development, on the one hand, and the 'scale-up', which includes a new terminal, on the other. In this context, the expansion of the number of piers was also discussed. Other subjects that were dealt with during the strategic days were central security for the non-Schengen area, the evaluation of the Aviation Act, and the future of alliances in the aviation industry. The strategic days organised by the Supervisory Board provide in-depth knowledge and insight with regard to the company. An introduction programme and guided tours of the company also served as good training for both new and existing members.

In the autumn of 2010, the Supervisory Board conducted a detailed analysis of the current (internal) risk management systems and of the major risks confronting Schiphol Group. The Management Board incorporated the Supervisory Board's conclusions into the existing risk management systems. The Supervisory Board endorses the internal risk management system as described in the chapter on 'Business Risks' on page 96 of this Annual Report.



Corporate Responsibility was again an important item on the Supervisory Board's agenda for 2010, given that it forms an integral part of Schiphol's strategy. There was a strong focus on the concrete objectives and the reporting on social aspects of entrepreneurship that are relevant to the business.

On 21 December 2010 the Management Board and the Supervisory Board of Schiphol Group received a letter dated 15 December 2010 from Mr Lakeman on behalf of the Sobi Foundation (*Stichting Sobi*). The letter suggests potential manipulation of financial statements, falsification of return figures and a mixing of business and private interests by the Management Board of Schiphol Group.

In response to this letter the Supervisory Board ordered an independent inquiry. The inquiry was conducted by the law firm of De Brauw Blackstone Westbroek N.V., who were assisted by accountancy firm Ernst & Young LLP, which carried out a special audit.

This inquiry provided no information whatsoever that points to the manipulation of financial

statements or falsification of return figures of Schiphol Group. Neither did the auditors find any information that suggests that the Management Board has mixed private and business interests. The inquiry moreover shows that the control environment of Schiphol Group – and in particular the internal control and supervision – is robust. The results of the inquiry confirm therefore, that all of the accusations put forth by Mr Lakeman have no factual basis.

To conclude, the Supervisory Board had several meetings with the Management Board regarding the relationship with the various Schiphol Group shareholders. These meetings examined, among other things, the remuneration policy for the CEO, the participations policy of the Ministry of Finance and the role played by the shareholders in the discussion on rates.

Financial reporting

Each month, the Supervisory Board received reports from the Management Board that compared actual results with the 2010 budget, latest estimates for 2010 and the figures for 2009. 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 impact of the reorganisation on these results and costs, the profit development, and the funding and cash flow position.

In 2010, the financing of the company was secured both now and in the future by means of a funding plan. The Supervisory Board discussed and approved the creation of a financing facility of EUR 350 million with the European Investment Bank to fund the 70 MB programme. The Euro Medium Term Note (EMTN) programme has been continued and, in addition, in December, bonds issued under the EMTN programme were repurchased with a view to optimising the cash flow position and interest rate structure.

Also in 2010, we looked closely at the effect that the trend in results, the balance sheet ratios and the financial position have had on the company's creditworthiness. Creditworthiness has been under pressure since 2008, which is why the Supervisory Board is pleased to note that, as in 2009, we have been able to maintain the most important credit ratings again in 2010.

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 auditors 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 (CWC)

As in the previous year, the Supervisory Board, Management Board and Central Works Council held extensive discussions on the reorganisation that was launched in 2009. Members of the Supervisory Board attended all but one of the consultative meetings between the executive management and the Central Works Council. The Supervisory Board experienced all of these meetings as constructive and informative.

Internal affairs of the Supervisory Board

Composition

Since the end of 2010, the Supervisory Board has had seven members. On 15 April 2010, Mr Woltman stepped down from the Board after twelve years. Mr Van den Broek stepped down

from the Board in June 2010. The Supervisory Board expresses its profound appreciation for both Mr Woltman's and Mr Van den Broek's dedicated efforts for the company over the past years. The Supervisory Board would like to thank both gentlemen for the special sense of involvement they have shown as members of the Board.

On 15 April 2010, Ms Scheltema joined the Supervisory Board and has since been appointed as a member of the Public Affairs & Corporate Responsibility Committee. Ms Scheltema was appointed by virtue of the increased powers of recommendation of the Central Works Council in accordance with the company's Articles of Association. The Supervisory Board is currently well-advanced in the process for nominating a new member to be appointed by the General Meeting of Shareholders. To guide its nomination, the Supervisory Board looks at current requirements based on the Supervisory Board profile.

With the exception of Mr Graff, 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 146 and 147 of this Annual Report.

Meetings

The Supervisory Board met nine times in 2010, with two days of these meetings being dedicated to strategy. 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. Five meetings of the Supervisory Board were attended by all members; on three occasions one Board member was absent and on one occasion two members were absent.

In 2010, considerable attention was devoted to the evaluation of the Supervisory Board and its individual members. An analysis of the evaluation, carried out by external advisers, proved extremely worthwhile. The performance of the Supervisory Board was discussed both in the presence and absence of the Management Board, and an action list was drawn up for implementing the results of the evaluation. One of the possible actions identified is to shorten the term of appointment of twelve years for members of the Supervisory

Board. The evaluation process referred to above also carefully examined the committees of the Supervisory Board and their performance. The meetings held as part of the evaluation discussed, in addition to the performance of the Supervisory Board itself, both the performance of the Management Board as a whole and that of its individual members. This evaluation resulted in a constructive dialogue and an improvement in the quality of the meeting processes.

issues with the Management Board on numerous occasions. The members of the Supervisory Board also had contacts on a number of occasions with stakeholders both within and outside Schiphol Group.

The Supervisory Board wishes to warmly thank the Management Board and the employees of Schiphol Group for their marked commitment in 2010, both in the operations and beyond.

In addition to these meetings, the Chairman and other members of the Supervisory Board discussed

Schiphol, 16 February 2011
The Supervisory Board

Supervisory Board Committee meetings

Audit Committee

The Audit Committee met six times in 2010. The Audit Committee extensively discussed with the Management Board and the auditors the 2009 financial statements, the 2009 Annual Report, the 2010 interim report, the associated press releases and the 2010 internal and external audit plan.

The Supervisory Board discussed and approved the 2009 and 2010 financing plans. The Board also discussed policies regarding insurances and taxation. In addition, the Audit Committee devoted special attention to risk management and pensions. Finally, the Audit Committee organised closed meetings with the external accountant.

Selection & Appointments Committee

In 2010, the Selection & Appointments Committee played an organisational and leading role in evaluating the Supervisory Board. The Selection & Appointments Committee also prepared the profile for the vacant position filled by Ms Scheltema and the profile for the current vacancy. In both cases, the Committee worked in close consultation with shareholders and the Central Works Council.

Remuneration Committee

A detailed overview of the Committee's activities and a further explanation of the remuneration policy are provided in the Remuneration Report on page 150 of this Annual Report.

Public Affairs & Corporate Responsibility Committee

The Public Affairs & Corporate Responsibility Committee met three times in 2010. The Committee discussed the introduction of external auditing for Corporate Responsibility reporting in the Annual Report, and the necessary adjustments to Schiphol's organisational culture in order to stimulate Corporate Responsibility at all business divisions. The Committee also discussed the communication strategy for 2010.

The Supervisory Board's appointments policy aims to safeguard the complementary nature of the Board's members, especially as regards the knowledge areas listed in the Supervisory Board Profile (Appendix A to the Supervisory Board Regulations) that are relevant to Amsterdam Airport Schiphol. The overview below indicates the knowledge areas represented by each Supervisory Director. The need for expertise in the fields of retail and marketing is a consideration in the search for a candidate to fill the current vacancy.

Supervisory Board	Year of birth and nationality	Date of first appointment	1. EU / Globalisation	2. Aviation	3. Real estate	4. Retail / e-Business	5. Finance / accountancy, risk management	6. CR / environment	7. Marketing & Sales	8. Human resource management	9. Political and social climate Schiphol	10. Corporate governance / company law	11. Expertise on Amsterdam and region
A. Ruys (Chairman)	1947 Dutch	2006	•			•			•			•	
T. Maas - de Brouwer (Vice-Chairperson)	1946 Dutch	2001						•		•	•	•	
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	9
Audit Committee	6
Remuneration Committee	2
Selection & Appointments Committee	2
Public Affairs & Corporate Responsibility Committee	3

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)
F. Cremers	• (c)	•		
P. Graff	•			
H. Hazewinkel	•		• (c)	
M. Scheltema				•
W. Stevens	•		•	•

c = Chairman

Strategy and objectives

As Schiphol Group, we aim to rank among the world's leading airport companies, creating sustainable value for our stakeholders and positioning Amsterdam Airport Schiphol as Europe's preferred airport.

At the Main Port, interaction between mutually reinforcing businesses and activities has allowed Schiphol to develop into what it is today: an international hub of people, goods and services. In this capacity, Amsterdam Airport Schiphol serves as a multimodal hub for the Netherlands as it connects this country with the rest of the world, both in terms of passengers and air cargo. The airport facilitates the extensive global network of Air France-KLM, its SkyTeam partners as well as other airline alliances and airlines.

Maintaining and reinforcing the Main Port's competitive position, and that of Amsterdam Airport Schiphol in particular, is the single most important objective on which our strategy is focused.

This strategy combines the airport's socio-economic function with our entrepreneurial business operations. The interconnection and interaction between these two elements are crucial for the robust and future-proof development of Schiphol Group going forward.

Schiphol as a vital link in the Main Port chain

The Schiphol Main Port is of crucial socio-economic importance to the Netherlands, and to the Randstad and Amsterdam metropolitan regions in particular, owing to its worldwide network of destinations. This network forms the basis for sustainable value creation for all stakeholders.

The quality of the Main Port is determined by the network of destinations, the flight frequencies with which those destinations are served and the competitiveness of the airport and the region. Crucial to the network of destinations is the European and intercontinental destination network of Air France-KLM and partners.

Schiphol facilitates this network of European and intercontinental destinations and focuses on those destinations that deliver added value for the Main Port and the Dutch economy. As such, the airport acts as a 'hinge' between, on the one hand, a strong intercontinental network of connections with the world's major economic centres and emerging markets and, on the other, a fine-meshed intra-European network. This European network is important for O&D traffic and it feeds Air France-KLM's extensive transfer network.

Thanks to this network, Amsterdam Airport Schiphol plays an important role in attracting national and international companies that benefit from fast, intercontinental and European connections and an attractive business climate. As a result, not only does Schiphol provide direct employment for around 60,000 people at Amsterdam Airport Schiphol, it is also the driver of a huge amount of indirect employment both within the region and beyond. Around 120,000 people benefit from the employment thus generated.

The power of Schiphol Group was, is and will remain its ability to anticipate future demand from customers and to make timely investments, both in capacity and quality, as both are needed for the Main Port to retain its position and to be able to function as a competitive and reliable airport for airlines, passengers and cargo. Schiphol Group is able to do this because it is a financially sound enterprise that raises its investment funding from the capital markets without government support. Just like any other financially sound enterprise, Schiphol must be able to recoup its investments through the value it creates for its customers.

Amsterdam Airport Schiphol is an open marketplace in an open market economy. A comprehensive network calls for a wide array of airlines as they are able to expand and deepen the network and thereby offer passengers greater choice. Schiphol Group attaches great importance to maintaining an aviation regime that is as liberal as possible. As the home market is relatively small, the continued operation of a worldwide destinations

network from Amsterdam Airport Schiphol requires open market access.

For Schiphol Group, Corporate Responsibility is a self-evident part of its strategy and business operations. Schiphol Group wishes to be an enterprise that balances its focus between People, Planet and Profit. This is a condition for achieving our ambition to be, and to remain, Europe's preferred airport. Schiphol intends to play an active and leading role in promoting Corporate Responsibility, largely on the strength of innovation.

Without a good relationship with our environment, we cannot optimally fulfil our social function. The agreement reached with local communities and the government at the Alders Platform regarding the future selective growth of Amsterdam Airport Schiphol is an important frame of reference for implementing the Main Port strategy. In essence, the selective growth of Schiphol means that Amsterdam Airport Schiphol will be allowed to handle 510,000 air transport movements of a total market demand for 580,000 up to and including 2020. To achieve this, we need the national government to create space for (a total of) 70,000 air transport movements at Eindhoven Airport and Lelystad Airport.

In everything that we do, our core values play a key role: reliability, efficiency, hospitality, inspiration and sustainability. Achieving the ambition to be Europe's preferred airport calls for a culture driven by a desire to fulfil or, better yet, surpass the expectations of customers and local stakeholders and to constantly seek to achieve new objectives. This will require a

cultural change, a change that is essential if we are to achieve our objectives. The process of cultural change was started through the launch of the "I...Schiphol!" programme.

AirportCity boosts the Main Port

As a hub airport that hosts a leading hub carrier, Amsterdam Airport Schiphol is the pioneer of the successful AirportCity concept. This is a major component of our Main Port strategy, which links the growth of the airport to the development of our destinations network and the competitive power of the region.

This concept forms our business strategy and focuses on the integral development of aviation and non-aviation activities as carried out by our Aviation, Consumers and Real Estate business areas. Together, they make up the building blocks of a healthy enterprise. In this context, Aviation drives the activities of the Consumers and Real Estate business areas at Amsterdam Airport Schiphol. At the same time, Consumers and Real Estate strengthen Aviation by reinforcing our bond with passengers, cargo handlers and companies.

In our Aviation business area, we strive for competitive rates and a return that is equal to the weighted average cost of capital, within the framework of statutory economic regulations.

The Consumers and Real Estate business areas focus on earning economic profit from activities that contribute to the AirportCity concept and to a high-quality and distinctive business climate that is in tune with market developments.



the**GR**OUNDS
initiated by Schiphol





Strategic objectives for 2010	Achieved?
Maintaining and strengthening the competitive position of the Main Port and of Amsterdam Airport Schiphol, particularly with respect to passengers and cargo, through expanding the network of destinations and flight frequencies and preventing further erosion of market share in the catchment area.	✓
Guaranteeing future capacity for Main Port development by operationalising agreements on establishing a new standards and enforcement system and launching an experiment with the new enforcement system.	✓
Retaining an A rating for good access to the capital markets in order to finance investments that contribute to the continuity, capacity and quality of the Main Port.	✓
Completing the restructuring process through a reduction of absolute staff numbers and the outsourcing of non-core activities with the associated transfer of personnel.	✓
Improving efficiency and stimulating employees to support the Schiphol brand through the launch of the comprehensive "I...Schiphol!" programme, which encourages employees to reflect the core values of hospitality, efficiency, reliability, inspiration and sustainability in their day-to-day activities.	✓
Embedding Corporate Responsibility in the organisation with regular reporting, monitoring and focusing on the objectives and obtaining external recognition of the Corporate Responsibility policy. Also, integration of Corporate Responsibility into the Annual Report, with an assessment by the external auditor.	- / ✓
Improving the perceived value for money offered by Schiphol's commercial products and services (shops, catering, short and long-term parking).	✓
Realising the joint venture between Schiphol USA Inc. and Delta Airlines at JFK International Airport and the start of the Terminal 4 expansion of nine international gates for Delta Airlines.	✓

Regional airports

Of the three regional airports, Rotterdam The Hague Airport and Eindhoven Airport are independent entities, each serving its own specific market. In addition, they fulfil a useful role by serving a number of business destinations and partly accommodating non-Main Port-related traffic, such as holiday flights. Lelystad Airport forms an important strategic reserve under the Alders Platform agreements on the selective growth of Schiphol.

International

Our international focus is on better facilitating our most important customers by seeking collaboration with the foreign airports they value most. In concrete terms, this relates to our cross-participation in and cooperation with Aéroports de Paris and the 2010 expansion of our interest in Terminal 4 at JFK International Airport in New York. In this way we can improve our competitive position vis-à-vis other European airports and further strengthen the position of the Main Port. In addition, we will continue to ensure the proper management of our existing interests and international partnerships.

Most important strategic objectives for 2010 achieved

This is the first time Schiphol Group has published its non-financial objectives for a specific year in the form of an overview. The table on the facing page contains an overview of the group's performance in relation to objectives formulated for 2010.

While major strides have been made with respect to embedding Corporate Responsibility in the organisation, not all plans have been carried out and our efforts will continue in early 2011.

Strategic objectives for 2011

Schiphol Group has formulated a number of strategic objectives for 2011:

Main Port and rates

- 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 underlying covenants and, on the other, by making the required investments in the capacity and quality of the Main Port;
- Guarantee future capacity for the development of the Main Port;
- Implement a rate structure that supports Amsterdam Airport Schiphol's strategy and will be supported by its major stakeholders;

Commercial positioning

- Maintain and strengthen the competitive position of the Schiphol Main Port in the O&D market and the air cargo market;

Regulatory strategy

- 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 permanently improve our competitive position and financial performance;

Organisational development

- 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;

Quality of Amsterdam Airport Schiphol

- Detail a comprehensive Passenger Journey strategy to eliminate dissatisfiers, anticipate future requirements and developments, and improve passengers' perception of the value for money that we offer;

Corporate Responsibility

- Achieve the objectives formulated in 2010 in the areas of safety, the environment, people and society;

International

- Intensify the international cooperation with Aéroports de Paris (HubLink) and the parties involved in the development of Terminal 4 at JFK International Airport in New York.

Report of the Management Board

Following a lean 2009 that saw our profitability come under considerable pressure, 2010 was a year of recovery: recovery in passenger numbers, cargo volumes, expenditure per passenger and profitability. The net result rose from EUR 132 million to EUR 169 million. Encouraged by rising consumer confidence, we expect these positive developments to continue into 2011. However, the current geopolitical and economic situation as well as the many uncertainties in the world make it particularly difficult to give a reliable forecast of future developments.



Financial performance

In 2010, our total revenue went up by EUR 26 million, from EUR 1,154 million in 2009 to EUR 1,180 million in 2010. The increase in revenue is primarily attributable to the activities within the Aviation and Consumers business areas, driven in part by a 3.8% increase in passenger numbers at Amsterdam Airport Schiphol. The revenue of the Real Estate business area remained virtually the same, while the revenue of Alliances & Participations increased.

In 2010, the fair value gain on the property portfolio (which consists of property and land) was EUR 22 million (as opposed to a loss of EUR 40 million in 2009).

Land given out in lease or rent increased in value by EUR 36 million in 2010 (a decrease of EUR 1 million in 2009). The amount in 2010 includes a non-recurring increase of EUR 26 million as a consequence of an appraisal change such that it is now more in line with methods more commonly used by independent appraisers.

Property developments caused a fair value gain of EUR 4 million (EUR 3 million in 2009), while the existing property and land portfolio went down in value by EUR 18 million (down EUR 42 million in 2009).

Operating expenses fell by 2.3% (up 5.2% in 2009), from EUR 927 million in 2009 to EUR 905 million in 2010. A significant part of this decrease is attributable to a decline in the reorganisation costs by EUR 22 million and in the impairment costs by EUR 13 million.

The operating result went up by 58.6% in 2010 (down 36.4% in 2009), from EUR 187 million to EUR 297 million. Excluding fair value gains on the property portfolio, the operating result increased by 20.8% (down 17.4% in 2009), from EUR 227 million in 2009 to EUR 275 million in 2010. The air space closures on account of the volcanic ash cloud and the extreme winter weather at the beginning and end of 2010 reduced the 2010 operating result by approximately EUR 20 million in total.

The result for 2010 attributable to the shareholders (net result) is EUR 169 million (EUR 132 million in 2009). The net result, calculated for dividend purposes and excluding the fair value gains on our property portfolio and in 2009 excluding non-recurring tax income of EUR 33 million, is EUR 152 million (EUR 129 million in 2009).

The return on equity (ROE) amounted to 5.6% (4.5% in 2009).

Revenue

The Aviation business area accounted for 58.4% of revenue in 2010. The total revenue of the business area went up by 1.4% (5.0% in 2009). This increase is primarily attributable to a growth in passenger numbers by 3.8% and a rise in cargo transport by 17.6%. On 1 April 2009, the Aviation airport charges increased by 2.3% but those of Security decreased by 26%. In 2010, the airport charges remained unchanged in comparison with 2009. As a result, the revenue from airport charges rose by a mere EUR 10 million in 2010.

The total revenue of the Consumers business area went up by 5.1% (down 12.1% in 2009). This was due to higher concession revenue and retail sales on account of the growth in passenger numbers and higher average passenger spending; the latter went up by 4.7% to EUR 15.84. The rise in parking revenue was less sharp than that in passenger numbers.

The total revenue of the Real Estate business area went up by 0.8% in 2010 (down by 0.2% in 2009). This rise was caused by an increase in revenue relating to work carried out for tenants in our buildings, which was partly cancelled out by a slight fall in rental revenue. Despite a 5.4% increase in the total lettable floor area, attributable in part to the completion of the TransPort building and Cargo Building 19, rental income fell by 1.5% as a result of lower occupancy and lease incentives. The decline in the occupancy rate, by 2.9 percentage points to 86.5%, was nevertheless limited despite the difficult market.

The total revenue of the Alliances & Participations business area went up by 2.9% in 2010 (up 4.3% in 2009). This was largely the result of strong growth in traffic and transport at Eindhoven Airport.

Full details of the revenue and results generated by the individual business areas can be found in the relevant sections in this report.

EUR million	2010	2009	%
Aviation	697	688	1.4%
Consumers	299	284	5.1%
Real Estate	173	172	0.8%
Alliances & Participations	147	143	2.9%
Total revenue	1,316	1,286	2.3%
Intercompany revenue	- 136	- 133	2.5%
Revenue	1,180	1,154	2.3%

Operating expenses

The total operating expenses of the four business areas add up to EUR 1,041 million (EUR 1,059 million in 2009). After elimination of intercompany costs, the operating expenses amounted to EUR 905 million (EUR 927 million in 2009).

EUR million	2010	2009	%
Outsourcing and other external charges	522	509	2.6%
Employee costs	184	187	- 1.5%
Depreciation and amortisation	186	183	1.6%
Impairment	0	13	- 96.5%
Reorganisation	9	31	- 70.8%
Other operating expenses	4	4	11.2%
Total operating expenses	905	927	- 2.3%

Outsourcing and other external charges

The costs of outsourced work and other external charges went up by 2.6% in 2010 (down 2.2% in 2009), from EUR 509 million to EUR 522 million. At EUR 242 million, the total costs of security at Amsterdam Airport Schiphol, being the costs of the Security reporting segment, remained virtually unchanged in relation to 2009. This is equivalent to 37.0% of the operating expenses of the Aviation business area (2009: 37.7%). The total costs of security are included in various operating expense categories, the most important of which are the costs of outsourced work and other external charges, employee costs, and depreciation and amortisation.



The costs of outsourced work and other external charges also include costs such as:

- Maintenance (EUR 79 million); a rise of EUR 12 million owing to changes in the scheduling;
- Cleaning (EUR 27 million); a fall of EUR 1 million;
- Hiring of external personnel (EUR 24 million); a rise of EUR 2 million owing to the wintry weather, among other things;
- Energy and water (EUR 26 million); a fall of EUR 2 million owing to a lower purchase price of electricity and lower consumption;
- Purchasing costs for retail sales (EUR 30 million); a rise of EUR 2 million compensated by higher sales (EUR 5 million).

Employee costs

Employee costs fell by 1.5% in 2010 (up 2.3% in 2009), from EUR 187 million to EUR 184 million. Excluding the capitalisation of internal hours, employee costs went down by 2.5% in 2010, from EUR 200 million to EUR 195 million.

The costs of salaries, social security contributions and pension contributions went down because of a 6.7% decline in the average workforce (from an average of 2,496 FTEs in 2009 to an average of 2,328 FTEs in 2010). The effect of the average workforce reduction was partly cancelled out by higher costs on account of a general pay rise from 1 April 2010 of 0.9%, individual pay rises from 1 April 2010 and an expansion of the profit-sharing scheme under the new collective agreement.

Depreciation and amortisation

Depreciation and amortisation rose by 1.6% in 2010 (up 6.3% in 2009), from EUR 183 million to EUR 186 million. This increase by EUR 3 million is primarily attributable to investments in new baggage and security systems that were put into operation in 2009 and 2010.

Impairment

The impairment losses in 2010 amounted to EUR 0.5 million (EUR 13 million in 2009). The 2009 impairment losses concerned write-downs of contract-related assets and a number of abandoned projects.

Depreciation, amortisation and impairment	
EUR million	
2010	186
2009	196
2008	172

Reorganisation

In 2010, further substance was given to the reorganisation resulting from the reviewed strategy in 2009. As at the end of 2010, this resulted in the outsourcing of non-core activities and a decrease in staff numbers at the Schiphol location by around 5% in 2009 and around 13% in 2010. The total costs relating to the reorganisation amounted to EUR 9 million in 2010 (EUR 31 million in 2009). Most of the employees made redundant found alternative employment via the mobility centre, or took advantage of the arrangements offered by the Redundancy Plan.

Other operating expenses

A variety of operating expenses are presented under 'other operating expenses'. In 2010, as in 2009, no exceptional items were recorded.

Results

The operating result for 2010 amounted to EUR 297 million (EUR 187 million in 2009); a rise of 58.6% in comparison with 2009. This increase of EUR 110 million can be explained primarily by factors such as the difference of EUR 62 million in fair value gains/losses on our property portfolio (a gain of EUR 22 million in 2010 and a loss of EUR 40 million in 2009), the difference of EUR 22 million in one-off reorganisation costs (EUR 9 million in 2010 compared with EUR 31 million in 2009) and the impairment losses of EUR 13 million in 2009.

EBITDA, the result before interest, tax, depreciation and amortisation and impairment, amounted to EUR 483 million, which is up 26.1% from the figure of EUR 383 million in 2009.

The net financial expense rose from EUR 91 million in 2009 to EUR 115 million in 2010. This increase can be attributed in large part to the repurchase at the end of 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, which will be more than compensated by a lower interest expense in the years to come.

The share in results for 2010 amounted to EUR 57 million. This is EUR 30 million up from the figure of EUR 27 million for 2009, which increase can be attributed primarily to the transaction concerning JFK IAT member LLC, generating a one-off share in results of EUR 28.1 million (before tax).

Corporate income tax amounted to EUR 67 million in 2010 compared to EUR 10 million positive in 2009 and accounts for a change in net result of EUR 77 million. The effective tax burden for 2010 was 28.0%, which is higher than the nominal corporate income tax rate of 25.5%, primarily the result of a relatively high tax rate on the aforesaid one-off share in results and an expense of EUR 5 million caused by a write-down of deferred tax liabilities in connection with the adjustment of the tax rate to 25% as at 1 January 2011. The effective tax burden for 2009 was -8.1%, mostly as a result of the non-recurring tax income in that year of EUR 33 million.

In 2010, RONA after tax amounted to 5.9% (3.8% in 2009). Excluding the fair value gains on the property portfolio, RONA amounted to 5.3% in the year under review (4.3% in 2009).

Cash flow developments

The cash flow from operating activities rose slightly in 2010, from EUR 327 million to EUR 351 million. This is due primarily to an increase in operating result, the abolition of the imposition and remittance payment of the ticket tax, which had a negative effect of EUR 60 million on the 2009 cash flow, and an increase in 2010 of the interest paid on loans of EUR 65 million.

The cash flow from investment activities went up from EUR 213 million in 2009 to EUR 250 million in 2010. Of this increase, EUR 10 million was due to an investment in fixed assets in connection with the increase of our stake in JFK IAT.

The main investment projects in 2010 were:

- EUR 100 million for the 70 MB baggage programme;
- EUR 20 million for ICT;
- EUR 19 million for renovation of airport infrastructure;
- EUR 10 million for business continuity and fire safety;
- EUR 10 million for Schiphol Excellence Parking;
- EUR 10 million for security;
- EUR 6 million for Hold Baggage Security.

With EUR 164 million (EUR 143 in 2009), the Aviation business area accounted for the largest share of the overall investments in fixed assets. The Real Estate business area is the next largest contributor with EUR 52 million (EUR 43 million

in 2009), followed by Consumers with EUR 26 million (EUR 16 million in 2009) and Alliances & Participations with EUR 6 million (EUR 13 million in 2009).

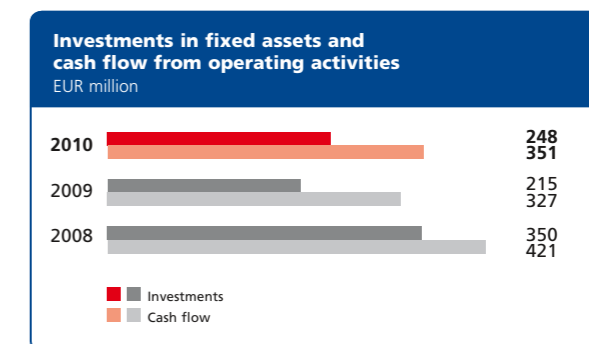
The net cash flow from operating and investing activities – the free cash flow – amounted to EUR 101 million in 2010, as opposed to EUR 114 million in 2009.

The cash flow from financing activities fell in 2010, from EUR 173 million to EUR 321 million negative, especially because no new long-term loans were raised (EUR 394 million in 2009). In 2010, the cash flow from financing activities comprised the buy-back of EMTN bonds with a nominal amount of EUR 150 million for a total amount of EUR 169 million. The difference of EUR 19 million is compensation for the difference between the market and coupon interest rates over the remaining term and is accounted for in the profit and loss of 2010. A dividend of EUR 65 million was distributed in 2010 (EUR 69 million in 2009).

The net cash flow was EUR 220 million negative in 2010 (EUR 287 million in 2009), which reduced the net cash balances and current bank overdrafts from EUR 524 million at the end of 2009 to EUR 304 million at the end of 2010.

Ratios

Schiphol Group uses several financial ratios as part of its financing policy. The business lending market and 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 payments. 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 187 of the financial statements.

FFO – funds from operations – is the cash flow from operating activities adjusted for operating capital. In 2010 the FFO went down from EUR 375 million to EUR 314 million. The decline in the FFO relates primarily to timing effects in the payment of interest, which caused an increase from EUR 49 million in 2009 to EUR 115 million in 2010. In January 2010, interest was paid for the first time on EMTN loans of EUR 800 million which were drawn in the autumn of 2008. This interest payment therefore concerned a period of 14 months. As the increase in paid interest is incidental, its negative impact on the two FFO ratios will be temporary.

The FFO/total debt ratio amounted to 17.0% in 2010, a fall compared with the 2009 figure of 18.5%. This is primarily due to the fact that the total debt declined less sharply than the FFO. Total debt is the year-end balance of all interest-bearing borrowings. This balance amounted to EUR 1,846 million as at 31 December 2010 (EUR 2,026 million as at 31 December 2009).

The FFO interest coverage ratio in 2010 was 3.8x, a deterioration in comparison with the 2009 figure of 4.4x.

In addition to these two ratios, Schiphol Group applies 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. As at year-end, Schiphol Group's leverage was 37.2%, down 3.3 percentage points on the year before (2009: 40.5%). This reduction is the result of a decrease in interest-bearing loans while the equity increased.

Rating

The Standard & Poor's long-term rating is 'A flat' with a stable outlook as at year-end 2010, and remained unchanged in 2010. Moody's long-term rating of A1 with a stable outlook was maintained as well. These long-term ratings are important especially as a means to retain access to the capital market even when market conditions are difficult, as we found during the depth of the credit crisis in the autumn of 2008. A good and stable rating also enables us to raise loans on favourable conditions. In this way the rating improves the financing options under the Euro Medium Term Note programme, but is also relevant in respect of bank facilities and other financing instruments, including the long-term facility agreed with the European Investment Bank in 2010.

Balance sheet developments

Schiphol Group's balance sheet total fell by 0.4% to EUR 5,506 million at year-end 2010 (EUR 5,528 million at year-end 2009). Fixed assets went up by 4.2% to EUR 5,000 million, due in particular to an increase in investment property, associates, loans to associates and derivatives. An important development in the current assets is the decline in net cash balances, from EUR 524 million at year-end 2009 to EUR 304 million at year-end 2010. Shareholders' equity increased by EUR 134 million to EUR 3,109 million, primarily because of the addition of the net result of EUR 172 million to the retained earnings and movements in the other reserves of EUR 27 million, which was compensated by the distribution of EUR 65 million in dividend in 2010.

Financing

The total amount of outstanding loans and lease liabilities fell by EUR 180 million in 2010, from EUR 2,026 million to EUR 1,846 million. This decrease was caused primarily by a buy-back of EUR 150 million nominal in bonds issued in 2008 under the EMTN programme with a term until 2014. The buy-back was motivated by the expectation that refinancing can be achieved at a lower rate and will reduce the repayment peak in 2014.

At year-end 2010, a total amount of EUR 1,361 million was outstanding under the EMTN programme (EUR 1,506 million at year-end 2009) through the issue of notes and public bonds with terms ranging from 2013 to 2038.

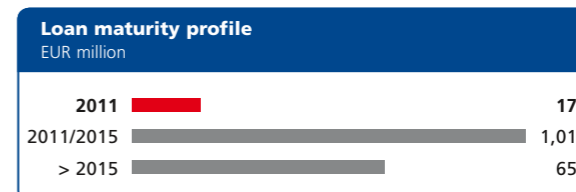
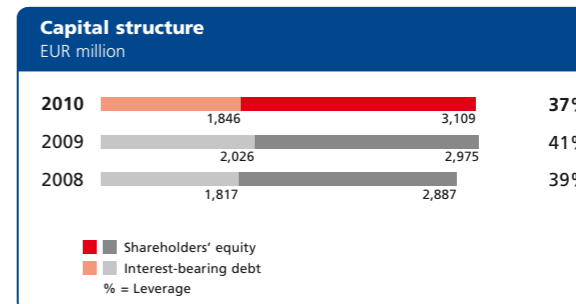
In addition, in 2009 Schiphol Group issued so-called Schuldschein notes (fixed-interest loans with terms of 7 and 10 years) for a nominal amount of EUR 195 million. In 2010 no changes occurred in the total of Schuldschein loans.

Since June 2008 Schiphol Group has also had a Euro-Commercial Paper (ECP) programme, in addition to the EMTN programme, under which it can attract short-term debt up to a maximum of EUR 750 million at current market interest rates for short-term paper. This facility was not used in 2010, and no liabilities are outstanding under this programme at present.

Schiphol Group extended its existing credit facility with five banks for a total amount of EUR 175 million. In addition, it entered into a 20-year loan agreement with the European Investment Bank for a facility under which a maximum of EUR 350 million can be drawn on favourable conditions. The European Investment Bank granted Schiphol Group this facility in view of its significant infrastructural investments in new baggage handling systems (the 70 MB programme). The first drawdowns on this facility will be made in 2011.

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 two to thirty 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.

The average interest expense, excluding the non-recurring financial expense of EUR 19 million in connection with the early repayment of EMTN bonds, amounted to 5.9% in 2010, which equals the level in 2009.



Aviation

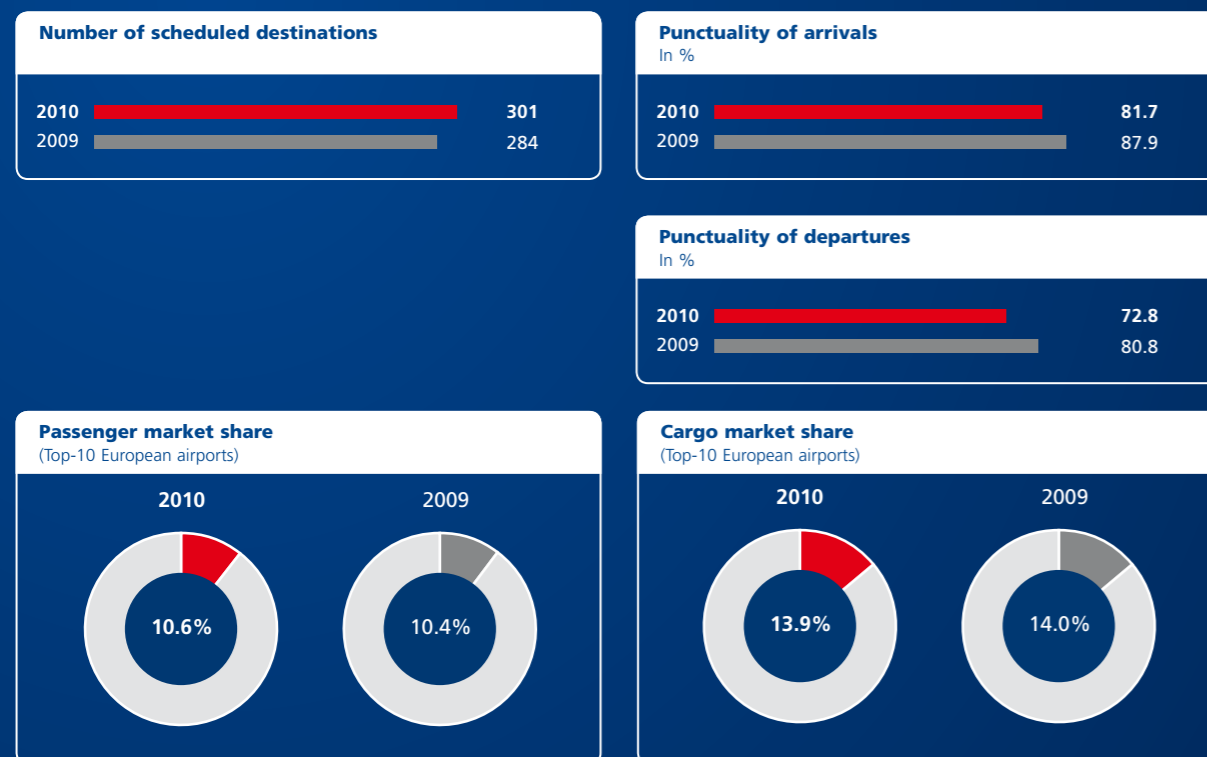
Sources of revenue: Airport charges (aircraft, passenger and security charges) and concession fees (paid by oil companies for the right to provide aircraft refuelling services). The Aviation business area operates at Amsterdam Airport Schiphol. It provides services and facilities to airlines, passengers and handling agents. The Netherlands Competition Authority (NMa) regulates the charges levied.



2010

- Net revenue up by 1.4%
- Increase in number of passengers (+3.8%) and cargo volumes (+17.6%), decrease in air transport movements (-1.3%), and strengthened network (+17 destinations)
- Operating result remained virtually unchanged, despite a negative effect of EUR 17 million in 2010 as a result of extreme winter weather and the volcanic ash cloud
- Effects of wintry weather on aviation operations limited thanks to effective response by our employees and deployment of snow fleet

Key Performance Indicators



EUR million	2010	2009	%
Revenue	697	688	1.4%
Operating expenses	652	643	1.5%
EBITDA	180	176	2.7%
Operating result	45	45	-0.5%
Average fixed assets	2,051	2,011	2.0%
RONA before tax	2.2%	2.3%	
RONA after tax	1.7%	1.7%	
Investments in fixed assets	164	143	14.2%

Financial performance

The Aviation business area's revenue rose by 1.4% in 2011 (5.0% in 2009) from EUR 688 million to EUR 697 million. This rise occurred despite a drop in air transport movements (-1.3%) and can be attributed to the higher number of passengers (+3.8%) and higher average aircraft weights.

At EUR 655 million (EUR 646 million in 2009), airport charges at Amsterdam Airport Schiphol accounted for the largest part of the revenue. EUR 235 million of these airport charges (EUR 240 million in 2009) are related to security activities. Effective 1 April, airport charges have remained unchanged. Concession fees relating to aircraft refuelling services and other activities amounted to EUR 42 million in 2010 (EUR 42 million in 2009).

The increase in airport charges is a combination of the following factors:

- Higher passenger service charges (EUR 13.9 million) caused by an increase in passenger numbers;
- Slightly higher take-off and landing fees (EUR 1.1 million), resulting from a higher average take-off weight per air transport movement, combined with a drop in the number of air transport movements;
- Lower security revenues (EUR 5.1 million), despite an increase in passenger numbers. This is due to a lower security charge effective from the second quarter of 2009;
- Lower parking fees (EUR 0.3 million) due to shorter stays by aircraft;
- Unchanged airport charges as of 1 April 2010.

Operating expenses of the business area rose by 1.5% (6.3% in 2009), from EUR 643 million to EUR 652 million. Maintenance costs went up by EUR 7.4 million, and so did depreciation and amortisation costs. This is mainly attributable

to the baggage system, which was put into operation in late 2009. The costs of outsourced work (EUR 2.9 million) also rose as a result of various outsourcing projects, as did costs for materials (EUR 2.7 million) largely attributable to the wintry weather and other external costs (EUR 2.6 million). The largest drop was caused by a EUR 11.7 million decline in other operating expenses. In 2009 and 2010, the addition to the provision for costs relating to the reorganisation was charged to this item. Personnel costs fell by EUR 1.7 million in 2010.

As of 1 August 2010, the costs of 'Apollo' (several of the additional security measures for High Risk Flights) were transferred from Amsterdam Airport Schiphol to the airlines. These security measures, mandated by the US government, were no longer required under Dutch law. It was thus deemed reasonable to pass on the ensuing costs to the relevant airlines.

Consultations were held with the Dutch government to assess whether there was any possibility for government funding of additional security measures for High Risk Flights. However, the government was unable to allocate any means for this purpose.

EBITDA rose by 2.7% in 2010 (3.3% in 2009), from EUR 176 million to EUR 180 million. Operating results remained virtually unchanged, at EUR 45 million (-11.5% in 2009).

Investments in 2010 amounted to EUR 164 million (EUR 143 million in 2009). The most important investments were made in the baggage system (70 MB programme) and major maintenance.

The RONA after tax of the Aviation activities rose by 0.2 percentage points to 1.9%.

The RONA after tax of Security activities fell by 1.8 percentage points to -0.1%.

EUR million	Aviation		Security		Business area	
	2010	2009	2010	2009	2010	2009
Revenue	456	441	241	247	697	688
Operating expenses	410	401	242	242	652	643
Operating result	46	40	-1	5	45	45
Average fixed assets	1,843	1,800	208	211	2,051	2,011
RONA after tax	1.9%	1.7%	-0.1%	1.7%	1.7%	1.7%

Growth in terms of passengers, cargo and network

Maintaining and strengthening the Main Port position and the competitiveness of Amsterdam Airport Schiphol is our most important objective. Passengers, cargo and our network of destinations are our most important drivers in this regard.

The extreme winter weather at the start and end of this year and the volcanic eruption in Iceland thwarted 2010's gradual recovery in the wake of the 2009 economic crisis. The winter caused a great deal of inconvenience, including delays and flight cancellations. The airspace over large parts of Europe was closed for almost five days in April as a result of the volcanic ash. As a result, Amsterdam Airport Schiphol lost approximately 690,000 passengers.

In 2010 the total passenger volume (including transit passengers) grew by 3.8% (-8.1% in 2009) to over 45.2 million. The number of O&D passengers (passengers departing from or travelling to Amsterdam Airport Schiphol as their final destination) rose by 7.0% (-8.9% in 2009) to a total of almost 26.4 million. The number of transfer passengers dropped by 0.6% (-7.2% in 2009) to over 18.7 million.

Europe, the continent that represents the largest passenger volume by far, showed the largest growth in absolute passenger numbers. Transport within Europe grew by almost 795,000 passengers, reaching a total of over 29.8 million; an increase of 2.7% (-8.6% in 2009). Over 28% of this increase can be attributed to Turkey, and over 27% to Spain.

Transport to and from North America, the second largest continent in terms of passenger numbers, grew by almost 100,000 passengers to a total of 5.3 million; an increase of 1.9% (-11.6% in 2009). The Middle East, the smallest continent in terms of passenger numbers, showed the largest relative growth, fuelled by the commencement of flights by Emirates to Dubai in mid-2010. With an increase of 17.7% (-5.0% in 2009), the number of passengers to be transported to and from the Middle East totalled almost 1.3 million. Passenger numbers on flights to and from Asia rose by 6.8% (-6.7% in 2009) to over 4.0 million. The number of passengers transported to and from Africa grew by over 225,000 – 8.9% (-0.6% in 2009) – to a total of 2.8 million passengers, while close to 2.0 million passengers were transported to and from Central and South America; an increase of 3.6% (-5.5% in 2009).

As in previous years, July was the busiest month with over 4.7 million passengers; 4.4% more than in July 2009. On 31 July 2010 – the busiest day – over 163,700 passengers travelled from, to or via Amsterdam Airport Schiphol; 3.6% more in comparison with the busiest day of 2009.

Of the top 2010 European airports, Amsterdam Airport Schiphol's market share grew by 0.2% to 10.6%. It thus remains the fifth-largest passenger airport in Europe. As in previous years, the top ten list is headed by London Heathrow, followed by Paris Charles de Gaulle, Frankfurt and Madrid.

The number of passengers carried by the largest hub carrier, Air France-KLM, and its partners in 2010 grew by 568,000 to more than 28,9 million. This represents a 2.0% increase in comparison with 2009 (6.3% in 2009); note that this percentage was tempered by Continental Airlines' move from SkyTeam to Star Alliance. The average occupancy rate for hub carrier aircraft rose by 3.7 percentage points to 78.7%. It should be pointed out that the total number of available seats declined by 2.7%.

The largest growth – in both absolute and percentage terms – can be attributed to the low-cost airlines. In 2010, the number of passengers to be transported by low-cost

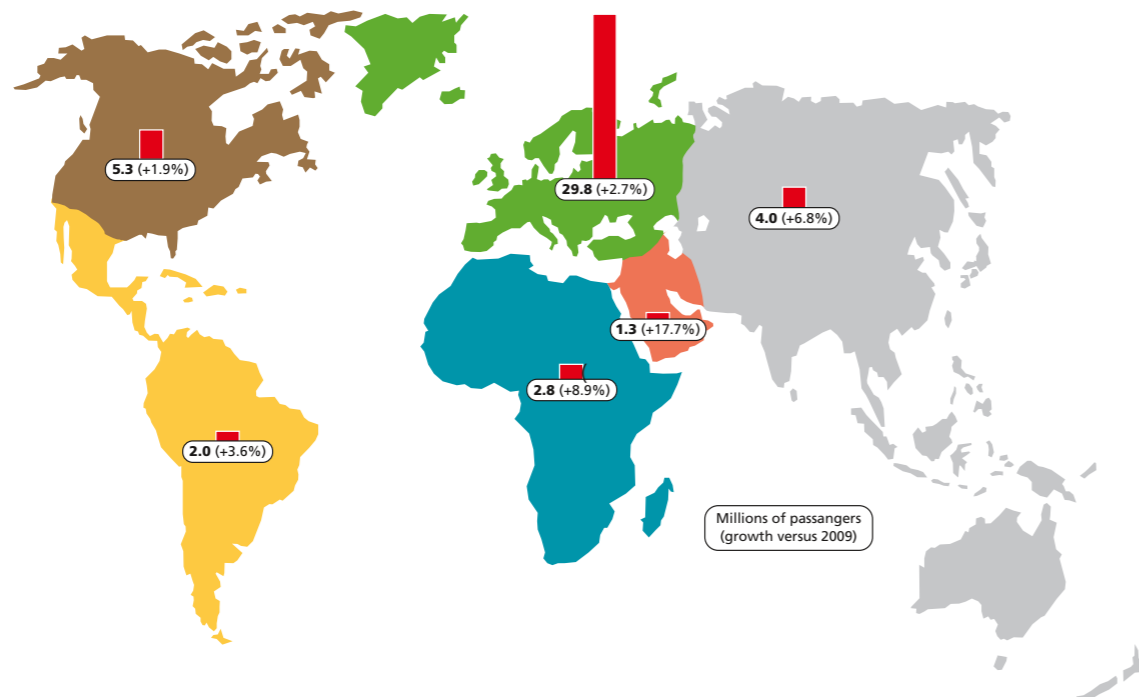
carriers grew by over 746,000 to a total of over 5.3 million; this represents a growth of 16.3% (-10.8% in 2009). The low-cost airlines offered 13% more seats than they did in 2009, with occupancy rates for the available seats also showing an increase. The average occupancy rate for a low-cost carrier seat rose by 2.0 percentage points to 77%.

The average overall occupancy rate for passenger aircraft reached a new record in 2010 at 77.1%; 3 percentage points higher than the occupancy rate for 2009 (74.1%). The previous record in 2005 stood at 76.0%.

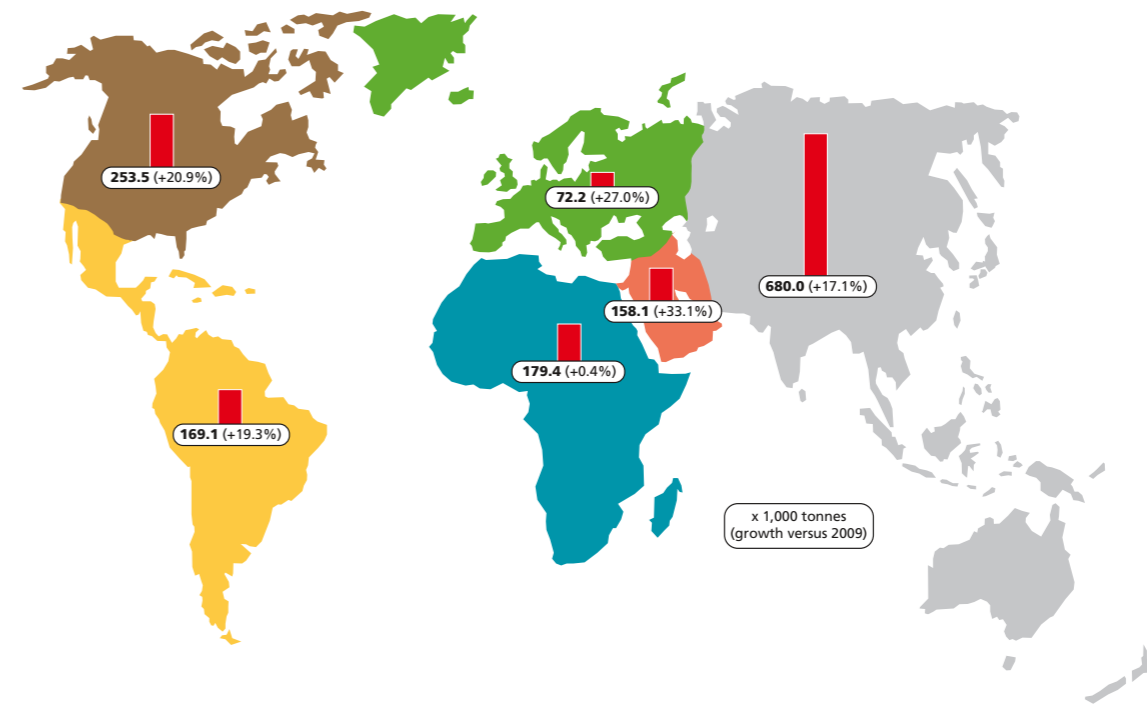
Cargo transport recovers

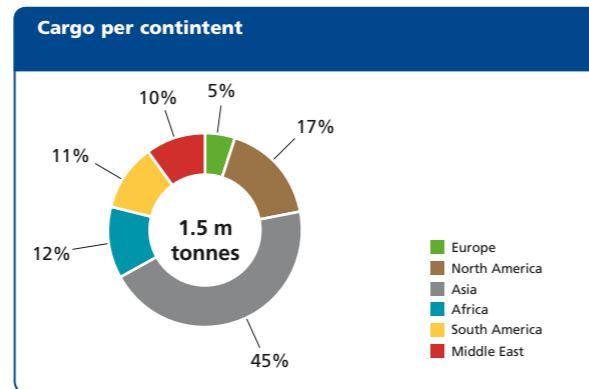
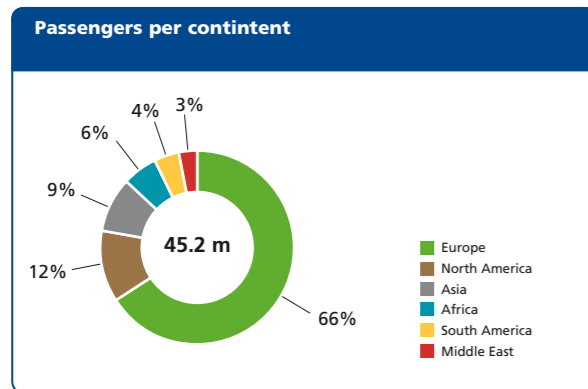
With the economy showing signs of recovery, cargo volumes grew by 17.6% in 2010 (-17.9% in 2009) to a total of 1,512,000 tonnes; an increase of 226,000 tonnes. The recovery started in the last quarter of 2009 and continued into 2010. With most companies' stocks replenished and the government scaling down its economic stimulation measures, growth rates declined somewhat in the second half of the year. The full freighters played the most instrumental part in the recovery: the amount of transport with aircraft designed solely for cargo increased

Passenger volume and growth per continent



Cargo volume and growth per continent





by 23.8% (-24.9% in 2009), from over 696,300 tonnes in 2009 to 862,200 tonnes in 2010. Cargo transport with aircraft used to transport both passengers and cargo grew by 10.2% in 2010 (-7.9% in 2009); from over 590,000 tonnes to 650,000 tonnes.

Cargo transport expanded on all continents. The Middle East showed the most significant recovery with an increase of 33.1%, having incurred the greatest losses in 2009 following a -32.7% decline. Cargo volumes to and from this region grew by almost 40,000 tonnes to a total of over 158,000 tonnes. With all continents showing growth percentages of 17% or more, cargo transport to and from Africa increased by just 0.4%; the continent also saw the smallest decline (-5.7%) in 2009.

Asia and North America remained the most important regions for cargo transport. 2010 saw the volume of cargo to and from Asia grow by 17.1% (-19.1% in 2009) from close to 581,000 tonnes to nearly 680,000 tonnes. The cargo volume for North America grew by 20.9% (-21.5% in 2009), from 210,000 tonnes in 2009 to nearly 254,000 tonnes in 2010.

Amsterdam Airport Schiphol was able to maintain its third place in the top ten European cargo airports. Paris Charles de Gaulle and Frankfurt continue to top this list. Schiphol's market share fell by -0.1 percentage point to 13.9%. Frankfurt (+0.4), Paris Charles de Gaulle (+0.1), Leipzig (+0.4), Liège (+0.6) and Milan Malpensa (+0.2) airports all expanded their market shares.

A more extensive network and more airlines

In 2010, 106 carriers connected Amsterdam Airport Schiphol to 301 destinations on a regular basis.

Passengers could choose from 274 regular destinations, nine more than last year. The number of intercontinental destinations increased by five in comparison with 2009, reaching a total of 116. KLM added Hangzhou and Kigali to its network and Arkefly launched new services to Colombo and Goa. Amsterdam was also connected with the Iraqi city of Erbil following the launch of Viking Hellas Airlines. On balance, the number of European scheduled flight destinations increased by four, reaching a total of 158. Vueling added Bilbao and La Coruna to its network, Estonian and Air Baltic launched services to Vilnius and easyJet connected Amsterdam to both Doncaster Sheffield and Berlin Schönefeld.

The passenger destinations were offered by a total of 91 airlines. In 2010 Amsterdam Airport Schiphol welcomed Emirates, Garuda Indonesia, Cimber Sterling, SmartWings and Viking Hellas.

The number of regular destinations serviced exclusively by full freighters expanded by eight to a total of 27. All but three of these destinations were intercontinental. As in 2009, a total of 24 full-freighter airlines were active at Amsterdam Airport Schiphol on a regular basis. Nine of these airlines also had operations in the passenger segment.

Air transport movements

The number of commercial air transport movements at Amsterdam Airport Schiphol fell by 1.3% in 2010 (down by 8.7% in 2009), from 391,264 to 386,316 movements. The number of air transport movements carried out by passenger aircraft fell by 1.8% (down by 8% in 2009), from almost 377,700 to 370,711 in 2010. The total number of available seats, over 58.7 million, saw a less severe decline in 2010 due to the deployment of larger aircraft. The average seating capacity per aircraft increased by almost three seats, to a total of over 158. This is mainly attributable to KLM's decision to decommission the Fokker 50 – a small aircraft responsible for a large number of air transport movements – in the first quarter of 2010. The average maximum take-off weight (MTOW) also increased. In 2010, the average passenger aircraft weighed 94.2 tonnes, a good two tonnes heavier than the average MTOW for 2009.

The number of air transport movements carried out by full freighters rose again in 2010 by 14.9% to a total of 15,605 movements, following the 2009 freefall (-23.7%). With the deployment of larger aircraft, the average MTOW rose from 323 tonnes in 2009 to 331 tonnes in 2010.

Competitive charges

The operation of Amsterdam Airport Schiphol is subject to economic regulation (Aviation Act governing the operation of Amsterdam Airport Schiphol), which stipulates, amongst other things, that:

- airport charges are to be determined under the supervision of the Netherlands Competition Authority (NMa);
- the aviation industry be consulted during this process;
- the return on aviation activities is capped to the level of the weighted average cost of capital (WACC) for the aviation activities;
- surpluses and/or deficits relative to this return must and/or can largely be settled with charges for a subsequent period.

Due to the fact that the reporting guidelines in the Aviation Act differ from IFRS, the published RONAs based on IFRS will differ from the return under the Aviation Act. The actual returns on

the Aviation business area in 2010 were also lower than the maximum permitted level. This is because Schiphol has opted not to maximise charges for 2010 and to forego a EUR 49 million settlement it was entitled to, in view of conditions in the aviation sector and the need for the airport to maintain its competitive position.

However, thanks to unexpectedly favourable developments in the area of traffic and transport, revenue from airport charges for 2010 was considerably higher than initial projections in the second half of 2009 would have suggested.

Charges in 2011

New investments may be included in the charges once they – or parts thereof – become operational. With a significant part of the new baggage system having become operational in late 2010 and airlines now enjoying the resulting benefits, the costs can be factored into the charges. Effective 1 April 2011, airport charges will rise by an average of 0.6%. This percentage takes into account settlement of the statutory refund of the positive difference caused by favourable developments in traffic and transport volumes over 2010.

Adjustment of rate structure

We proposed a new rate structure during consultations with the aviation sector on our rates as of 1 April 2011. The effects this new rate structure will have on the Main Port and the network are currently being studied by a group of international strategy consultants. Under our proposed rate structure, a rate is to be charged per piece of baggage. This will allow the aviation sector to do its part in financing the value creation we have realised on its behalf. The handling of transfer-passenger baggage has substantially improved thanks to large investments made in the baggage system, which has yielded significant savings for the airlines.

A difference of opinion regarding the consequences of these proposed adjustments subsequently has arisen between Amsterdam Airport Schiphol and a substantial number of airlines. The decision was thus taken to reconsider the rate structure adjustment and initiate an external study to assess how the proposed adjustment would affect the Main Port



and the network. KLM and Schiphol have jointly commissioned this study, which is being conducted by international strategy consultants.

Appeals

June 2010 saw hearings at the Rotterdam District Court on appeals regarding the airport charges effective from 1 April 2009. In July 2009, the NMa ruled that easyJet's complaint regarding the relatively high charges for O&D passengers was unfounded. easyJet subsequently filed an appeal against this decision. Schiphol itself filed an appeal against the NMa's ruling that the costs of facilities at Runway 18R-36L - designed to reduce the noise caused by aircraft -, the costs of recruiting and training baggage handling staff and the unexpected costs of external audits of the allocation system could not be factored into the charges.

The court rejected both appeals in its ruling in late November 2010. New appeals have been filed in both cases, by easyJet and Schiphol respectively. easyJet is now seeking to bring the case before the Court of Justice of the European Community.

The NMa is currently reviewing easyJet's complaint regarding the new charges effective 1 April 2010. This complaint is similar to the complaint regarding the charges effective 1 April 2009.

Cost efficiency

Amsterdam Airport Schiphol strives to achieve competitive visit costs and aims to ensure an optimally competitive cost level, while at the same time taking into account the necessary investments in the interest of the Main Port and desired quality level. In view of its special position as a transfer airport, Amsterdam Airport Schiphol has a special focus on the transfer passenger process – punctuality, baggage handling, efficiency and comfort at the airport are all key parameters in this regard. The costs incurred by Amsterdam Airport Schiphol in its efforts to safeguard these processes often result in cost savings and competitive advantages for users, thus adding value to the chain (such as the quality of baggage handling and the achievement of transfer time targets). Most cost

categories are variable to only a limited degree, and any efforts to achieve savings in these areas will require striking a careful balance with aspects such as capacity, safety and quality.

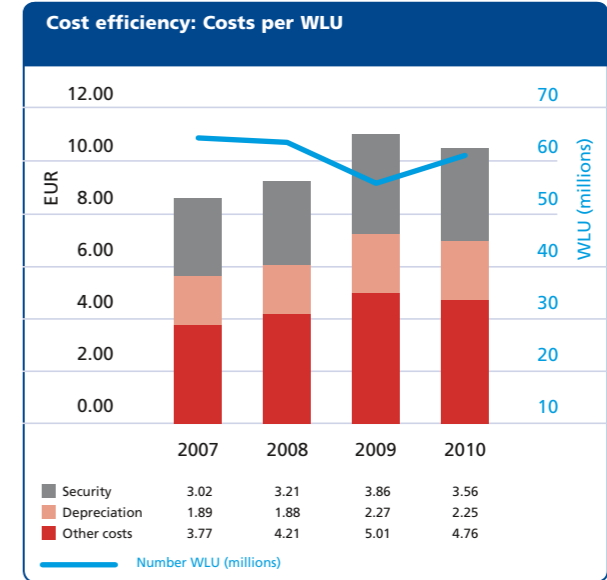
The cost per Work Load Unit (WLU) is the most important efficiency benchmark in terms of our own costs. One WLU equals 1 passenger or 100 kilograms of cargo. The costs per WLU dropped by 5.1% in 2010 (+19,0% in 2009), from EUR 11.14 in 2009 to EUR 10.57 in 2010. This decline is mainly due to the fact that the number of WLUs increased by a relatively higher rate than total costs.

Operating capacity

Ongoing and carefully timed investment ensures that Amsterdam Airport Schiphol has sufficient capacity. The airport's existing runway system has the capacity to handle around 600,000 air transport movements a year. According to current estimates, this is more than enough to meet demand until approximately 2020/2025. The statutory environmental noise limits, however, restrict the available capacity. As regards the period after 2020/2025, the Dutch government's plans to earmark space for a potential parallel Runway 06-24 will play a key role. Following operational improvements, the current terminal would have sufficient capacity to handle approximately 65 million passengers, depending on developments in the peak pattern. Further expansions would allow us to grow to around 85 million passengers per annum at this site.

A number of important 70 MB programme milestones were reached in 2010. The aim of this investment programme is to boost the reliability, flexibility and capacity of our baggage system to accommodate up to 70 million pieces of baggage per year. The new baggage system is 'state of the art' thanks to the application of new technologies such as robots.

November saw the successful commissioning of the new Baggage Hall South, a major component of the 70 MB programme. One of the next projects to be realised in the 70 MB programme is the Backbone project. This project will link up existing and new baggage systems and will increase operational reliability.



Airspace and environmental capacity

We face the challenge of maintaining and strengthening the competitiveness of Amsterdam Airport Schiphol and the Main Port in a complex environment with many stakeholders. In order to achieve this objective, Amsterdam Airport Schiphol works in close collaboration with a large number of parties and at various levels, within the aviation sector, with government bodies and with other (local) stakeholders. These intensive consultations allow Amsterdam Airport Schiphol to reach agreements with its surroundings on noise reduction measures and quality of life improvements.

To guarantee sufficient and reliable capacity in the air, we have shared responsibility with our partners. Together with Air Traffic Control the Netherlands (LVNL), KLM and other airlines, Schiphol ensures that the noise capacity allotted by the government is not exceeded. In order to make the best possible use of the scarce noise capacity, we encourage airlines to use quieter aircraft and to make selective use of night-time capacity. This is accomplished through price differentiation in take-off and landing fees (noisier aircraft pay higher rates) and various operational measures.



Alders Platform

Following consultations with local residents, aviation sector parties, regional authorities and the national government as a part of the 2008 Alders Platform, agreements were reached on the airport's development until 2020. In February 2009, the Lower House of the Dutch Parliament formally adopted the Cabinet's position concerning the recommendations issued by the Alders Platform. The key premise is that Amsterdam Airport Schiphol will be permitted to grow to 580,000 air transport movements in 2020, part of which (70,000 movements) will be handled at the regional airports Lelystad Airport and Eindhoven Airport as part of the selectivity approach.

In three covenants (www.schiphol.nl/cr) we have reached agreements on measures to limit nuisance, noise related and otherwise, on the development of Amsterdam Airport Schiphol in the medium term and on measures to improve the quality of life in the surrounding region. Amsterdam Airport Schiphol is working to implement the covenants in collaboration with the various stakeholders.

Standards and enforcement system

One agreement concerns conducting an experiment to assess a new noise enforcement system, as the current system is too complex. In August of 2010, the Alders Platform presented a new system to the Cabinet as part of its recommendations. The Cabinet and Lower House adopted this recommendation, and the experiment was subsequently launched on 1 November. The new noise system is based around the principle that runways causing the least amount of disturbance will be used as often as possible, such that the surrounding area is provided at least the same amount of protection as in the current system. The new system will be piloted for a period of two years, after which the Alders Platform will evaluate the experiment. The current system of limit values at enforcement points will remain in force until a decision has been made on a new noise enforcement system.

Noise reduction measures

2010 again saw further progress in terms of noise reduction measures around Amsterdam Airport Schiphol, such as the further implementation of the permanent

turning radius near Hoofddorp. This resulted in a further decline in the number of people affected by serious noise hindrance from the airport. In 2010 various successfully tested noise reduction measures were laid down in the Aviation Act. For example, the location of various take-off routes was optimised.

Two noise reduction experiments were conducted in 2010. The first experiment consisted of extending the night-time regime from 6:00 to 6:30 a.m. During the night, the use of runways is restricted and incoming aircraft must use silent approaches while departing flights must make use of special night routes. This experiment was extended for six months, and will now run until May 2011.

As part of the second experiment, all KLM Boeing 737s use the permanent turning radius from Runway 06-24. Initial results have been positive, and the experiment has since been expanded to include other KLM aircraft types. There are also plans to include other airlines in the experiment, in order to determine with greater accuracy whether such measures would actually help reduce noise levels.

Covenant on maintaining and strengthening the Main Port function and network quality

As a part of the Covenant on maintaining and strengthening the Main Port function and network quality, the Dutch government and Schiphol have entered into mutual agreements on the optimal utilisation of Amsterdam Airport Schiphol's capacity. The policy comprises a coherent and balanced set of measures designed to strengthen the Main Port and promote traffic that supports this objective. Apart from further continuation of the policy discouraging noisy aircraft, no additional measures were taken over the past year in view of the lack of growth in traffic. In 2010 the number of flights arriving at Amsterdam Airport Schiphol flown by the noisiest types of aircraft was just half of the 2008 figure and amounted to around 0.4% of the total number of flights.

Ground noise

On 29 November 2010, Schiphol started the construction of ground ridges to the southwest of Runway 18R-36L, on land owned by the airport. Schiphol is currently holding consultations on measures for land plots held by other landowners in the area.

The ground ridges are designed to reduce ground noise for Hoofddorp residents by 10 decibels. Ground noise is emitted during take-off and due to its low frequency cannot be blocked by sound barriers.

Regional airports

In 2010 Mr Alders consulted with Eindhoven Airport and Lelystad Airport on creating the required capacity in connection with the Cabinet decision to allow both airports to expand by a combined total of 70,000 air transport movements by 2020. For Eindhoven Airport this led to a recommendation that the airport expand in two phases by an additional 25,000 movements. In Lelystad, the various parties needed more time to further investigate a number of issues concerning, among other things, the noise allowance and extension of the runway.

Noise capacity

Under the current enforcement system, the level of noise impact on the surrounding area 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 (23:00 to 07:00 hours).

The 2010 operating year (1 November 2009 through 31 October 2010) ended without any breaches of aircraft noise limits at enforcement points.

In 2010 major maintenance was carried out on the 09-27 Runway. The runway was out of use for approximately 3.5 weeks. The other runways were also closed for approximately one week in order to allow for regular maintenance. For the duration of the maintenance period, all air traffic is handled at other runways,

thus causing a redistribution of noise levels. The Inspectorate of Transport, Public Works and Water Management determines temporary limit values prior to the start of major maintenance.

Provision of information

The supply of information is crucial. Providing explanations and pro-actively informing local residents means people have a better understanding of noise load issues. This is the responsibility of the Local Community Contact Centre Schiphol (Bas), which actively informs the community about everything concerning the airport and the immediate residential environment. In 2010, Bas further expanded the provision of information to local residents.

In addition to its quarterly and half-yearly reports, Bas now also publishes a digital newsletter, in order to respond more rapidly to current developments and provide more in-depth background information. Bas also provides a free e-mail notification service for local residents, who can sign up to stay informed of important operational developments. The Bas website (www.bezoekbas.nl) is expected to begin publishing online information on air transport movements to and from Amsterdam Airport Schiphol in 2011.

Over the course of the 2010 operating year 5,387 people reported aircraft noise to Bas. This figure is 2.1% higher in comparison with 2009. In order to analyse the nature of these reports, Bas distinguishes between specific reports, period of time reports and other reports. In 2010, the total group of complainants filed 212,335 specific reports, 33,477 period of time reports and 1,795 reports in the category 'other'. A small minority (2.1% of all complainants) are known as 'structural complainants'. This group is responsible for 88.9% of all reports. For this reason Bas mainly focuses on the other group of complainants, also referred to as the

focus group. The 5,272 people in this focus group filed 5.3% fewer specific reports and 0.3% fewer period of time reports.

Efficient operation

We are constantly striving to improve operating efficiency, safety and security and the quality of the products and services we provide to airlines, passengers and handling agents.

Collaborative Decision Making (CDM)

The CDM Programme underwent a major development at Amsterdam Airport Schiphol in 2010. CDM aims to standardise the processing and identification of flight times across Europe. Thanks to CDM, all partners have simultaneous access to the same operational information, allowing for the optimal deployment of equipment, people and infrastructure (aircraft, handling and gates). CDM is also essential in ensuring more effective use of European flight plan network capacity. In 2010 Amsterdam Airport Schiphol, LVNL and KLM initiated the introduction of CDM and invited other airlines and handlers at the airport to take part.

The first step was completed in November, with the system providing more accurate arrival times made available to all airlines and handlers via a special website.

Volcanic ash cloud

A volcanic ash cloud from the Eyjafjallajökull volcano in Iceland was responsible for a great deal of disruption during five days in April and one day in May. A large portion of the European airspace was shut down for several days, leaving thousands of passengers stranded at various airports. Amsterdam Airport Schiphol successfully accommodated all stranded passengers.

European efforts are underway to develop a uniform approach, define standards for fly and no-fly zones and provide rapid access to ash concentration measurements in the event of a similar eruption. Amsterdam Airport Schiphol is involved in these efforts through the Airports Council International (ACI) Europe trade association.

Snow and ice control measures

With 44 snow days and 55 days of frost, the winter of 2009 / 2010 was far harsher than most winters at Schiphol, which see an

average of six snow days and 38 days of frost. Snow days are days on which the airport's snow removal fleet is required to clean the runways. Thanks to the massive deployment of people and equipment, the airport managed to remain open for air traffic.

In order to prevent ice from forming, the runways, taxiways and aprons are preventatively sprayed with a de-icing agent. In February 2010, the airport switched from potassium acetate to potassium formate. In total, 1.5 million litres of potassium acetate were used to de-ice the various surfaces, along with 1.9 million litres of potassium formate, totalling 3.4 million litres. In an average winter, approximately 1 million litres of de-icing fluid are used.

Like potassium acetate, potassium formate is biodegradable. However, it absorbs less oxygen from the surface water. As a result, water quality could be maintained more effectively. A total of approximately 1.3 million kilograms of salt was used on roads, cycling paths and parking lots. Under average winter conditions, this figure is close to 0.5 million kilograms.

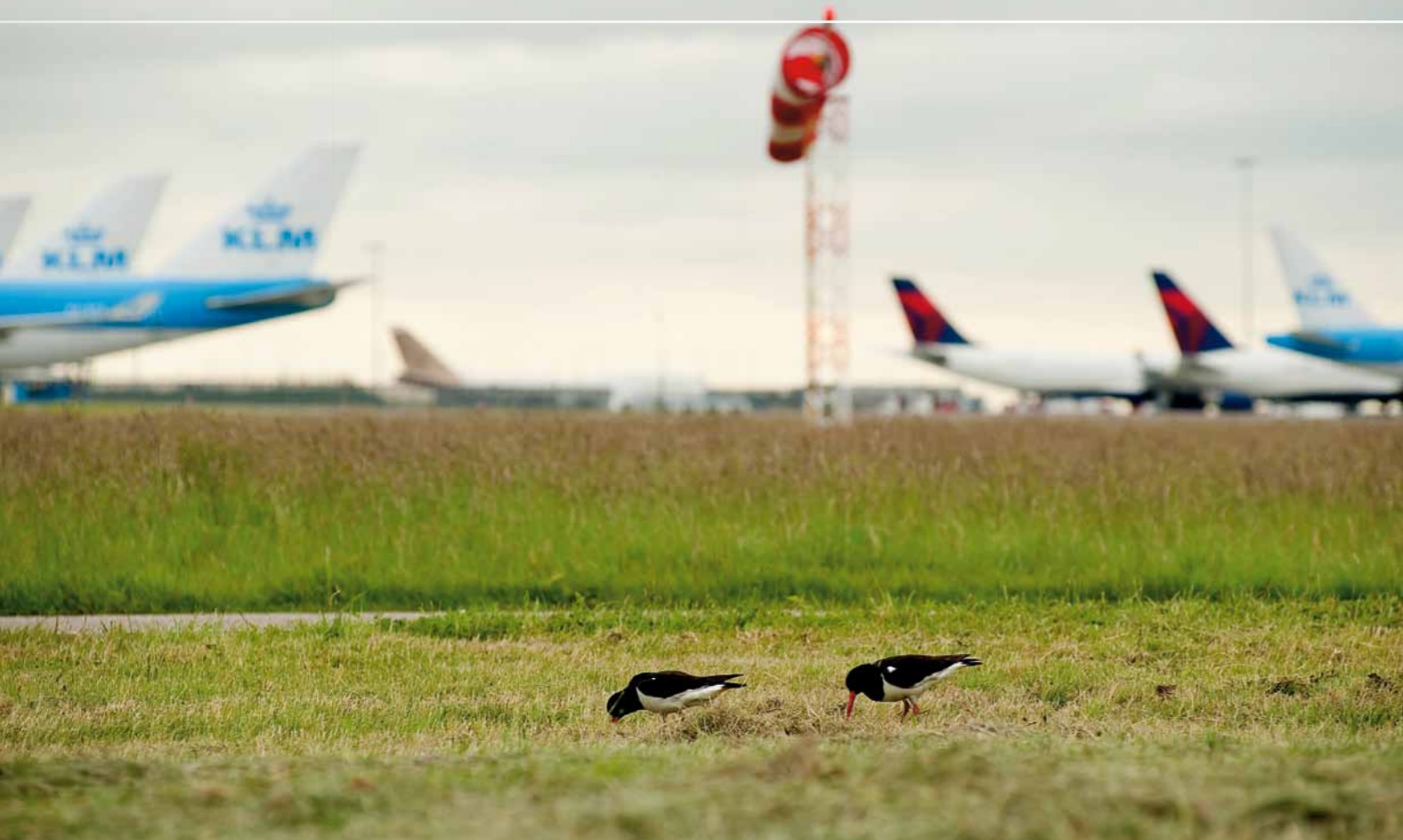
Winter weather control measures for 2010 resulted in an additional cost item of EUR 7 million.

Baggage handling

The irregularity rate (IR rate), i.e. the percentage of suitcases that fail to arrive with the passenger at the destination airport, rose from 1.9% in 2009 to 2.5% in 2010. The causes for delayed baggage are diverse and generally have nothing to do with the activities at Amsterdam Airport Schiphol. Only a small portion (approximately 6.5%) of all baggage delays is caused directly by malfunctions in our own baggage system. The great majority are caused during other stages of the transport process. The extreme winter weather, volcanic ash cloud and growing peak loads during the summer months also took their toll on the IR rate.

The airport cooperates with airlines and handling agents in the 70 MB programme in which Schiphol plans to invest nearly EUR 800 million between 2002 and 2013. The programme will allow us to handle 70 million baggage items per year and will help increase the capacity and flexibility of our baggage system, improve the quality of baggage handling and working conditions





in the baggage halls (through, for example, mechanisation) and reduce the costs per baggage item for airlines.

In 2010, various projects aimed at creating more capacity for the handling of transfer baggage were completed. In December, the new Baggage Hall South was commissioned. This new facility features a unique baggage handling concept whereby suitcases are loaded onto carts and containers by robots. The existing baggage areas also saw a great deal of construction activity as part of the 70 MB programme. Thanks to effective and intensive coordination with all the parties involved, disruptions of the baggage operation were kept to a minimum.

Punctuality

In 2010 punctuality rates for both incoming and outgoing flights were lower than in the previous year. The winter weather was a significant factor contributing to the drop in punctuality. Delays during the latter part of the year can be attributed in part to strikes by Air Traffic Control in various European countries. Other than causing the cancellation of a large number of flights, the volcanic ash cloud from the Icelandic

volcano had no significant effect on punctuality. Arrival punctuality dropped from 87.9% to 81.7% in 2010. The number of flights departing on time dropped from 80.8% in 2009 to 72.8%.

Cleaning

For two months, Amsterdam Airport Schiphol was affected by a nationwide strike in the cleaning sector organised by the Trade Union Confederation of the Netherlands. Schiphol was used as a podium for the strike, due to its publicity value rather than its qualities as a commissioner of cleaning services. The strikes were also targeted at Utrecht Central Station, the UWV and the head offices of various cleaning companies.

As a major commissioner, Amsterdam Airport Schiphol and the Dutch Railways (NS) took the initiative to organise sector-wide consultations on a code for good service employment.

Professional directorship: moving towards a management organisation

Amsterdam Airport Schiphol aims to safeguard the efficient management and maintenance of its operating assets. Since 2009 the airport

has worked to achieve that goal by assuming a coordinating role, which means that it no longer carries out all of the activities itself but engages third parties instead. Its traditionally technical orientation is being replaced by a process-oriented type of management. The Professional Directorship Programme supports this change. A major step in that direction was the public tendering of eight contract lots. The companies that were awarded the contract will set to work as main contractors in April 2011.

Quality of services

We strive to provide high-quality services, to airlines active at Amsterdam Airport Schiphol as well as their passengers. So we are pleased to conclude that the great majority of passengers were again satisfied with Schiphol's performance in 2010. The bi-monthly survey held amongst 10,000 passengers showed that 94% of all departing passengers and 93% of all arriving passengers rate Schiphol as a 'good' or even 'excellent' airport. Our efforts to cut waiting times yielded results in 2010; customer satisfaction with passport and security check waiting times increased. Respondents also gave higher marks for the efficiency of the transfer process. June 2010 saw the official launch of Innovative Gate G7. The gate uses lighting, images and interior design to make waiting at the gate a more pleasant experience.

Amsterdam Airport Schiphol has been leading the European market for years now when it comes to providing quality to passengers. However, the 2010 international benchmark for airports shows that our competitors have been making inroads in this area. Thanks to major investments in quality improvement, our competitors managed to narrow down our lead.

In addition to passengers' opinions on our airport, the views of airlines also serve as a key benchmark for the quality of our services. A recent survey of airlines using Amsterdam Airport Schiphol shows that they regard Schiphol as a good all-round airport that is continually improving itself.

Competing airports also regard Amsterdam Airport Schiphol as an example in terms of quality, awarding it 'best in class' status on the strength of the cumulative results in various evaluation categories.

In 2010 Amsterdam Airport Schiphol won a number of important awards. For example, British business passengers voted Schiphol winner of the Business Traveller Award in the category 'Best Airport in Europe' for the 21st time, while Schiphol also earned the title 'Best Airport in Western Europe' at the Skytrax World Airport Awards. Schiphol also received awards in the area of air cargo, and was elected 'Best Airport Europe' at the Asian Freight & Supply Chain Awards (AFSCA) ceremony in Shanghai.

Safety

Amsterdam Airport Schiphol is, and intends to remain, a safe airport. Safety at our airport concerns aviation safety, fire safety, road safety and occupational health & safety.

'Schiphol Airport Authority' covenant

As of 1 February 2010, Amsterdam Airport Schiphol is responsible for carrying out various control and surveillance duties that were previously conducted by multiple government agencies. The objective is to ensure more efficient surveillance and improve the enforcement of environmental, security and safety regulations. Unlike inspectors from government agencies, Amsterdam Airport Schiphol supervisors can conduct surveillance around the clock, in keeping with the airport's 24/7 operations. Agreements on how this surveillance is to be carried out have been recorded in the 'Schiphol Airport Authority' covenant.

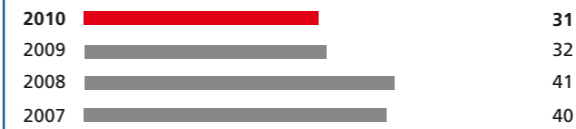


PLEASE, RAISE ARMS
ACCORDING TO PICTURE



A.U.B. ARMEN HOUDEN
ZOALS AFGEBEELD

Number of runway incursions at Schiphol



Runway safety

As far as aviation safety is concerned, runway safety – which entails the prevention of incidents on and around the take-off and landing runways – receives our continuous 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). 2010 saw a total of 31 runway incursions (32 in 2009).

In 2010, all locations with a higher risk of runway incursions were signposted more clearly. A campaign was also conducted in order to make pilots of business jets and private aircraft more aware of locations with elevated risk. In 2011 additional safety measures will be implemented in order to warn pilots they are approaching a runway.

Bird strikes

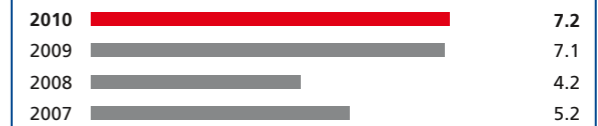
Birds – geese in particular – form an increasingly serious threat to aviation safety. On 6 June 2010, a Royal Air Maroc aircraft returned to Schiphol after having collided with Canada geese, which caused one engine to fail. The aircraft was forced to make an emergency landing. In order to deal with the geese problem in an effective manner, the Netherlands Control Group for Bird Strikes (NRV) was established in June 2010. This group includes representatives from the Ministries of Infrastructure & the Environment and Defence, the Province of North Holland, LTO Noord, Stichting Natuurmonumenten, Vereniging van Verkeersvliegers and Amsterdam Airport Schiphol.

In 2010 we also developed a risk model based on an extensive analysis of bird strikes over the past five years. This model is used to analyse and develop specific control measures for the various groups of birds.

The number of bird strikes at Amsterdam Airport Schiphol in 2010 totalled 7.2 for every 10,000 air transport movements (7.1 in 2009).

The higher figures measured over the past two

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



years are mainly attributable to more accurate registration by the Bird Control department and by KLM pilots.

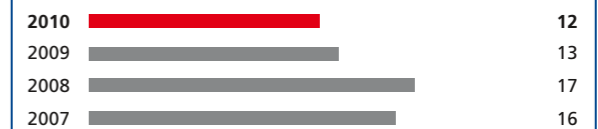
During the summer months, a falconer is deployed on a daily basis in order to chase off birds. We are continually searching for new ways to scare off birds. In 2010 we launched a trial with a green laser stationed along Runway 18L-36R. Results of the trial will be evaluated in 2011.

Traffic safety

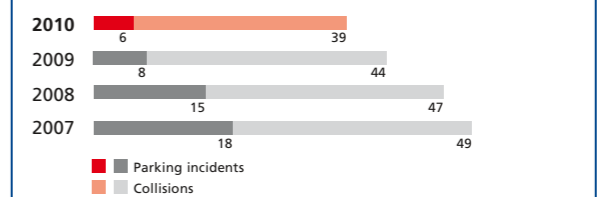
As the body responsible for the roads on its property, Amsterdam Airport Schiphol must ensure they are safe to use. The airport tries to keep traffic accidents to a minimum by continuously focusing on road safety on airport property.

In the past year traffic safety on the roads accessible to the public improved, with the number of registered traffic accidents per month down from 44 in 2009 to 39, six of which were parking-related. No fatal traffic accidents or very serious traffic injuries occurred in 2010. The number of traffic accidents involving

Average number of traffic accidents airside
(per month)



Average number of traffic accidents landside
(per month)





minor injuries averaged 3.5 per month in 2010, while the number of accidents involving more serious injuries was limited to an average of 0.5 per month.

The average monthly number of collisions and other incidents on aprons and perimeter roads not open to the public dropped by one to a total of twelve.

Safety in the terminal

Our policy on safety in the terminal and other buildings is mainly focused on the issue of fire safety. The prevention of fires is our main priority, followed by the safe evacuation of passengers and employees.

In accordance with the multi-year Continuity & Fire Safety programme, fire safety systems for the entire terminal complex will be upgraded in phases to meet 'new construction standards'. This programme complies with the requirements of the most recent Building Codes (from 2003). The emphasis is on safe evacuation procedures, the activation of all sprinkler systems in the building and the reduction of fire damage. As part of the multi-year programme, part of

Pier D has been fitted with a sprinkler system and the various fire and smoke compartments have been modified. This year also saw additional sprinkler systems installed in the terminal.

'Schiphol Fire Safety' covenant

The 'Schiphol Fire Safety' covenant, an agreement between the airport and the Municipality of Haarlemmermeer, was evaluated in 2010. The evaluation focused on assessing whether basic fire services were being carried out in a satisfactory manner. New agreements also needed to be made in view of the introduction of the Safety Regions Act, which led to the municipal fire service becoming part of the Kennemerland Safety Region effective 1 October 2010.

The evaluation confirmed that the Schiphol Fire Department is performing to a very high standard.

External safety

The Aviation Act (*Wet luchtvaart*) includes a safety standard for safety in the area around Amsterdam Airport Schiphol, which specifically concerns the safety of persons who find

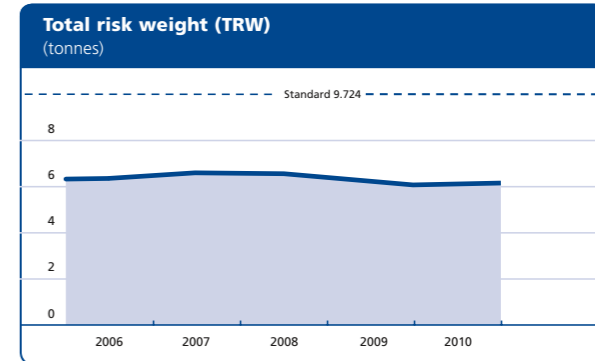
themselves in close proximity to the airport as well as the risk to these persons of becoming victims of an aircraft accident. The applicable standard – Total Risk Weight (TRW) – that we are obliged to satisfy is determined by an aircraft's take-off weight, the number of air transport movements at the airport and global historical aviation accident statistics. The TRW standard for the airport has been set at 9.724 tonnes. With a TRW of 6.118 tonnes, Amsterdam Airport Schiphol remains within the allowable limit values.

Security

Airport security measures are aimed at preventing malicious acts causing bodily harm or property damage. Within the framework of our security policy, which involves close collaboration with government bodies and other operational parties at the airport, we are constantly seeking out innovative solutions that will meet the requirements of passengers. In 2010 over sixty new security scans were installed in the terminal, mostly in the non-Schengen area. In parallel to the rollout of the scans, we are also implementing optimisation measures in order to increase passenger flow and improve passenger and employee perception. To this end, we have improved security scan technology and provided more easily understandable information for passengers at the gates. The work instructions for security staff were also adjusted to include use of the scanners. The rollout of a total of 75 scans will continue into 2011. An assessment will be conducted in the first quarter of 2011 in order to determine whether the optimisation measures have had the desired effect.

Environment

Corporate Responsibility is becoming an increasingly important part of all our operating processes. Our efforts in the area of the environment are key in this regard. We aim to pursue an active and leading role on sustainability issues, with a focus on innovation. It is our intention to achieve a sustainable energy and water management programme, improve air quality and increase the accessibility of Amsterdam Airport Schiphol. As energy and mobility are particularly important concerns, we have set up ambitious programmes: the Energy Strategy 2020 and Sustainable Mobility.



Energy

The Energy Strategy 2020 programme sets out Amsterdam Airport Schiphol's targets in terms of responsible energy use and the reduction of fossil fuel consumption. This will be achieved by means of five different initiatives: creating an efficient energy management system, stimulating third parties at the airport to do the same, producing and storing sustainable energy on-site, applying IT to learn more about energy usage patterns, and increasing the level of awareness amongst Schiphol staff.

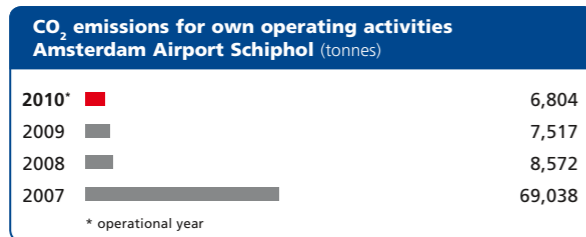
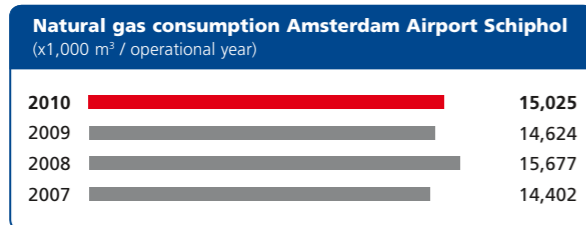
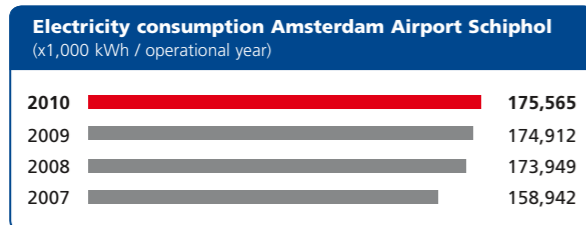
We intend to be CO₂ neutral by 2012 with respect to the activities of the Aviation, Consumers and Real Estate business areas at the Schiphol location. CO₂ emissions resulting from our own activities totalled 6,804 tonnes in 2010.

Amsterdam Airport Schiphol participates in the Airport Carbon Accreditation benchmark scheme set up by trade association ACI. This benchmark helps provide insight into airports' efforts to reduce CO₂ emissions. In 2011 the airport expects to reach level 3 for its CO₂ emissions in 2009 (on a scale from 1 to 3+).

We have also entered into a Multi-Year Agreement with the Government (MYA3) with regard to our own activities. During the 2005 - 2020 period, we will be introducing 2% more energy conservation measures in each subsequent year relative to the benchmark level in year 2005. The 2009-2012 Energy Saving Plan features a detailed elaboration of the steps needed to realise the MYA3 targets, at individual department level. For the period 2009-2012, this means that an overall saving of at least 8% must be achieved.

In 2010, energy efficiency targets were achieved thanks to a 2.2% fall in consumption levels. A total of 122 efficiency measures were introduced representing a total conservation of over 44.6 TeraJoules; this does not include sustainably generated energy. This saving is comparable to the annual electricity consumption of approximately 1,450 households. The savings were realised by means of intelligent switching (reducing or switching off lighting or ventilation) and the use of energy efficient ventilation pumps and cooling units when replacing or renovating old equipment, and

energy efficient lighting. LED lighting uses 40% to 50% less energy. This type of lighting is therefore used in an increasing number of locations inside and outside the terminal. LED lighting has become the standard for illuminating works of art and for traffic lights, emergency lighting and Christmas lighting. A study was conducted in 2010 to assess whether LED lighting can be applied at Pier G and used for signposting, for the Kaagbaan tunnel and for cargo warehouses. Extensive experiments were conducted in 2010 to assess the potential for lighting our car parks with LED. The test results indicate that LED lighting can indeed be applied for these purposes. The Samsung advertising tower and various taxiway lighting systems were fitted with LED lighting in 2010.



Generating sustainable energy

The airport aims to generate 20% of its energy in a sustainable manner at the Schiphol location by 2020. This percentage stood at 1.2% in 2010 (0.8% in 2009). In 2010 various locations were prepared for the installation of solar panels, in order to gain further experience in the generation of sustainable energy. The TransPort office building commissioned an additional Heat and Cold storage facility and a small-scale solar panel system in 2010. Due to problems with the Heat and Cold storage at Pier F (piledriving caused damage to one of the wells), the percentage was slightly lower.

Surface water quality

The quality of surface water at and around the airport must be sustainably improved by October 2015. An agreement to this effect was reached with the Rijnland Polder Board. Measures to

keep aircraft free of ice – the process of de-icing – and to keep snow and ice off taxiways, runways and aprons largely affect the quality of the surface water at and around the airport. The de-icing agents are biodegradable, and thus extract oxygen from the water. This can result in fish mortality.

A two-pronged approach aimed at improving surface water quality has been in place since 2007: the sanitation plans comprise source-reducing measures (Sanitation Plan 1) and infrastructural measures (Sanitation Plan 2). As the result of new insights and technologies, Sanitation Plan 2 was replaced by Sanitation Plan 3 after the winter of 2009/2010. This plan contains the following improvements:

- The use of potassium formate as a de-icing agent instead of potassium acetate since early 2010. This substance can be used in the same concentration per m², but only extracts a third of the oxygen extracted by potassium acetate.
- The application of a greatly improved Water Quality Improvement Plan, whereby ditches are now flushed out instead of aerated.
- More economical use of de-icing agents during winter, by both KLM and Amsterdam Airport Schiphol.
- Further improvement of the water quality measurement system. An even more detailed measuring network was created with the introduction of additional monitoring points. The report on water quality also features more detailed information.

The above measures helped ensure that the quality of surface water remained relatively constant in 2010. If we take into account that the winter of 2009/2010 required 87 days of de-icing (78 in 2008/2009) and 7,000 de-icing operations (4,346 in 2008/2009), this can certainly be regarded as an improvement. No significant fish mortality occurred: 93% of the chemical oxygen demand tests and 70% of the oxygen measurements at the various monitoring points met the relevant standards.

We expect to see the quality of surface water comply with current standards after the full implementation of potassium formate in combination with the Water Quality Improvement Plan.

2010 also saw preparations for the testing of alternative methods in the winter of 2010/2011 and 2011/2012. These measures comprise the mechanical removal of de-icing agents following

periods of frost before precipitation occurs, and the use of sand on icy surfaces. These tests will be assessed directly following the end of winter operations. If they proved effective, the measures may be introduced across the board in the spring of 2011, thus removing the need for long-term infrastructural modifications as set out in Sanitation Plan 3.

Water plan

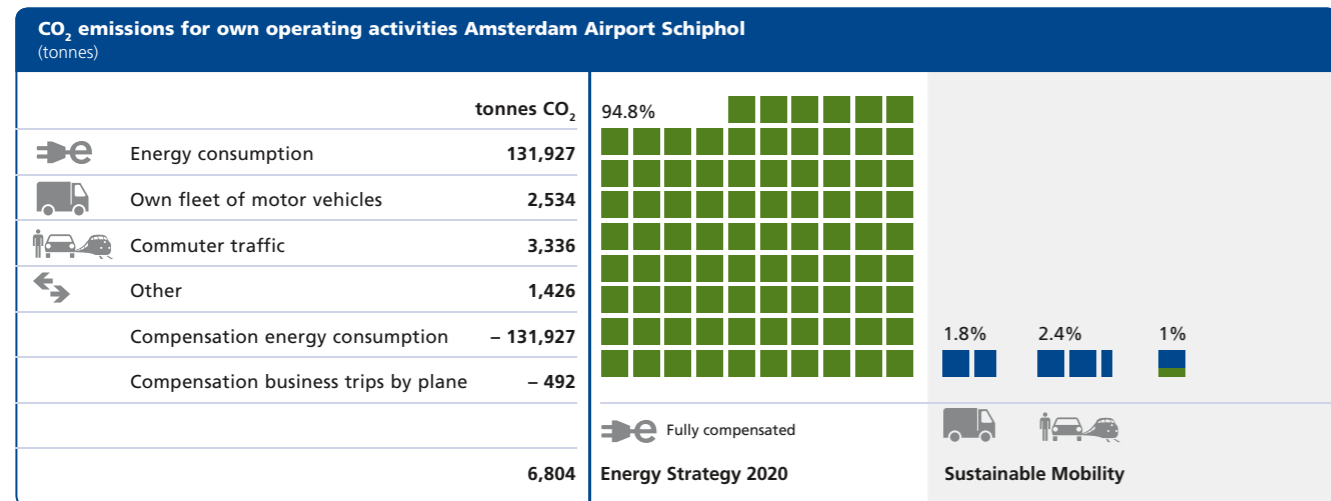
In 2010, Amsterdam Airport Schiphol drew up the Water Plan in consultation with the Rijnland Polder Board in order to create a single framework for all water-related issues (water quality, quantity, spatial planning and organisation). The Water Plan sets out the measures needed to ensure compliance with relevant legislation until 2015 and describes the approach to the key water-related problems. Managing water quality during winter operations, ensuring sufficient water absorption and designing the waterways so as to minimise disruptions by birds will require an integral approach. This will also involve increasingly close cooperation between Amsterdam Airport Schiphol and the Rijnland Polder Board. 'Water Vision 2030' will be drawn up in order to help manage the desired developments. The document, a joint effort by Amsterdam Airport Schiphol, the Rijnland Polder Board and the Municipality of Haarlemmermeer, describes the long-term approach to water management.

Drinking and waste water

Amsterdam Airport Schiphol handles the distribution of drinking water at the airport site and the removal of waste water (chiefly sanitary waste water) from the buildings to an Evides waste water treatment installation. 1,241,971 m³ of drinking water were consumed during 2010 (1,238,456 m³ in 2009). Water consumption per passenger totalled 15.9 litres (15.5 in 2009).

Water treatment systems were installed for supplying water to the cooling towers on the roofs of Terminals 2 and 3 in 2010, the purpose of which is to reduce the mineral content of the cooling water and achieve a saving of up to 20% on the supply of water. A number of water-saving measures were introduced in Terminal 2 resulting in a saving of 14,000 m³ of water.

Further water conservation measures are being sought in the terminal, such as the use of the latest water conserving aerators on taps.



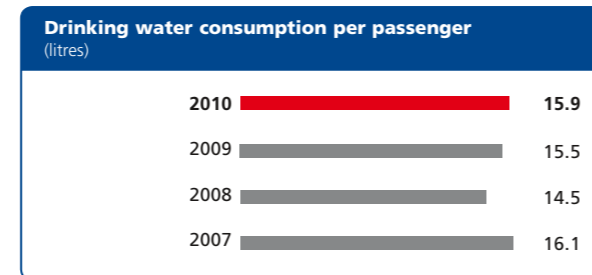
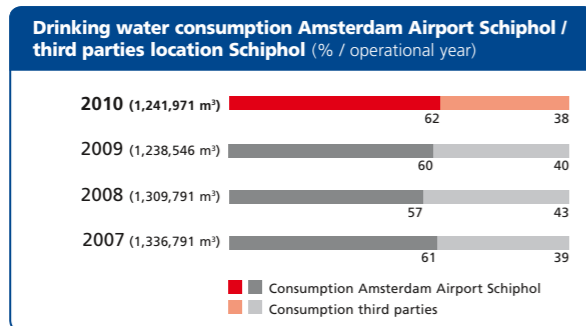


As the owner of the collective pipe system used to distribute drinking and fire-extinguishing water and the collective tap water systems in all buildings at the airport, Schiphol is responsible for ensuring that the tap water is free from risks such as legionella. In response to amended laws and regulations, the Legionella working group prepared and implemented the 'Controlling legionella in the Schiphol Nederland B.V. drinking and industrial water systems' policy in 2010.

Air quality

In accordance with the Airport Traffic Ruling (*Luchthavenverkeersbesluit, LVB*), air quality in

areas surrounding the airport is to be improved by connecting aircraft stands to Fixed Electrical Ground Power (FEGP) facilities and to pre-conditioned air for climate control in the aircraft cabins. The use of fixed power facilities and preconditioned air removes the need for Ground Power and Auxiliary Power Units fuelled by diesel. In 2010 Schiphol fitted 16 aircraft stands with fixed power facilities and preconditioned air systems. In order to make use of these facilities, handling agents must invest in additional equipment. The various handling agents failed to do so in 2010. However, we do expect them to start making use of the facilities in 2011.



Emissions trading system

The Netherlands Emissions Authority (NEA) granted Schiphol Nederland B.V. a licence to emit NO_x and CO₂. This licence relates exclusively to the direct emissions caused by the use of natural gas and propane in heat/cold storage systems and central heating and steam boilers operated by Amsterdam Airport Schiphol.

Total emissions are verified annually by an external auditor and subsequently reported to the NEA. In 2010, a total of 17.6 tonnes of NO_x and 27,828 tonnes of CO₂ were emitted. The maximum value was set at 9,6 tonnes of NO_x and 28,524 tonnes of CO₂. The rise in CO₂ emissions and sharp drop in NO_x emissions are attributable to higher gas consumption (+7%) and the use of other systems following technical malfunction of the heat/cold storage systems. The heat/cold storage systems emit a higher net amount of NO_x than gas boilers. In addition, fewer NO_x emission rights have been accrued (-15%) due to the fact that the permitted emission per additional unit (Performance Standard Rate) was reduced from 46 to 40 grams of NO_x per GigaJoule. This necessitates the purchase of a larger net amount of emission rights. The required NO_x emission rights were purchased on the emissions market.

Waste separation

In 2010, 53,031 tonnes of waste were collected at Schiphol by third parties and processed off-site. This represents a 4% increase in comparison with 2009. In 2010, a larger quantity of water containing glycol was offered to processing plants, while the amount of construction and demolition waste diminished. 13,988 tonnes of this total amount can be attributed to Amsterdam Airport Schiphol. The airport strives to reuse as much waste materials as possible. In the operating year 2010, 34% of all waste was recycled, representing a total weight of 4,818 tonnes. Various activities aimed at increasing the recycling percentage were undertaken over the course of 2010. For example, aircraft waste is manually sorted and an analysis was conducted to determine the composition of waste at the various collection points. As of December 2010, all tissues will be collected separately. A large portion of these used tissues will be fermented instead of incinerated, with the resulting biogas used to generate green electricity. Food leftovers from the various restaurants and cafés at Amsterdam Airport Schiphol

Emissions from aircraft engine tests
(kg / calendar year)

Emissions from aircraft engine tests	Standard 2010-2008	2010	2009
Carbon Monoxide (CO)	-	7,609	5,696
Nitrous Oxide (NO _x)	85,000	43,509	34,773
Volatile Organic Substances (VOS)	6,000	1,586	834
Sulphur Dioxide (SO ₂)	1,750	620	521
Airborne Particles (PM ₁₀)	5,500	1,198	11,134
Carbon Dioxide (CO ₂)	-	4,822,845	4,103,121

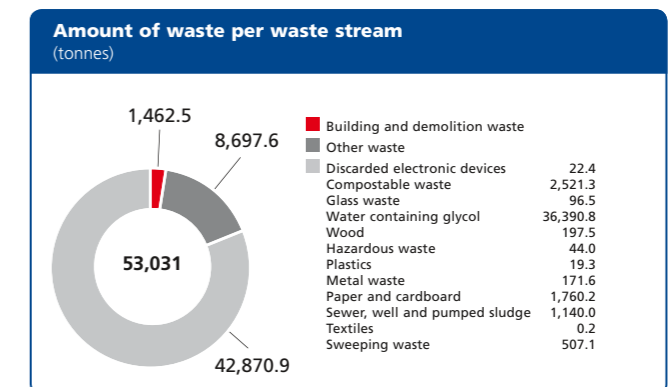
Emissions Landing and Take Off cycle aircraft
(tonnes / operational year)

	2010	2009
Carbon Monoxide (CO)	2,156	2,122
Nitrous Oxide (NO _x)	2,780	2,688
Volatile Organic Substances (VOS)	318	312
Sulphur Dioxide (SO ₂)	80	78
Airborne Particles (PM ₁₀)	94	91

will be collected separately and fermented. In November a new effort was introduced to collect residual waste from offices using an electric garbage truck. This will help reduce CO₂ emissions by eight tonnes per year.

Airport accessibility

Accessibility is essential for a Main Port. Ensuring that the airport remains accessible is the shared responsibility of many parties. ProRail and the Dutch Railways (NS) are responsible for the construction of rail links and the provision, respectively, of the railroad connections in the Netherlands, in close consultation with the





government. The government is responsible for the network of primary and secondary roads. In specific cases, we will opt to co-invest in this infrastructure, albeit on a modest scale.

The Sustainable Mobility Perspective contains measures and actions aimed at improving the airport's accessibility while reducing CO₂ and NO_x emissions. In 2010, this perspective was translated into a programme with concrete objectives and activities. One of our main aims is to reduce the number of vehicle kilometres to and from the airport. For Amsterdam Airport Schiphol this means discouraging the dropping off and picking up of passengers as much as possible and encouraging travellers to opt for travel by public and private transport. Passengers travelling to the airport independently result in fewer vehicle movements than if they were to be picked up and dropped off. Schiphol employees are also stimulated to use public transport. The further introduction of teleworking also plays a role in this regard.

2010 Mobility Survey

After destinations and price, accessibility is the most important factor in passengers' choice

of airport. Accessibility is also a key factor for businesses, suppliers and employees. In this context, it is encouraging to know that the Mobility Survey found employees working at Schiphol are now almost 80% satisfied with Schiphol's accessibility (74% in 2008).

Public transport

Passenger satisfaction regarding the number of trains to Schiphol stood at 90%, with the figure for trains from Schiphol at 80%. Ninety per cent of all passengers were satisfied with the punctuality of trains, representing a return to the 2008 score.

As in previous years, in the summer of 2010 the Dutch Railways (NS) implemented a night train service between Enschede and Schiphol connecting to the final incoming and first outgoing flights. However, this train service is not expected to continue in 2011 due to low occupancy rates. The night network schedule to and from the province of North Brabant is set to be halved for the same reason.

The Zuidtangent – an express bus service that passes through the airport on its way between

Haarlem and Amsterdam Southeast and between Nieuw-Vennep and Amsterdam's WTC – is growing in popularity. An express bus service also connects the airport with Haarlem Centre during rush hours. A study is being conducted to assess whether direct bus connections to other locations would be feasible. The province of North Holland supports these plans, and has earmarked investment funds for this purpose. Schiphol Ssternet, the bus transport system at and around the airport, continues to perform well.

Private transport

Passenger satisfaction regarding airport accessibility by private transport rose by 1 percentage point in 2010, to 74%.

The flow of traffic at the airport did not cause any problems in 2010. Additional road traffic controllers were deployed during holiday peak times. Construction has started on express lanes for the A4 and A9 motorways. Additional lanes are being built on the A1 and A2, and measures introduced to deal with heavy congestion areas.

Reducing emissions at the source

In 2010 Amsterdam Airport Schiphol took further steps to improve the environmental performance of its company fleet. The Th!nk City was included in the fleet following a one-year pilot, and a second electric car known as the Tazzari was purchased. The Tazzari features new technology that will allow the airport to gain further experience.

In November 2010, the airport decided to take part in the Dutch Consortium Tender for Electric Cars initiative, in which multiple companies will place large-scale orders for electric vehicles. Amsterdam Airport Schiphol has formulated the ambition of replacing approximately 20 conventional vehicles by electric cars in the coming years.

In the winter of 2010 Schiphol operated four biodiesel-powered snow clearance vehicles. The performance of these vehicles will be closely monitored during snowfleet activities.

The activities of the Consumers business area comprise developing, granting and managing concessions for shops, food service 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.

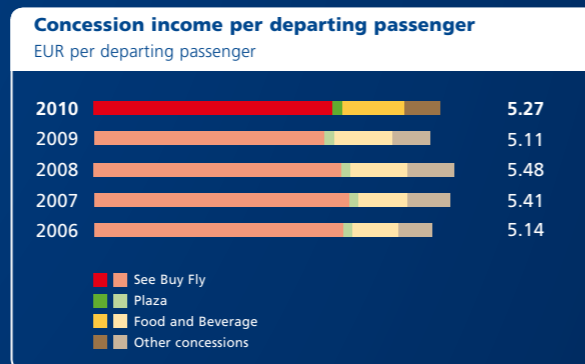
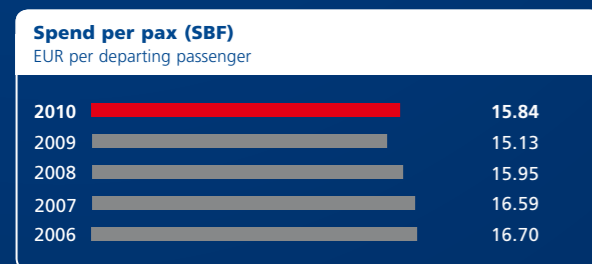
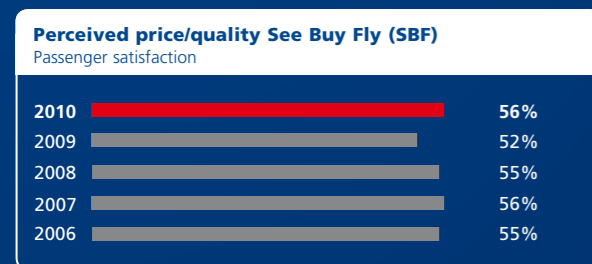
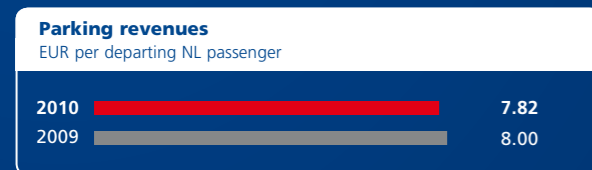
Consumers



2010

- Revenue up 5.1% while passenger volumes rose by 3.8%
- Higher average spend per passenger in See Buy Fly shops (+4.7%)
- Parking revenue trailed the growth in passenger volumes
- Operating result improved by 28.5% thanks to increased revenue and lower operating expenses
- New parking product introduced: Schiphol Excellence Parking
- Spending time at Amsterdam Airport Schiphol has become more attractive thanks to the renovation of Holland Boulevard
- Perception of the price/quality ratio greatly improved

Key Performance Indicators



EUR million	2010	2009	%
Revenue	299	284	5.1%
Operating expenses	166	180	-8.3%
EBITDA	155	134	15.3%
Operating result	133	104	28.5%
Average fixed assets	239	241	-0.9%
RONA before tax	55.7%	43.0%	
RONA after tax	41.5%	31.9%	
Investments in fixed assets	26	16	66.8%

Financial performance

The Consumers business area can look back on a successful year. The aim of increasing revenue more sharply than passenger volume was achieved. Whereas the volume of passengers rose by 3.8%, revenue increased by 5.1% (-12.1% in 2009) to EUR 299 million. Concession income made the largest contribution to this growth.

EUR million	2010	2009	%
Concessions	124.4	115.6	7.7%
Parking	70.9	70.5	0.6%
Retail sales	58.3	53.4	9.2%
Rents	15.0	15.2	-1.1%
Advertising & Media	15.3	15.5	-1.6%
Other activities	15.1	14.2	5.7%
Total	299.0	284.4	5.1%

The rise in revenue is not entirely due to the increase in the volume of passengers; other important factors were the rise in consumer confidence and the improved perception of the price/quality ratio. Average spend per passenger in the See Buy Fly shops rose, as did concession income from food service outlets and services. Parking, by contrast, saw the average spend per passenger decline. Advertising and media income deteriorated slightly in 2010.

The benefits of See Buy Fly shopping were also featured extensively on our website. Perception of the price/quality ratio at Amsterdam Airport Schiphol rose as a result from 52% 'good/excellent' in 2009 to 56% in 2010. A benchmark study shows that this score puts Amsterdam Airport Schiphol above average compared to other European airports.

The cloud of volcanic ash was another factor that adversely affected the profit of the Consumers business area. Retail and parking, in particular, experienced a loss of revenue totalling EUR 2.7 million due to the enforced closure of the air space.

Average spend per passenger in the See Buy Fly shops increased by 4.7% from EUR 15.13 in 2009 to EUR 15.84 in 2010. Increased consumer confidence and the improved perception of price and quality provided the basis for this upward trend. In addition, passenger familiarity with the sealed bag played a role. With this 4.7% increase the See Buy Fly shops outperformed the Dutch average increase in consumption. Figures published by Statistics Netherlands show that the domestic consumption of all Dutch households in 2010 rose on average by just 2.4%.

Operating expenses in the Consumers business area fell by 8.3% in 2010 (-2.2% in 2009). When adjusted for the cost price of the increased retail sales (a consequence of the increase in retail sales), operating expenses fell by 14.1%. Much of this fall was due to the higher costs in 2009 of the reorganisation (EUR 2.9 million) and the impairment losses in 2009 (EUR 7.3 million). Excluding the cost price of retail sales and these items, operating expenses decreased in 2010 by 7.1% compared with 2009.

With the opening of the entirely revitalised Holland Boulevard, Amsterdam Airport Schiphol now has a modern and attractive area that connects Lounge 2 and Lounge 3 and is the central domain of transfer passengers. The renewed space carries the 'Holland' theme and includes among other facilities the world's first Airport Library, the modernised Dutch Masters museum shop and the Bols Experience, where passengers can experience the typically Dutch Bols jenever. The boulevard also boasts two food retail outlets; Dutch Kitchen and Dutch Bar run by HMS Host are both highly popular among passengers. To do yet greater justice to the 'Holland' theme, the products used here are primarily the organic products of local producers.

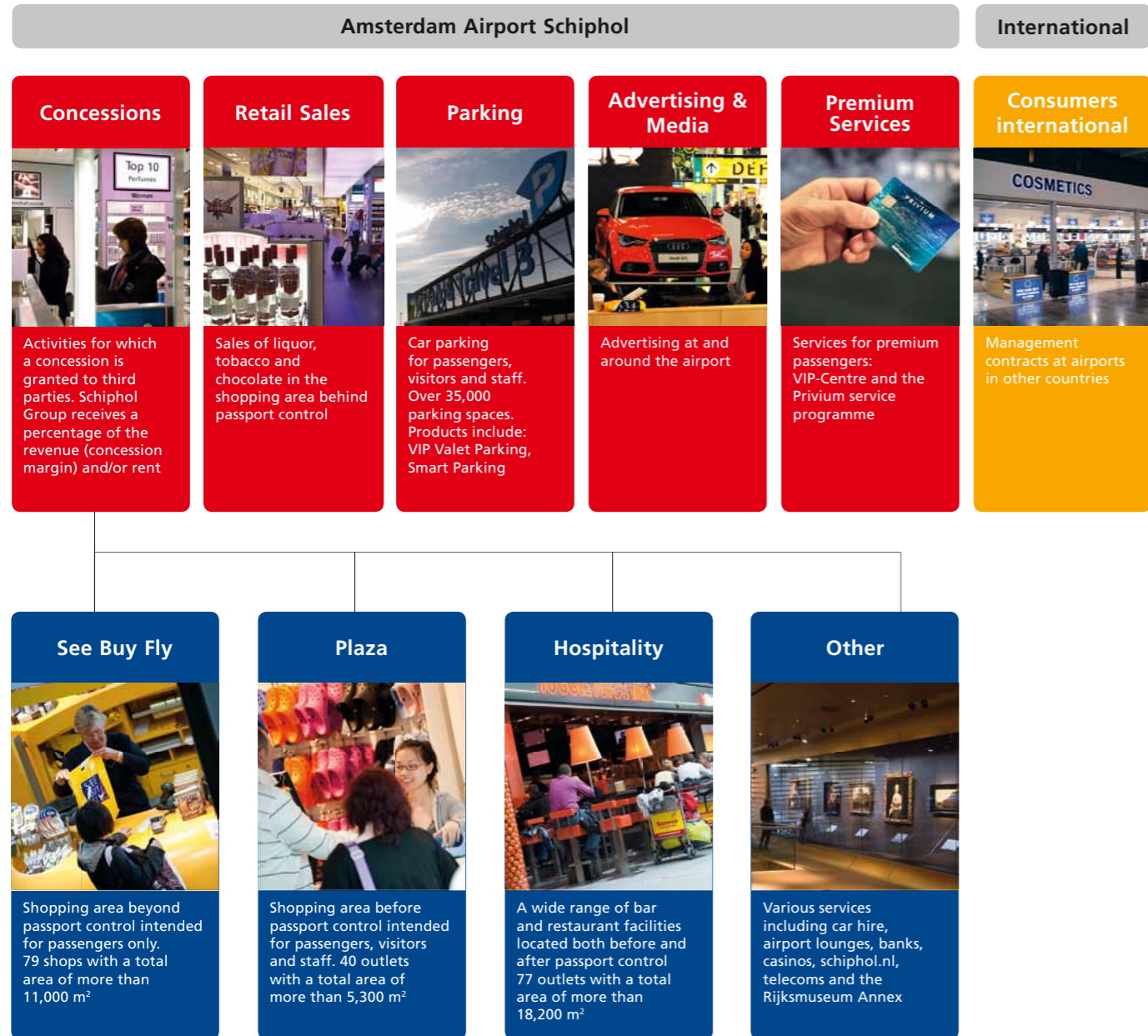
EBITDA was up 15.3% from EUR 134 million in 2009 to EUR 155 million in 2010. The operating result improved by 28.5% (-25.1% in 2009) from EUR 104 million in 2009 to EUR 133 million in 2010.

Concessions

See Buy Fly

As in 2009 focus was placed on improving the traveller's perception of the price/quality ratio in the See Buy Fly outlets. Actions taken include an online advertising campaign and a lowest-price guarantee campaign in the airport terminal.





The growth in spend per passenger varied considerably per segment. The categories of jewellery & watches, clothing and electronics saw the most rapid growth in spend per passenger in 2010. In the categories tobacco, flowers, and books and magazines spend per passenger fell. Tobacco in particular is a category that is experiencing a year-on-year trend of reduced spend per passenger. This category may well shrink further in years to come if the tax-free sale of tobacco products at airports is prohibited, as the World Health Organization (WHO) proposes.

On the other hand, there are growth opportunities in the categories of chocolate and clothing.

The Internet – online shopping is becoming ever more popular – and the likelihood that future passengers may travel with only one item of hand luggage (including their airport purchases) – the so-called ‘one bag rule’ – call for creative solutions to safeguard our concession income today and in the future. Initiatives that could preserve the allure of shopping at the airport in the future include Amsterdam Airport Schiphol’s own online range, enabling customers to collect their order upon return to the airport, as well as

more quality shops carrying a range of goods that one would not be inclined to purchase on the Internet.

Differences in spend are not limited to O&D passengers and transfer passengers (the first group spends more on average), but are also associated with destination. Passengers travelling to Asia and Russia, in particular, spend relatively high sums in our shops. We intend to further tailor our range to accommodate this development.

At the end of 2010 major renovations to Lounge 3 got underway. The work in the lounge, which was 17 years old, involved all the shops and many of the food outlet premises. This renovation will substantially improve the quality of Lounge 3 and entails a 20% increase in the floor space for shops and food outlets. The work is scheduled for completion at the end of 2011. As a result of the loss of income during the renovation period, we expect average spend in the See Buy Fly shops in 2011 to be lower than it was in 2010. Once the renovation is complete, we expect spend in Lounge 3 to increase compared to preceding years.

In 2010 the contract with one See Buy Fly concessionaire was not extended. The Nuance Group, which held the concession for chocolate, ceased trading at Amsterdam Airport Schiphol as of 1 November 2010. The sales activities of chocolate in the See Buy Fly shops were acquired as of this same date by our subsidiary Schiphol Airport Retail and thus they are it is now reported under Retail sales.

Schiphol Plaza

It was no easy year for the Plaza’s retail outlets. Whereas one new shop (Rituals) opened its doors, four shops ceased trading; one of these four was temporarily converted into a food retail outlet. An important aim for 2011 is to find suitable retail concepts for the vacant premises.

2010 was a more successful year for the Plaza’s food retail outlets with the arrival of three new food retail concepts: La Place Express, Per Tutti Pizza and Toko to go.

Hospitality

The last of the eight dedicated smoking areas was completed in 2010. These areas, which are situated close to various food service outlets, accommodate a significant demand by our

passengers to be able to smoke indoors. These areas have prompted a strong increase in food service outlet revenues.

Like other areas, food service paid a great deal of attention to improving the perception of price and quality. For the second year running, food service prices did not increase and special promotions were carried out successfully. As in other areas, in food service the perception of the price/quality ratio improved and average spend rose in 2010 from EUR 5.25 to EUR 5.47. Amsterdam Airport Schiphol regained its position among the best in class in the European airport benchmark measurements as of the latter half of 2010.

Together with our food service outlet concessionaires, we put Corporate Responsibility into practice in 2010 – not only by greatly increasing the sale of organic and sustainable products (e.g. UTZ certified coffee and Sandays The Green Range sandwiches), but also by using new more energy-efficient LED lighting and by expanding and improving waste separation efforts.

Services

In 2010 the concession income of Services also rose, to more than EUR 13.1 million. Higher revenue was achieved by the banks and tax-free refund services in particular.

In 2010 a number of major expansions and improvements were carried out. In the wellness area, Back-to-Life situated on Holland Boulevard was completely modernised, XpresSpa opened a second premises and the Massage-O-Matic self-service concept made a successful start.

In cooperation with Panasonic, a new large screen has been installed in Jan Dellaert Square. The World Cup football provided a perfect opportunity for a World Cup stand from which matches could be viewed on the new screen. This stand was sponsored by Continental (tyres).





In the area of entertainment, Lovers introduced Great Amsterdam Excursions at three locations, and the Holland Casino was completely renovated and revamped to reflect its own new concept.

In mid December 2010, in cooperation with KPN Hotspots we launched free wireless Internet throughout the terminal for all passengers and visitors. Every passenger can now use WiFi free of charge for the first hour.

Retail sales

In 2010 Schiphol Airport Retail (SAR) shop sales increased by 9.2%. This is attributable not only to the growth in passenger volumes but also to the acquisition of the chocolate sales of The Nuance Group as of 1 November. Passengers spent more on liquor in 2010 and, in a continuing trend, less on tobacco. Owing to the unfavourable exchange rate of the British pound against the euro, tobacco revenue lagged far behind that of previous years, particularly in the first half of the reporting year. With the expansion of the product range to include chocolate, SAR's revenue became more evenly distributed between the categories of liquor, tobacco and chocolate.

In 2010 SAR introduced a uniform price for all liquor sales regardless of destination. Owing to excise duties and taxes, passengers whose destinations were within the European Union used to pay more for the same bottled liquor than passengers whose destinations were outside the European Union. This distinction was eliminated in 2010. In view of the positive effect of the lower prices, on average, on liquor sales, this policy will be continued in 2011.

In 2010 SAR's costs increased due to the tightened security imposed on liquids and gels, requiring all bottled beverages to be sealed. As a result of this, and due to the reduced margins on liquor sales, the result achieved by SAR in 2010 was less favourable than its result in 2009.

In 2010 SAR renovated three shops; a counter on Holland Boulevard, the combined shop in Lounge 2 and the chocolate shop in Lounge 1.

Parking

A diverse range of parking products enables us to respond even better to the various needs of our passengers and visitors; from Schiphol Valet Parking, which offers service and comfort, to Schiphol Smart Parking for price-conscious passengers. A new addition in 2010 is intended specifically for the frequent business traveller: Schiphol Excellence Parking, with its extra secure parking garage adjacent to the terminal. Since 2010 all employees of Amsterdam Airport Schiphol companies have been able to participate in ECO₂ parking. In the P30 and P40 staff car parks, workers with a 'clean' car are allocated a preferential parking space. In 2010, 600 ECO₂ car stickers were awarded. The clean cars of Amsterdam Airport Schiphol workers account for 1% less CO₂.

2010 was no easy year for Parking. Competition from public transport and other providers of parking products in the vicinity of the airport meant that it was not possible to fully benefit from the 7.5% growth in the number of Dutch O&D passengers. By the end of the year overall parking revenue had risen by 0.6%. This means that in 2010 parking income fell by EUR 0.18 per passenger compared to 2009.

In Parking, too, much attention was paid to the traveller's perception of the price/quality ratio. The option of reserved parking, especially as offered in the Smart Parking concept, brought about an improvement in the perception of price and quality regarding both Long and Short Stay Parking in 2010. The renovation of the P1 and P2 car parks, which will get underway in 2011, is intended to further enhance perception.

The various parking products achieved varying results in 2010. For Long Stay Parking, 191,000 travellers made an advance parking reservation through www.schiphol.nl in 2010 (166,000 in 2009). In addition, the number of passengers who reserved a parking space via our partners also increased. Owing to the success of the option of reserving a parking space via our website and partners – which is less expensive than paying upon return – parking volumes rose by 5.4%. However, revenue rose by just 2%. The Short Stay Parking products achieved the opposite result, namely a decline of 0.2% in parking volumes and a drop in revenue of 1.3% (attributable to a shorter average parking stay). As of the fourth quarter of 2010, the Short Stay



Parking products can also be reserved online (Visitors Parking & Excellence Parking).

As part of the strategic review in 2009, operational and technical management of the car parks has been outsourced to PCH Parkeerservices with effect from 1 November 2010. This has created greater scope for us to focus on the core activities – pricing, product portfolio and marketing & sales – of Schiphol Parking. In addition, with effect from 1 July 2010, the concession for the activities of Schiphol Transfer Assistance, to which passengers can report when they have ordered a taxi, have been awarded to Axxicom. As a result of these two outsourcing initiatives, a total of 55 FTEs have transferred to our new partners.

Sustainability is a key feature of parking and mobility. One of our main aims is to reduce the number of vehicle kilometres to and from the airport. For Amsterdam Airport Schiphol this means discouraging the dropping off and picking up of passengers where possible and encouraging travel by public and the passengers' own transport. If meeters and greeters were

to stay at home and passengers were to travel to the airport independently, the number of vehicle movements to and from the airport would fall dramatically. Schiphol Parking therefore promotes self-drive and airport parking as opposed to the dropping off and picking up of passengers. In 2010 the use of public transport by Dutch O&D passengers continued to rise compared with 2009. At the same time, the share of people dropping off and picking up passengers declined only slightly. This means that the rise in public transport has been largely at the expense of self-drive and airport parking. Taxis were also used less frequently.

Advertising & Media

Advertising revenue continued its downward trend in 2010 as strong pressure continued to be exerted on marketing budgets. However, in 2010 we were able to welcome Rabobank as a new airport advertiser on the passenger bridges. As in other areas, in Advertising & Media sustainability plays an important role. All new products (such as light boxes) are being fitted with energy-efficient lamps.

Once again, in 2010 our new website was awarded the Golden Webbie, and Schiphol.nl was able to again secure a nomination for 'Website of the Year'. Our website offers travellers full advice about transport to and from Amsterdam Airport Schiphol, flight details, useful maps and special offers. Since the end of December travellers can also be provided with information and advice while they are en route. As well as a mobile website, the so-called Schiphol App was launched for iPhone and Android.

Premium Services

In 2010 the operation of the VIP-Centre was added to the activities of the Consumer business area. This prompted the creation of the Premium Services product group, which comprises the VIP-Centre and Privium, Schiphol Group's service programme.

Privium

In 2010 the range of services offered to Privium members was extended to include various meeting facilities in the terminal and the WTC. In addition, Privium members now enjoy a discount when shopping in Plaza shops. Market research has shown that for frequent flyers Privium is a good reason to choose Amsterdam Airport Schiphol.

The number of members declined from 47,390 at the end of 2009 to 44,890 at the end of 2010. One factor in the decline in membership in 2010 was the cutbacks companies made to their travel budgets. The impact of this is expected to be felt through 2011.

FLUX Alliance was launched in 2009. This is a partnership between the Dutch and US governments enabling fast border passage. At the end of 2010 there were 2,143 FLUX members (1,200 end 2009). In 2011 the programme will be extended to include Canada.

VIP-Centre

The VIP-Centre has been added to the activities of the Consumers business area in order to operate the centre more commercially. The target group for VIP treatment has been expanded and use of the meeting facilities in the VIP-Centre will be further extended. In 2010 the VIP-Centre for the first time hosted a number of commercial events, such as the launch of a new hybrid car.

Consumers International

Arlanda Schiphol Development Company

At Arlanda Airport we have a joint venture, the Arlanda Schiphol Development Company, with Swedavia in Sweden. In 2010 this joint venture entered into a partnership with Göteborg Landvetter Airport. The partnership aims to also increase commercial revenue and customer satisfaction at Göteborg Landvetter Airport.

Guangzhou Baiyun International Airport

Consumers International offered consulting services to Guangzhou Airport in China on commercial matters. In 2010, in response to the strategic review in 2009, it was decided not to extend the two-year contract that expired in early 2010.

Angkasa Pura

As a result of our strategic review in 2009, the decision was taken to sell our participation in the joint venture with Angkasa Pura in Jakarta to our partner APII. The Indonesian Ministry of State Owned Enterprises has since given APII permission to acquire our participation, so that the finalisation of the sale can commence.





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 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. In any given year, the fair value gains or losses on property can influence the group result disproportionately, either positively or negatively.

Real Estate



2010

- Turnover was stable, despite the slight fall in rental income of 1.5%
- Occupancy down from 89.4% to 86.5%
- Change in the value of investment property of EUR 21 million positive
- Operating expenses down by 5.5%
- RONA after tax up from 1.5% to 4.8%
- The TransPort office building and Cargo Building 19 completed
- Projects initiated under the master plan for area development around Rotterdam The Hague Airport drawn up in 2010.

Key Performance Indicators

Direct return on Investment property

Based on annual rents

2010	6.6%
2009	6.9%

Leases expiring within one year

Based on annual rents

2010	10.0%
2009	7.1%

Occupancy rates

2010	86.5%
2009	89.4%

EUR million	2010	2009	%
Total turnover	173	172	0.9%
Result on sale of investment property	-	-	-
Fair value gains and losses on investment property	21	- 39	153.5%
Operating expenses	98	104	- 5.5%
EBITDA	113	51	121.9%
Operating result	97	29	233.3%
Average fixed assets	1,524	1,511	0.8%
RONA before tax	6.5%	2.1%	
RONA after tax	4.8%	1.5%	
Investments in fixed assets	52	43	19.6%

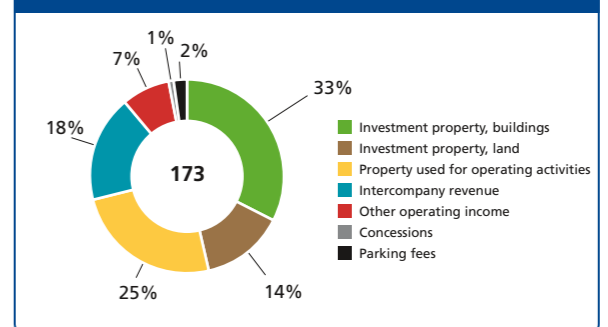
Property market

The credit and economic crisis has caused office tenants to examine their accommodation costs with an even more critical eye. Company branches are being merged and there is a drive by companies to use their office space more efficiently by, for example, implementing flexible working times and workspaces. These are developments that strongly influence the market for office space. Rental levels are under pressure, new office space is scarcely being leased and lessors are regularly being forced to offer incentives in order to secure new lease contracts. Tenants are increasingly critical of the quality of what is on offer. Not only must the building itself be modern, but the quality of the locality (the building context) is becoming ever more important, with amenities such as lunch and dinner establishments, hairdressers, drycleaners, childcare facilities and multimodal accessibility being viewed as prerequisites.

Together with Zuidas, Amsterdam Airport Schiphol, as a multimodal hub, still forms the pinnacle of the office segment in Amsterdam, although it scores poorly in terms of the so-called building context. Now is therefore the time to continue investing in the quality of the locality and to add supplementary amenities. The redevelopment of Triport, which got underway in 2010, is a good example of this. Plans have been drawn up that not only propose modernising the building, but also envisage facilities for all of Schiphol-Centre as well as improvement of the public spaces in the immediate vicinity.

Revenue split 2010

EUR million



Schiphol Real Estate was able to benefit from the recovery of the air cargo sector in 2010. A number of large logistics providers have leased additional space or are again using space they had previously put on hold.

Financial performance

In 2010, the Real Estate business area saw its turnover rise slightly relative to the previous year to EUR 173 million.

Rental income fell by 1.5% from EUR 158.5 million in 2009 to EUR 156.1 million in 2010. Despite the completion of the TransPort office building and Cargo Building 19, rental income fell as a result of lower occupancy levels, lease incentives and a decrease in the number of lettable square metres in the terminal.

EUR million	2010	2009	%
Leases			
Investment property, buildings	57.1	58.7	- 2.8%
Investment property, land	24.5	23.9	2.5%
Property used for operational activities	43.4	43.8	- 1.0%
Intercompany turnover	31.1	32.1	- 3.1%
Sub total	156.1	158.5	- 1.5%
Other revenues			
Other operating income	13.1	10.2	27.3%
Concessions	1.3	1.0	24.4%
Parking fees	2.8	2.1	37.5%
Sub total	17.2	13.3	29.4%
Total	173.3	171.8	0.9%



In January 2011 the mayor of miniature city Madurodam opened the TransPort office building of Martinair and transavia.com in his municipality. The original building at the Aerospace Exchange (Schiphol-Oost) meets the highest standards for environmentally friendly buildings. Heat and cold storage in the ground and concrete core activation in floors and ceilings mean the building benefits from complete climate control. Solar panels provide 10% of the building's total energy requirement. Roof vegetation provides insulation and the building's water storage means a water efficiency saving of 40%.

Other operating income is largely generated by services provided to tenants. Service expenses are charged accordingly. The volume of these activities increased slightly relative to 2009.

Concession revenues relate to income from the sales activities of tenants in our buildings. These revenues increased slightly in 2010 as sales improved for the tenants concerned.

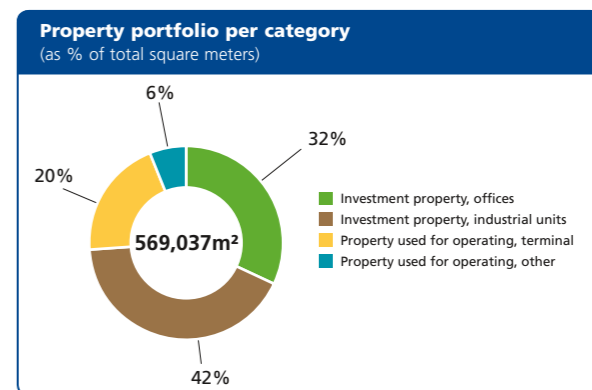
Parking fees are linked to the parking facilities that form an integral part of the buildings we let. These revenues rose relative to 2009.

Ninety-five percent of turnover is generated at Amsterdam Airport Schiphol (unchanged from 2009). The remaining 5% is from our regional and international locations.

The value of our property investments rose in 2010 by EUR 21 million (EUR 39 million negative in 2009). Factored into this amount is, on the one hand, a fall in the value of the portfolio (with the exception of a slight rise in the value of two new properties, TransPort office building and Cargo Building 19), and, on the other, a higher valuation of the land leased out on long leases or rented. In 2010, we instructed external surveyors to appraise the land leased out on long leases or rented and to refine the appraisal method. The new appraisal method resulted in a EUR 26 million rise in the value of the land, while the total rise in value of the land was EUR 36 million. As in the previous year, no property was sold in 2010.

The operating expenses of the Real Estate business area fell by 5.5% in 2010 (+3.9% in 2009), from EUR 104 to EUR 98 million. The main reason for this fall was the inclusion in the 2009 figures of the one-off costs of the reorganisation. The cost reduction is also due to lower staff costs as a result of the reorganisation. This cost reduction is in part cancelled out by more outsourced work for tenants and more maintenance.

The operating result of the business area rose from EUR 29 million in 2009 to EUR 97 million 2010. This is mainly due to the EUR 60 million gain in the fair value on investment property. The operating result, excluding fair value gains and losses and the results on property sales, rose by EUR 8 million to EUR 76 million in 2010, chiefly as a result of lower operating costs.



RONA after tax, including fair value gains and losses on investment property and the share in results of associates, rose in 2010 from 1.5% to 4.8%. This was primarily due to the rise in the value of the existing property portfolio referred to above. Excluding this rise and the result on property sales, RONA after tax rose from 3.5% to 3.8% in 2010.

Investments in 2010 totalled EUR 52 million (EUR 43 million in 2009). In 2010 the most important investments at the Schiphol location were the construction of TransPort, Cargo Building 19, the GA Terminal and the preparation phase for the construction of a new Hilton hotel.

Development of the property portfolio

The completion of Cargo Building 19 and TransPort at Amsterdam Airport Schiphol and of Warehouse C in Italy boosted the total size of the property portfolio in 2010 by 5.4% (2.6% in 2009), from 539,986 m² to 569,037 m² (these floor areas include the property owned by associates, in proportion to our interest). This rise was in part cancelled out by a fall in lettable space in the Terminal.

Other property results

EUR million	2010	2009
Result on sales of property	-	-
Fair value gains and losses on property investments	21	- 39
Total of other property results	21	- 39



Eighty-eight per cent of the total portfolio is located at Amsterdam Airport Schiphol, 3% at and around the regional airports of Rotterdam and Eindhoven, and 9% in Italy.

Amsterdam Airport Schiphol

The property portfolio at Amsterdam Airport Schiphol was expanded to include the TransPort office building at Aerospace Exchange (Schiphol-Oost) and Cargo Building 19 at Cargo World (Schiphol-Zuidoost).

TransPort has 11,200 m² of LFA and is leased in its entirety to Martinair and transavia.com. TransPort is the first building in the Netherlands to be awarded both the BREEAM-NL (Building Research Establishment Assessment Method) certificate for the design phase and the international LEED (Leadership in Energy and Environmental Design) Platinum certificate for sustainable buildings.

The land occupied by the former Martinair headquarters (Schiphol-Centre) was acquired and the building demolished. The vacant site is slated for Aviation activities.

The office spaces transavia.com has vacated in Triport (Schiphol-Centre) are to be renovated. The Triport complex (36,630 m² LFA) at Schiphol-Centre dates from 1995 and consists of three buildings. There are plans to redevelop the ground floor levels of the buildings, improve their interconnectivity and make them suitable for facilities such as restaurants and a childcare centre. This will allow Triport to boost its function as the airport's facilities centre. New air-conditioning installations were installed in Triport in 2010 and work has begun on making the office spaces vacated by transavia.com more sustainable. These activities have led to an improvement in the complex's energy label (Energy Performance Building Directive label) from G to C. Cargo Building 19 comprises 2,793 m² LFA of office space and 7,516 m² LFA of industrial space. The building has been leased in its entirety to Rhenus Logistics. It features measures aimed to promote sustainability such as daylight regulation, human presence detection and solar panels.

Construction work continued throughout the year on the new General Aviation Terminal at

Schiphol-Oost. This building comprises 453 m² LFA of terminal space and 3,800 m² LFA for commercial purposes. The building is expected to be completed in Q2 2011.

In the Schiphol-Noordwest area, building work has begun on the new premises for the Dutch Military Police (*Koninklijke Marechaussee*), the new detention centre and a court. These projects have been commissioned by the Defence Property Service and the Government Buildings Agency. In previous years we leased out the land required for these buildings to these two government agencies.

Efforts to improve the sustainability of the existing portfolio continued in 2010. By year-end 2010, 79% of the lettable office floor area of the combined portfolio of Schiphol Real Estate and the ACRE Fund had an A, B or C label. The national average in 2009 was 39%.

In addition to the sustainable upgrade of the existing portfolio which is aimed at the supply side, the business area started with a tenants awareness programme to address sustainability from the customer's – or demand – side. The first step of this programme involved taking stock of the tenants' sustainability requirements.

During the course of 2010, the sale of plots began in the eastern part of Schiphol Logistics Park, which is located to the south-west of the airport. In this section, around 25 hectares are available for allocation. The Real Estate business area has a 38% interest in Schiphol Logistics Park.

A4 Zone West

To the south-west of Amsterdam Airport Schiphol lies the so-called plan area A4 Zone West. 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 contains around 350 hectares, of which approximately 170 hectares is land that can be allocated for commercial purposes. 2010 saw the establishment of the land operating company A4 Zone West, in which the Real Estate business area has acquired a direct interest of 33.3% and an indirect interest of 8.3% via its participation in the Schiphol Area Development Company.

Rotterdam The Hague Airport

Rotterdam The Hague Airport offers approximately 200,000 m² of space for the development of commercial property. Work was done in 2010 on a further integrated approach for the development of both the airport grounds and the adjacent business park. This resulted in the 'Rotterdam The Hague Airport 2010 – 2025' master plan, which will serve as input for the new zoning scheme.

In January 2010 we commissioned Dura Vermeer Vastgoed to start the construction of the 'Cornerstone' office building (12,100 m² LFA) on Airport Plaza. The building is expected to be completed in early 2013. The Dura Vermeer Group has leased 50% of the building.

In May, Heembouw development company began construction of the 'Flightpark' business complex in the business park. The first buildings have since been completed. We have released the land on a leasehold basis to Heembouw.

In Spring 2010, Culimer, a wholesaler specialising in frozen fish products, opened its office pavilion in the so-called Entrance Area, while August saw the official opening of the detention centre. The land for these projects was issued on a leasehold basis in previous years. We are currently developing a new Freight Centre, an office pavilion and a childcare centre.

The new RandstadRail began serving the east side of the airport in December. This development represents a substantial improvement in the airport's accessibility by both car and public transport.

International

At MXP Business Park near the Milan airport of Malpensa, infrastructural work (parking spaces and accessibility improvements) was carried out and completed. The application for a permit to build the second office building has now been drawn up and will be submitted following the next pre-let. At the same time, a feasibility study is being conducted into the building of a business-oriented hotel.

At Avioport Logistics Park, also located near Malpensa, work started in September 2010 on the construction of Warehouse D with a surface area of around 13,000 m², including a parking garage for around 200 cars.

In November 2010, Avioport Logistics Park received the Assologistica Award for Italy's most innovatively developed logistics park.

The cargo transport market in Hong Kong picked up further in 2010, resulting in the occupancy level of Tradeport Hong Kong reaching around 90% at the year's end. 2010 was an important year for Tradeport Hong Kong as it booked a positive net result for the first time in its history. The outlook for 2011 is positive and the net result is expected to nearly double.

Occupancy

The occupancy rate of our property portfolio amounted to 86.5% at year-end 2010, 2.9 percentage points lower than the year-end 2009 figure.

This fall can mainly be attributed to the offices in the portfolio. The Triport 3 and WTC offices, in particular, saw a rise in vacancy levels in 2010. In the case of Triport, this situation will be utilised to invest in the building.

The occupancy rate of the operational property in the terminal fell from 90.3% in 2009 to 88.6% in 2010, a fall that can be attributed to a combination of departing tenants and more complex market conditions. Also, while renovations of a number of office spaces were completed, not all of these office spaces have yet been fully leased. The occupancy rate of operating property at other locations fell to 95.6% in 2010.

In 2011, 10.0% of Real Estate leases will expire (7.1% in 2010).

Occupancy rate business area Real Estate 2010	2010	2009
Offices	76.3%	82.2%
Commercial space	92.0%	92.9%
Operational property	95.6%	98.7%
Operational property Terminal	88.6%	90.3%
Total occupancy rate	86.5%	89.4%

	2010			2009 ¹		
	RONA	Direct returns	Indirect returns	RONA	Direct returns	Indirect returns
Property investments	8.7%	6.6%	2.1%	2.6%	6.9%	- 4.3%
Assets under construction or in development	- 0.2%	- 0.2%	0.0%	- 1.1%	- 2.6%	1.5%
Assets used for operating activities	12.9%	12.9%	0.0%	11.4%	11.4%	0.0%
Total fixed assets	8.5%	7.0%	1.5%	3.8%	6.6%	- 2.8%

¹ Following reclassification in 2010 of one specific property from assets used for operating activities to investment property, the comparable figures have been adjusted.



EUR million	2010			2009 ¹		
	RONA	Asset Base average	Operating result incl. FVG ²	RONA	Asset Base Average	Operating result incl. FVG ²
Property investments	8.7%	1,003	87	2.6%	972	25
Assets under construction or in development	- 0.2%	156	0	- 1.1%	167	- 2
Assets used for operating activities	12.9%	252	32	11.4%	263	30
Total fixed assets	8.5%	1,411	120	3.8%	1,402	53
Other assets (including overhead and allocations)	- 61.8%	39	- 24	- 59.6%	40	- 24
RONA before tax	6.6%	1,450	97	2.0%	1,442	29
RONA after tax	5.0%			1.5%		
Share in results of associates (financial fixed assets)		74	2		69	2
RONA before tax including associates	6.5%	1,524	98	2.1%	1,511	31
RONA after tax including associates	4.8%			1.5%		

¹ Following reclassification in 2010 of one specific property from assets used for operating activities to investment property, the comparable figures have been adjusted.

² FVG = fair value gains and losses on investment property

Analysis of returns

RONA rose from 3.8% in 2009 to 8.5% in 2010. An analysis of RONA (excluding overhead costs and allocations) based on direct returns (leases) and indirect returns (fair value gains and losses) on property investments, assets under construction or in development, and assets used for operating activities is given above.

Direct returns rose slightly in 2010 from 6.6% to 7.0%. This can be attributed to the impairment of EUR 3.5 million in 2009 on projects that have been cancelled. Indirect returns rose in 2010 from -2.8% to 1.5% as the result of the rise in value of property investments in 2010.

Investment property

Our investment property (including the 60.25% interest in ACRE Fund and investments in other associates in proportion to our interest) comprises offices, industrial buildings and land at and around Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Malpensa (Italy). The Real Estate business area itself manages the properties in these portfolios.

As at year-end 2010, investment property accounted for 72.0% of our total fixed assets (68.9% in 2009). The market value of these investments as at year-end 2010 amounted to EUR 1,035 million, compared with EUR 966 million at the end of 2009.

The average market value in 2010 amounted to EUR 1,003 million (EUR 972 million in 2009).

RONA before tax amounted to 8.7% (2.6% in 2009). This rise can primarily be attributed to fair value gains on the existing property portfolio.



Assets under construction or in development

The assets under construction or in development are intended as future investment property. This category comprises commercial development sites and property under construction. In addition to fair value changes (which may be positive or negative) these assets negatively

impact the result during the construction period because they tie up capital and involve sunk costs, such as the costs of draft designs and surveys. As soon as the object has been delivered, it will contribute to RONA in the form of rental income and fair value changes. In 2010, a total of 11,180 m² LFA of office space (2009: 13,820 m² LFA) and 10,450 m² LFA of industrial space (2009: 11,960 m² LFA) was completed.

Location	Category	Total lettable surface area in m ² LFA	Total lettable area in m ²		Expected completion-date
			in proportion to our interest	Pre-let %	
Schiphol-Oost	GA Terminal	4,600	4,600	40%	Q2-2011
Rotterdam The Hague Airport	Childcare centre	370	370	100%	Q4-2011
Malpensa, Italy	Industrial space	12,500	8,750	0%	Q1-2012
Rotterdam The Hague Airport	Office space	1,950	1,950	100%	Q2-2012
Rotterdam The Hague Airport	Office space	11,500	11,500	50%	Q1-2013
Schiphol-Oost	Hangar	10,000	10,000	100%	Q3-2013
Schiphol-Centre	Hotel	39,000	39,000	n/a	Q1-2014
Total		79,920	76,170		

As at year-end 2010, the total carrying value of the assets under construction and in development was approximately EUR 162 million (EUR 155 million in 2009). The average carrying amount was EUR 158 million (EUR 167 million in 2009). The partially approved and current projects as at year-end 2010 are shown in the table on page 76.

Assets used for operating activities

The category of tangible fixed assets used for operating activities consists of the spaces in the terminal building which we manage and operate (Terminal Leases), assets in the terminal under construction or in development as well as Schiphol Group's head office and a number of first-line industrial buildings located on sites intended for future operational use (Other).

In the Amsterdam Airport Schiphol terminal building, office and commercial spaces, desks and lounges are leased to airlines and companies having airport-related activities. The Real Estate business area manages and operates these spaces.

The profitability of these activities improved slightly compared with 2009. Despite lower rental turnovers in the terminal, profitability improved owing to reduced operating costs and a decrease in the average carrying value of the terminal building in 2010. These assets are carried at historical cost less depreciation. Consequently, the yield from the terminal was higher than that from investment properties. The above assets represented an average carrying amount of EUR 252 million in 2010 (EUR 263 million in 2009) and generated a RONA before tax of 12.9% in 2010 (11.4% in 2009).

Other assets

The 'Other assets' category consists of infrastructure assets directly attributable to the activities of the Real Estate business area, including associated operating expenses and other Schiphol Group overhead costs (and the separate Real Estate business area overhead costs). This means that, with an average asset base of EUR 39 million in 2010 (EUR 40 million in 2009) and a negative result, the 'Other assets' category has the effect of lowering the RONA of the Real Estate business area.

Financial fixed assets

Apart from investment property, the Real Estate business area has investments in various associates, which are carried at net asset value, including a minority interest in the investment activities of Tradeport Hong Kong Limited and Flight Forum in Eindhoven. Tradeport Hong Kong is a joint venture between Schiphol Real Estate, Fraport, China National Aviation Company Limited and Hong Kong Land Investment Limited.

The share in results of associates amounted to EUR 1.5 million in 2010 (EUR 2.3 million in 2009). This is the balance of a small profit generated by Tradeport Hong Kong and lower revenues from Flight Forum in Eindhoven.



Alliances & Participations

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 via 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. By applying the equity accounting method, changes in the market value of the investments are not reflected in the results.

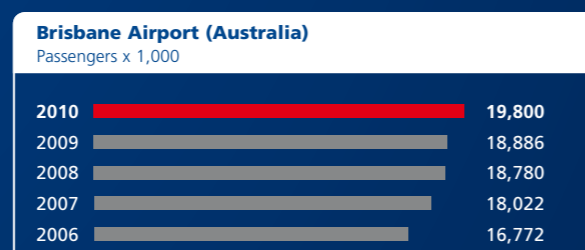
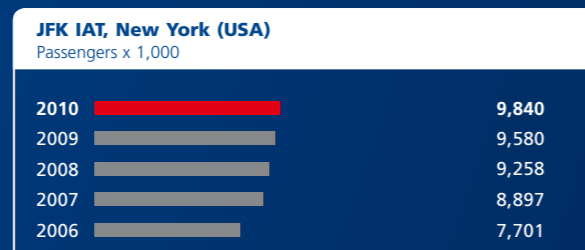
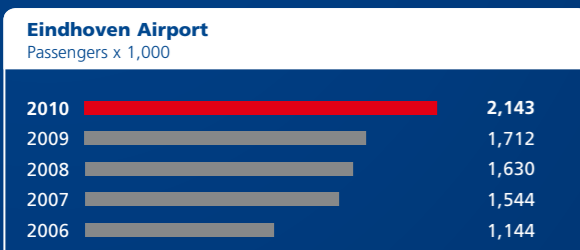
The Alliances & Participations business area consists of Schiphol Group's interests in airports abroad, domestic airports and other activities, including Schiphol Telematics and Utilities.



2010

- The operating result, including the result from associates, increased from EUR 40 million to EUR 85 million
- Both the airports abroad and the regional airports are showing a recovery in traffic and transport volumes
- In collaboration with Delta Airlines, activities at JFK International Airport in New York are being expanded substantially
- Industrial cooperation with Aéroports de Paris (HubLink) is going according to plan and has resulted in a number of successes, including the formation of a joint contract for the purchase of passenger bridges
- Innovation and sustainability have been boosted with the launch of theGROUNDS

Key Performance Indicators



EUR million	2010	2009	%
Revenue	147	143	2.9%
Fair value gains on investment property	1	-1	
Operating expenses	126	133	-5.3%
EBITDA	35	22	58.2%
Operating result	22	9	139.2%
Average fixed assets	844	780	8.2%
RONA before tax	10.1%	5.1%	
RONA after tax	8.0%	4.7%	
Investments in fixed assets	6	13	-48.8%

Financial performance

In 2010, total revenues of the Alliances & Participations business area rose by 2.9% (+4% in 2009) from EUR 143 million to EUR 147 million. The operating result more than doubled from EUR 9 million (-22.4% in 2009) to EUR 22 million, which should be attributed mainly to the rise in the result of the regional airports. EBITDA grew by 58.2% (-2.3% in 2009) from EUR 22 million in 2009 to EUR 35 million in 2010.

The total contribution of the subsidiaries and associates to the result amounted to EUR 85 million in 2010, compared to EUR 40 million in 2009. This rise of 113% is mainly the result of a one-off share in results of associates of EUR 28 million before tax because of the expansion of our stake in JFK IAT. When adjusted for this one-off share in results, the total contribution of subsidiaries and associates rose by 42.7% from EUR 40 million in 2009 to EUR 57 million in 2010.

Foreign airports

Schiphol Group's international focus has shifted towards better facilitating its most important customers by seeking collaboration with the foreign airports of greatest importance to them. This will strengthen its competitive position. The expansive global network of Air France-KLM and its SkyTeam partners plays a key role in this. The SkyTeam alliance is the largest transatlantic joint venture in the aviation sector, with Amsterdam Airport Schiphol, Aéroports de Paris and JFK International Airport serving as important hubs. In addition, Schiphol Group will maintain international partnerships and continues to pursue the effective management of existing participations.

EUR million	Foreign airports		Domestic airports		Other participations		Allocations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	6.1	4.9	53.8	49.2	86.5	88.2	0.3	0.3	146.7	142.6
Operating result	3.2	-0.8	13.4	7.9	11.2	9.1	-5.4	-6.8	22.4	9.4
Share in result, interest charges and result on other investments	62.8	31.1	-	-	-0.2	-0.6	-	-	62.6	30.5
Total result	66.0	30.3	13.4	7.9	11.0	8.5	-5.4	-6.8	85.0	39.9
Average asset base (excl. deferred tax)	713.7	645.8	71.5	72.7	53.6	56.9	4.8	4.1	843.6	779.5
RONA after tax	7.5%	4.5%	14.0%	8.1%	15.2%	11.1%			8.0%	4.7%





Aéroports de Paris

Amsterdam Airport Schiphol has an 8% cross-participation with Aéroports de Paris. In 2010 the net revenue of Aéroports de Paris grew by 4.0% (+4.2% in 2009), to EUR 2,739 million. The estimated share in the results of Aéroports de Paris is EUR 26.4 million (EUR 23.6 million in 2009), which includes the effects of the differences in the accounting policies with regard to property in particular. In view of the fact that the performance of Aéroports de Paris was not yet known at the time of compiling this Annual Report, our share as quoted here is an estimate based on public information.

Aéroports de Paris saw the number of passengers grow by 0.4% (-4.7% in 2009), from 83.0 million in 2009 to 83.4 million in 2010. The number of air transport movements decreased by 4.2% in 2010 (-5.5% in 2009), from 738,624 to 707,578. The small rise in passenger numbers can be attributed to the improved occupancy rate. Excluding the effect of the closures of the airspace resulting from the volcanic ash cloud in April, passenger traffic would have been up 2.1%.

The HubLink alliance notched up various financial and operational successes in 2010. Several benchmark projects gave rise to new retail concepts and cost savings, and as regards Real Estate, the two airports are working together closely on a master plan that charts new opportunities for development and/or investment at both airports. A pilot project launched in cooperation with Air France-KLM has tested tracking baggage between Schiphol and Paris by means of Radio Frequency Identification (RFID) technology. Thanks in part to the conclusion of a joint contract for the purchase of passenger bridges, the synergy benefits for Schiphol Group have now grown to approximately EUR 9 million annually.

As part of its Corporate Responsibility programme, Aéroports de Paris commissioned a new geothermal power station that began supplying heat at the end of 2010.

Terminal 4 JFK New York

Schiphol Group increased its interest in JFK IAT LLC in the first half of 2010. JFK IAT Member LLC – a subsidiary of Schiphol USA Inc. (SUSA Inc.) – raised its stake in JFK IAT LLC from 40% to 100%.

EUR million	ADP		JFK IAT		Brisbane		Other		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	-	-	2.2	-	2.1	1.8	1.8	3.1	6.1	4.9
Operating result	-	-	1.1	-	2.1	1.8	0	-2.6	3.2	-0.8
Share in result, interest charges and result on other investments	26.4	23.6	30.0	2.6	6.1	4.5	0.4	0.4	62.9	31.1
Total result	26.4	23.6	31.1	2.6	8.1	6.3	0.4	-2.2	66.0	30.3
Fixed assets as of 31 December	567.1	551.5	38.3	0.0	130.9	101.5	25.0	13.0	761.3	666.1
Number (x 1,000)										
Passangers (excl. transit)	83,369	83,015	9,840	9,580	19,800	18,886				
Air transport movements (total)	707.6	738.6	55.3	56.9	185.0	175.0				

SUSA Inc has since held all class A shares and Delta Airlines Inc all class B shares in JFK IAT Member LLC. In 2010 this transaction resulted in a one-off profit before tax of EUR 28.1 million. The participation contributed EUR 3.0 million (EUR 2.6 million in 2009) to the result in the form of management fees and dividend.

The number of passengers that used Terminal 4 in 2010 rose by 2.7% (3.5% in 2009) from 9.6 million in 2009 to 9.8 million in 2010. The number of air transport movements fell by 2.7% (+1.7% in 2009), from 56,860 to 55,315. By the end of 2010, 40 airlines were using Terminal 4, two more than the 38 in 2009.

Work on the expansion of Terminal 4 began in November 2010 and involves nine new international gates, baggage facilities, customs and border control facilities. The first phase is due to be completed in 2013. The total expansion will cost USD 800 million. The Port Authority of New York and New Jersey has financed this expansion with a bond issue.

Brisbane Airport Corporation Holdings

Schiphol Group has an 18.72% share in Brisbane Airport Corporation Holdings (BACH). In the 2009-2010 financial year, BACH's net result rose by 23.5% (-27.8% in 2008-2009), to AUD 81.7 million. Our share in BACH contributed EUR 8.1 million to our net results (comprising an intellectual property fee, interest income and dividends) in 2010 (EUR 6.3 million in 2009). This does not take account of the growth in the real value of our interest in the airport.

The number of passengers went up by 4.8% (0.6% in 2009), from 18.9 million to 19.8 million, with July 2010 seeing a record volume of almost 1.8 million passengers in a single month. The number of air transport movements rose by 5.7% in 2010 (-2.9% in 2009) to 185,000. Brisbane Airport Corporation was named one of Skytrax's 25 best airports in the world in 2010. Brisbane airport aims to develop into an AirportCity, accommodating business parks, hotels and high-quality public transport connections. This ambition closely reflects our own ideas and has given rise to numerous exchange programmes.

New initiatives have also been developed in the domain of Corporate Responsibility. The airport opened Australia's first Airport Experience Centre in order to better inform regional residents and stakeholders about its history, environmental activities, current operations and future expansion.

Domestic airports

The domestic airports of Rotterdam The Hague and Eindhoven are independent entities, each serving its own specific market. In addition, they play a useful role by serving a number of business destinations. In future, both Lelystad and Eindhoven Airports will play a role in accommodating non-Main Port-related traffic for Amsterdam Airport Schiphol, such as holiday flights and low-cost carriers. Lelystad Airport is an important strategic capacity reserve.



Development of the regional airports reflects the socio-economic role we play and enables the continued development of Amsterdam Airport Schiphol.

Eindhoven Airport

Eindhoven Airport saw total revenues in 2010 grow by 16.4% (-2.8% in 2009) from EUR 21.7 million in 2009 to EUR 25.2 million in 2010. The operating result went up by 110% (-14.6% in 2008), from EUR 3.8 million in 2009 to EUR 8.0 million in 2010. The chief causes of this rise were higher revenues from airport fees, parking fees and concessions generated by higher passenger volumes against a virtually unchanged cost level.

For the first time, the 2-million passenger barrier was broken. The number of passengers grew by 25.2% (5.0% in 2009) from 1.71 million in 2009 to 2.14 million in 2010.

The number of destinations continued to expand to 32 by the end of 2010, nine more than at the end of 2009.

In June 2010, the Alders Regional Platform made recommendations to the Ministry of Infrastructure and the Environment proposing that Eindhoven Airport could grow by an additional 10,000 air transport movement on top of the current maximum capacity of 21,175. Provided various conditions are fulfilled by 2015, this regional airport may be given scope for a further 15,000 extra air transport movements. If this recommendation is enacted in law, eventually growth to 4.5 million passengers per annum would be possible. An intermediate solution has been arrived at for meeting market demand in the years 2011 and 2012.

In order to be fully CO₂ neutral in 2015, work started in 2010 to make the terminal, offices and hangars climate neutral by compensating CO₂ emissions. The apron too is to be made climate neutral in a similar way in the years ahead. In addition, the airport has developed a plan to generate at least 5% of its on-site energy needs from sustainable sources by 2015, which figure is due to rise to 20% by 2020.

EUR million	Eindhoven		Rotterdam The Hague		Lelystad		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	25.2	21.7	25.9	24.7	2.6	2.5	53.7	49.0
Operating result	8.0	3.8	5.4	4.8	0.1	-0.7	13.5	7.9
Fixed assets as of 31 December	40.3	40.9	20.5	22.0	10.1	9.2	70.9	72.1
Number (x 1,000)								
Passengers (incl. transit)	2,142.8	1,711.5	969.5	964.5				
Air transport movements (commercial)	16.7	13.5	12.9	14.0				
Water consumption (liter/pax)	6.8	9.1	10.0	10.0				
Electricity consumption (kWh)	4,455,711	4,130,320	3,456,000	3,716,662	220,000	237,000		
Gas consumption (m ³)	156,877	164,935	259,308	246,939	29,000	27,500		
Volume of waste (tonnes)	202.0	188.4	105.8	103.7	4.0	4.0		
% recycled waste	15.0%	16.0%	25.0%	25.0%	15.0%	10.0%		

Rotterdam The Hague Airport

Total revenues of Rotterdam The Hague Airport – the official new name for Rotterdam Airport – rose in 2010 by 4.8% (0.8% in 2009), from EUR 24.7 million in 2009 to EUR 25.9 million in 2010. The operating result went up by 12.7% (111.7% in 2009), from EUR 4.8 million in 2009 to EUR 5.4 million in 2010. The growth in turnover is mainly due to the rise in revenues from airport fees (more passengers and fee increases) and concession revenues (higher spending by passengers). As the cost-saving measures introduced in 2009 were continued, operating costs in 2010 remained virtually unchanged. This, combined with the rise in turnover, led to a higher operating result compared with 2009, despite the problems presented by the ash cloud, the strike by air traffic controllers in southern Europe and the extreme winter weather.

Following a period of decline, passenger volumes picked up in 2010. Passenger traffic grew by 0.5% (-4.8% in 2009) from 964,542 in 2009 to 969,480 in 2010. This rise can primarily be attributed to a higher occupancy rate and more charter traffic. Six new destinations were added to the network in 2010. The number of commercial air transport movements fell in 2010 by 7.5% (-8.6% in 2009), from 13,963 to 12,917.

The procedure started in October 2005 to correct the applicable noise zone resulted in the publication by the Minister of Infrastructure

and the Environment of an amended airport operations ruling in October 2010.

Rotterdam The Hague Airport has developed new initiatives in the area of corporate responsibility. LED lighting has been installed in the terminal and on the various aprons. Furthermore, an environmental threshold has been implemented that changes aircrafts' take-off procedures and substantially reduces the environmental impact.

Lelystad Airport

Lelystad Airport saw total revenues in 2010 grow by 3.8% (-11.8% in 2009), from EUR 2.5 million in 2009 to EUR 2.6 million in 2010. The operating result went up from EUR -0.7 million in 2009 to EUR 0.1 million in 2010. This was mainly due to a substantially higher result from property management. In 2010, two large plots of land were leased out and a number of ground rents were adjusted. The total number of air transport movements fell by 6.0%, from 133,755 in 2009 to 125,675 in 2010 (+0.4% in 2009). More than 60% of air traffic is accounted for by instruction flights, with a further 1% of the total being business traffic.

2010 saw the commencement of the construction of two large hangars as well as the arrival of two new companies at the airport. The hangars will be used to accommodate historic aircraft and a maintenance company.

EUR million	Schiphol Telematics		Utilities		Other		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue	32.6	32.5	43.9	44.0	10.1	11.7	86.5	88.2
Operating result	8.8	7.7	3.0	1.7	- 0.6	- 0.4	11.2	9.0
Share in investments, interest charges and results on other investments	-	-	-	-	- 0.2	- 0.6	- 0.2	- 0.6
Total result	8.8	7.7	3.0	1.7	- 0.9	- 1.0	11.0	8.5
Fixed assets as at 31 December	20.7	23.1	24.2	25.1	5.4	8.6	50.4	56.8

The LA-Plus plan, which proposes implementation of the Instrument Landing System, was submitted to the Ministry of Infrastructure and the Environment at the end of 2010. This system will allow larger aircraft to use Lelystad Airport, enabling the airport to further pursue its ambition to become a business airport.

In the area of Corporate Responsibility, a pilot project was launched with LED lighting and the feasibility of installing solar panels was investigated.

Other participations

Schiphol Telematics, a wholly-owned subsidiary of Schiphol Group, is a specialised telecommunications operator. It provides services in the field of speech, data, Internet and managed services through its landline and mobile networks. The organisation is the beating heart of data and voice communication at the airport on a round-the-clock basis.

Utilities provides the airport with sustainable and efficient energy by managing energy, water and waste flows and making resources available in a cost-effective and reliable manner.

Schiphol Telematics and Utilities form an integral part of our business processes. Their activities contribute to the ongoing innovation of our core activities. They manage their own activities so that we can increase the reliability of our business processes and continue to integrate measures aimed at boosting Corporate Responsibility at all organisations active at and around the airport.

Associates such as Dartagnan and innovation platform theGROUNDS also contribute to the ongoing innovation of our business processes and the airport itself. They contribute positively to resolving problems such as long queues at border passages and they boost sustainability.

Schiphol Telematics

The operating result of Schiphol Telematics rose in 2010 by 13.3% (24.5% in 2009), from EUR 7.7 million in 2009 to EUR 8.8 million in 2010. Subscriptions are the company's main source of income and are responsible for around 85% of turnover. The expected pressure on prices and the anticipated fall in customer demand were limited in 2010.

Schiphol Telematics introduced an entirely new service in 2010: ST Workspace, which not only manages the network but the entire workspace.

Utilities

Utilities saw its operating result for 2010 rise by 67.6% (-61.4% in 2009), from EUR 1.7 million in 2009 to EUR 3.0 million in 2010. Turnover was generated both within Schiphol Group and elsewhere.

A number of initiatives were launched in 2010 aimed at helping to achieve Schiphol Group's Corporate Responsibility objectives. Examples include the implementation of energy-saving measures such as LED lighting in public spaces and the sustainable generation of energy through wind projects and solar panels.

Dartagnan

Dartagnan, a wholly-owned subsidiary of Schiphol Group, is a service provider that specialises in the development of automated border crossing systems, examples being innovative projects like FLUX and fast border passage. Dartagnan booked a negative operating result in 2010 of EUR -0.6 million (EUR -0.4 million in 2009).

FLUX

The transatlantic programme FLUX – Fast Low Risk Universal Crossing – was launched in 2009. This programme offers passengers flying between the Netherlands and the US fast automated border passage and contributes to the unique strategic relationship between Amsterdam Airport Schiphol and the US. Twenty-five US airports currently participate in the FLUX programme, and Canada will join in 2011. FLUX cannot be introduced within Europe as it has proved impossible to reach agreement with other European countries on its implementation, a situation that seriously limits the continued rollout of FLUX.

Fast border passage

Privium is Schiphol's service programme for travellers to and from Amsterdam Airport Schiphol. Members are offered exclusive facilities that bring speed, comfort and priority to their travel experience, including fast border passage thanks to iris scanning. As the benefit of fast border passage is in danger of being eliminated with the introduction of project No-Q, development of Privium Priority AGP began in 2010. This will involve continued innovation of the current automated border controls and facilities.

With No-Q, EU citizens will soon be able to cross borders with an ePaspoort without having to deal with any government officials.

2010 saw the launch of the Orange Lane project, a fast border passage facility at Amsterdam Airport Schiphol for VIPs and diplomats.

theGROUNDS

In 2010 Schiphol Group launched theGROUNDS, a joint innovative platform of Amsterdam Airport Schiphol, Delft University of Technology, Wageningen University, Imtech and TNO (the Dutch Institute of Applied Science) focused on sustainability. This knowledge platform seeks to stimulate innovative ideas that can be rolled out at the airport on a sound commercial basis. For example, theGROUNDS is involved in the practical side of sustainable energy generation by solar panels and algae-based water purification.

With theGROUNDS, we wish to give added impetus to our ambition to be seen as the leading airport in the area of sustainability and innovation. Amsterdam Airport Schiphol intends to be CO₂ neutral by 2012 and to generate 20% of its own energy needs sustainably by 2020. The airport also aims to improve water quality. The innovative applications of theGROUNDS, means that these objectives can be achieved more quickly.

In 2009 KLM, Schiphol, Rabobank and Delft University of Technology established the Mainport Innovation Fund. This investment fund focuses on promising young Dutch entrepreneurs with innovative products, technologies or processes that relate to themes within aviation. Rabobank is responsible for the day-to-day running of the fund; the other partners provide knowledge and specialists to assess and guide the entrepreneurs. The past year has seen some 40 investment proposals submitted to the fund for assessment; the first actual investments are expected to be made in the beginning of 2011.





Human Resources Management

The reorganisation takes shape in greater detail

Reorientation towards core activities

The reorganisation, which began in early 2009, took shape in greater detail in 2010. In 2009 and 2010 our reorientation towards core activities resulted in the outsourcing of various non-core activities and the transfer of more than 250 employees to external service providers, some of which were already working in partnership with us. The following activities are among those involved:

- the operational and technical management of Schiphol Parking;
- support services, such as Copy Print and warehouse management;
- HR Service Centre, including administrative human resource activities;
- the maintenance and service activities of the Baggage department;
- the Customer Contact Centre and the Information department;
- our subsidiary Schiphol Dienstverlening B.V., which carries out activities in the fields of baggage reclaim, security surveillance and bus transport on the apron.

This process was completed within the context of the Redundancy Plan concluded with the trade unions, and involved repeated close consultation with the various employees' representation bodies (works councils and the Central Works Council of Schiphol Nederland B.V.). Despite the radical nature of these outsourcing process, on no occasion did they cause any disruption to the 24-hour operation so critical to our organisation, not even during other major operational disruptions such as those caused by the cloud of volcanic ash and the extreme winter weather. For this, we are especially grateful to all employees involved.

Schiphol Mobility Centre

The transformation to a lean & mean organisation – the other reason for the reorganisation – meant that 137 employees became redundant. The Schiphol Mobility Centre has been set up specially to meet their needs. The centre aims to guide employees to

a new job, either internally or externally. At the end of 2010, 93% of all redundant employees had either found other employment or were making use of one of the schemes in the Redundancy Plan. Many of these (ex-) employees have indicated that they appreciated the guidance offered by the Schiphol Mobility Centre. In addition, 56 employees took advantage of the early retirement provision. As a consequence of the reorganisation, employee numbers have declined by 17% since January 2009.

Organisational change

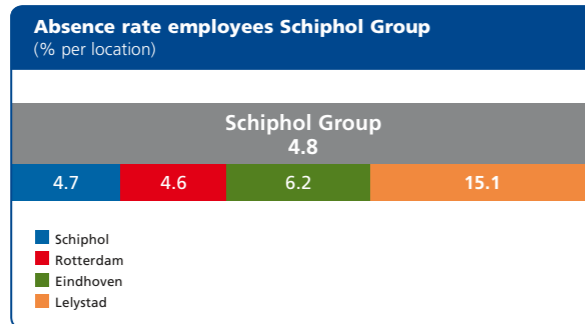
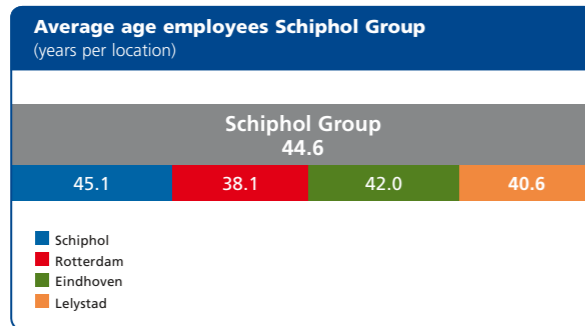
"I...Schiphol!"

As part of our reorganisation to achieve lean & mean, the "I...Schiphol!" programme was introduced at the end of 2009. It is intended to create a more effective and more flexible organisation with a result-focused culture, one in which both the organisation and its employees are 'always one step ahead'. At the end of March 2010, "I...Schiphol!" was launched in the presence of many of our employees.

The Company Monitor survey run by the MeyerMonitor company has helped to identify certain themes in need of improvement: appreciation and recognition, open and direct communication, ambition, reducing bureaucracy, and a more entrepreneurial culture. The monitor charts the differences between the intended strategy and its implementation. Under the leadership of Management Board members and the management team, sessions were held in which these themes were addressed. Our core values and the strategy provided support and context. These core values are reliability, efficiency, hospitality, inspiration and sustainability. During the launch of the "I...Schiphol!" programme in March 2010 mentioned above, the meaning of these values was determined by all our employees.

Diversity

At the end of 2009 we signed the national 'Talent to the Top' charter pledging our commitment to the objective that 30% of senior management positions will be held



by women by the end of 2014. We believe that diversity (in the composition of teams) leads to better results.

Our diversity policy is laid down in the Diversity programme plan and focuses primarily on the retention and advancement of talented women in senior management positions. As part of the Company Monitor, a baseline measurement was carried out among our management of the views held regarding more women at the top. Our managers are satisfied with the extent to which work and home and can be combined. The Diversity programme plan is based, in part, on the findings of the Company Monitor.

The New Style of Working

In the autumn of 2009 the Consumers business area took the first steps towards the 'New Style of Working'. This new concept embodies the principle that results count and that every employee must be able to work in a manner that is neither time nor place dependent. Traditional workstations belonging to individuals will be phased out and replaced by 'flexible workstations'. 2010 was dominated by preparations for this programme: gaining relevant experience and making improvements to the necessary ICT applications. The Health and Safety Service was involved in the ergonomic assessment of a new concept for the furnishing of the workstations.

As of 2011 our non-operational employees will be able to telework more easily than ever before and organise their working week more flexibly. Colleagues who work in workplace-dependent shifts can now plan their own rosters.

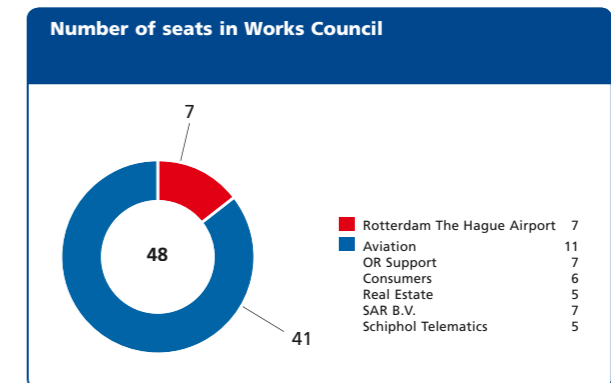
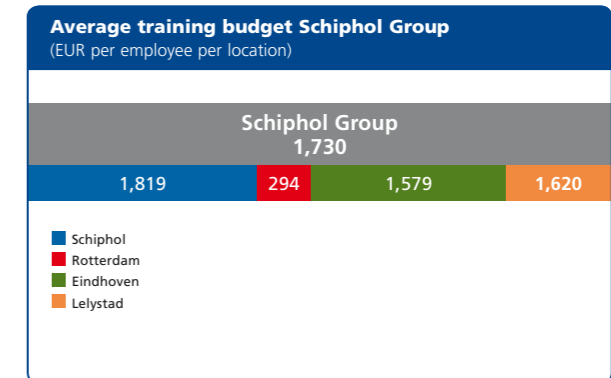
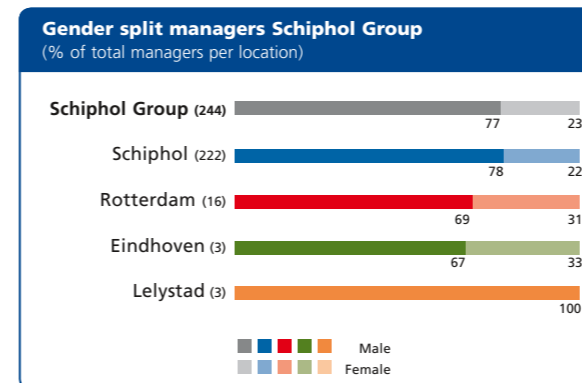
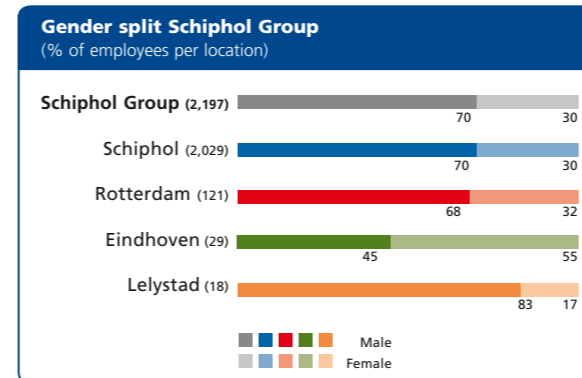
Schiphol traineeship

In September the Schiphol Traineeship was launched. The first group of trainees, average age 26, numbered seven women and three men. Over two years the trainees carry out four assignments, each lasting six months, at various business units. This enables them to learn about different parts of the organisation. The trainees are supervised by a permanent internal mentor. At the same time, they complete an extensive training programme intended to develop their vision and personal leadership.

The traineeship has been set up for several reasons. It strengthens our workforce with flexible, young and change-oriented individuals; it creates a 'strategic reserve of talented persons' for the future staffing of key positions and it reinforces our position in the job market for recent graduates, thereby enabling us now and in the future to better attract talented individuals.

Terms of employment

In consultation with the trade unions, our terms of employment are set out in our own collective labour agreement (CAO). Our terms of employment have a primary (salary and supplements) and a secondary (pension and leave) remuneration component. These are combined with extra facilities. In consultation, our employees can establish the number of hours a week that they work, as well as the times at which they work, thereby maximising flexibility. In addition, employees can buy or sell a limited number of leave days each year. Moreover, they can save for a sabbatical leave lasting a maximum of four months. This can be taken once every four years. Where the development of competences and skills training and re-training are concerned, employees are challenged and supported; examples of company support include the reimbursement of costs, additional study leave and an employability budget. The development of competences is also a topic of discussion during the annual assessment and development interview.



In 2010 we made agreements with the trade unions about a moderate wage increase up to and including 2012. As an extension of our pursuit of a more effective and more flexible organisation with a result-oriented culture, with at its heart our core values, a new job definition framework (*functiehuis*) in 2010 was introduced that encourages managers and employees to make concrete and measurable agreements concerning results.

The stronger focus on result-oriented remuneration is evident from a number of changes to our participation (profit-sharing) scheme. On the one hand, a number of technical amendments have been implemented that make it more financially attractive to employees to make a larger slice of their income variable (i.e., dependent on the operating result). On the other hand, the scheme itself has been improved, so that the 'at target' remuneration, the variable payment after the adoption of the financial statements, can increase in three annual steps (to 2012) to as much as 8% of the fixed income.

The moderate long-term wage increase, combined with improvements to the scheme for variable remuneration, ensures that our wage costs can be tied to our financial performance

much more than used to be the case. This will enable us to respond more effectively to developments around us.

Safe working conditions

Our working conditions policy focuses on assuring the safety, health, vitality and deployability of all our employees. At the same time, we bear responsibility for the safety of third parties, such as passengers and visitors at and around the airport. How this policy is put into practice is described in the Occupational Health & Safety Plan for 2009-2012 (*Veiligheids- en Arbobeidsplan 2009-2012*).

Safety at work

All business units are screened using a structured methodology for possible health and safety risks once every four years. The screening is coordinated by the Health and Safety Team, while Achmea, our Health and Safety Service, carries out the actual screening. For their own safety, special groups of employees such as student trainees, temp agency staff, pregnant women and third parties, receive extra attention and supervision when carrying out operational activities.



In order to improve the reliability of the performance indicator for the number of accidents resulting in lost time (the Lost Time Injury Frequency), various actions were initiated at the end of 2010 to improve the reporting and registration of industrial accidents.

Extra attention was paid in 2010 to the safety of machines; this will continue in 2011. The various work implements and machines at the airport are assessed for the safety risks they may pose to the user and his/her environment. Following a pilot project with the snow clearance fleet of a revised inspection method in 2010, the equipment of the fire service, the passenger bridges, the moving walkways, escalators, sloping walkways and automatic revolving doors were assessed. No high safety risks requiring immediate action were identified. However, recommendations were made concerning improvements to the safety level, such as improving access to emergency stop buttons, improving instructions and enhancing the supervision of the work of third parties.

Safety in the baggage process

In 2010 the following passages in the Health and Safety Manual for baggage were implemented:

1. Structuring communication between the parties/departments and ground handlers in the Health & Safety consultations. The aim of these consultations is to raise the safety level in, on and around the baggage system. We do this by following the processes, recording deviations from the process, and making recommendations for adapting the process concerned. The group of experts, which meet every month, consists of representatives of the airport, the service teams, Group4Securicor and ground handlers, all of whom work with the baggage systems.
2. The supervisor of baggage operations has acquired a supervisory task. The supervisor assesses whether contractors and third parties who carry out work in the baggage systems perform their work safely and properly apply the existing processes/procedures.

In 2010 an update study was carried out of the risks associated with all work materials in the various baggage systems. An update of this nature results in a Risk Inventory and Evaluation detailing the necessary improvements. In this case, these improvements were translated into action points and included in the plan that will be implemented in 2010 and 2011. The implementation plan is intended to further reduce the number of hazardous situations to which employees may be exposed while working with the baggage systems.

In 2010 the physical strain on employees was further reduced by the installation of lifting aids in Hall D and in the South baggage hall at baggage belts where suitcases are handled manually. In the South baggage hall, six robots were installed to fill containers. Thanks to these and future innovations, the physical strain of baggage basement operations will be substantially reduced.

Healthy workplace

In 2010 the Diesel Engine Emissions project got underway. The project's aim is to prevent exposure to the emissions of diesel engines. Possible measures include the mandatory use of alternative energy sources, soot filters and the provision of better ventilation. In 2011 this initiative will lead to management measures, which will also necessitate the involvement of third parties.

Work is also underway to establish a standard for diesel engine emissions for indoor workplaces and outdoor locations. At the request of our employees, the Health and Safety Team is ensuring that the workplaces are furnished and adjusted to suit each person's individual situation. If anyone suffers physical symptoms, the Health and Safety Service will be involved.

Industrial Accidents Survey

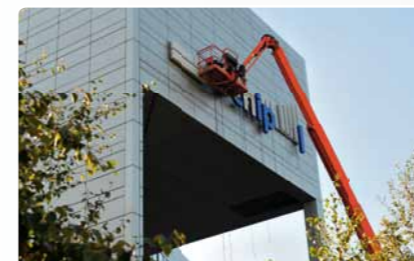
Every year the Industrial Accidents Survey is held among all companies with more than 50 employees that operate at the airport. In 2010, of the registered companies, 80% completed the survey for 2009. Most of the serious accidents took place on the airside apron. The 2009 survey cannot be compared with earlier surveys because it has been restructured. The new structure provides greater insight into the accident locations. This enables companies to respond better to specific situations.

Schiphol College

The Schiphol College Foundation is keen to help people develop their talents, in particular people who are far removed from the job market. The Foundation was created in 2007 and is an initiative of Schiphol Group and the Amsterdam Regional Training Centre (ROC). It is a network organisation that builds connections between trade and industry, education and the job market. As in previous years, in 2010 Schiphol College was engaged primarily in creating opportunities for employment in the aviation sector at Amsterdam Airport Schiphol and in fostering the expertise of people who already work at the airport, by offering education and training. The activities of Schiphol College include creating work experience places and offering senior secondary vocational education (MBO) courses, work placements, training courses and professional training. In 2010 Schiphol College also contributed to the Schiphol Mobility Centre of Schiphol Group.

Work experience places

A work experience place is intended for people who are far removed from the job market.





By means of a preliminary course, we prepare these people for a job at Amsterdam Airport Schiphol. The focus is placed primarily on jobs in security, logistics and facilities services. In 2010, 44 people were offered work experience places. Of the 35 people who completed their programme, most found a job at the airport and have followed a relevant MBO course through Schiphol College.

MBO courses

In cooperation with various partner companies at the airport, Schiphol College has developed particular MBO (senior secondary vocational education) courses. In 2010, 472 people followed one of these courses in the fields of security or logistics for air cargo.

Work placements

Schiphol College also serves as a work placement agency at the airport. In 2010 Schiphol College placed 90 students with Schiphol Group. As well as placing academic higher education (WO), higher professional education (HBO) and MBO students, Schiphol College arranged for 36 preparatory secondary vocational education (VMBO) pupils to attend a vocational introduction at Amsterdam Airport Schiphol.

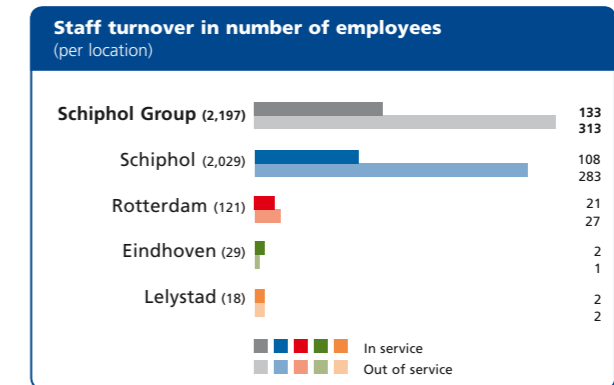
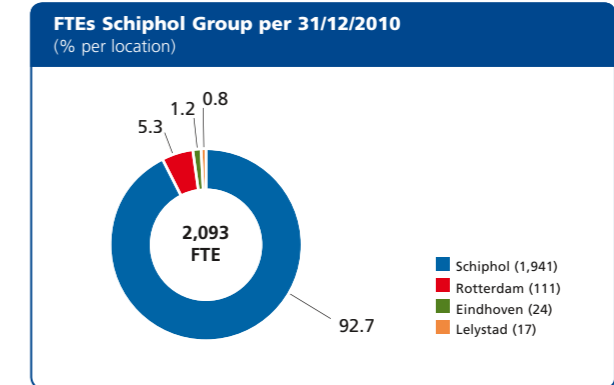
Professional education and training

These are courses specifically for people who work at Amsterdam Airport Schiphol. These courses enable Schiphol College to respond to the training issues and needs that arise among the airport's employees. As of 1 October 2010, Schiphol College has also been the training portal for employees of Schiphol Group. In 2010, 42 professional courses were provided. These were attended by 81 groups.

Schiphol Fund

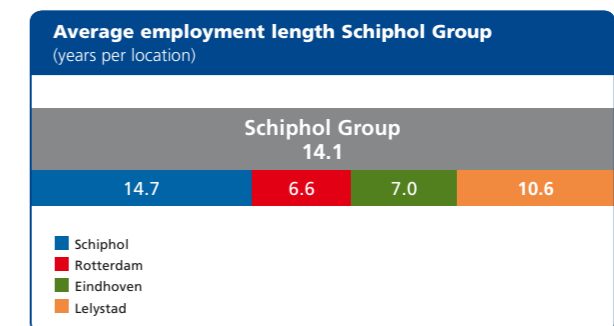
The Schiphol Fund was established in 1994 with the objective of demonstrating Amsterdam Airport Schiphol's commitment to the surrounding region, through donations to non-profit 'institutions for general benefit' in the fields of welfare, culture and sport. The donations are decided by an independent board by reference to fixed criteria. Until mid 2010 the Fund's target area was the same as that of the Schiphol Regional Consultative Committee (CROS). This year the Fund has changed its target area to the environment

that experiences direct nuisance from the airport, and has donated just under EUR 425,000 to 283 organisations.



Age structure employees Schiphol Group
(number per location)

	<30	30-40	40-50	50-60	60>
Schiphol Group (2,197)	161	617	683	592	144
Schiphol (2,029)	126	567	633	571	132
Rotterdam (121)	33	31	37	13	7
Eindhoven (29)	0	13	9	5	2
Lelystad (18)	2	6	4	3	3





Business Risks

Schiphol Group is exposed to various risks associated with its business activities. These risks can be of a strategic, operational or financial nature, or may be related to compliance with laws and regulations. In view of the broad scope of activities in the different business areas, the risks also differ from one business area to another. In order to manage these risks, a uniform policy has been developed, ensuring that risk management forms an integral part of day-to-day operations.

Our risk management policy is underpinned by the following philosophy:

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

The management has identified the risks that may affect the achievement of Schiphol Group's objectives as thoroughly as possible. During a number of meetings with the Management Board and the Supervisory Board in 2010, the principal risks were reassessed in terms of weight and completeness. Based on this assessment, the list of 16 risks included in the 2009 Annual Report was extended by one risk, i.e. that of damage to Schiphol Group's reputation or image.

Risk report 2010

2010 was a year of both opportunities and threats. The economy made a cautious recovery with growth in both passenger numbers and cargo volume. On the other hand, it became apparent once more that our airports, given the nature of their activities, are highly sensitive to

meteorological and natural phenomena. Extreme conditions can have a major negative impact on the continuity of operations and the financial results. Obviously we cannot prevent these phenomena from occurring, but we can ensure that the consequences are kept to a minimum.

In April and May, Dutch air space was closed as a result of a volcanic ash cloud. Although this 'black swan' (an unpredictable event with an enormous impact) had major negative consequences for Schiphol Group, the businesses operating at the airports and passengers, we demonstrated that we are well prepared for dealing with the effects of such unexpected business interruptions. Contingency and company emergency plans were implemented quickly and effectively, in cooperation with other parties at Amsterdam Airport Schiphol, and worked as planned.

During both unexpected business interruptions, we immediately adjusted our activities in order to prevent unnecessary costs. The application of various scenarios was another important factor in this context. The closure of the air space because of the ash cloud demonstrated that this cost Amsterdam Airport Schiphol around EUR 2.5 million a day in operating result, which is in line with earlier estimates.

In March, Amsterdam Airport Schiphol was hit by strikes among cleaning staff. This caused considerable nuisance to passengers, to people picking up or dropping off passengers, to employees and to visitors of the airport. Thanks in part to mediation by Schiphol Group, in cooperation with Dutch Railways (NS) – both large customers of the cleaning companies – this conflict was resolved. This mediation resulted in an extra pay rise and further improvement in employment conditions for the cleaning staff.

To us, every aviation incident is one too many, and preventing such incidents is the focus of our policy. Nevertheless, a few incidents occurred at Amsterdam Airport Schiphol in 2010. Fortunately they all ended well, and therefore 2010 did not become an exceptional year.

Every incident requires serious handling and analysis, carried out in part by external and independent parties such as the Dutch Safety Board (*Onderzoeksraad voor Veiligheid*). By always taking heed of the results and recommendations of these investigations, Schiphol Group aims to minimise the risk of similar incidents occurring in the future.

Risk appetite

Within Schiphol Group, the degree of risk acceptance, known as 'risk appetite', depends primarily on the great importance it attaches to the best possible fulfilment of its socio-economic function through entrepreneurial business operations. On the one hand, Schiphol Group

must focus on smooth operations which meet all the expectations and demands of users on a daily basis and with maximum security and reliability. On the other, it must also keep an eye on the necessary long-term investments, the changes in demand and the preservation of a solid financial position, enabling it to weather difficult years financially.

Schiphol Group is not prepared to take any risks, therefore, that would jeopardise the personal safety of passengers, employees, visitors and local residents. Where the operations entail a risk that people may be injured, Schiphol Group will not permit any risk tolerance. If a reduction to zero is not possible, Schiphol Group will take measures to keep the risk to a minimum.

The degree to which financial risks are accepted is dictated primarily by the aim to maintain a credit rating of at least 'A flat' (Standard and Poor's) at all times. Schiphol Group is not prepared to assume risks which have such a negative impact on the financial results that the necessary minimum funding ratios can no longer be attained and the credit rating is threatened.

Quantification of risks

Inherent risk is defined as the level of risk without taking account of the impact of risk management measures. The inherent weighting of a risk is determined on the one hand by the impact of a risk if it occurs and on the other by the chance that this risk will occur.

The risks are classified in accordance with the COSO-ERM guidelines. There is a direct relationship between Schiphol Group's objectives and the components of risk management that indicate what is required in order to achieve these objectives. In this context, the objectives are classified into four categories:

- Strategic
- Operational
- Financial
- Compliance

This makes it possible to focus on the risk management of Schiphol Group both in its entirety and on individual categories of objectives, components, business units or parts of business units.

Events such as the financial crisis, but also the ash cloud, have made us aware that different risks can occur simultaneously and, what is more, can reinforce each other. Schiphol Group is alert to this multiplier effect, and our risk management system is designed to mitigate 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 Schiphol Group to anticipate chain reactions at an early stage.

In the table on the facing page, Schiphol Group has included some major risks whose financial impact can be determined by means of a sensitivity analysis.

Section B of the table on page 102 describes the risk of major (unexpected) changes in demand. In our case, demand primarily concerns the airlines' need of airport capacity in order to accommodate air transport movements and passenger and cargo transports with a sufficient degree of quality. An accurate estimation of this demand is essential, for purposes including reliable long-term capacity and timely investment planning. A fall in demand will immediately result in a drop in both turnover and profitability. Since fixed costs make up a substantial part of our overall operational expenses, a 1% drop in passenger numbers will cause Schiphol Group's turnover to fall by approximately EUR 10 million, with similar consequences in terms of profitability.

Section L in the table shown on page 102 describes the risk of vacant space in the existing property portfolio. In addition to operating loss-making property, unrealised fair value losses may result. An average change of 1 percentage point in the net initial yield (NIY) demanded by property investors could cause the value of our offices and industrial buildings to fall by around EUR 95 million in total.

Risk	2010 Actual	Change	Impact	On Assumptions
Change in:				
Number of passengers at Amsterdam Airport Schiphol	45.2 m	(+/-) 1%	(+/-) Revenue EUR 10 m	Impact on airport charges, retail sales and food services: No change in O&D/Transfer passenger ratio; and No change in spend per passenger
Airport Charges Amsterdam Airport Schiphol	EUR 655 m	(+/-) 1%	(+/-) Revenue EUR 6.5 m	
Security costs at Amsterdam Airport Schiphol	EUR 242 m	(+/-) 5%	(+/-) EBITDA EUR 12 m	Unexpected change in required security measures without possibility to reflect this in the Security charges
Operating expenses (incl. depreciation and amortisation)	EUR 905 m	(+/-) 5%	(+/-) EBITDA EUR 45 m	
Average spend per passenger	EUR 15.84	(+/-) 1%	(+/-) Revenue EUR 0.8 m	Passenger numbers of 2010 (no change assumed)
Fair value of investment property - buildings	EUR 736 m	(+/-) 1%	(+/-) Property value EUR 7.4 m	Impact based on the current value of the existing property portfolio
Net initial yield demanded by property investors	EUR 736 m	(+) 1 percentage point (-) 1 percentage point	(-) EUR 95 m (+) EUR 127 m	Property value Absolute increase/decrease in the current net initial yield (year-end 2010), of all properties, by 1 percentage point, applied to the value of the existing property portfolio



Internal risk management and control system

Our internal risk management and control systems are designed to minimise the probability of mistakes, wrong decisions and surprises due to unforeseen circumstances. No such system can guarantee full protection, however. We may be exposed to risks of which we are currently unaware, or which may not yet be considered important at this time. No internal risk management and control system can provide an absolute safeguard against failure to achieve corporate objectives or prevent every single mistake, loss, fraud or transgression of rules and regulations.

We apply a coherent range of instruments in order to carry out our internal risk management and control duties as follows:

- Our risk management system – identification and analysis of strategic, operational, financial and compliance-related risks and the implementation and monitoring of control measures designed to mitigate those risks – uses the recommendations of the ‘Internal Control – Integrated Framework’ (COSO – IC)

and ‘Enterprise Risk Management – Integrated Framework’ (COSO – ERM) reports;

- The responsibility for risk management has been delegated to line management. As part of day-to-day operations, all line managers are expected to identify the risks affecting their specific field of activity and implement appropriate control measures. In this context, they provide a report on their activities twice a year to their immediate director, who in turn reports to the Risk Committee. This procedure includes the submission of ‘in control’ statements for each business area, service unit and corporate staff department. The Risk Committee comprises the four Management Board members and the directors of Corporate Audit and Corporate Control;
- A formal planning and control cycle, which includes the preparation and approval of a long-term business plan, annual budget and monthly management information reports (financial and operational, including an annual forecast) and incorporates risk management;
- Procedural manuals and an integrated, detailed description of the accounting policies;

- A tax control framework as a control programme for fiscal risks and to professionally implement tax compliance;
- Quality management systems such as the Environmental Management System, and security management systems such as the Airside Security System and the Terminal Security System;
- Continuous monitoring by government authorities in terms of security, 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 Corporate Responsibility Board, chaired by the President and CEO, which discusses overall progress and performance achieved in the areas of safety, the environment and people & society;
- Codes of conduct, a whistle-blower scheme and regulations on how to deal with fraud;
- Periodic follow-up meetings between the Chief Financial Officer and operational and commercial managers and their controllers to discuss the audit findings reported by the internal and external auditors;
- Internal Letters of Representation from the business area managers and business area controllers to the Management Board;
- Follow-up of the recommendations contained in the external auditor’s management letter.

The Management Board reports on and accounts for the internal risk management and control system to the Supervisory Board following discussion in the Supervisory Board’s Audit Committee. In addition, the principal risks and control measures were discussed in September 2010 in a workshop with the Supervisory Board. On this occasion, it was established that the risks which the Supervisory Board regards as important correspond to the risks already charted by Schiphol Group.

The Corporate Audit director plays an important role in providing an objective view and ongoing affirmation of the effectiveness of the overall internal risk management and control system.

Considering the above we are satisfied that, concerning the financial reporting risk, the internal risk management and control systems offer a reasonable degree of assurance 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; and
- the Annual Report gives a true and fair view of the situation on the balance sheet date, developments over the course of Schiphol Group’s financial year and of the associated enterprises whose data are included in Schiphol Group’s financial statements; and
- any and all substantial risks facing Schiphol Group are described in this Annual Report.

	Aviation	Consumers	Real Estate	Alliances & Participations	Schiphol Group
Inherent strategic risks					
A Political uncertainty regarding the modalities of the airport's planned growth					•
B Major (unforeseen) changes in demand					•
C Long-term contracts					•
D International enterprise		•	•	•	
E Competition					•
F Damage to reputation or image					•
Inherent operational risks					
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 existing property portfolio			•		
M Supplier and outsourcing liability	•	•	•		
Inherent financial risks					
N Market risk, liquidity risk and counterparty risk					•
Compliance risks					
O Non-compliance with noise and environmental standards					•
P Economic regulation of Aviation and Security activities	•				
Q Legal risks and possible liability					•

Inherent strategic risks

A > Political uncertainty regarding the modalities of the airport's planned growth

The possibility for further growth of the airport is and remains an important condition for joining in the upward development of the global aviation industry in the long term and for remaining competitive in relation to other airports.

The current government supports Schiphol Group's ambition to have Amsterdam Airport Schiphol expand to a greater number of air transport movements per annum, subject to certain conditions. With regard to this 'licence to grow', the Alders Platform made arrangements about the further (conditional) growth of Amsterdam Airport Schiphol and the regional airports. If the Alders Agreement is not (fully) implemented, this may jeopardise the Main Port objective and the competitive position of Amsterdam Airport Schiphol.

By means of the Aviation Policy Document, the Lower House of the Dutch Parliament was informed about the details of the recommendations of the Alders Platform. The Aviation Policy Document, which is endorsed by Schiphol Group, has not yet been discussed by the Lower House.

Political willingness to accommodate Schiphol Group in the realisation of its growth ambition partly depends on the level of public support in the area around Amsterdam Airport Schiphol. It is also unclear at present whether any future conditions imposed upon further growth might impede the implementation of the strategic plans for Amsterdam Airport Schiphol, the regional airports and their interrelationships since these conditions will form a key factor in determining the location, manner and timing of any further growth and the associated investment.

The various government authorities exert increasing influence on Schiphol Group in many different areas. This sometimes produces rapidly-changing views that interfere with the implementation of long-term plans as a result of new government policies and measures.

While Schiphol Group recognises the importance of a competitive cost level, there is a risk that the arrangements in the government's present coalition agreement on this issue result in a one-sided focus on an absolute low cost level, which would

restrict Amsterdam Airport Schiphol's investment capabilities. This in turn might affect the Main Port's competitive position.

Risk management measures

We participate in various consultative bodies dedicated to these issues, such as the Schiphol Regional Consultative Committee (CROS), the Schiphol Governance Forum (BFS) and the Alders Platform. Schiphol Group participates in the Alders Platform in order to promote its interests, engender public support and obtain clarity with regard to the future growth of Amsterdam Airport Schiphol and the regional airports through covenants and resolutions. The Alders Consultation Platform has resulted in three covenants in which aviation parties, local authorities and the national government reached agreement on (noise) mitigation measures (such as the experiment agreed in August 2010 with a new enforcement system for noise levels), the development of Amsterdam Airport Schiphol in the medium term (increase to 580,000 air transport movements up to 2020, including 70,000 non-Main Port related air transport movements that will be accommodated by the regional airports), and measures for improving the quality of life. The agreed 70,000 non-Main Port related air transport movements will have to be carried out from the regional airports at Eindhoven and Lelystad when the permitted capacity at Amsterdam Airport Schiphol becomes scarce.

The airlines – and the hub carrier in particular – apply for slots, whereupon the slot coordinator determines the capacity usage. This means that Amsterdam Airport Schiphol has only limited means to conduct its own selectivity policy. However, Schiphol Group will draw up its own vision on the development of its regional airports, based on the results of the Alders Consultation Platform.

B > Major (unforeseen) changes in demand

The risk of unexpected changes in demand for Schiphol Group's services, caused by developments in the economy (at both the local and international levels), statutory rules and regulations, aviation policy (landing rights), the environment (e.g., introduction of the EU Emissions Trading System) and market changes in the aviation sector, could result in a capacity shortfall or in overcapacity. These developments could also jeopardise the Main Port function of Amsterdam Airport Schiphol.

Examples include the global financial and economic crisis, developments in aircraft technology such as the Airbus A380 and the Boeing 787, the accessibility of the market, the strong growth of low-cost airlines and the Open Skies treaty with the United States.

Because many of Schiphol Group's investments require long-term planning, there is a risk that current investments do not correlate sufficiently with future demand. The airport charges applied at Amsterdam Airport Schiphol and changes in these charges may also influence demand for specific types of service. Additionally, future developments surrounding the Air France-KLM dual-hub concept in particular have a significant impact on Schiphol Group's overall activities. For Consumers, the continuity of its business model will be under pressure if the sale of tobacco were to be prohibited. Possible changes in the statutory rules for duty-free sales and stricter requirements regarding liquor sales would have the same effect.

Risk management measures

To manage this risk, Schiphol Group uses short-term and long-term scenarios of the demand for its services and the corresponding capacity, coupled with stringent investment approval procedures. Moreover, Schiphol Group liaises closely with the government on legislation, and with the airlines on their future plans (including their fleet and networks). Monitoring external developments and trends and studying our customers' future plans should provide us with timely insight and help us prepare for changes.

The guarantees provided by Air France to the Dutch government covering the operation of flight services by KLM from Amsterdam Airport Schiphol to 42 key destinations were extended for an indefinite period in 2010. The guarantees covering Amsterdam Airport Schiphol's position as a hub airport will remain in force up to the year 2012. Two international strategy consultants are currently conducting an investigation commissioned by KLM and Schiphol Group into the potential effects of the rate changes proposed in 2010 on the network of destinations and frequencies.

C > Long-term contracts

Major investments will be required in the years ahead, for instance in the areas of baggage-handling systems, security, the terminal, infrastructure and the property portfolio. These investments will involve material, long-term contracts. Furthermore, Schiphol Group regularly initiates long-term and large-scale (building) projects that involve many external companies. Changes to laws and regulations, project delays, technological advancement and aviation industry developments may influence the nature of these investments.

Additional risks may arise where work is outsourced by means of long-term contracts, if Schiphol Group's management role is not adequately ensured. An external company may also face a concentration of risks that are beyond Schiphol Group's control but may nevertheless affect it directly.

Risk management measures

Schiphol Group manages these risks by applying medium-term scenario-based planning and by imposing stringent standards on the preparation of investment decisions. Innovation is applied in order to limit the scale of investments.

Purchase and investment decisions and procedures are standardised and recorded where possible. This enables us to monitor the quality of the schedule of requirements, of the services and of the supplier. This is done with due regard for Corporate Responsibility aspects.

A specialised business unit carries out professional project management and oversees all major investment projects to ensure timely and cost-efficient completion.

Where activities are outsourced, professional project directorship, such as recording arrangements in a Service Level Agreement, is a basic requirement for guaranteeing the quality and continuity of the activities concerned. Large-scale maintenance contracts are awarded via European tendering procedures.

In addition, training programmes have been developed which are designed to improve Schiphol Group's directing and contract-management role.

D > International enterprise

At international level, Schiphol Group's strategy is directed at reinforcing the Main Port function of Amsterdam Airport Schiphol. In this context, the principal focus is on our associates JFK IAT (New York) and Aéroports de Paris, both of which have a relationship with Amsterdam Airport Schiphol and support the SkyTeam alliance as major hubs. Both associates involved substantial initial investments, aimed at producing an adequate return by means of fees and dividend distributions. In addition to cooperating with these two associates, we will maintain our international partnerships and continue to pursue the effective management of all our other existing participations. Doing business outside the Netherlands offers advantages and opportunities, but also entails specific risks that must be properly managed.

Risk management measures

The international associates reinforce the network of Amsterdam Airport Schiphol and expand the capabilities of Schiphol Group. Furthermore, international alliances stimulate innovation and help to realise joint cost savings. The international associates are structured in such a way as to limit the risks to the local subsidiaries. No guarantees or securities have been granted that could jeopardise the Main Port position of Amsterdam Airport Schiphol. Thus, the financial risk of the stake in JFK IAT is limited to the invested amount, the cessation of positive fee income and the possible loss of value already created and future value as currently estimated.

In addition, we engage reputable local advisors to provide support. We also maintain good relationships with the airport authorities in the countries concerned.

E > Competition

With regard to transfer traffic, Amsterdam Airport Schiphol competes with all the major European hubs (Heathrow, Charles de Gaulle and Frankfurt) and global hubs (Dubai). The development of new high-quality terminals elsewhere may put particular pressure on Amsterdam Airport Schiphol's competitive position. In addition, the development of new hubs (for example in the Middle East or Asia) may cause a shift in transfer traffic to countries outside Europe. The proposed introduction of an Emissions Trading System in Europe increases this risk. Network expansions and fleet modernisa-

tions by the home carriers linked to this hub may further reinforce this.

In terms of arriving and departing (O&D) passengers, there is direct competition with airports in Germany and Belgium.

Competition with the immediate neighbouring areas mainly applies to property, retail, catering and parking. There is a great deal of competitive activity outside Amsterdam Airport Schiphol, such as property development in the Amsterdam region and parking facilities in the immediate vicinity of the airport.

Risk management measures

Investment in infrastructure is essential for Amsterdam Airport Schiphol in order to maintain and reinforce its hub function. It enables airlines to make optimum use of the airport, in particular with regard to flights carrying transfer passengers. Thus, the new baggage system will increase baggage-processing capacity and improve processing time and quality. Because such a hub function can only be developed in collaboration with airlines, Schiphol Group regularly consults with the airlines – its customers – in a wide variety of areas. Thus, it draws up investment programmes in close consultation with customers in order to develop products which not only meet customer needs as much as possible, but also result in more efficient use of existing capacity, which will ultimately lead to reduction in the costs per Work-Load Unit (WLU).

In addition, competition analyses are performed on a regular basis in respect of Schiphol Group's various activities.

The Airline Reward Programme is an incentive designed to stimulate growth in the number of passenger flights on existing routes and the introduction of flights on new routes, by providing airlines with a financial reward during a limited period of time.





In order to remain competitive where parking is concerned, Schiphol Group focuses on the introduction of parking products tailored to customer wishes, and on the further utilisation of Schiphol Smart Parking opportunities.

Prices in catering were not increased in 2010, for the second year in a row. In addition, various marketing campaigns were conducted, including several (price) campaigns for retail See Buy Fly (SBF).

F > Damage to reputation or image

Reputation relates to the way in which Schiphol Group is viewed by its stakeholders, which include passengers, airlines, shareholders and local residents. For the stakeholder this reputation develops from the information the stakeholder receives about Schiphol Group.

Reputational damage may occur if stakeholders have a negative perception of Schiphol Group or its activities, or because of negative or incorrect publicity. This may lead to a reduction of confidence in (parts of) Schiphol Group and a decline in the public acceptance of the airport activities, which could have negative

consequences for Amsterdam Airport Schiphol's 'licence to grow'.

Public support partly depends on how Schiphol Group gives substance to its social function. Thus, failure to attain environmental targets may reduce support for Schiphol Group's activities among its stakeholders. Recent years have seen an increase in the negative effect of the terrorism threat and of concerns over aviation safety (for example as a result of the geese issue) on public support for Amsterdam Airport Schiphol in particular.

Damage to the appeal of Amsterdam Airport Schiphol and the way in which it is perceived in terms of, for instance, passenger-friendliness and price/quality ratio (especially with regard to catering and parking) may also have a negative impact on the airport's reputation and image. This in turn may undermine Amsterdam Airport Schiphol's ambition to be Europe's preferred airport.

Risk management measures

As the national airport, Amsterdam Airport Schiphol is very much in the public eye, which

inevitably entails a risk of damage to its reputation or image.

By integrating Corporate Responsibility in its operations, Schiphol Group aims to make an active contribution to its reputation and image and to increase public support for its operations. Corporate Responsibility encompasses a focus on safety, the environment, people and society.

Schiphol Group, where possible in collaboration with partners and stakeholders, also has a targeted programme for investing in innovations that enable it to improve the quality, reliability and sustainability of Amsterdam Airport Schiphol.

Schiphol Group believes that public support, based on well-founded confidence generated by a correct implementation of its socio-economic function, will be the decisive factor in the long term where reputation and image are concerned.

As a risk management measure, responding to rapidly changing, incorrect or incomplete publicity is far less effective. It is nevertheless important that the Corporate Affairs department, which is responsible for all internal and external communication, formulates a clear position in respect of incorrect or negative reports. This department is also responsible for developing and implementing an effective communication strategy, with a specific focus on reputation and image and on creating public support for Schiphol Group's activities.

Schiphol Group has drawn up a 'nuisance experience policy' as part of its communication with the community, in order to counteract loss of support in neighbouring communities.

In addition, Schiphol Group carries out annual surveys among the Dutch population on its corporate reputation based on the Global RepTrak™ system developed by the Reputation Institute. This survey measures seven core reputation drivers: products and services, innovation, workplace, governance, citizenship, leadership and performance.

Inherent operational risks

G > Safety and security

A safety or security failure increases the risk of accidents (for instance as a result of runway incursions and bird strikes), fire, transmission

of infectious diseases or a terrorist attack.

This could have serious or even life-changing consequences for all those involved: passengers, visitors and employees at Amsterdam Airport Schiphol, the regional airports and any businesses or government bodies at these locations. Furthermore, it could disrupt Schiphol Group's operations for some considerable time. The fact that the activities are largely concentrated at a single location – Amsterdam Airport Schiphol – is an additional disadvantage in this context. Therefore we need to take anticipatory measures where possible. Stricter and constantly changing requirements as regards the airport security process, due to tightened (international) regulations, may have an operational impact (such as passenger flow separation) as well as causing increasing investments (for example in security scans) and rising security costs.

Risk management measures

Safety and security are focal points of Schiphol Group's policy. Schiphol Group aims to create an optimum safety situation, in which the chance of safety incidents occurring is kept to a minimum and processes and procedures are organised accordingly.

We manage the risks described by implementing extensive security procedures and preventative measures resulting from safety management systems designed to monitor procedural compliance. Schiphol Group works systematically to ensure compliance with the latest safety and security legislation and regulations throughout the airport property. Its efforts in this regard are conducted in close collaboration with the various branches of government.

Schiphol Group checks implementation of security control tasks by conducting random (internal) audits and inspections. In addition, the government authorities – through various bodies – continuously monitor the security levels implemented. The results are discussed periodically in the Policy and Enforcement Consultation with the parties involved. Furthermore an escalation ladder has been laid down in contracts with external security companies, which may even ultimately lead to contracts being annulled.

The European Union defines international laws and regulations with which European airports and airlines are obliged to comply. The European Commission also monitors the implementation of security-related tasks on all points.

Schiphol Group employees in specific posts receive operational safety training with regard to fire risks, the environment, emergencies, safety and security.

H > Unexpected business interruptions

The past year has confirmed once again that Schiphol Group's operations are exposed to risks that may result in unforeseen interruptions of the business process. Examples of such risks include extreme meteorological conditions (very dense fog, snowfall, flooding) and natural phenomena (ash clouds), fire, power cuts, risk of explosion and aircraft crashes. Any such emergency – and the resulting legal implications – could have a serious impact on the operations, results and prospects.

Risk management measures

Unexpected business interruptions are often the result of circumstances beyond Schiphol Group's control and as such cannot be prevented. However, often Schiphol Group can influence the duration of the interruption and try to limit the consequences. For this purpose, detailed company emergency plans have been drawn up and the organisation is well equipped and prepared to handle such situations. Thus, the ash cloud and the extreme winter weather have shown that these company emergency plans enable us to respond adequately to unforeseen circumstances. The substantial investments in the snow clearance fleet and the professional commitment of our own employees once again proved their worth especially during the wintry weather in December.

Schiphol Group constantly strives to monitor and update its systems, procedures and company emergency plans with regard to these risks. Investments are made where required, for example in back-up systems. In addition, periodic drills are held which simulate various emergency scenarios. Where practically possible, Schiphol Group has insurance cover to protect it from the financial consequences of such calamities.

I > Dependence on third parties

To ensure the smooth running of its operations, Schiphol Group depends to a large extent on the efforts of third-party employees and equipment, such as air traffic control (which ensures air access to Amsterdam Airport Schiphol), the airlines (policy on destinations served, ticket prices and freight rates, the competitive and financial strength of Air France-KLM and the

Air France-KLM/SkyTeam strategy), baggage handlers, public organisations such as the national government (legislative amendments and changes to the structure of the ministries involved), the local and regional authorities (aspects such as land allocation and planning approvals affecting airport access and the development of property and infrastructure), Customs and the Dutch Military Police (*Koninklijke Marechaussee*) (aspects such as peak-period staffing levels). As such, strikes and business interruptions at third parties may affect the activities of Schiphol Group as well.

The risk of unethical conduct by (employees of) external parties is another aspect of this dependence on third parties that could lead to reputational damage for Schiphol Group and could have a negative impact on its operating result.

There is a possibility that dependence on external parties will increase in the coming year, due to the outsourcing of a number of services.

Risk management measures

Schiphol Group does not bear responsibility for, and can only exert a limited amount of influence on the activities carried out by other parties. This means that Schiphol Group constantly strives to update agreements and covenants with these parties, in addition to fostering good mutual relationships. Participation in public and private partnerships must ensure that opportunities are utilised that have a mutually reinforcing effect.

Further screening and (interim) audits of external parties should mitigate the integrity risks at third parties.

Increased dependence on third parties as a result of outsourcing will be mitigated by adequate coordination and contract management (see also risk C, Long-term contracts).

J > Human Resources

An important condition for achieving its objectives is that Schiphol Group must have access to sufficient qualified employees. If Schiphol Group is unable to employ skilled human resources, in particular when filling key or operationally critical posts or finding replacements for key staff in time, this may result in the loss of critical expertise, the disruption of operations and loss of productivity.

Similarly, it is essential that labour relations should not be undermined, since this will involve a risk of increased absenteeism or industrial action. Not only will industrial action have financial consequences, it will also be detrimental to Schiphol Group's reputation and image.

The corporate culture must also be compatible with the lean & mean organisation which Schiphol Group aspires to be. The presence of a culture which provides insufficient room for enterprise and customer orientation may affect the realisation of Schiphol Group's objectives.

Unethical conduct by Schiphol Group employees would not only have legal and financial consequences, it could also have a negative impact on Schiphol Group's reputation and the confidence placed in it by stakeholders.

The recently implemented organisational change could cause high-quality employees to leave the company and job motivation to dwindle.

Risk management measures

Nurturing good labour relations and retaining or recruiting, training and developing employees holding key positions are essential factors that need to be addressed if Schiphol Group wants to achieve its objectives. In this context, succession planning, an active labour market policy and Talent Development (including a trainee programme for young graduates) are important focal points. In addition, Schiphol Group gives high priority to promoting diversity in the workforce, with an emphasis on gender diversity, so as to improve the advancement of female staff to top-level positions.

A happy and motivated workforce is a valuable asset and largely determines the level of work satisfaction and productivity. Periodic satisfaction measurements, personnel surveys and employee performance appraisals provide important information for this purpose.

It is important to agree acceptable employment terms and conditions for all parties in consultation with employee representatives and trade unions. In addition, employee representatives are involved in major decisions by the Management Board, which helps to improve transparency towards the employees in decision-making processes.

The subject of integrity is regularly revisited in order to make it a fundamental part of our day-to-day activities. Furthermore, the collective agreement (CAO) contains a code of conduct that provides a number of rules designed to guarantee integrity within Schiphol Group.

The programme "*I...Schiphol!*", in which employees are actively involved, makes a contribution to the desired cultural change.

Ensuring proper management of the organisational change will help keep the departure of high-quality employees to a minimum.

K > Information security and information systems

Adequate data protection is becoming more and more important. A lack of effective information security may result in sensitive information being leaked, insufficient insight into company resources, unauthorised access to data, virus infections of information systems, loss of information or financial information entering the public domain prematurely.

Wrong or incomplete policy choices may lead to the implementation of less-than-optimal ICT solutions, which potentially result in unnecessary costs, increased complexity and ICT solutions that do not match the business needs and processes.

Disruptions of the Schiphol Group information systems may lead to limited availability and interruptions of essential business data and processes.

Risk management measures

The Key Schiphol Data Protection Team has drawn up various policy documents, setting out actions that are carried out in a structured manner within the organisation (one of the subjects being security awareness), with the aim to guarantee information security within Schiphol Group. Information systems are classified in order to take appropriate information security measures.

Within Schiphol Group, a special department is responsible for strategic ICT aspects, including architecture and policy. Schiphol Group reduces the chance of incorrect or incomplete ICT solutions *inter alia* by periodically recalibrating and complementing its ICT policy and by assessing the effectiveness of existing policy lines on an ongoing basis.



A standard ICT governance framework (COBIT), describing the parameters for ICT management, has been implemented and will also be applied to the Schiphol Group systems managed at the local level. In addition, an ICT Master Plan is drawn up every other year.

L > Vacancy in the existing property portfolio

In comparison with 2009, market conditions in the office market remained relatively unstable in 2010, although the market for industrial buildings (in particular cargo hangars) did recover. Nevertheless, (rapidly) changing market conditions may cause occupancy levels in the property portfolio to decline faster than we can make up for by attracting new tenants. As a result, in addition to operating loss-making property we might be confronted with unrealised fair value losses.

Insufficient insight into regional market developments and inflexibility within the property portfolio, preventing a timely response to trends and developments in the property market, may also slow down the flow of revenue.

Risk management measures

It is vital for Schiphol Real Estate to retain a sufficient grip on, as well as knowledge of the property market (i.e., of existing and potential tenants as well as of the competition).

Each month, we discuss developments in the letting market with a team of estate agents. In addition, various (changing) appraisers perform semi-annual appraisals of the entire property portfolio so that changes in value can be identified at an early stage. If we are to maintain our current pricing level, we will have to focus on the quality of the property portfolio and on the advantages of Amsterdam Airport Schiphol as a location. Keeping the location attractive is an important condition for controlling vacancy levels.

Client-focused account management and sales management teams ensure that timely contact is made with potential and existing clients. In 2010, a special Leasing department was set up within Schiphol Real Estate in order to intensify relationships with potential and existing tenants and develop new services which meet their requirements.

In addition, estate agents are paid a market-based fee as an incentive to attract new tenants.

M > Supplier and outsourcing liability

On the one hand, Schiphol Group initiates a large number of large-scale (building) projects involving many external companies, while on the other it has outsourced many operating activities, such as cleaning, car park management and security. For this reason, Schiphol Group bears a considerable liability risk with regard to the non-payment of taxes and/or social security contributions by its suppliers.

Risk management measures

To reduce the chance of supplier and outsourcing liability, the Corporate Procurement department always carries out timely and detailed assessments of all new suppliers. Where necessary, Schiphol Group will transfer payment for part of the invoices to blocked accounts of the lender.

Furthermore, within the context of professional project directorship, where possible contracts are only concluded with suppliers and partners

whose Corporate Responsibility policy is acceptable to Schiphol Group.

Inherent financial risks

N > Market risk, liquidity risk and counterparty risk

Due to the nature of its activities, Schiphol Group faces a variety of financial risks: market risk (including price risk), liquidity risk and counterparty risk. For a more detailed description and quantification of these risks and the actions taken to control them, reference is made to page 180 et seq. of the financial statements.

Risk management measures

The Treasury & Risk Management department is responsible for financial risk management – a component of the approved risk management policy of the Management Board and the Supervisory Board. The financial risk management programme focuses on the unpredictability of the financial markets and is designed to minimise any adverse effects this may have on Schiphol Group's financial results.

As one of the risk management measures, Schiphol Group maintains a large liquidity position to ensure it has sufficient liquid assets at its disposal. A healthy distribution of loans and repayments and good access to the capital market (A rating) also ensure that financial risks are limited.

Compliance risks

O > Non-compliance with noise and environmental standards

Schiphol Group's activities in the areas of aviation and property development are subject to specific noise and environmental standards. Schiphol Group is required to comply with a large number of national and international regulations in these fields, most of which are drafted outside its sphere of influence, partly in response to public opinion. In many cases, these regulations restrict Schiphol Group's freedom of operation. Breaching the standards may result in sanctions with adverse financial and operational consequences.

Risk management measures

Schiphol Group works in close collaboration with project teams in each of these areas in order to ensure continued compliance with the relevant laws and regulations. A good working relationship with the regulatory authorities and implementing bodies (including Air Traffic Control The Netherlands (LVNL) and Slot Airport Coordination Netherlands (SACN)) help it to optimise the scope for development wherever possible. For example, Schiphol Group advocates the use of quieter aircraft and selective night-time operations at Amsterdam Airport Schiphol in order to optimise capacity within the pre-determined environmental restrictions, and provides specific incentives to that effect, such as differentiated fees and operational measures. In order to optimise the use of the airport's capacity, Schiphol Group has set up an incentive programme at Amsterdam Airport Schiphol, encouraging the airlines to make use of off-peak hours.

On 1 November 2010, in collaboration with KLM and LVNL, Schiphol Group also launched a two-year experiment with a new noise reduction system which is designed to replace the current system in the future.

P > Economic regulation of Aviation and Security activities

Aviation and Security activities at Amsterdam Airport Schiphol are regulated. As a result there is a cap on the returns we are allowed to generate through these activities and airport charges may only be adjusted following consultation with the industry. The industry has the right to lodge objections with the Netherlands Competition Authority (NMa), which will then assess whether the charges were determined in accordance with the applicable rules.

A significant part of the regulations were determined mid-2006. The Aviation Act is currently being reviewed, as was laid down when the Act was introduced. There is a risk that the review will result in the inclusion of effectiveness requirements and efficiency assessments with regard to processes beyond Schiphol Group's control.

Another risk which emerged during the current review is the one-sided focus on a low absolute cost level at Amsterdam Schiphol Airport. This may have an impact on the Main Port objectives and on Amsterdam Airport Schiphol's competitive position in Europe. If national legislation were to place the emphasis on a low absolute cost level, Amsterdam Airport Schiphol would lose out in terms of quality and capacity against the surrounding hub airports, which can continue to invest in capacity and quality and in doing so accept a higher cost level.

Risk management measures

Compliance with all relevant regulations is adequately assured in both organisational and administrative terms. In accordance with the relevant regulations, Schiphol Group applies a transparent system of charges and maintains separate administrative records within the overall administrative records for its Aviation and Security activities. It has also implemented an allocation system for the costs and yields of these activities, in accordance with regulatory requirements. Following industry consultation, the NMa approved the allocation system in 2007. In June 2010 the NMa approved a revised allocation system, which will take effect in 2011. Any ambiguities on the implementation of regulations will be fine-tuned with the NMa at the earliest possible stage. The review of the Aviation Act commissioned by the Ministry of

Infrastructure and the Environment (formerly Transport, Public Works and Water Management) is followed closely at several levels in the Schiphol Group organisation. In addition, Schiphol Group is an active participant in discussions with the government on the subject of regulation. It has exchanged information, insights, practical experiences and recent research results on various occasions and in respect of various elements of the regulation model. In this context, Schiphol Group has expressed a preference for a multi-year regulation model instead of the current year-by-year model. In any case, it will strive for results and recommendations that support the development of the Main Port and at the same time are compatible with the two pillars of its strategy – its public function, and enterprising business operations.

Q > Legal risks and possible liability

In general, non-compliance with or an incorrect interpretation of laws and regulations could reduce Schiphol Group's value or weaken its legal position. Inadequate decision-making could result in liability on the part of the Management Board or the company. The incomplete or incorrect registration of decisions and contracts may also weaken our legal position and obstruct adequate decision-making. In addition, legal claims and disputes could jeopardise the achievement of our objectives. Schiphol Group incurs an increased risk of claims and disputes because of the diversity of activities of many different parties concentrated at one location (Amsterdam Airport Schiphol). A more detailed description of legal actions and disputes is given on page 233 of the financial statements. As regards the dispute between Schiphol and Chipshol, reference is made to the detailed overview of these court proceedings on www.schiphol.nl under 'News & Media' and to the explanatory notes on page 233 of the financial statements.

Risk management measures

Schiphol Groups endeavours to comply with all legislation and regulations at all times. The legal department is involved in the decision-making process at an early stage and ensures that decisions and contracts are adequately registered.



Outlook

The current geopolitical and economic situation and the myriad of uncertainties in the world make it particularly difficult to give a reliable forecast of future developments.

We expect further growth in various areas in 2011. Traffic and transport volumes via Amsterdam Airport Schiphol are projected to grow by 4% to 7% in number of passengers and air transport movements. A rise in cargo volumes is expected as well.

In view of the recovery of consumer confidence, it seems reasonable to predict an increase in spend per passenger. We nevertheless remain cautious in this respect, because the question remains whether this recovery is permanent and how it will impact our revenue from concessions, retail sales and parking fees. With retail areas in the airport terminal currently in a remodelling phase, per passenger spending is likely to experience some temporary pressure.

The value of property at the airport is expected to stabilise. Note however that the negative trend in the property market, and especially in the Amsterdam region, does not appear to have been reversed yet.

At around EUR 400 million, our planned investments are considerably higher than in 2010 (EUR 248 million). Of these investments, approximately 57% will be injected in the Aviation business area, particularly in the baggage system, maintenance and baggage security, as well as in activities aimed at raising the passengers' perception of quality.

These aims are also behind the Consumers business area's decision to renovate Departure Lounge 3 in 2011. Initial work will also get underway on the construction of a new Hilton hotel at Amsterdam Airport Schiphol. Investments in real estate development are also planned at the Rotterdam and Eindhoven locations.

The financing for 2011 has been secured in part through a loan facility from the European Investment Bank.

In 2011, finalisation of the reorganisation will result in a further, minor decrease in the workforce.

Barring unforeseen circumstances, the net result will more or less equal the 2010 figure of EUR 169 million.

Schiphol, 16 February 2011

The Management Board



Energy

A B

- Heat and cold storage
- Sustainable buildings: TransPort
- Green energy
- LED and NEON lighting
- Digital pier network with energy-efficient LCD screens
- Energy label standards for buildings
- Total energy plant

Air quality and mobility

C D

- Fixed ground power
- Battery recharging stations
- Electric cars ThinkCity and Tazzari and scooters
- 10% of the vehicle fleet runs on biodiesel
- The luggage trolleys used in the baggage basement are electric powered
- The golf karts used in the terminals are electric powered
- Taxis and Snetnet and Connexion buses are fitted with Euronorm 5 engine blocks
- Grass-sedum vegetation blankets on roofs

Noise

- NOMOS noise measurement system with 30 measuring points
- The parties involved in the Alders Platform talks have reached agreement on Amsterdam Airport Schiphol's future growth

Water

E

- Algae break down glycol in the algae basin
- Substances used to combat snow and ice have lower environmental impact

Waste

- The waste bins sited in the terminal and outside on Jan Dellaertplein Square ensure the separated collection of paper, plastic and residual waste. The plastic bottles and pots collected at the Customs entryway are collected and recycled as well
- Paper and plastic beakers are collected separately at the offices, and waste separation is practised at our staff restaurant as well

Being a responsible employer means (amongst other things)...

- Diversity
- New style of working
- Work safety
- Schiphol College
- Schiphol Fund
- SOS Children's Villages
- Annual Iftar meal
- FSC paper
- Leased cars rated as A/B/C energy label standard
- Taking part in initiatives to increase awareness, such as Earth Hour and the mass light switch-off event (*Nacht van de Nacht*)

For more details, please go to www.schiphol.nl/cr

Integrating Corporate Responsibility into the organisation



At Amsterdam Airport Schiphol, we consider it a huge and exciting challenge to achieve the right balance between the economy and the environment and between aviation and quality of life.





Integrating Corporate Responsibility into the organisation

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 day-to-day operations. With a view to this integration, the results achieved in the area of Corporate Responsibility and our financial performance have been presented in a single Annual Report since 2009. Note however that our financial performance covers all our group companies and that the facts and figures presented in this chapter reflect only our Corporate Responsibility performance at Amsterdam Airport Schiphol.

The Report of the Management Board discusses the substantive issues and associated actions taken in 2010. In addition to this Annual Report, relevant information can be found on www.schiphol.nl/cr.

The data in this chapter has been assessed by PwC, our external auditor, ensuring that our stakeholders have access to the most reliable and complete information available on aspects relating to people, planet and profit. The PwC Assurance Report can be found on page 142 of this Annual Report.

Chain responsibility

Corporate Responsibility at Amsterdam Airport Schiphol is a shared responsibility. Besides ourselves, 514 parties are established at the airport. The influence we have on all activities at and around the site is determined by the various roles that we fulfil. In our capacity of airport operator we ensure the safety and reliability of the infrastructure (runways, terminal complex, road system, airport buildings). As the owner of the airport grounds, all environmental issues throughout the airport site (local air quality, energy supply, water quality and waste) fall under our responsibility. Thirdly, as a contracting authority and proprietor, we grant other businesses the opportunity to carry out activities at Schiphol that support our Main Port position and further develop the AirportCity concept.

Pursuant to these roles, we have identified three different spheres of influence:

Control: Business activities for which the airport itself bears direct responsibility. Examples: our own energy consumption and that in buildings leased by Schiphol, our vehicle fleet, the buses on the apron and the commuter traffic of our employees.

Guide: Activities performed at the Schiphol site for which we are not directly responsible, but in connection with which we can direct other parties through joint ventures or contractual agreements. Examples: energy consumption by third parties at the airport, vehicle fleets of third parties, public transport and taxis at the airport and commuting by employees of other companies at Schiphol.

Influence: Activities carried out at air and landside for which we are not responsible but which we could influence through constructive cooperation. Examples of activities carried out at airside include the aircraft landing and take-off cycle and aircraft engine tests. Examples of activities carried out at landside include cargo traffic and the transportation of passengers to and from the airport.

The airport's coordinating function once again confirms the importance of an effective dialogue and cooperation with all stakeholders throughout the entire chain, and our role as the driving force behind this effort. Entering into discussion with stakeholders allows our mutual interests, conflicts of interest and dilemmas to be addressed. Insight into these points is essential if we wish to create an environment that promotes cooperation and where all parties involved hold realistic expectations.

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.

More information about Schiphol and the surroundings can be found on www.bezoekbas.nl. We look forward to receiving your questions and comments in response to the content of this report via cr@schiphol.nl.



Stakeholder dialogue

In 2010 an independent agency conducted interviews with nine users and stakeholders: the municipalities of Amsterdam and Haarlemmermeer, HMS Host, Gassan Diamonds, Connexion, Heijmans, Group4Securicor, Jan de Rijk and a representative from CROS. The focus of these discussions was the Schiphol Group strategy, as it relates to Corporate Responsibility at the airport and how this policy is presented in the Annual Report. These discussions were a follow-up to those held with 15 stakeholders in the spring of 2008.

The feedback we received illustrated that in the eyes of all nine stakeholders we need to strike a better balance between the two pillars of our strategy: our socio-economic role and our entrepreneurial business operations. We should also shift our focus from our own ambitions towards our environment and stakeholders, and be more inclined to make our stakeholders a party to our Corporate Responsibility dilemmas. Stakeholders believe we place a higher priority on achieving our financial targets

than on fulfilling our socio-economic role, and feel we should make more of an effort to stand out in fulfilling that role.

Stakeholders requested that we explain more clearly how our policy reflects our goals as regards noise pollution, mobility and energy. Also Schiphol College could receive more attention as part of Schiphol Group's efforts to fulfill its socio-economic function. Subjects addressed by the stakeholders included parking space for cargo traffic, cargo safety and the lack of safe accommodation for spotters. Energy targets and the integration of Corporate Responsibility into our business processes have not been a differentiating factor.

We are eager to put the lessons learnt from these interviews into practice. We strive to achieve a more structured form of cooperation with stakeholders, have become more aware of our role as an initiator of Corporate Responsibility activities and aim to be more transparent in our reports regarding the consequences of our operations on the direct environment and the resulting dilemmas.

Stakeholder group	Specific channels of information, communication and consultation
Customers <ul style="list-style-type: none"> • Passengers and visitors • Concessionaires • Tenants • Airlines • Handling agents 	<ul style="list-style-type: none"> • Annual Report • Customer satisfaction surveys • Perception surveys • Individual account interviews • Internet • SchipholTV.com • Amsterdam Economic Platform
Sector partners <ul style="list-style-type: none"> • Airlines • Handling agents • Aviation industry • Air Traffic Control the Netherlands (<i>Luchtverkeersleiding Nederland, LVNL</i>) • Industry associations 	<ul style="list-style-type: none"> • Regular liaison activities • Consultation on airport charges
Partners <ul style="list-style-type: none"> • Shareholders • Financial parties • Subcontractors • Suppliers • Knowledge and research institutions 	<ul style="list-style-type: none"> • Annual Report • Annual/biannual financial meetings • Shareholders' Meeting • Multi-year contracts • Individual account interviews
Society <ul style="list-style-type: none"> • Local residents • Interested parties • NGOs • Associations 	<ul style="list-style-type: none"> • Schiphol Regional Consultative Committee (CROS) • Local Community Contact Centre Schiphol (Bas) • Alders Platform • SchipholTV.com • Internet • NOMOS Online
Government authorities <ul style="list-style-type: none"> • European • Central government • Local 	<ul style="list-style-type: none"> • Regular liaison activities • Alders Platform • Schiphol Regional Consultative Committee (CROS) • Visits by municipalities • Schiphol Governance Forum • Annual Report • Internet
Employees <ul style="list-style-type: none"> • Schiphol Group employees • Trade unions 	<ul style="list-style-type: none"> • Local and central works councils • Intranet • Internet • Newsletters • Aireport digital staff magazine

In addition to the above stakeholders' dialogue, Schiphol regularly enters into discussion with its stakeholders in different ways. The table above shows how communication is arranged across the various stakeholder categories.

We believe that collaboration, innovation and sharing views through consultation and dialogue are the best ways to seek solutions for complex issues. Accordingly, we have either established or participate in various forms of consultation for a number of relevant issues:

- Alders Platform
- Schiphol Regional Consultative Committee (CROS)
- Schiphol Safety Platform
- Schiphol Security and Public Safety Platform (BVPS)
- Contractors' Job Health and Safety Platform
- SIM Innovative Mainport Alliance
- Knowledge and Development Centre
- Knowledge and Information Agenda Platform
- National Knowledge for Climate Programme
- National Aviation Partnership Programme
- theGROUNDS
- Amsterdam Economic Platform
- Health & Safety consultation



Organisation of Corporate Responsibility

Corporate Responsibility is an intrinsic element in our strategy. In explicit terms, this means that Corporate Responsibility is increasingly being integrated into our daily operations.

Although the President and CEO of Schiphol Group holds primary accountability for Corporate Responsibility, he shares this responsibility with the other members of the Management Board. Each Board member is assigned an item on the Corporate Responsibility agenda. The Management Board defines the vision and policy on Corporate Responsibility, in which the members are assisted by the management and the Public Affairs and Corporate Responsibility Committee of the Supervisory Board. Corporate Responsibility targets are also included for the remuneration policy.

All our staff members are motivated to implement our Corporate Responsibility programme. In order to integrate Corporate Responsibility into all business processes,

activities and decision-making, we created a number of temporary positions and consultative platforms at the beginning of 2010:

- a central process director;
- a core team (advisory role concerning vision and policy);
- a Corporate Responsibility Board (monitoring of results);
- a Six Sigma team (embedding targets into the organisation).

These temporary measures will promote faster integration of Corporate Responsibility into all of our business processes. The assessment of the Corporate Responsibility information in this chapter by the external auditor (PwC) also has a positive impact on the completeness and reliability of the assessment, collection, recording and reporting of data.

A Corporate Responsibility Brochure was distributed to heighten employee awareness and more actively involve staff in the above developments. In plain language, the brochure discusses the importance of individual involvement, illustrated in concrete examples.

A campaign was also launched to engender Corporate Responsibility awareness. The campaign involves an employee quiz and showcases a weekly Corporate Responsibility item on SchipholTV. Corporate Responsibility activities have been organised within each business unit and 'ambassadors' assigned to promote awareness at all levels within the company.

Various targets within Corporate Responsibility addressing such themes as safety, the environment, 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, is 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 business areas so as to challenge management to improve. KPIs are preferably reported as a component of existing periodic management information. Twelve performance indicators are reported each quarter and discussed by the Management Board and the relevant senior managers. These 12 performance indicators always include two of a qualitative nature that concern environmental restrictions and the quality of the surface water. Four performance indicators are measured and assessed at least once a year: CO₂ neutrality of our own activities, BREEAM certification, drinking water consumption per passenger and sustainable purchasing.

During the process of integrating Corporate Responsibility into our business operations the airport continually gains new insights into which performance areas require monitoring. As a result, a number of performance indicators were still under development in 2010 or will be subject to change starting in 2011.

Reporting guidelines

This section of the report was drawn up with due regard for the most relevant international guidelines and best practices, with the Global Reporting Initiative (GRI) G3 guidelines being the most important. The current level at which the G3 guidelines are applied has been ranked at B+, on a scale from A up to C inclusive. The '+' means that the information is assessed externally. The GRI reference table has been included on

page 134 and also shows where in this report information can be found about the indicators that are relevant to our business operations. The GRI sector supplement for airports cannot be applied at present as it is still under development.

The Dutch Ministry of Finance has determined that Annual Reports of state-owned enterprises must have at least GRI level C in 2010. With a B+, Schiphol not only satisfies this requirement but also meets its own targets in this respect. Furthermore, Annual Reports of state-owned enterprises are required to be included in a survey of the Transparency Benchmark study group conducted by KPMG Tax Advisors on behalf of the Dutch Ministry of Economic Affairs, Agriculture and Innovation. We have participated in this survey since 2006. A total of 470 organisations participated in the Transparency Benchmark. Schiphol Group ranked in 34th place. The measures we have introduced to promote the further integration of Corporate Responsibility into the organisation are likely to benefit our ranking.

As a participant in the Global Compact, we have compiled a progress report on the Global Compact's ten principles. This report is included in the Global Compact Communication on Progress that is part of this chapter.

PwC is Schiphol Group's external auditor. The airport requested PwC to conduct an assessment with the aim of providing a moderate degree of assurance as regards the reliability of the information about the 16 performance indicators whose results are discussed in this chapter. PwC performed its audits in compliance with the NBA (Dutch Association of Auditors)'s COS 3410 regulation 'Assurance assignments as regards Corporate Responsibility reports'. The Assurance Report has been included on page 142.



Scope of this chapter

Our financial and Corporate Responsibility results are presented in one and the same Annual Report. The financial review discusses the performance of all group companies, while the Corporate Responsibility results relate only to Amsterdam Airport Schiphol. Over 90% of our activities take place at this location. The national and international subsidiaries and participations (airports and other activities) carry out their own initiatives, geared towards their local environment and dovetailing with Schiphol Group's vision.

Topics of great interest to the airport are discussed in the Report of the Management Board, and include issues relating to economic aspects, safety, the environment and people and society. 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, travellers and area residents. An incident involving fire safety, for instance, could have a potentially huge impact on stakeholders as well.

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 performance indicators discussed in this chapter were selected because they are either relevant to every company (such as energy use and absenteeism) or are highly specific to the sector (such as bird strikes and environmental capacity). They further concern activities that are within the airport's control at the Schiphol site, unless stated otherwise.

The information presented here concerns the 2010 calendar year (1 January – 31 December). However, performance on five indicators have been reviewed within the framework of the operating year (1 November 2009 – 31 October 2010); these are energy efficiency, CO₂ neutrality of our own activities, violations of enforcement points, recycling of waste materials and consumption of drinking water. The time period for the enforcement points indicator is laid down in the law. Practical reasons governed the choice of the other indicators for the operating year.

A map is provided on page 130 to show which locations were included when measuring the performance indicators for energy efficiency, drinking water and recycling. The information presented on this map is primarily derived from the buildings covered by the Schiphol Nederland B.V. environmental permit. For various reasons, however, the information does not correspond entirely with the scope of the maps. We aim to achieve a more uniform situation in the future.

Performance indicators in development have not been included as they have not yet yielded any results. Information about relevant topics has been included in the Report of the Management Board.

Explanation of performance indicators

Performance indicators – Safety

Policy and management systems

Safety at Amsterdam Airport Schiphol concerns aviation safety, fire safety, road safety and occupational health & 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 relevant operating activities have been charted in these two systems, as well as the operational risks, the corresponding risk control measures and process owners who bear responsibility. Reports are used to adjust 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.

Current risks within the TSMS control cycle are:

- 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 works

Current risks within the ASMS control cycle are:

- Runway incursions
- Bird strikes
- Litter

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
- 2010: 31 runway incursions (32 in 2009)

As far as aviation safety is concerned, runway safety – the prevention of incidents on and around the take-off and landing runways – has our continuous attention. Our guiding principle is to raise or at least maintain the level of safety. This is a requirement in guaranteeing the 24-hour operations of both LVNL and Amsterdam Airport Schiphol and in developing procedures and infrastructure.

Runway safety is measured based on 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 regard, however, with the airport reporting on the performance indicator but reliant on LVNL for compiling a complete notification and incident report.

Thirty-one runway incursions were registered in 2010 (-3%; 32 in 2009).

The most important action taken in 2010 was to improve route demarcation at locations with a higher risk of runway incursions. This included clearer demarcation of the route along Runway 18L-36R to Runway 09-27 through the addition of markings on the tarmac.

KPI: Bird strikes

- Internal reports: monthly
- Reporting period: calendar year
- Scope: boundaries of airport grounds
- Registration: bird strikes registered by Air France-KLM and Amsterdam Airport Schiphol
- 2010: 7.2 bird strikes per 10,000 air transport movements (7.1 in 2009)

Bird strikes are incidents in which dead birds or remains thereof are found on an aircraft or on a runway and in which it can reasonably be assumed that the strike occurred within the boundaries of the airport.

Performance indicators	Notes page	Long-term goals	2010	2009
SAFETY				
1. Number of runway incursions	125	Downward trend	31	32
2. Number of bird strikes	125	Downward trend	7.2	7.1
ENVIRONMENT				
3. Energy efficiency (MYA)**	127	-8% over the 2009-2012 period	-2.2%	-1.1%
4. CO ₂ emissions from airport activities 2012*	128	0 tonnes in 2012	6,804 tonnes	7,517 tonnes
5. BREEAM certification for new office buildings	128	All newly commissioned office buildings	1 of 1	N/A
6. Environmental capacity	129	Execution of Alders Platform covenants	Execution of Alders Platform covenants on schedule	Execution of Alders Platform covenants on schedule
7. Number of violations of enforcement points	129	No violations	No violations	No violations
8. Number of aircraft stands on FEGP	129	15 a year over the 2010-2013 period (61 in total)	0	N/A
9. Recycling of normal waste*	129	Upward trend	34%	28%
10. Consumption of drinking water per passenger	131	Downward trend	15.9 litres	15.5 litres
11. Surface water quality	131	Execution of sanitation plans	Execution of sanitation plans on schedule	Execution of sanitation plans on schedule
PEOPLE AND SOCIETY				
12. Absenteeism due to illness**	131	3.4% in 2012	4.4%	4.2%
13. Diversity	132	30% in 2014	22%	20%
14. Employee commitment	132	7.5 in 2011	7.3	N/A
15. Schiphol College**	133	1) Work experience places: 70% of candidates get a job contract after completing the preliminary courses 2) Senior secondary vocational education (MBO) students: at least 475 participants 3) Work placement: at least 375 airport-related placements 4) Vocational training programmes: at least 42 programmes completed by at least 100 groups	1) Work experience places: 44 2) Students in senior secondary vocational education (MBO): 472 3) Work placements: 90 4) Vocational and other training programmes: 42 programmes completed by 81 groups	1) Work experience places: 75 2) Students in senior secondary vocational education (MBO): 247 3) Work placements: 161 4) Vocational training programmes: 265
16. Purchasing from responsible suppliers	133	70% in 2011	63%	61%

* 2010 figures based on the operating year; 2009 figures based on the calendar year.
** 2010 figures are based on a different calculation method compared with 2009.

That boundary is fixed at a height of 200 feet in the case of 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 Amsterdam Airport Schiphol and its home carrier KLM have employed the same procedure for registering bird strikes. Incidents registered by the two parties are compared on a monthly basis in the Schiphol Bird Strike Committee (SBC), which also sets policy and discusses the various scare resources available and their effect. Other members of the SBC include transavia.com, LVNL, Dutch Civil Airports Society (*Nederlandse Vereniging van Lucht-havens*, NVL) and, on an ad hoc basis, the Transport and Water Management Inspectorate

(IVW) and Dutch Airline Pilots Association (*Vereniging van Nederlandse Verkeersvliegers*, VNV).

In 2010 there were 7.2 bird strikes per 10,000 KLM air transport movements at Amsterdam Airport Schiphol, up by 0.1 from 2009.

The average number of bird strikes is calculated by taking the bird strikes reported by KLM and Amsterdam Airport Schiphol within the airspace perimeter mentioned above and dividing this by the number of KLM air transport movements. As such, the report average is based on approximately 50% of the total air transport movements. We have opted for this method in view of the fact that bird strike reporting by pilots is not always reliable. Being the airport's

home carrier, KLM pilots' readiness to report incidents is much higher 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.

The main action taken in 2010 was to begin developing a risk model that incorporates findings from an extensive analysis of bird strikes over the past five years. Using this risk model, we will be able to develop specific control measures to target different types of birds.

Performance indicators – Environment

Policy and management systems

The Environmental Policy Plan for 2008-2011 describes targets and measures for the environmental sub-areas of air, noise, 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. The environmental management system is ISO 14001-certified.

Amsterdam Airport Schiphol designs company-wide programmes in which all business areas collaborate on the achievement of energy and mobility objectives. These programmes are 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 quality of the air at and accessibility of the airport. Programmes may also arise from our obligation to meet all applicable rules and regulations. Examples include programmes focusing on the management of surface water quality and on improvement of the air quality at and around Amsterdam Airport Schiphol.

KPI: Energy efficiency

- Internal reports: quarterly
- Reporting period: operational year
- Scope: Amsterdam Airport Schiphol's own activities
- Registration: Amsterdam Airport Schiphol
- 2010: -2.2% (-1.1% in 2009)

Amsterdam Airport Schiphol's Multi-Year Agreement with the government (MYA3) provides for a 2% annual reduction in the energy consumption increases that might be expected to arise from growth in passenger numbers and real estate over the period between 2005 and 2020. This agreement applies to our own activities at the Schiphol site only. The scope of this performance indicator is outlined on the map on page 130.

An energy-efficiency plan must be drawn up every four years. Agentschap NL has approved the plan for the 2009-2012 period, which details how Amsterdam Airport Schiphol can achieve the objectives of the MYA3 in each department. For the period of 2009-2012, this means that an overall saving of 8% must be achieved.

In 2010 the government first adjusted the base year, replacing the base year of 1998 with 2005. Energy efficiency in 2009 was recalculated accordingly, resulting in a new savings figure of -1.1%, as opposed to the +1.6% that was calculated using the old base year. Subsequently, in late 2010 Agentschap NL changed the calculation method, as a result of which the figures for 2009 and 2010 can no longer be compared with each other.

With a 2.2% reduction, the energy efficiency target was met in 2010. These savings were achieved through the use of smart links and installing energy-efficient lighting, ventilation pumps and refrigeration systems during replacements and renovations.



KPI: CO₂ emissions from airport activities

- Internal reports: annually
- Reporting period: operational year
- Scope: Amsterdam Airport Schiphol activities at the Schiphol site
- Registration: Amsterdam Airport Schiphol
- 2010: 6,804 tonnes (7,517 tonnes in 2009)

Amsterdam Airport Schiphol aims to run a CO₂ neutral operation at its Schiphol location by 2012, to which end a step-by-step plan was developed to achieve a maximum reduction in CO₂ emissions. Amongst other things, the airport plans to cut energy and fuel consumption, make more efficient use of the necessary energy and fuel, use sustainable energy and fuel and, last but not least, compensate for its consumption.

To lower its CO₂ emissions footprint, Amsterdam Airport Schiphol purchases green electricity and compensates CO₂ emissions for business trips made by plane. Business trips made with Air France-KLM are compensated by the KLM CO₂ compensation service; trips made with other airlines are compensated by Climate Neutral Group.

At the end of 2010, Schiphol Group signed up for a tender for the purchase of 20 electric vehicles, to be deployed in airport operations.

KPI: BREEAM certification

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: New office buildings developed by Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2010: 1 of 1 (n/a in 2009)

New office buildings delivered by Amsterdam Airport Schiphol all have a BREEAM certificate. BREEAM (Building Research Establishment Environmental Assessment Method) certification is awarded by the Dutch Green Building Council. Certificates can be issued for both the design phase and the completed building.

The TransPort office building completed in 2010 at Schiphol-Oost is the first building in the Netherlands to receive the BREEAM certification of 'very good' (three stars out of five) for the design phase.

A BREEAM certificate was not requested for the completion phase of TransPort as construction had already started when the certificate was first introduced. The required evidence could not be produced as certain phases in the building process had already been completed.

KPI: Environmental capacity

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2010: Execution of Alders Platform covenants on schedule (on schedule in 2009)

This performance indicator is qualitative and is described on page 39 of the Report of the Management Board. Steps taken in 2010 include a study on the feasibility of operating flights from regional airports, a two-year trial of a new standards and enforcement system, and measures to cut noise disturbance by means of alternate approach routes, and ground noise reduction.

KPI: Number of violations of enforcement points

- Internal reports: quarterly
- Reporting period: operational year
- Scope: Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2010: no violations (no violations in 2009)

Noise impact in the surrounding area is measured on the basis of enforcement points. An enforcement point is a time-based measurement point that is subject to a maximum permitted noise limit set by the central government. There are 35 enforcement points for the 24-hour period and 25 intervals for the night-time period (23:00-7:00 hours).

The operational year closed without violation of aircraft noise limits at any enforcement point. At the most critical L_{den} (24-hour period) noise metric points of 32, 33 and 27, respective totals of 93%, 91% and 88% of the available noise capacity were used. The noise impact measured at these points is chiefly due to aircraft taking off from Runway 06-24 in a south-westerly direction. Night-time noise impact (L_{night}) saw the highest capacity use (88%) at enforcement point 21. The noise impact measured at this point is likewise due to aircraft taking off from Runway 06-24 in a south-westerly direction.

As regards the night-time noise impact, the percentage of the Total Noise Impact Volume measured over the entire 24-hour period was 63% and 79% of the limiting value.

The Transport and Water Management Inspectorate set new limiting values in 2010 following runway maintenance and two experiments that could potentially reduce noise disturbance.

KPI: Number of aircraft stands on FEGP

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2010: 0 (n/a in 2009)

In accordance with the Airport Traffic Ruling (*Luchthavenverkeersbesluit, LVB*), air quality in areas surrounding the airport is to be improved by connecting aircraft stands to Fixed Electrical Ground Power (FEGP) facilities and to pre-conditioned air for climate control in the aircraft cabins. In the period between 2010 and 2013, 15 aircraft stands will be connected to FEGP each year. Aircraft stands will be adapted for this purpose by the airport, while handling agents will have to purchase and install energy supply equipment, principally for the purpose of aircraft climate control. This means that the use of auxiliary engines is no longer necessary.

The airport connected 16 stands at Piers F and G to fixed power points in 2010, which are ready for operational use. This will offer the best prospect for air quality gains, since it is especially at these piers that large aircraft remain parked for the longest periods. This means that the airport has honoured the agreement. Ground handlers however failed to honour their commitment to purchase the necessary equipment and will not be doing so until the first quarter of 2011. As a result, this KPI was not achieved.

KPI: Recycling of normal waste

- Internal reports: quarterly
- Reporting period: operational year
- Scope: normal waste at Amsterdam Airport Schiphol
- Registration: Van Ganssewinkel
- 2010: 34% (28% in 2009; calendar year)



Amsterdam Airport Schiphol is responsible for collecting waste at the Schiphol site, for which purpose it works together with Van Gansewinkel. The airport is working to raise the recycling rate in respect of its own normal waste, including household chemical waste, glass, paper, ordinary rubbish and other waste material. In 2010, 34% of the airport's own normal waste was separated for processing. The scope of this performance indicator is outlined on the map on this page.

In May 2010, Amsterdam Airport Schiphol began offering on-demand food waste collection to various food service outlets at the airport in order to promote recycling. This effort has paid off and was immediately integrated into standard policy.

KPI: Consumption of drinking water per passenger

- Internal reports: annually
- Reporting period: operational year
- Scope: Drinking water consumption at Amsterdam Airport Schiphol
- Registration: Amsterdam Airport Schiphol
- 2010: 15.9 litres (15.5 litres in 2009)

Amsterdam Airport Schiphol supplies drinking water to buildings on the Schiphol premises. Per passenger drinking water consumption is calculated on the basis of the amount of drinking water used in the terminal divided by the total number of passengers. This includes all drinking water used at food service outlets, toilets, drinking fountains and offices above the lounges. The scope of this performance indicator is outlined on the map on page 130. Drinking water consumption has increased in 2010. This can be attributed to a defective meter near Runway 18R-36L and a defective temporary filling point for fire engines.

The basis for calculating this KPI changed in 2010. Where water consumption in office buildings elsewhere on the Schiphol site was included in previous years, this is now no longer the case. The ratio was therefore recalculated for the period between 2007 and 2009, which has resulted in the figures presented here no longer corresponding to those in previous Annual Reports.

Water treatment systems were installed for the cooling towers on the roofs of terminals 2 and 3 in 2010, the purpose of which is to reduce the mineral content of the cooling water and achieve a saving of up to 20% on the supply of water. This is equal to a saving of 14,000 m³ of water.

KPI: Surface water quality

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Surface water on Amsterdam Airport Schiphol grounds
- Registration: Amsterdam Airport Schiphol
- 2010: Execution of improvement plans on schedule (on schedule in 2009)

This performance indicator is qualitative and is described on page 50 of the Report of the Management Board, in the section on the environment. Steps taken in 2010 include the use of potassium formate, the introduction of

an improved Water Quality Recovery Plan, more economical use of de-icing materials and improvement of the water quality measurement system.

Performance indicators – people and society

Policy and management systems

The most important codes setting out the organisation's expectations as regards the conduct of its employees are incorporated into the 'Corporate Code of Conduct' and the 'Corporate Responsibility Policy Statement'. In addition, Amsterdam Airport Schiphol has developed anti-fraud and whistle-blowing regulations, as well as additional codes addressing undesirable forms of behaviour, the use of e-mail and the Internet, and contact with external relations.

Our health and safety policy aims to ensure the health, safety and well-being of our staff at work. The key issue is prevention of physical or psychological trauma to our staff 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).

KPI: Absenteeism due to illness

- Internal reports: monthly
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: Schiphol Nederland B.V.
- 2010: 4.4% (4.2% in 2009)

Schiphol Nederland B.V. wants its employees to be fit and healthy. A fit and healthy employee is one who possesses the competences and physical health needed to be able and willing to perform his or her duties.

Overall employee fitness is calculated on the basis of the average rate of absenteeism in the Schiphol Nederland B.V. workforce. This percentage does not include absence due to maternity leave. In 2010, Schiphol Nederland B.V. had an absence due to illness rate of 4.4%, as calculated according to the Verbaan standard. No percentage is available for 2009 as calculated using this standard. If the absence due to illness rate for 2010 is calculated according to the old method, it would stand at 4.7%.



The airport introduced the Preventative Medical Vitality Check in 2010. By gaining insights into employee health a preventative policy aimed at reducing and preventing absenteeism can be developed.

KPI: Diversity

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: Schiphol Nederland B.V.
- 2010: 22% (20% in 2009)

Schiphol Nederland B.V.'s diversity policy is aimed at promoting talented women to top-level positions within the organisation, and specifically to the top three management tiers of Schiphol Nederland B.V., comprising the management board and the management teams of Schiphol Group (MTSG) and the management teams of MTSG members. Twenty-two percent of these positions are currently filled by women.

In 2010 the airport launched a new Diversity Scheme as part of its efforts to promote the advancement of talented women to top-level positions.

KPI: Employee commitment

- Internal reports: annually
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: MeyerMonitor
- 2010: 7.3 (n/a in 2009)

Employee commitment is measured based on the results of the Company Monitor carried out by MeyerMonitor, a research and dialogue consultancy company. Specifically, the Company Monitor reveals the degree of correspondence between strategy and implementation.

The 2010 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 7.3.

The Company Monitor is sent to all employees, including those scheduled to be outsourced, but with the exception of senior-level management. The final employee commitment rate only takes account of scores provided by employees who will continue to hold positions in the new

organisation. Of these, 72% filled out the questionnaire.

The Company Monitor highlighted a number of issues that may stand in the way of implementing the company's strategy. These issues formed the central themes of the "I...Schiphol!" sessions, where small groups discussed possible solutions.

KPI: Schiphol College

- Internal reports: quarterly
- Reporting period: calendar year
- Scope: Schiphol location
- Registration: Schiphol College
- 2010: 44 work experience places, 472 senior secondary vocational education (MBO) students, 90 work placements, 42 vocational training programmes completed by 81 groups (75 work experience, 247 MBO, 161 work placements, 265 vocational trainees in 2009)

The Schiphol College Foundation 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 sector 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.

Schiphol College is a collaborative venture between the Amsterdam ROC (Regional Training Centre) and Amsterdam Airport Schiphol. In 2010 the reporting method was changed. The figure now represents the number of participants that embarked on a programme in the course of a year. Previously, the figure represented the number of participants enrolled at the end of the year.

Work experience places

Work experience places are meant for unemployed people who have not completed their education. Preliminary courses are provided to prepare these people for a job at Amsterdam Airport Schiphol to which they will be seconded for a one-year period. Forty-four employees began work experience placements in 2010. Of these, 35 finished the training and most now have a job.

Senior secondary vocational education (MBO) programmes

MBO programmes are keyed to working at the airport and focus on security and air cargo

logistics. The MBO programme had 472 enrolees in 2010.

Work placements

Schiphol College also acts as an agency for work placements across all sectors. A total of 90 students did work placements with Schiphol Group in 2010, and an additional 36 preparatory secondary vocational education (VMBO) pupils participated in vocational orientation at the airport.

Vocational training programmes

Schiphol College also offers vocational and other training programmes. These are courses geared specifically towards the aviation sector and are provided in collaboration with the Amsterdam ROC. In 2010, 81 groups completed a total of 42 different vocational training programmes.

KPI: Purchasing from responsible suppliers

- Internal reports: annually
- Reporting period: calendar year
- Scope: Schiphol Nederland B.V.
- Registration: Schiphol Nederland B.V.
- 2010: 63% of 80% of total purchasing volume (61% of 80% of total purchasing volume in 2009)

The central purchasing department of Amsterdam Airport Schiphol is responsible for selecting suppliers for the airport's business areas and services. Amongst the selection criteria is 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 percent of purchased products are obtained from 60 suppliers, the other 20% from over 1300 suppliers. We focus on the group of 60 suppliers that account for the major part of our purchasing volume. Sixty-three percent of 80% of products and services are purchased from suppliers that have an active Corporate Responsibility policy, as evidenced – at the least – by a recent Corporate Responsibility policy document.

In 2010 the airport focused on adapting the purchasing system to integrate the Corporate Responsibility criterion into its systems and thus facilitate measuring, reporting and monitoring of this KPI.

Global Reporting Initiative reference table

Global Reporting Initiative reference table	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
1 PROFILE			
1.1 CEO statement	- Foreword	10,11	
1.2 Key effects, risks and opportunities	- Strategy and objectives - Business Risks	18-21 106-112	
2 ORGANISATION PROFILE			
2.1 Name of the organisation	- SG at a glance	8, 9	
2.2 Primary products, and/or services	- SG at a glance	8, 9	
2.3 Operational structure	- SG at a glance	8, 9	
2.4 Location of organisation's headquarters	+		Evert van de Beekstraat 202, 1118 CP Schiphol, the Netherlands
2.5 Number of countries where the organisation operates	- SG at a glance	5	
2.6 Nature of ownership and legal form	- Corporate Governance	144	
2.7 Markets served	- SG at a glance	5	
2.8 Scale of the organisation	- SG at a glance	4	
2.9 Significant operational changes during the period under review	- SG at a glance		
2.10 Awards received in the reporting period	- Aviation	45	
3 REPORTING PARAMETERS			
3.1 Reporting period	+		01-01-2010 - 31-12-2010
3.2 Date of most recent previous report (if any)	15-03-2010		Integrated annual report www.schiphol.nl/SchipholGroup1/InvestorRelations/FinancieleInformatie/Jaarverslagen.htm CR reports up to and including 2008 www.schiphol.nl/SchipholGroup1/CorporateResponsibility/Strategie/CorporateResponsibilityVerslag1.htm
3.3 Reporting cycle	+		annual
3.4 Contact point for questions	+		www.schiphol.nl/SchipholGroup1/InvestorRelations/IRServicesContact.htm www.schiphol.nl/SchipholGroup1/CorporateResponsibility/Contact.htm
3.5 Process for defining report content	- Integrating CR into the organisation	120,121 123-125	
3.6 Boundary of the report	- Integrating CR into the organisation	123-125	
3.7 State any specific limitations on the scope or boundary of the report	- Integrating CR into the organisation	123-125	
3.8 Basis for reporting	- Integrating CR into the organisation	123	
3.9 Data measurement techniques and calculation principles	- Integrating CR into the organisation	125-133	Specific GRI indicators have come to be considered as 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	+		Agentschap NL has changed the method of calculating Energy Efficiency, leading to different figures than those in previous reports. Schiphol Group changed the calculating method for the KPI's of consumption of drinking water per passenger, absenteeism due to illness and Schiphol College.
3.11 Significant changes relative to the previous reporting period	+		No significant changes
3.12 GRI table of contents	- Integrating CR into the organisation	134-140	
3.13 Verification report	- Integrating CR into the organisation	142,143	
4 INDICATORS CONCERNING GOVERNANCE STRUCTURE			
4.1 Governance structure of the organisation	- Corporate Governance - Report of the Supervisory Board - The Board and management	144,145 12-17 146-149	
4.2 Relationship between the Chair of the highest governing body and executive position	- The Board and Management	146-149	
4.3 Number of members of the highest governing body that are independent and/or non-executive members	- The Board and Management	146-149	
4.4 Mechanisms for shareholders and employees to provide recommendations to or participate in the highest governing body	- Corporate Governance - Shareholders information	144,145 154,155	
4.5 Linkage between compensation for members of the highest governing body, senior managers, and executives and the organisation's performance	- Remuneration report	150,151	
4.6 Processes in place for the highest governing body to ensure conflicts of interest are avoided	- Corporate Governance	144,145	See also: www.schiphol.nl/SchipholGroup1/InvestorRelations/CorporateGovernance.htm

Global Reporting Initiative reference table	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
4.7 The highest governing body's knowledge of corporate responsibility	- Integrating CR into the organisation - Remuneration report	122 150,151	
4.8 Internally developed mission statements, principles and codes of conduct	+		The Corporate Code of Conduct and the Corporate Responsibility Policy Statement are the main codes that set out how we expect our employees to behave. We have also drawn up anti-fraud and whistleblower regulations as well as additional codes regarding undesirable behaviour, e-mail use and external contacts. See also: http://www.schiphol.nl/SchipholGroup1/CorporateResponsibility/Strategie/GedragscodesEnVerdragen.htm
4.9 Corporate Governance	- Corporate Governance	144,145	See also: www.schiphol.nl/SchipholGroup1/InvestorRelations/CorporateGovernance.htm
4.10 Processes for evaluating the highest governing body's own performance	- Remuneration report	150,151	
4.11 Precautionary principle	+		http://www.schiphol.nl/SchipholGroup1/CorporateResponsibility.htm
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives	+		Global Compact, ISO 14001
4.13 Membership of associations (such as industry associations) and/or national/international interest groups	- The Board and Management	146-149	
4.14 List of stakeholder groups engaged by the organisation	- Integrating CR into the organisation	120,121	
4.15 Basis for identification and selection of stakeholders with whom to engage	- Integrating CR into the organisation	120,121	Stakeholders have not been awarded a specific place in the Management Board's Report, but their engagement is discussed at various points in the 2010 Annual Report.
4.16 Method of engaging stakeholders	- Integrating CR into the organisation	120,121	Stakeholders have not been awarded a specific place in the Management Board's Report, but their engagement is discussed at various points in the 2010 Annual Report.
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	+		Key topics in Aviation: environmental capacity, safety, the environment and accessibility
5.1 ECONOMIC PERFORMANCE INDICATORS			
Management approach economic performance	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 301 destinations. The market share for passenger transport and cargo transport is 10.6% and 13.8% respectively. These are key indicators for companies to establish themselves in the Netherlands and, in particular, in the proximity of Amsterdam Airport Schiphol.		Amsterdam Airport Schiphol is the airport manager of Schiphol airport. In this role, it develops and manages the airport grounds. We invest approximately € 250 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 development of the airport. Additionally, regular investments have been made to improve parking facilities and airport-related real estate such as hotels, offices and cargo buildings. The investments result in a substantial boost to economic activity and an increase in employment at and around the airport, particularly in the areas of construction and installation. The facilities built attract other companies that set up shop at the airport and project their own economic influence on the surrounding area.
			Some 514 companies are established at the airport and offer employment to around 60,000 people. As Schiphol College allows employees of Schiphol Group as well as those of companies operating at the Schiphol location to update their skills and/or retrain, personnel at the airport are mobile and can be efficiently deployed. At the end of 2010, Schiphol Group employed 2,197 people.
			More information on - financial developments: chapter on financial performance (page 24) - transport of passengers and cargo, including market presence: chapter on Aviation (page 34-37) - investments: chapter on financial performance (page 27) - employment and Schiphol College: chapter on Human Resources Management (page 88-95) and at www.schiphol.nl
EC1 Direct economic values	- Financial Statements	157-271	
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change	- Aviation - Alliances & Participations	51 87	- Water Plan - theGROUNDS Also see: www.schiphol.nl/SchipholGroup1/CorporateResponsibility/DuurzameGroeInnovatie.htm
EC3 Coverage of the organisation's defined benefit plan obligations	- Business risks	96-113	
EC4 Significant financial assistance received from government	+		No significant financial assistance was received.

Global Reporting Initiative reference table	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
EC5 Range of ratios of standard entry level wage compared to local minimum wage	-		Not relevant. Activities do not take place in developing countries/emerging economies.
EC6 Policy, practices, and proportion of spending on locally based suppliers	-		
EC7 Procedures for local hiring and proportion of senior management hired from the local community	-		
EC8 Development and effect of infrastructure investments and services provided primarily for public benefit	- Financial performance	27	We invest approximately € 250 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 development of the airport. Additionally, regular investments have been made to improve parking facilities and airport-related real estate such as hotels, offices and cargo buildings.
EC9 Insight into and description of significant indirect economic consequences, including their scale	+		The investments result in a substantial boost to economic activity and an increase in employment at and around the airport, particularly in the areas of construction and installation. The facilities built attract other companies that set up shop at the airport and project their own economic influence on the surrounding area.
5.2 ENVIRONMENTAL PERFORMANCE INDICATORS			
Management approach environmental indicators	<p>Amsterdam Airport Schiphol plays an active and leading role in the area of the environment, a role in which innovations have a key place. It is our intention to achieve a sustainable energy and water management programme, improve air quality and raise 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 & landscape. The progress of our activities is monitored in the ISO 14001-certified environmental management system. Energy and mobility are priority areas for us, and the subjects of the following ambitious programmes: Energy Strategy 2020 and Sustainable Mobility Concept. theGROUNDS is the catalyst that Amsterdam Airport Schiphol uses to achieve its environmental objectives (more quickly) by working closely with companies and knowledge institutes.</p> <p>Furthermore, each quarter the Management Board receives an overview of developments of 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, CO₂ neutrality of our own activities, BREEAM certification for new office buildings, Fixed Electrical Ground Power (FEGP) for aircraft stands, recycling of waste, drinking water consumption per passenger and the surface water quality.</p> <p>More information on: - Energy, CO₂ neutrality of our own activities, water and air quality: chapter on Aviation (page 49-53) and chapter on Integrating Corporate Responsibility into the organisation (page 127-131) - Mobility: chapter on Aviation (page 53-55) and chapter on Consumers (page 63, 64) - theGROUNDS: chapter on Alliances & Participations (page 87) - www.schiphol.nl/cr and on www.theGROUNDS.com.</p>		
EN1 Total amount of materials used by weight or volume	-		We only register the purchase of materials, not the amount of materials actually used.
EN2 Use of recycled materials	-		We do not register the amount of recycled materials used.
EN3 Direct energy consumption by primary energy source	- Aviation	50	
EN4 Indirect energy consumption by primary source	+		The energy consumption registered concerns the total amount of energy consumed (electricity and gas). No indirect energy is purchased separately. If necessary, Schiphol will make arrangements for the transition from direct to indirect energy consumption.
EN5 Energy saved due to conservation and efficiency improvements	- Aviation - Integrating CR into the organisation	49, 50 127	
EN6 Initiatives to promote energy efficiency or the use of sustainable energy, and additionally reductions in energy requirements as a result of these initiatives	- Aviation - Integrating CR into the organisation	49, 50 127	
EN7 Initiatives to reduce indirect energy consumption	- Aviation - Integrating CR into the organisation	49, 50 127	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 withdrawal by source	-		We do not withdraw water to treat it for drinking or for industrial applications.
EN9 Water sources significantly affected by withdrawal of water	-		
EN10 Percentage of water recycled and reused	-		We do not recycle or reuse water.

Global Reporting Initiative reference table	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	-		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 untouched, it is home to special specimens of flora and fauna. For more information, refer to the book: 'Natuurgebied Schiphol. Flora en Fauna in kaart gebracht (Schiphol nature reserve. A compendium of its Flora and Fauna)'.
EN12 Description of significant effects of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value	-		
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 Direct and indirect greenhouse gas emissions	- Aviation	53	
EN17 Other relevant indirect greenhouse gas emissions	-		Not relevant
EN18 Initiatives to reduce greenhouse gas emissions	- Aviation	49-53	
EN19 Emissions of ozone-depleting substances	+		For the environmental permit, the use of cooling agents no longer needs to be reported to the Province of North-Holland. Consequently, this information is not available.
EN20 NO _x , SO _x , and other significant air emissions	- Aviation	53	
EN21 Total water discharge by quality and destination	+		All waste water (sanitary and otherwise) is discharged from our buildings to an Evides drainage installation.
EN22 Total weight of waste by type	- Aviation	53	
EN23 Total number and volume of significant spills	-		Not available
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
EN26 Initiatives to mitigate environmental impact of products and services	- Aviation	49-53	
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	- Aviation	53-55	
EN30 Total environmental protection expenditures and investments by type	- Business risks - Financial Statements	96-113 157-271	
5.3 WORKING CONDITIONS AND DECENT WORK INDICATORS			
Management approach working conditions	<p>Schiphol Group sets great store in 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 working conditions (arbo) management system allows the airport to monitor the vitality of its workforce. By focusing on issues such as absence due to illness, diversity and employee involvement, we aim to have a healthy and engaged workforce. Safe working conditions are crucial to keep operations running smoothly. We are continually exploring ways to improve safety even further.</p> <p>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 that come under 'people and society'.</p> <p>More information: - employee development: chapter on Human Resources Management (page 90, 91) - safe working conditions: chapter on Human Resources Management (page 91-93) - Absence due to illness, diversity and employee commitment: chapter on Human Resources Management (page 89, 90) and chapter on Integrating Corporate Responsibility into the organisation (page 131-133) - www.schiphol.nl/cr and www.schiphol.nl/WerkenVacatures</p>		
LA1 Total workforce by employment type, employment contract, and region	- Human Resources Management	95	There is no information available about this type of work.
LA2 Employee turnover	- Human Resources Management	95	
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, per major operation	+		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.

Global Reporting Initiative reference table	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
LA4 Percentage of employees covered by collective labour agreements	+		94%
LA5 Minimum notice period(s) regarding operational changes	+		No specific agreements were made as regards 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.	+		0,20%
LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	- Human Resources Management	90	There were no work-related fatalities in 2010
LA8 Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members	- Human Resources Management	90, 91	See also: www.schiphol.nl/WerkenVacatures/WerkenBijSchipholGroup/VerrassendeCarrieres.htm
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 there are no formal agreements with trade unions.
LA10 Average hours of training per year per employee by employee category	+	91	Number of training hours yet unknown, but the average training budget has been recorded. See also: www.schiphol.nl/SchipholGroup1/CorporateResponsibility/GoedWerkgeverschap.htm
LA11 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	+		www.schiphol.nl/WerkenVacatures/WerkenBijSchipholGroup/VerrassendeCarrieres.htm
LA12 Percentage of employees receiving regular performance and career development reviews	+		100%
LA13 Composition of governing bodies	- The Board and Management	146-149	
LA14 Ratio of basic salary of men to women	+		Basic salaries for men and women are the same and have been set down in the collective labour agreement.
5.4 HUMAN RIGHTS			
Management approach human rights			<p>The majority of our operations takes place in the Netherlands. Our foreign associates are located in the developed world (United States, Australia, France 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.</p> <p>For Schiphol Nederland B.V. employees, the following codes of conduct have been drawn up: Corporate Code of Conduct, Corporate Responsibility Policy Statement, anti-fraud regulations, whistleblower regulations and additional codes of conduct as regards undesirable behaviour, use of e-mail, contact with external parties. Our purchasing regulations set requirements to be met by the suppliers of our products and services. In 2010 Schiphol Group also signed the Global Compact.</p> <p>The CEO is responsible for employee policies.</p> <p>More information: - chapter on Human Resources Management (page 88-95) - chapter on Business risks; Risk M: Supplier and outsourcing liability (page 111)</p>
HR1 Investment and purchasing agreements that include human rights clauses	+		http://www.schiphol.nl/SchipholGroup1/CorporateResponsibility/Strategie/Inkoop.htm
HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	-		Not screened
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 has 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 relevant. We do not carry out any operations in developing countries or countries with an emerging economy.

Global Reporting Initiative reference table	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
5.5 SOCIAL PERFORMANCE INDICATORS			
Management approach social performance indicators			<p>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 Main Port, Schiphol is of social importance for 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 around 60,000 people at Amsterdam Airport Schiphol, it is also the driver of a huge amount of indirect employment both within the region and beyond. A Main Port 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.</p> <p>The social function of the airport was discussed in detail during the stakeholders dialogue that took place in 2010. 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 are holding 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: environmental capacity and exceeding noise impact enforcement points. Schiphol is also a member of the Schiphol Regional Consultative Committee (CROS), which is a participant in the Alders Platform. The Local Community Contact Centre Schiphol is the information centre where local residents can obtain information on flights operated from the airport.</p> <p>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, which has existed for 15 years, provides funding to associations and foundations. Schiphol College was established to train people for airport-related careers. SOS Children's Villages represents a three-year partnership. Finally, Schiphol has sponsored the Amsterdamse Bos theatre for 25 years.</p> <p>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.</p> <p>More information on: - Stakeholder dialogue: chapter on Integrating Corporate Responsibility into the organisation (page 120, 121) - Alders Platform (environmental capacity) and exceeding noise reduction enforcement points: chapter on Aviation (page 39-42) and chapter on Integrating Corporate Responsibility into the organisation (page 129) - Local Community Contact Centre Schiphol: chapter on Aviation (page 42) and www.bezoekbas.nl - Schiphol College: chapter on Human Resources Management (page 93-95), chapter on Integrating Corporate Responsibility into the organisation (page 133) and www.schipholcollege.nl - Schiphol Fund chapter on Human Resources Management (page 95) - www.schiphol.nl/cr</p>
SO1 The way in which activities affect communities	- Aviation	39-42	
SO2 Corruption-related risks	-		No corruption incidents were reported.
SO3 Employees trained in anti-corruption policies and procedures	-		
SO4 Actions taken in response to incidents of corruption	-		
SO5 Public policy positions and participation in public policy development and lobbying	-		
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	+		2
SO8 Fines and non-monetary sanctions for non-compliance with laws and regulations	+		No penalties were imposed in 2010.
5.6 PRODUCT RESPONSIBILITY			
Management approach consumer health and safety			<p>For Schiphol Group this component is less relevant given the products and services that Schiphol offers. The Dutch Military 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.</p> <p>The health of passengers is promoted through sufficient sanitation and medical facilities, the timely emptying of waste bins and offering facilities such as restaurants with healthy food options, spa and massages. The safety of consumers (travellers) is promoted in the TVMS and AVMS (fire and aviation safety). Two important performance indicators are runway incursions and bird strikes. Keeping the terminal, the aprons and the runways clean is also an important part of avoiding unsafe situations.</p> <p>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 that come under safety and the environment.</p> <p>More information on: - safety on airside and landside: chapter on Aviation (page 45-49) and chapter on Integrating Corporate Responsibility into the organisation (page 125-127) - www.schiphol.nl/cr - www.schiphol.nl/opschiphol</p>

Global Reporting Initiative reference table	Chapter	Page	Explanation, reference to other sources of information
Ref. Guideline Description			
PR1 Life cycle stages in which health and safety effects of products and services are assessed	-		Not relevant
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	-		Not relevant
PR3 Type of information on products and services that are mandatory for procedures	-		Not relevant
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	-		Not relevant
PR5 Policy on customer satisfaction and the results of customer satisfaction surveys	- Aviation	45	Results only
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. 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 year under review.
PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	-		Not relevant
PR9 Fines for non-compliance with laws and regulations concerning the provision and use of products and services	+		During the year under review, no fines were imposed on Schiphol Group for failure to provide services in part or in their entirety.

Global Compact Communication on Progress

Global Compact principles	Included in:	See also GRI Indicator:
HUMAN RIGHTS		
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 partake in any activity that violates human rights	- Codes of conduct - Purchasing regulations	HR1-9
WORKING CONDITIONS		
3. Schiphol allows the freedom association of employees and their right to collective bargaining	- Employees are free to unite in 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	- Nature of activities, working conditions and working hours have been set down in the collective labour agreement - 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	- Equal remuneration conditions for men and women - Code of conduct on Undesirable Behaviour - internal Complaints Committee. - Purchasing regulations	LA2, LA13-14 HR1-4
ENVIRONMENT		
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 - Stichting Leefomgeving Schiphol - Local Community Contact Centre Schiphol (Bas) - Purchasing regulations	EN1-30
9. Schiphol promotes the development and introduction of environmentally friendly technologies	- Deployment of algae in the de-icing process, 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
ANTICORRUPTION		
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 2011

Assurance Report

To the Management Board of
N.V. Luchthaven Schiphol

Report on Corporate Responsibility information

Engagement and responsibilities

We have been engaged by the Management Board of N.V. Luchthaven Schiphol (hereafter: 'Schiphol Group') to review the contents of the chapter 'Integrating Corporate Responsibility into the organisation' on pages 116 to 141 of Schiphol Group's 2010 Annual Report. In this chapter Schiphol Group reports on its policies, activities, events and performance relating to Corporate Responsibility ('CR') in the reporting period 2010 (hereafter referred to as: 'the CR chapter').

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.

The annual report contains CR disclosures which are outside the CR chapter. These disclosures are excluded from our assurance scope. Our engagement is confined to the information in the CR chapter that relates to policies, activities, events and performance in the reporting period 2010. As this is the first year that Schiphol Group's CR chapter is reviewed, comparative data concerning previous years have not been examined by us. We do not provide any assurance on the assumptions and feasibility of prospective information, such as targets, expectations and ambitions, included in the CR chapter.

The Management Board of Schiphol Group is responsible for the preparation of the CR chapter. We are responsible for providing an assurance report on the information in the CR chapter.

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 information. These limitations are adequately explained in the CR chapter in the notes per KPI on pages 125 through 133.

The CR chapter does not cover all entities of Schiphol Group as it only includes data of Amsterdam Airport Schiphol. Detailed information on the reporting scope is given on page 124 of the CR chapter. 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 external environment analysis and obtaining insight into the industry, relevant social issues, relevant laws and regulations and the characteristics of the organisation;
- assessing the acceptability of the reporting policies and consistent application of this, such as assessment of the outcomes of the stakeholder dialogue and the reasonableness of estimates made by management;
- reviewing the systems and processes for data gathering, internal controls and processing of other information, such as the aggregation process of data to the information as presented in the CR chapter;
- reviewing internal and external documentation to determine whether the information in the CR chapter is adequately substantiated;
- evaluating the overall presentation of the CR chapter, in line with Schiphol Group's reporting criteria;
- evaluating the consistency of CR disclosures in the annual report with the CR chapter;
- assessing 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 the information in the CR chapter, in all material respects, does 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 2011

PricewaterhouseCoopers Accountants N.V.

J.A.M. Stael RA

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 seven 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 & 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 Supervisory Board as regards relationships with shareholders and communication strategy (public affairs), and on the other it plays an important role in defining the social aspects of Schiphol Group's entrepreneurial activities.

Each of these committees is subject to a regulatory code, published on 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. The Frijns Code and its significance for the company formed a separate item on the agenda of the General Meeting of Shareholders on 15 April 2010, where it was presented to the shareholders and subsequently discussed and approved. 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 'claw-back' 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 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 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 when he joined the Supervisory Board. 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.

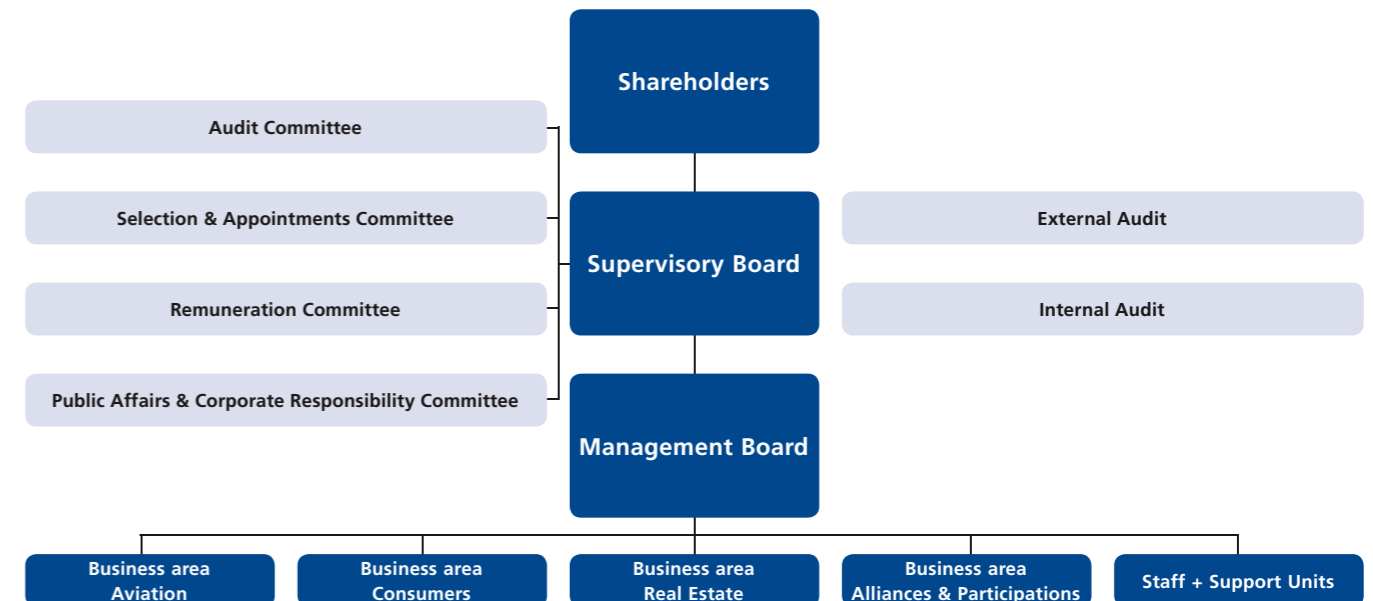
The Corporate Auditor has been appointed as the central officer referred to in the Regulations governing Inside Information and the Holding of Securities and Securities Transactions.

Schiphol, 16 February 2011

The Supervisory Board

The Management Board

Corporate Governance structure Schiphol Group



The Board and Management

Supervisory Board



A. Ruys
(1947, Dutch nationality)

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

- Member of the Board of Lottomatica SpA
- Member of the Board of British American Tobacco PLC
- Member of the 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 Foundation
- Chairman of the Supervisory Board Madurodam Foundation
- Former Chairman of the Board of Management of Heineken N.V.



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

Vice-Chairperson
First appointed in: 2001
Last term of office expires in December 2013

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



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. (a.i.)
- 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
- Member of the Supervisory Board of Koninklijke Boskalis N.V.
- Member of the Supervisory Board of Zeeman Groep B.V.
- Member of the Supervisory Board of Sociaal Werkvoorzieningschap Centraal Overijssel Soweco N.V.
- Member of the Supervisory Board of Zorgpunt Holding B.V.
- Member of the Board of Stichting ING Aandelen
- Member of the Supervisory Board of The Netherlands Symphony Orchestra (*Orkest van het Oosten*)
- Former Chairman of the Management Board of VolkerWessels



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-Chairperson of the Supervisory Board of Triodos Bank N.V.
- Member of the Supervisory Board of ECN
- Member of the Supervisory Board of the Rijksmuseum Foundation
- Chairperson of the Board of Governors postgraduate Controllers Academy VU Amsterdam
- Member Advisory Board of Plan Nederland
- Research Fellow Erasmus University Rotterdam
- Member of the Supervisory Board of World Press Photo
- Former Financial director Shell Nederland B.V.



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

First appointed in: 2006
First term of office expires in 2011

- Vice Chairman of the Supervisory Board of Fugro N.V.
- Member of the Supervisory Board of N.V. Nederlandse Spoorwegen
- Member of the Supervisory Board of Royal Vopak N.V.
- Member of the Supervisory Board of Unibail-Rodamco S.A.
- 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
- Member of the Philips and Heijmans Boards of the Foundation Preference Shares
- Investigator, on behalf of the Enterprise Section of the Amsterdam Court, charged with examining policies and practices of Fortis N.V.
- Former CFO and Member of the Board of Management of VNU N.V.



P. Graff
(1947, French nationality)

First appointed in: 2009
First term of office expires in 2014

- President and CEO of Aéroports de Paris S.A.
- Director GDF SUEZ
- Director RATP
- Director SOGÉPA
- Director SOGÉADE Générance SAS
- Member of the Economic and Social Council (France)
- Chairman of the European and international affairs committee of the National Tourism Council (France)
- Director MEDEF-Paris, French employer's Union



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

First appointed in: 2002
Last term of office expires in 2014

- 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.
- Former Senior Partner at Caron & Stevens/Baker & McKenzie
- Former Member of the Dutch Senate

The Management Board



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

President and CEO since 1 January 2009

- Member of the Supervisory Board of SNS Reaal N.V.
- Member of the Board of Aéroports de Paris S.A.
- Member of the Board of Governors of the Dutch National Ballet
- Member of the Board of Common Purpose Foundation



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

Member of the Management Board and COO since 1 September 2005

- President of ACI Europe
- Member of the Executive Committee of ACI Europe
- Member of the ACI World Governing Board
- Member of the Board of Advisors of the National Aerospace Laboratory (NLR)
- Member of the Supervisory Board of Eindhoven Airport N.V.
- Chairman of the Schiphol Security and Public Safety Steering Group
- Member of the Supervisory Board of Holland Aviation House (DDA and Aviodrome)
- Member of the Board of Advisors of Hogeschool van Amsterdam



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

Member of the Management Board and CFO since 1 September 1997

- Member of the Supervisory Board of VastNed Retail N.V.
- Member of the 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



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

Member of the Management Board and 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

Aviation

Alliances & Participations

Consumers

Real Estate

Key Management

Business Areas	
Otto Ambagtsheer	Business area Consumers
André van den Berg	Business area Real Estate
Roel Hellemons	Aviation; Airport Operations
Ron Louwerse	Aviation; Safety, Security and Environment
Birgit Otto	Aviation; Asset Management

Regional and International activities	
Roland Wondolleck	Rotterdam The Hague Airport
Joost Meijs	Eindhoven Airport
Lex Oude Weernink	Lelystad Airport
Julieanne Alroe	Brisbane Airport Corporation
Alain Maca	JFK IAT New York
Peter Steinmetz	Aruba Airport Authority

Staff & support	
Joop Krul	Airport Development
Paul Luijten	Corporate Affairs
Edwin van den Berg	Corporate Audit Services
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	Central Project Organisation

Central Works Council (CWC)

Sandro Broeke	(Chairman)
Joost Peetoom	(Secretary)
Bart-Jan Wielinga	(Vice-Chairman/Vice-Secretary)
Jeroen Hattink	
Siard Hovenkamp	
Hans van Kampen	
Hans Martens	
Arnold van Rennes	
Edwin Roodenburg	
Mark van Truijen	
Willem Verwoerd	
Frits Westhof	

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 current remuneration policy was ratified by the Annual Meeting of Shareholders held on 13 April 2006.

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. In addition to financial targets, social responsibility targets (which also cover Corporate Responsibility and accessibility) and operational targets are agreed with each Management Board member. 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. In the autumn of 2010 a benchmark study was again performed to determine whether the remuneration level, and more particularly that of the President and CEO, is in line with market practice. The study was jointly initiated by and performed in close coordination with the Ministry of Finance on behalf of the Dutch State as the majority shareholder of N.V. Luchthaven Schiphol. The survey 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 and CEO 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. The Supervisory Board will submit the new remuneration policy to the shareholders for approval during the General Meeting of Shareholders in 2011. The Finance Minister had already informed the members of the Lower House of the States-General of the proposed moderation of remuneration policy by letter in November 2010.

The main principles of the proposed remuneration policy are 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 social 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 and CEO.

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. The financial target is obtained from the net result divided by the average total return on 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 2010 once again to apply collective Management Board targets. The Remuneration Committee advised the Supervisory Board that these targets should account for a maximum of 7.5% of the fixed salary of the President and CEO 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 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 CEO 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.

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

	President and CEO		
	on target	maximum swing	above target
ROE target	20.0%	factor 1.625	32.5%
Collective targets	7.5%		7.5%
General performance	7.5%		7.5%
Total	35.0%		47.5%

	Other Management Board members		
	on target	maximum swing	above target
ROE target	15.0%	factor 1.67	25.1%
Collective targets	15.0%		15.0%
General performance	5.0%		5.0%
Total	35.0%		45.1%

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 package. Instead, to foster the achievement of Schiphol Group's long-term objectives, a long-term variable pay scheme which rolls forward over a three-year period has been agreed (this period has been extended to four years in the proposed remuneration policy). The long-term variable pay is a conditional annual remuneration component and has an on-target level of 35% of the fixed salary.

Actual payment depends on the cumulative Economic Profit achieved over a period of three successive financial years, as based on the medium-term business plan approved by the Supervisory Board. In the event of exceptional performance, the bonus may be increased to a maximum of 52.5% of the fixed salary. In view of the impact of the strategy review on the company's medium-term business plan, year 2009 of the business plan was replaced by the approved 2009 budget.

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 Board member's performance contract contains a 'claw-back' clause.

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.

Messrs Verboom and Rutten have the option of retiring at the age of 62, with 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 under the ABP pension scheme. Should the accrued supplement prove to be inadequate, a payment will be made to fulfil the agreement made.

Messrs Nijhuis and 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 amount of the contribution payable to the pension scheme is calculated each year by ABP and paid in full by the company. The contributions for a voluntary 'partner plus' pension – where applicable – are paid by the Management Board members themselves.

It was established during the financial year that contributions had been withheld from the annual salaries of Messrs Verboom and Rutten, which contributions were used to finance

old-age pension as described above and not, as previously assumed, used by ABP to cover supplementary pension. Since a non-contributory pension arrangement applies, the contributions unduly withheld for the full term of employment were refunded to both Management Board members in 2010. This sum amounts to EUR 39,668.20 for Mr Rutten, who commenced employment in 2005, and EUR 130,285.69 for Mr Verboom, who commenced employment in 1997.

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 employment contract has not been renegotiated, 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 in principle provides for a redundancy payment of one and a half times the fixed salary paid in the preceding year.

Management Board Remuneration for 2010

The Schiphol employees covered by the CLA received a salary increase of 0.9% effective 1 April 2010. In 2010, the Management Board members' fixed salary was also increased by 0.9%, effective the same date.

In view of the financial results achieved in relation to the ROE target, the Management Board members qualify for the maximum swing factor. The Supervisory Board has ascertained, advised by the Remuneration Committee, that the Management Board achieved the collective, non-financial (operational and socio-economic) targets for 2010, with the exception of one component.

The Supervisory Board furthermore favourably evaluated the overall performance of the Management Board members, taking account of the fact that 2010 was marked by the gradual recovery of the business environment, ongoing implementation of a revised strategy and a substantial organisational change in the form of outsourcing a large number of non-core activities and the relevant transfer of staff to new, external service providers. Subsequently, the Supervisory Board has granted a total realisation of 42.5% (max. 47.5%) of the fixed income of the President and CEO 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 Verboom, Rutten and De Goof over the period 2008-2010 at 1.5; this remuneration does not apply to Mr Nijhuis.

More detailed information on the remuneration of the Management Board for 2010 can be found on pages 247 to 250 of this Annual Report.

Remuneration of the Supervisory Board

General

The remuneration of the Chairman of the Supervisory Board amounts to EUR 33,000 per annum. 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 2010

Information on the remuneration of the Supervisory Board for 2010 can be found on page 246 of this Annual Report.

Schiphol, 16 February 2011

The Supervisory Board



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 class A shares and 14,892 of the class B shares have been issued. Since 31 December 2008, there have not been any changes in the authorised capital or in the number of shares issued.

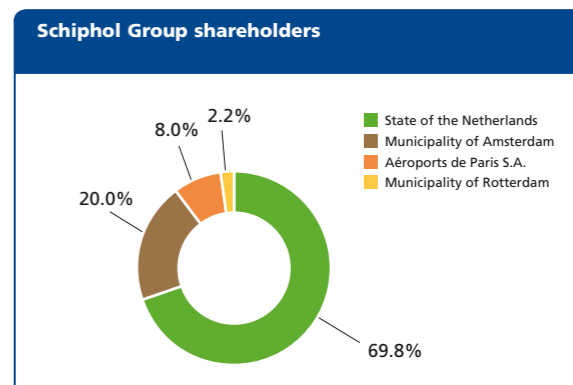
Dividend policy

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 2010, the financial result (attributable to shareholders) amounted to EUR 169 million, giving earnings per share of EUR 908. The adjusted result for the purposes of dividend calculation is EUR 152 million. Accordingly, the proposed per share dividend distribution is EUR 409, equal to a 50% payout.

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 a proactive dialogue with both rating information providers. Standard & Poor's long-term rating remained unchanged in 2010 at an 'A flat' rating with a 'stable outlook'. Moody's long-term rating likewise remained unchanged at A1, with a 'stable outlook'.

Standard & Poor's and Moody's also issued short-term ratings. The short-term ratings are A-1 (Moody's) and P-1 (Standard & Poor's).



Important dates

General meeting of shareholders	18 April 2011
Publication of 2011 interim results	25 August 2011

Shareholder Schiphol Group

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%)
Total	186,147 shares	(100.00%)

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 or visit: www.schiphol.nl

Schiphol Group
Financial
Statements
2010

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Consolidated profit and loss account for the year 2010

(in thousands of euros)	Note	2010	2009
Revenue	1	1,180,148	1,153,846
Sales of property		2,715	944
Cost of sales of property		2,866	849
Result on sales of property	2	- 151	95
Fair value gains and losses on property	3	22,180	- 40,135
Other income, from property		22,029	- 40,040
Costs of outsourced work and other external charges	4	522,072	509,057
Employee benefits	5	183,737	186,501
Depreciation and amortisation	6	185,829	182,863
Impairment	7	467	13,235
Restructuring	8	9,135	31,278
Other operating expenses	9	4,229	3,803
Total operating expenses		- 905,469	- 926,737
Operating result		296,708	187,069
Financial income and expenses	10	- 115,181	- 91,228
Share in results of associates	11	57,076	26,939
Result before tax		238,603	122,780
Corporate income tax	12	- 66,889	9,929
Result		171,714	132,709
Attributable to:			
Minority interests	13	2,754	586
Shareholders (net result)		168,960	132,123
Earnings per share (in euros)	14	908	710
Diluted earnings per share (in euros)	14	908	710

Consolidated comprehensive income statement for the year 2010

(in thousands of euros)	Note	2010	2009
Result		171,714	132,709
Translation differences	31	9,697	9,487
Changes in fair value on hedge transactions	31	13,790	15,183
Changes in fair value on other financial interests	31	3,450	641
Total other income and expenses		26,937	25,311
Total comprehensive income		198,651	158,020
Attributable to:			
Minority interests		2,773	439
Shareholders (net result)		195,878	157,581

Consolidated balance sheet as at 31 December 2010

Assets

(in thousands of euros)	Note	31 December 2010	31 December 2009
Non-current assets			
Intangible assets	15	43,200	42,121
Assets used for operating activities	16	2,376,031	2,198,568
Assets under construction or development	17	390,695	548,281
Investment property	18	1,053,313	982,439
Deferred tax	19	228,647	256,990
Investments in associates	20	689,413	629,815
Loans to associates	21	88,221	66,541
Other financial interests	22	10,758	7,309
Lease receivables	23	3,300	5,522
Other loans	24	4,260	4,087
Derivative financial instruments	33	89,415	37,907
Other non-current receivables	25	23,170	18,768
		5,000,423	4,798,348
Current assets			
Lease receivables	23	2,223	1,967
Other loans	24	84	83
Assets held for sale	26	38,242	36,625
Trade and other receivables	27	161,004	166,386
Cash and cash equivalents	28	304,202	524,403
		505,755	729,464
		5,506,178	5,527,812

Equity and liabilities

(in thousands of euros)	Note	31 December 2010	31 December 2009
Share capital and reserves attributable to shareholders			
Issued share capital	29	84,511	84,511
Share premium	29	362,811	362,811
Retained profits	30	2,609,827	2,505,423
Other reserves	31	30,973	4,054
		3,088,122	2,956,799
Minority interests	32	21,295	18,633
		3,109,417	2,975,432
Non-current liabilities			
Borrowings	33	1,609,317	1,847,114
Lease liabilities	34	57,917	113,409
Employee benefits	35	35,525	38,334
Other provisions	36	29,573	30,792
Derivative financial instruments	33	1,464	3,826
Other non-current liabilities	37	93,786	96,912
		1,827,582	2,130,387
Current liabilities			
Borrowings	33	122,756	60,750
Lease liabilities	34	55,731	4,368
Derivative financial instruments	33	16,413	10,477
Corporate income tax	38	11,582	3,507
Trade and other payables	39	362,697	342,891
		569,179	421,993
		5,506,178	5,527,812

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	
Balance as at 31 December 2008		84,511	362,811	2,442,372	- 21,404	18,305	2,886,595
Result		-	-	132,123	-	586	132,709
Other comprehensive income	31, 32	-	-	-	25,458	- 147	25,311
Comprehensive income		-	-	132,123	25,458	439	158,020
Dividend paid	30	-	-	- 69,072	-	- 111	- 69,183
Balance as at 31 December 2009		84,511	362,811	2,505,423	4,054	18,633	2,975,432
Result		-	-	168,960	-	2,754	171,714
Other comprehensive income	31, 32	-	-	-	26,919	18	26,937
Comprehensive income		-	-	168,960	26,919	2,772	198,651
Dividend paid	30	-	-	- 64,556	-	- 110	- 64,666
Balance as at 31 December 2010		84,511	362,811	2,609,827	30,973	21,295	3,109,417

The dividend per share paid in 2010 and 2009 can be calculated as follows:

	dividend for 2009, paid in 2010	dividend for 2008, paid in 2009
Dividend attributable to shareholders (in euros)	64,556,000	69,072,000
Average number of shares in issue during the year	186,147	186,147
Dividend per share (in euros)	347	371

Consolidated cash flow statement for 2010

(in thousands of euros)	Note	2010	2009
Cash flow from operating activities:			
Cash flow from operations	41	486,538	388,542
Corporate income tax paid		- 35,595	- 34,611
Interest paid		- 114,651	- 49,386
Interest received		2,544	2,974
Dividend received		11,753	19,410
		- 135,949	- 61,613
Cash flow from operating activities		350,589	326,929
Cash flow from investing activities:			
Investment in intangible assets	15	- 11,628	- 11,398
Investment in property, plant and equipment	17	- 236,316	- 203,340
Proceeds from disposals of investment property	2	2,715	944
Proceeds from disposals of property, plant and equipment	16	41	123
Acquisitions	42	- 9,708	-
Sale of associates	20	2,157	-
Share capital contributions to / repayment by associates	20	-	750
Repayment on other loans	24	85	112
New long leases purchased	25	-	- 3,004
Finance lease instalments received	23	3,025	2,983
Other non-current receivables received		-	25
Cash flow from investing activities		- 249,629	- 212,805
Free cash flow		100,960	114,124
Cash flow from financing activities:			
New borrowings	33	116	394,193
Repayment of borrowings	33	- 211,942	- 178,992
Interest difference buy-back of EMTN bonds	33	- 19,238	-
Settlement derivative financial instruments	31	- 11,723	5,371
Dividend paid	30	- 64,666	- 69,183
Other non-current liabilities received		-	4,383
New long leases purchased	37	-	30,491
Finance lease instalments paid	34	- 13,644	- 13,493
Cash flow from financing activities		- 321,187	172,770
Net cash flow		- 220,227	286,894
Opening balance of cash and cash equivalents	28	524,403	237,183
Net cash flow		- 220,227	286,894
Exchange differences	10	26	326
Closing balance of cash and cash equivalents	28	304,202	524,403

The cash flow statement has been prepared on the basis that the balance of cash and cash equivalents is equal to the net amount of the cash and cash equivalents and bank overdrafts. As at year-end 2009, no bank overdrafts were recorded at year-end 2010.

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 aims to rank among the world's leading airport companies. 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.

On 16 February 2011 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 2011.

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 2010

Various new standards, interpretations and amendments to existing standards have been issued which are mandatory from 1 January 2010 and are applied to these financial statements:

- IFRS 3 Business Combinations (and the related changes to IAS 27). The new standard provides that the acquisition method must be applied as the only method for business combinations, and contains the general rule that acquired assets and liabilities are valued at fair value on the acquisition date. However, there are a number of exceptions to this rule. Transaction-related costs should no longer be viewed as part of the acquisition price, and additional notes must be included.

The following amendments to standards and interpretations are applied by Schiphol Group as from the 2010 financial statements but have little or no effect on the explanatory notes and financial data in the 2010 financial statements:

- Amendments in the context of the IASB annual improvements project 2009
- IAS 32, Financial Instruments Presentation, amendment
- IAS 39, Eligible hedged items, amendment
- IFRS 1 and IAS 27, Cost of Investment
- IFRS 1, First Time Adoption, amendment
- IFRS 2, Share-based Payment, amendment
- IFRIC 9, Reassessment of embedded derivatives, amendment
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation
- IFRIC 17, Distribution of non cash assets to owners
- IFRIC 18, Transfer of assets from customers

New standards and amended standards that are mandatory with effect from 2011 or afterwards
Schiphol Group has not voluntarily applied new standards, amended standards or interpretations in advance that will not be mandatory until 2011 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 2011 (unless stated otherwise and provided they have been endorsed): IFRS 9 Financial Instruments (not yet endorsed, mandatory taking effect from the 2013 financial statements), IAS 24 Related Party Disclosures (not yet endorsed) and amendments within the context of the IASB annual improvements project 2010 (not yet endorsed).

The following new standards, amendments to standards and interpretations will be applied by Schiphol Group as from the 2011 financial statements (unless stated otherwise and provided they have been endorsed), but will have little or no effect on the explanatory notes and financial data in the 2011 financial statements: IAS 32 Classification of rights issues, IFRIC 14 Prepayments of a minimum funding requirement amendment and IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (not yet endorsed).

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

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 diluted 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:

- assets under construction for future operating activities;
- assets under construction or development as future investment property;
- 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 may 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 put into 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. Revenue 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 carried 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 in part on the nature 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 is the higher of an asset's fair value less costs to sell and its value in use. 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. This also applies 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 appraised at minimum once a year by independent surveyors. 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.

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 change 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 beneficial 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, via 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, face value and so on) 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 it is clear that the carrying amount will be recovered principally 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
- 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. That part which falls outside 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 falling into this category (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 is particularly true of the following:

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 to earn rentals, for growth or for a combination of the two;
- 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 portion that is used for operating activities and another portion that is investment property. If these portions could be sold separately or leased out separately, the portions 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.

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; and
- 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 off, 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 they fall outside 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 should give rise to the recognition of assets or liabilities 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: 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 2010, 10.7% of total borrowings had been drawn in foreign currency (one loan with a carrying amount of EUR 185.3 million, being the equivalent of 20 billion Japanese yen, nominal value) compared with 7.9% of total borrowings (one loan with a carrying amount of EUR 150 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 relatively small (given the development in the balance of the reserve for hedging transactions from EUR 4.7 million negative as at 31 December 2009 to EUR 9.1 million positive as at 31 December 2010).

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 171.2 million as at 31 December 2010 (EUR 102.6 million as at 31 December 2009), 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 2010 of EUR 88.2 million (EUR 66.5 million as at 31 December 2009), is 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 no direct influence on the result. The effect on equity is EUR 9.7 million (given the development in the balance of the reserve for translation differences from 8.5 million as at 31 December 2009 to 18.2 million as at 31 December 2010).

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 95.0 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 0.3 million as at 31 December 2009 to EUR 3.7 million as at 31 December 2010).

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 2010 and 31 December 2009 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
	2010				
Obligations relating to gas	4,015	2,887	1,128	1,128	-
Obligations relating to electricity	22,603	9,621	12,982	12,982	-
	26,618	12,508	14,110	14,110	-

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
	2009				
Obligations relating to gas	3,800	3,800	-	-	-
Obligations relating to electricity	32,319	11,614	20,705	20,705	-
	36,119	15,414	20,705	20,705	-

(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 2010, the percentage of fixed-interest borrowings for Schiphol Group was 100% (against 98.3% as at 31 December 2009). For AREB C.V. this percentage was 65.4% as at 31 December 2010 (against 65.4% as at 31 December 2009). 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 2010 had been 1% lower, the interest income relating to deposits would have been EUR 1.5 million lower (2009: EUR 3.0 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 Airport Real Estate Basisfonds C.V. (AREB C.V.). For AREB C.V., a maximum of 40% applies. As at 31 December 2010, the percentages of variable-interest borrowings were 0% for Schiphol Group and 34.6% for AREB C.V. (1.7% and 34.6% respectively as at 31 December 2009).

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. In the event of an interest rate cap, the increase in the variable interest rate in excess of a pre-arranged maximum is paid by the counterparty. If the average variable interest rate during the year 2010 had been 1% higher, this would have had no effect on the interest expense relating to group financing loans (2009: EUR 1 million).

Counterparty risk

Counterparty risk is the risk that one party to 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's 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 2010 was EUR 131 million (against a maximum of EUR 375 million as at 31 December 2009).

As at 31 December 2010, the trade receivables item is EUR 71.5 million (EUR 72.8 million as at 31 December 2009). This amount includes a bad debt provision of EUR 5.4 million (EUR 5.8 million as at 31 December 2009) and EUR 2.2 million in security deposits received (EUR 2.3 million as at 31 December 2009). 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.

The movements in the bad debt provision are as follows:

(in millions of euros)	2010	2009
Carrying amount 1 January	5.8	4.2
Utilised during the year	- 0.6	- 0.7
Added during the year	0.2	2.3
Carrying amount 31 December	5.4	5.8

The ageing analysis of trade receivables is as follows:

(in millions of euros)	2010	2009
Younger than 60 days	74.8	75.5
Older than 60 days	1.4	2.4
Older than 360 days	1.6	1.5
Bankruptcies	1.3	1.5
	79.1	80.9
Provision for bad debt	- 5.4	- 5.8
Security deposits received	- 2.2	- 2.3
Total Trade receivables	71.5	72.8

Of the trade receivables amounting to EUR 79.1 million (before deduction of the provision for bad debt amounting to EUR 5.4 million and the security deposits amounting to EUR 2.2 million received), an amount of EUR 5.6 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)	2010	2009
Younger than 30 days	3.2	7.4
Younger than 60 days	1.3	2.1
Older than 60 days	1.1	1.6
Total past due not impaired	5.6	11.1

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 2010, Schiphol Group has an amount of EUR 29.6 million in bank guarantees and security deposits (EUR 20.8 million as at 31 December 2009). The debtors include four enterprises with an individual balance in excess of EUR 2.0 million. One company, 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. Prudent 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 2010 and 31 December 2009 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
	2010				
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	-	-	-
Liabilities	1,940,154	271,456	1,668,698	1,012,897	655,801
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	-	-	-
Assets	- 574,009	- 378,055	- 195,954	- 95,781	- 100,173
Total	1,366,145	- 106,599	1,472,744	917,116	555,628
	2009				
Borrowings	1,907,864	60,750	1,847,114	1,272,800	574,314
Finance lease liabilities	117,777	4,368	113,409	16,375	97,034
Derivative financial instrument liabilities	14,303	10,477	3,826	2,923	903
Trade payables	77,707	77,707	-	-	-
Liabilities	2,117,651	153,302	1,964,349	1,292,098	672,251
Loans to associates	- 66,541	-	- 66,541	- 66,541	-
Other financial interests	- 7,309	-	- 7,309	-	- 7,309
Finance lease receivables	- 7,489	- 1,967	- 5,522	- 5,522	-
Other loans	- 4,170	- 83	- 4,087	- 4,087	-
Derivative financial instrument receivables	- 37,907	-	- 37,907	718	- 38,625
Trade receivables	- 72,848	- 72,848	-	-	-
Cash and cash equivalents	- 524,403	- 524,403	-	-	-
Assets	- 720,667	- 599,301	- 121,366	- 75,432	- 45,934
Total	1,396,984	- 445,999	1,842,983	1,216,666	626,317

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 2010, this percentage was 14.0% (against 7.2% as at 31 December 2009).

The remaining term as at 31 December 2010 and 31 December 2009 respectively of the (net) obligations relating to financial instruments is as follows:

	(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
Liabilities	1,940,154	1,845,721	17,877	76,556
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
Assets	- 574,009	- 98,088	- 100,173	- 375,748
Total	1,366,145	1,747,633	- 82,296	- 299,192

	(in thousands of euros)			
	Total 2009	Amortised cost	Fair value through equity	Fair value through profit and loss
Borrowings	1,907,864	1,907,864	-	-
Finance lease liabilities	117,777	117,777	-	-
Derivative financial instrument liabilities	14,303	-	14,303	-
Trade payables	77,707	-	-	77,707
Liabilities	2,117,651	2,025,641	14,303	77,707
Loans to associates	- 66,541	- 66,541	-	-
Other financial interests	- 7,309	-	- 7,309	-
Finance lease receivables	- 7,489	- 7,489	-	-
Other loans	- 4,170	- 4,170	-	-
Derivative financial instrument receivables	- 37,907	-	- 37,907	-
Trade receivables	- 72,848	-	-	- 72,848
Cash and cash equivalents	- 524,403	-	-	- 524,403
Assets	- 720,667	- 78,200	- 45,216	- 597,251
Total	1,396,984	1,947,441	- 30,913	- 519,544

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)	2010	2009
Operating result	296,708	187,069
Depreciation and amortisation	185,829	182,863
Impairment	467	13,235
Result from the sale of assets	- 26	- 112
Other income, from property	- 22,029	40,040
Non cash changes receivables	- 5,607	- 190
Non cash changes liabilities	- 3,030	- 4,705
Movements in provisions	- 1,927	18,652
Income tax paid	- 35,595	- 34,611
Interest paid	- 114,651	- 49,386
Interest received	2,544	2,974
Dividend received	11,753	19,410
Funds From Operations	314,436	375,239

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 total debt is structured as follows:

(in thousands of euros)	2010	2009
Non-current liabilities		
Borrowings	1,609,317	1,847,114
Lease liabilities	57,917	113,409
Current liabilities		
Borrowings	122,756	60,750
Lease liabilities	55,731	4,368
Total debt	1,845,721	2,025,641

The decrease in the FFO relates mainly to higher interest expenses paid in 2010 (up EUR 65 million). This increase is mainly the result of a timing effect in interest payments. In January 2010, interest was paid for the first time on EMTN loans of EUR 800 million which had been drawn in the autumn of 2008. This interest payment therefore concerned a period of 14 months.

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 2010, equity was EUR 3,109.4 million (EUR 2,975.4 million as at 31 December 2009).

As at 31 December, the FFO / Total debt and leverage were:

	2010	2009
FFO / Total debt	17.0%	18.5%
Leverage	37.2%	40.5%

The reduction in FFO / Total debt is caused primarily by the decrease in the total debt being smaller than the decrease in the FFO. The reduction in the leverage is the result of a decrease in the interest-bearing loans while the equity increased.

The FFO interest coverage ratio is calculated by dividing the FFO plus the interest charges relating to borrowings and lease liabilities, amounting to EUR 112.7 million in 2010 (EUR 111.8 million in 2009), by these interest charges. As a result, the FFO interest coverage ratio for 2010 was 3.8x (compared with 4.4x for 2009).

The ratios as at 31 December 2010 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 include airport charges (aircraft, passenger and security charges) and concession fees (paid by oil companies for the right to provide aircraft refuelling services). The Netherlands Competition Authority (NMa) regulates the charges which are levied.

The activities of the Consumers 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 airports outside the Netherlands (reporting segment: Consumers 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 airports at home and abroad. 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 participations. 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 participations include Schiphol Telematics and Utilities, among others. Schiphol Telematics delivers telecom services at 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 2010, the same as in 2009), there is no geographical segmentation. Around 35% of revenue (34% in 2009) relates to one external client and is generated primarily in the Aviation business area.

Segment information (continued)

2010 (in thousands of euros)						Real Estate	Alliances & Participations			Total
	Aviation		Consumers				Foreign airports	Domestic airports	Other participations	
	Aviation	Security	Concessions	Parking	Other					
Total revenue	455,791	241,232	134,635	79,177	85,187	173,266	6,130	53,891	86,702	1,316,010
Elimination of internal revenue	- 9,824	- 4,806	- 20,991	- 1,137	35	- 36,347	- 247	- 213	- 62,334	- 135,862
Revenue	445,967	236,426	113,644	78,040	85,222	136,920	5,883	53,678	24,368	1,180,148
Fair value gains and losses on investment property	-	-	-	-	-	21,071	-	1,109	-	22,180
Depreciation and amortisation	- 108,044	- 27,500	- 11,900	- 6,877	- 3,174	- 16,069	- 5	- 4,295	- 7,965	- 185,829
Impairment	-	-	-	-	-	-	-	- 153	- 314	- 467
Restructuring costs	- 3,596	- 2,055	- 359	- 454	- 719	- 884	- 22	- 410	- 637	- 9,135
Operating result	45,246	- 306	96,584	31,837	4,575	96,366	3,179	10,568	8,660	296,708
Share in results of associates*	532	-	-	-	-	1,480	62,847	-	- 224	64,636
Total assets	2,168,008	230,680	131,877	132,096	15,796	1,802,834	878,486	87,172	59,228	5,506,178
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	4,771,776
Investments in associates and other financial interests	2,941	-	-	-	-	32,955	658,875	-	5,400	700,171
Capital expenditure	154,967	8,727	7,225	13,624	5,418	51,589	-	2,365	4,030	247,944

2009 (in thousands of euros)						Real Estate	Alliances & Participations			Total
	Aviation		Consumers				Foreign airports	Domestic airports	Other participations	
	Aviation	Security	Concessions	Parking	Other					
Total revenue	441,183	246,433	126,428	79,402	78,608	171,817	4,922	49,346	88,301	1,286,440
Elimination of internal revenue	- 8,835	- 4,615	- 18,948	- 1,551	- 418	- 36,930	- 1,921	- 259	- 59,116	- 132,594
Revenue	432,348	241,818	107,480	77,851	78,189	134,887	3,001	49,087	29,185	1,153,846
Fair value gains and losses on investment property	-	-	-	-	-	- 39,391	-	- 744	-	- 40,135
Depreciation and amortisation	- 104,502	- 23,643	- 15,123	- 5,905	- 2,654	- 18,283	- 9	- 4,552	- 8,192	- 182,863
Impairment	- 2,388	-	- 6,250	- 1,005	-	- 3,502	-	- 90	-	- 13,235
Restructuring costs	- 11,973	- 7,881	- 1,532	- 1,578	- 1,305	- 3,124	- 174	- 1,471	- 2,240	- 31,278
Operating result	40,311	4,837	72,251	29,939	1,315	29,049	- 769	3,988	6,148	187,069
Share in results of associates*	778	-	-	-	-	2,295	31,117	-	- 574	33,616
Total assets	2,193,209	265,911	144,394	127,001	12,602	1,813,405	810,922	92,198	68,170	5,527,812
Total non-current assets (excluding corporate income tax)	1,801,400	218,407	118,599	104,313	10,351	1,489,447	666,054	75,876	56,911	4,541,358
Investments in associates and other financial interests	2,988	-	-	-	-	32,470	593,807	-	7,859	637,124
Capital expenditure	105,190	38,165	9,272	5,456	1,021	43,133	-	4,319	8,182	214,738

*) 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.

Notes to the consolidated profit and loss account

1. Revenue

The revenue analysis by reporting segment is as follows:

2010 (in thousands of euros)	Aviation					Consumers					Real Estate	Alliances & Participations			Total
	Aviation	Security	Concessions	Parking	Other	Foreign airports	Domestic airports	Other participations							
Airport charges	420,542	234,943	-	-	-	-	33,620	-	-	-	689,106				
Concessions	11,521	-	119,478	3,043	1,894	1,248	-	3,174	-	-	140,358				
Rent and leases	-	-	14,791	222	-	156,143	-	2,923	-	-	174,080				
Parking fees	-	-	28	70,915	2	2,832	-	10,276	-	-	84,053				
Retail sales	-	-	-	-	58,259	-	-	-	-	-	58,259				
Other activities	23,728	6,288	338	4,997	25,031	13,043	6,130	3,896	86,702	-	170,154				
Total revenue	455,791	241,232	134,635	79,177	85,187	173,266	6,130	53,891	86,702	-	1,316,010				
Elimination of internal revenue	- 9,824	- 4,806	- 20,991	- 1,137	35	- 36,347	- 247	- 213	- 62,334	-	- 135,862				
Revenue	445,967	236,426	113,644	78,040	85,222	136,920	5,883	53,678	24,368	-	1,180,148				

2009 (in thousands of euros)	Aviation					Consumers					Real Estate	Alliances & Participations			Total
	Aviation	Security	Concessions	Parking	Other	Foreign airports	Domestic airports	Other participations							
Airport charges	405,857	240,100	-	-	-	-	30,904	-	-	-	676,861				
Concessions	11,149	-	110,878	3,335	1,356	1,005	-	2,387	-	-	130,110				
Rent and leases	-	-	14,987	189	-	158,508	-	3,040	-	-	176,723				
Parking fees	-	-	-	70,537	-	2,059	-	8,939	-	-	81,536				
Retail sales	-	-	-	-	53,376	-	-	-	-	-	53,376				
Other activities	24,176	6,334	564	5,341	23,875	10,245	4,922	4,076	88,301	-	167,834				
Total revenue	441,183	246,433	126,428	79,402	78,608	171,817	4,922	49,346	88,301	-	1,286,440				
Elimination of internal revenue	- 8,835	- 4,615	- 18,948	- 1,551	- 418	- 36,930	- 1,921	- 259	- 59,116	-	- 132,594				
Revenue	432,348	241,818	107,480	77,851	78,189	134,887	3,001	49,087	29,185	-	1,153,846				

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 charges 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 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.

As regards the financial year 2008, the settlement of airport charges is included in the rates applicable from 1 April 2010. In respect of reporting segment Aviation this involves airport charges receivable in the amount of EUR 0.8 million. In respect of reporting segment Security this involves airport charges refundable in the amount of EUR 4.2 million. Although a significant deficit was recorded for the 2009 financial year (EUR 31.7 million for the Aviation reporting segment and EUR 17.3 million for the Security reporting segment), Schiphol Group decided not to set off this amount in view of the current market conditions.

The income from airport charges can be analysed as follows:

(in thousands of euros)	2010	2009
Aircraft-related fees	179,562	178,187
Passenger-related fees	250,554	236,338
Security service charge	251,031	254,026
Aircraft parking fees	7,959	8,310
	689,106	676,861

Concessions

Schiphol Group's reporting segment Concession has a total of 99 concession contracts (2009: 94 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 55% of concessions had a remaining term of less than three years (2009 around 60%), 28% had between three and five years to run (2009 around 24%) and 17% had more than five years to run (2009 around 16%).

The income from concessions generated by the Aviation reporting segment of EUR 11.5 million (EUR 11.1 million in 2009) and by the Parking reporting segment of EUR 3.0 million (EUR 3.3 million in 2009) 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)	2010	2009
Investment property buildings, including service costs	57,303	58,735
Investment property sites	24,620	23,893
Operating property, including service costs	61,057	60,946
Elimination of internal revenue	31,100	33,149
	174,080	176,723

The occupancy figure as at 31 December 2010 was 86.5% (89.4% as at 31 December 2009) 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 10% (7% in 2009). Approximately 41% expire after one year and within five years (45% in 2009) and approximately 49% expire after more than five years (48% in 2009).

Property management expenses can be analysed as follows:

(in thousands of euros)	2010	2009
Occupied buildings	36,574	37,889
Unoccupied buildings	6,033	5,218
	42,607	43,107

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)	2010	2009
Parking at Amsterdam Airport Schiphol:		
Short-stay car park	34,297	34,728
Long-stay car park	20,743	20,337
Other public car parking	4,214	4,017
Business parking	13,716	13,002
	72,970	72,084
Parking at other locations	10,276	8,939
Elimination of internal revenue	807	513
	84,053	81,536

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 2010 of EUR 58.3 million (EUR 53.4 million in 2009) represents revenue from the liquor, tobacco and chocolate retail activities. The cost of sales of EUR 30.2 million (EUR 27.8 million in 2009) 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)	2010	2009
Advertising	15,847	16,193
Services and activities on behalf of third parties	22,740	24,887
Electricity, gas and water	6,455	6,464
Other operating income	26,612	26,483
Miscellaneous	14,626	12,698
Elimination of internal revenue	83,874	81,109
	170,154	167,834

2. Result on sales of property

The amount of EUR 2.7 million recognised under 'sales of property' concerns the sale of a home including two sheds, expropriation of lands of Schiphol Group for the rerouting of the N201 provincial road and the sale of lands to the municipal authorities in the context of the Beech Avenue project. The amount of EUR 2.9 million recognised under 'cost of sales of property' is the cost price of modifications to a number of buildings in Italy which were sold in the past immediately after completion.

3. Fair value gains and losses on property

The analysis is as follows:

(in thousands of euros)	2010	2009
New long leases granted	- 2,932	216
Acquisition and completions of buildings	3,826	2,580
Market value adjustment land	35,982	- 984
Market value adjustment buildings	- 14,696	- 41,947
	22,180	- 40,135

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)	2010	2009
Cleaning	26,722	28,056
Security activities	165,025	167,989
Other outsourcing	75,482	69,963
Maintenance	79,527	67,854
Energy and water	26,100	28,453
Cost price retail sales	30,215	27,822
Hired personnel	24,067	21,707
Insurance	19,551	22,705
Commercial expenses	23,802	23,754
Other external charges	51,581	50,754
	522,072	509,057

The other external charges concern cost in connection with such things as general expenses, renting and leasing, costs in connection with investments and advisory costs.

As at 31 December 2010, there were commitments (not included in the balance sheet) in respect of long-term security, maintenance and cleaning contracts etc. totalling EUR 417.7 million (31 December 2009: EUR 544.6 million). The size of these commitments is primarily attributable to five-year or six-year contracts (2008 to 2013 inclusive) in relation to security, with a total value of EUR 256.4 million. The total amount stated above also includes commitments with respect to maintenance (EUR 73.3 million), cleaning (EUR 38.6 million) and gas and electricity purchasing (EUR 26.1 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	> 1 year but ≤ 5 years	> 5 years
Rental and lease contract commitments	49,582	7,424	42,159	21,950

Auditor's fees

Included in the 'other external charges' are the following costs with respect to auditor's fees.

(in thousands of euros)	2010	2009
Audit of the financial statements	625	649
Other audit services	764	775
Tax advisory	131	50
Other non-audit services	206	262
	1,726	1,736

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 1.4 million (in 2009: EUR 1.5 million) while the activities performed by other members of the PwC network amount to EUR 0,3 million (against EUR 0.2 million in 2009).

The other non-audit services in 2010 relate primarily to an investigation of the cost structure within Schiphol Group. In 2009, these services mainly related to activities regarding the IT organisation and project organisation.

5. Employee benefits

The analysis is as follows:

(in thousands of euros)	2010	2009
Short-term employee benefits		
Salaries	146,585	150,527
Social security charges	12,547	12,431
Internal hours capitalised	- 11,055	- 13,371
	148,077	149,587
Post-retirement benefits		
Pension charges (defined contribution plans)	18,184	18,710
Pension charges (defined benefit plans)	2,153	1,226
Early retirement benefits	1,634	1,676
	21,971	21,612
Other long-term employee benefits		
Long-service bonuses	558	1,299
Management long-term bonuses	1,036	685
Other employee benefits	- 199	98
	1,395	2,082
Termination benefits	630	1,306
Other staff costs	11,664	11,914
Total employee benefits	183,737	186,501

The average number of employees, on a full-time equivalent basis, of N.V. Luchthaven Schiphol and its subsidiaries totalled 2,328 (2009: 2,496).

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)	2010	2009
Intangible assets		
Contract-related assets	4,241	5,492
Automated application development	4,523	3,001
Software licences	2,126	1,509
	10,890	10,002
Assets used for operating activities		
Runways, taxiways and aprons	20,499	21,524
Paved areas, roads etc.	11,373	11,004
Buildings	31,878	31,380
Installations	84,490	81,010
Other assets	25,971	25,894
	174,211	170,812
Depreciation and amortisation relating to disposals	728	2,049
Total depreciation and amortisation	185,829	182,863

7. Impairment

The analysis is as follows:

(in thousands of euros)	2010	2009
Intangible assets		
Contract-related assets	-	6,250
Software under development	314	-
Assets used for operating activities		
Other assets	153	88
Assets under construction or development		
Assets under construction for operating activities	-	6,897
Total impairment losses	467	13,235

In connection with the losses and negative cash flows from operations projected for the short and medium term, write-downs of EUR 0.5 million were taken in 2010 (EUR 0.1 million in 2009) on the assets of a number of subsidiaries.

As a result of a worsened forecast for liquor and tobacco sales, caused among other things by a fall in passenger volume and passenger spending, an impairment loss was recognised in the year 2009 on the contract-related assets, which we took over from KLM Tax Free Services early at the beginning of 2007. The carrying amount was reduced by EUR 6.3 million.

The impairment loss on the other fixed operating assets of EUR 6.9 million in 2009 concerns the costs of abandoned projects.

8. Reorganisation

In 2010, further substance was given to the organisational change resulting from the strategy recalibration. The outsourcing of non-core activities and the redundancies have resulted in a decrease in staff numbers by around 5% in 2009 and around 13% in 2010. The total costs in this respect amount to EUR 9.1 million in 2010 (EUR 31.3 million in 2009). Most of the employees made redundant have found alternative employment via the Mobility Centre, or have taken advantage of the arrangements in the Redundancy Plan.

9. Other operating expenses

The other operating expenses include a variety of different operating cost items. In 2010, as in 2009, no exceptional cost items were recorded.

10. Financial income and expenses

The analysis is as follows:

(in thousands of euros)

	2010	2009
Interest expense		
Borrowings	- 103,141	- 102,057
Interest difference buy-back of EMTN bonds	- 19,328	-
Lease liabilities	- 9,515	- 9,705
	- 131,984	- 111,762
Interest income		
Cash and cash equivalents	2,951	3,365
Loans to associates	6,127	5,025
Lease receivables	1,059	1,242
Capitalised construction period borrowing costs	8,115	8,243
Tax collection	521	847
Other	448	405
	19,221	19,127
Other financial gains and losses		
Exchange differences on loans to associates	764	635
Exchange differences on cash and cash equivalents	26	326
Exchange differences on other assets and liabilities	- 159	- 726
Derivative financial instruments	- 2,660	1,473
Dividends from other financial interests	375	410
Other	- 764	- 711
	- 2,418	1,407
Total financial income and expenses	- 115,181	- 91,228

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 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. The exchange differences on the difference between amortised cost on the one hand and nominal value on the other and the interest added are recognised in the profit and loss account. The other exchange differences are included in the reserve for hedging transactions.

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) and JFK IAT Member LLC.

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.

ADP's contribution to Schiphol Group's financial result for 2010 consists of a gain of EUR 26.4 million (a gain of EUR 23.6 million in 2009), including adjustments in connection with differences in the accounting policies mainly relating to investment property. The management of Schiphol Group determined ADP's results on the basis of information in the public domain.

12. Corporate income tax

The corporate income tax charge in the profit and loss account can be analysed as follows:

(in thousands of euros)	2010	2009
Result before tax	238,603	122,780
Share in result of associates *	- 56,865	- 25,386
	181,738	97,394
Standard rate of corporate income tax	25.5%	25.5%
Corporate income tax calculated at the standard tax rate	46,343	24,835
Different rate for foreign associates	12,466	1,472
Corporate income tax before extraordinary items	58,809	26,307
Effective rate of corporate income tax before extraordinary items	24.6%	21.4%
Adjustment deferred taxes due to a decrease in the standard rate of corporate income tax	5,075	-
Adjustment initial recognition of the agreement on the opening balance for tax purposes	-	- 32,912
Other movements corporate income tax liabilities	2,896	- 3,090
Other movements deferred tax assets and liabilities	109	- 234
Corporate income tax in the profit and loss account	66,889	- 9,929
Effective rate of corporate income tax after extraordinary items	28.0%	- 8.1%

*) 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.

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.

The effective tax burden for 2009 was -8.1% because of the non-recurring tax income in that year of EUR 33 million. This non-recurring income concerned an adjustment of the effects, initially recognised in 2006, of the agreement concluded with the Tax Authorities about the opening balance sheet for tax purposes as at 1 January 2002.

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	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
Other Comprehensive income 2010	31,166	- 4,229	26,937
Translation differences	9,487	-	9,487
Changes in fair value on hedge transactions	16,946	- 1,763	15,183
Changes in fair value on other financial interests	641	-	641
Other Comprehensive income 2009	27,074	- 1,763	25,311

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.

14. Earnings per share

Earnings per share is calculated as follows:

	2010	2009
Result attributable to shareholders (net result in euros)	168,960,000	132,123,000
Average number of shares in issue during the year	186,147	186,147
Earnings per share (in euros)	908	710

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
Analysis as at 31 December 2008						
Cost	7,591	27,884	23,317	10,151	15,833	84,776
Cumulative amortisation and impairment	- 5,350	- 9,600	- 15,941	- 6,890	-	- 37,781
Carrying amount	2,241	18,284	7,376	3,261	15,833	46,995
Movements in 2009						
Additions	-	-	-	11	11,387	11,398
Completions	-	-	7,330	3,973	- 11,303	-
Amortisation	-	- 5,492	- 3,001	- 1,509	-	- 10,002
Impairment	-	- 6,250	-	-	-	- 6,250
Disposals	-	-	- 11	- 9	-	- 20
Total movements in the year	-	- 11,742	4,318	2,466	84	- 4,874
Analysis as at 31 December 2009						
Cost	7,591	27,884	30,636	14,126	15,917	96,154
Cumulative amortisation and impairment	- 5,350	- 21,342	- 18,942	- 8,399	-	- 54,033
Carrying amount	2,241	6,542	11,694	5,727	15,917	42,121
Movements in 2010						
Additions	-	-	-	-	11,628	11,628
Completions	-	-	9,522	2,314	- 11,836	-
Amortisation	-	- 4,241	- 4,523	- 2,126	-	- 10,890
Impairment	-	-	-	-	- 314	- 314
Reclassification	-	-	-	-	655	655
Total movements in the year	-	- 4,241	4,999	188	133	1,079
Analysis as at 31 December 2010						
Cost	7,591	27,884	40,158	16,440	16,364	108,437
Cumulative amortisation and impairment	- 5,350	- 25,583	- 23,465	- 10,525	- 314	- 65,237
Carrying amount	2,241	2,301	16,693	5,915	16,050	43,200

The goodwill recognised under intangible assets as at 31 December 2010 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.

Schiphol Group acquired an additional interest of 16.66% in Schiphol Telematics B.V. in 2001. At year-end 2010, 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 2011–2015 business plan using a discount rate of 6.0%. 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 2008, an office building was sold. The book value of the remaining goodwill, insofar as related to the land underneath this office building up to an amount of EUR 0.3 million, was impaired in 2008. In 2010, as in 2009, there were no developments which necessitated an impairment loss.

Of the payment agreed with regard to the takeover in the beginning of 2007 of liquor and tobacco retailing activities an amount of EUR 24.0 million has been allocated to the concession contracts taken over from KLM Tax Free Services. Further to a forecast deterioration of liquor and tobacco sales, caused among other things by a fall in passenger volumes and passenger spending, an impairment loss of EUR 6.3 million was applied in 2009 to the concession contracts taken over from KLM Tax Free Services. In 2010 there were no developments which necessitated an impairment loss.

At the end of 2008, Schiphol Telematics B.V. took over a number of contracts from KPN N.V. These contracts were assigned a value of EUR 3.9 million. All the above contracts are accounted for as contract-related intangible assets in Schiphol Nederland B.V. These assets are amortised according to the straight-line method over a period of two years, and taken to the depreciation/amortisation item in the profit and loss account.

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
Analysis as at 31 december 2008						
Cost	639,784	566,389	1,064,583	1,283,713	307,201	3,861,670
Cumulative depreciation and impairment	- 251,452	- 134,373	- 418,860	- 748,397	- 215,631	- 1,768,713
Carrying amount	388,332	432,016	645,723	535,316	91,570	2,092,957
Movements in 2009						
Completions	7,639	10,767	98,939	124,831	36,320	278,496
Depreciation	- 21,524	- 11,004	- 31,380	- 81,010	- 25,894	- 170,812
Impairment	-	-	-	-	- 88	- 88
Sales	-	-	-	-	- 13	- 13
Disposals	- 169	- 123	- 396	- 832	- 510	- 2,030
Reclassification	-	-	-	51	- 51	-
Exchange differences	-	-	-	-	58	58
Total movements in the year	- 14,054	- 360	67,163	43,040	9,822	105,611
Analysis as at 31 december 2009						
Cost	647,423	577,156	1,163,522	1,408,595	343,470	4,140,166
Cumulative depreciation and impairment	- 273,145	- 145,500	- 450,636	- 830,239	- 242,078	- 1,941,598
Carrying amount	374,278	431,656	712,886	578,356	101,392	2,198,568
Movements in 2010						
Completions	7,144	4,667	104,136	211,536	25,734	353,217
Depreciation	- 20,499	- 11,373	- 31,878	- 84,490	- 25,971	- 174,211
Impairment	-	- 67	-	-	- 86	- 153
Sales	-	-	-	- 2	- 14	- 16
Changes in the consolidation	-	-	-	-	- 17	- 17
Disposals	- 446	-	-	- 125	- 156	- 727
Reclassification	-	-	- 2,977	2,977	- 656	- 656
Exchange differences	-	-	-	-	26	26
Total movements in the year	- 13,801	- 6,773	69,281	129,896	- 1,140	177,463
Analysis as at 31 december 2010						
Cost	654,567	581,823	1,264,681	1,623,108	368,548	4,492,727
Cumulative depreciation and impairment	- 294,090	- 156,940	- 482,514	- 914,856	- 268,296	- 2,116,696
Carrying amount	360,477	424,883	782,167	708,252	100,252	2,376,031

Included under the heading of buildings in the assets used for operating activities is an amount of EUR 37.8 million (31 December 2009: EUR 39.3 million) relating to the carrying amount of assets (P1 car park/walkway) to which the company does not have legal title (finance lease). The related liabilities are included in lease liabilities.

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
Carrying amount as at 31 December 2008	506,982	170,981	677,963
Movements in 2009			
Capital expenditure	174,349	28,991	203,340
Construction period borrowing cost capitalised	7,781	462	8,243
Completed assets and investment property	- 278,496	- 37,659	- 316,155
Fair value gains and losses	-	2,561	2,561
Impairment	- 6,897	-	- 6,897
Reclassification	- 10,387	- 10,387	- 20,774
Total movements in the year	- 113,650	- 16,032	- 129,682
Carrying amount as at 31 December 2009	393,332	154,949	548,281
Movements in 2010			
Capital expenditure	196,464	39,852	236,316
Construction period borrowing cost capitalised	7,615	500	8,115
Completed assets and investment property	- 353,217	- 48,694	- 401,911
Fair value gains and losses	-	- 106	- 106
Total movements in the year	- 149,138	- 8,448	- 157,586
Carrying amount as at 31 December 2010	244,194	146,501	390,695

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 2010, the rate varied between 2.59% and 2.61% per annum.

The assets under construction for investment property in 2009 include two buildings under construction that are stated at fair value, representing a total fair value change of EUR 2.6 million. At year-end 2010, there are no assets under construction for investment property that are stated at fair value.

As at 31 December 2010, there were obligations to invest in assets under construction or development up to an amount of EUR 136.4 million, of which EUR 26.0 million in property (as at 31 December 2009: EUR 203 million, of which EUR 21.4 million in property).

18. Investment property

The analysis and movements were as follows:

(in thousands of euros)	Buildings	Sites	Total
Carrying amount as at 31 December 2008	710,962	277,362	988,324
Movements in 2009			
Completions	35,711	1,948	37,659
Fair value gains and losses	- 39,811	- 2,884	- 42,695
Sales	- 849	-	- 849
Total movements in the year	- 4,949	- 936	- 5,885
Carrying amount as at 31 December 2009	706,013	276,426	982,439
Movements in 2010			
Completions	44,388	4,306	48,694
Fair value gains and losses	- 14,593	36,773	22,180
Total movements in the year	29,795	41,079	70,874
Carrying amount as at 31 December 2010	735,808	317,505	1,053,313

Airport Real Estate Basisfonds C.V. (AREB C.V.) has encumbered 15 of its investment properties with liens in favour of ING Bank N.V. and ABN AMRO N.V. for a combined amount of EUR 176 million. The proportionate consolidation of AREB C.V. means that 60.25% of this amount in respect of investment property is reflected in the Schiphol Group balance sheet as at 31 December 2010.

Buildings includes an amount of EUR 93.1 million (31 December 2009: EUR 94.5 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 include 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.

All the long-lease, ground rent and rental contracts relating to buildings or parts thereof contain a clause covering the use of the land, the building or both. Schiphol Group has the right to cancel these contracts at any time if the land and/or buildings or parts thereof are needed for airport activities.

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. Among other things, 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, whereas there is no depreciation of this property for reporting purposes. 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)	2010	2009
Deferred tax assets		
Assets used for operating activities	190,184	193,988
Assets under construction or development	78,987	80,567
Employee benefits	2,890	4,134
Deferred tax liability		
Investment property	- 25,198	- 20,888
Derivative financial instruments and borrowings	- 7,209	- 811
Investments in associates	- 11,007	-
	228,647	256,990
Non-current (settlement is not expected)	83,574	84,939
Non-current (expected to be recovered or settled after more than 12 months)	145,449	172,139
Current (expected to be recovered or settled within 12 months)	- 376	- 88
	228,647	256,990

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 authorised 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
Carrying amount as at 31 December 2008	158,709	76,201	- 16,508	- 8,026	-	-	210,376
Movements in 2009							
Adjustment initial recognition of the agreement on the opening balance for tax purposes	35,279	4,366	- 12,045	8,978	4,508	-	41,086
Deferred tax on depreciation for tax purposes on investment property	-	-	- 1,213	-	-	-	- 1,213
Deferred tax on reinvestment reserve	-	-	- 662	-	-	-	- 662
Deferred tax recognised in the profit and loss account	-	-	9,534	-	- 374	-	9,160
Deferred tax recognised in equity	-	-	-	- 1,763	-	-	- 1,763
Other movements	-	-	6	-	-	-	6
Total movements in the year	35,279	4,366	- 4,380	7,215	4,134	-	46,614
Carrying amount as at 31 December 2009	193,988	80,567	- 20,888	- 811	4,134	-	256,990
Movements in 2010							
Deferred tax on depreciation for tax purposes on investment property	-	-	- 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
Total movements in the year	- 3,804	- 1,580	- 4,310	- 6,398	- 1,244	- 11,007	- 28,343
Carrying amount as at 31 December 2010	190,184	78,987	- 25,198	- 7,209	2,890	- 11,007	228,647

In 2006 Schiphol Group created deferred tax assets and released deferred tax liabilities with a combined effect of EUR 309 million in connection with the settlement agreement concluded with the Tax Authorities in that year regarding the opening balance sheet for tax purposes as at 1 January 2002. This initial recognition was adjusted in 2009, which resulted in additional net deferred tax assets of EUR 41.1 million included in the profit and loss account (EUR 32.9 million) and the reserve for hedging transactions (EUR 8.9 million) and charged to the payable corporate income tax (EUR 0.7 million).

The valuation of property as at 1 January 2002 for reporting and tax purposes equals the fair value as at that date. Because property is subsequently depreciated for tax purposes (whereby account should be taken of a residual value of 25%) and no depreciation takes place for reporting purposes, a valuation difference arises. From the 2007 financial year, the Working on Profit Act has been in force. This Act limits the depreciation 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 depreciation also causes a valuation difference. With regard to these differences, a transfer was made from current tax liabilities to deferred tax liabilities, which in 2010 amounted to EUR 2.4 million (against EUR 1.2 million in 2009).

In addition, a revaluation of the property for reporting purposes gave rise to a valuation difference. For tax purposes, property is not revalued. With regard to this difference, EUR 2.2 million negative was recognised under deferred taxes relating to property investments in 2010 (EUR 9.5 million positive in 2009). Among other things, this concerns the taxable part of the fair value gains on property of EUR 22.2 million (EUR 39.0 million loss in 2009) as recognised in the profit and loss account.

In 2010, the development of the fair value of derivatives caused a movement of EUR 15.1 million negative in 'deferred taxes'. The development in the fair value of the foreign currency loan caused a movement of EUR 8.7 million positive in 'deferred taxes'.

Finally, a deferred tax liability was recognised in 2010 with regard to the one-off result of EUR 28.1 million relating 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.

20. Investments in associates

The movements were as follows:

(in thousands of euros)	2010	2009
Carrying amount as at 1 January	629,815	615,193
Movements in the year		
Share in results	57,076	26,939
Dividend	- 13,183	- 19,000
Investments	9,708	-
Sales	- 2,157	-
Share capital contributions to / repayment by associates	-	- 750
Exchange differences	8,154	7,433
Total movements in the year	59,598	14,622
Carrying amount as at 31 December	689,413	629,815

The investments in 2010 for a total amount of EUR 9.7 million concern the extension of our stake in JFK IAT LLC. For brevity's sake, reference is made to note 42.

Further details on the associates, including the partial sale in 2010 of our stake in SADC N.V., 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)	2010	2009
Carrying amount as at 1 January	66,541	46,053
Movements in the year		
Accrued interest	6,990	8,382
Exchange differences hedging transactions	13,926	11,471
Other Exchange differences	764	635
Total movements in the year	21,680	20,488
Carrying amount as at 31 December	88,221	66,541

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 confer 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 115.5 million (EUR 88.2 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. The interest accrued in 2009 and 2010 includes the interest 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. Valuation at the higher amortised cost means that if BACH should decide to exercise its option of early redemption, Schiphol Group would then have to recognise a loss equal to the difference between the amortised cost and the nominal value. As at 31 December 2010, this difference amounted to EUR 2.7 million.

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 on the difference between amortised cost and nominal value 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 via total comprehensive income.

The fair value of the loans to associates as at 31 December 2010 amounted to EUR 83.7 million (AUD 109.6 million). The effective interest rate was 11%. 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 A.G. The investment is recognised at fair value, derived from the quoted price of the shares. In 2010, the fair value increased by EUR 3.5 million from EUR 7.3 million to EUR 10.8 million. The increase 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)	2010	2009
Carrying amount as at 1 January	7,489	9,230
Movements in the year		
Accrued interest on lease receivables	1,059	1,242
Lease instalments received	- 3,025	- 2,983
Total movements in the year	- 1,966	- 1,741
Carrying amount as at 31 December	5,523	7,489

The current portion of the lease receivables as at 31 December 2010, amounting to EUR 2.2 million (31 December 2009: EUR 2.0 million), is presented under current assets.

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%.

The remaining terms of the lease receivables as at 31 December 2010 can be analysed as follows. The portion of the lease receivables due within one year is presented under current assets (trade and other receivables).

(in thousands of euros)	Total	≤ 1 year	> 1 year	> 1 year but ≤ 5 years	> 5 years
Face value of finance lease instalments	6,227	2,737	3,490	3,490	-
Interest component in finance lease instalments	- 704	- 514	- 190	- 190	-
Carrying amount of finance lease receivables	5,523	2,223	3,300	3,300	-

24. Loans

The movements were as follows:

(in thousands of euros)	2010	2009
Carrying amount as at 1 January	4,170	4,099
Movements in the year		
Accrued interest	195	183
Repayments	- 85	- 112
Other	64	-
Total movements in the year	174	71
Carrying amount as at 31 December	4,344	4,170

The current portion of the other loans as at 31 December 2010, amounting to EUR 0,1 million (31 December 2009: EUR 0.1 million) is presented under current assets.

The other loans include two loans to the Ministry of Infrastructure and Environment with a combined redemption value of EUR 2.7 million at an interest rate of 0% and with a remaining term to maturity of two years. The carrying amount of the loans as at 31 December 2010 amounted to EUR 2.3 million. The fair value amounted to EUR 2.7 million and the effective interest rate was 9.3%.

Also included in other loans is a loan to the Aviodrome aviation museum 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)	2010	2009
Purchased long leases	3,500	3,589
Lease incentives	19,670	15,179
Total other non-current receivables	23,170	18,768

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.

26. Assets held for sale

Land which is intended to be sold is presented as assets held for sale. This land concerns 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 South, 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 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. At the start of the development, SRE B.V. would contribute the A4-zone West and Badhoevedorp South to the land bank as yet to be established, in which SRE B.V. will own a particular stake.

In 2008, it was decided in the context of the said cooperation agreement that the Municipality of Haarlemmermeer would acquire two other plots on behalf of the partners. To fund this acquisition, the Municipality of Haarlemmermeer received a loan from Bank Nederlandse Gemeenten. The associated costs will be equally divided among the three partners at the time of the contribution to the land bank as yet to be established. SRE B.V.'s share in this will amount to EUR 8.0 million, to be increased by financing and acquisition costs.

27. Trade and other receivables

The analysis is as follows:

(in thousands of euros)	2010	2009
Trade receivables	71,546	72,848
Accrued income	18,941	18,542
Value-added tax reclaimable	12,793	12,046
Prepayments	13,059	15,344
Stock	6,196	7,777
Lease incentives	3,731	2,552
Receivable from shareholders and associates	915	29
Purchased long leases	90	89
Other receivables	33,733	37,159
	161,004	166,386

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 2010 takes account of bad debt provisions of EUR 5.4 million (31 December 2009: EUR 5.8 million) and received security deposits of EUR 2.2 million (31 December 2009: EUR 2.3 million). With respect to these provisions, an amount of EUR 0.6 million (2009: EUR 0.7 million) was utilised for bad debts and an amount of EUR 0.2 million (2009: EUR 2.3 million) was added and charged to the profit and loss account in 2010.

As in previous years, 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 concerns deposits with original terms ranging from 3 months to 6 months (average 4.8 months) for EUR 186.6 million as at 31 December 2010 (31 December 2009: EUR 425.1 million). The average interest rate on these deposits as at 31 December 2010 is 1.1% (31 December 2009: 0.5%). 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 2010 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:

Issued share capital	(in thousands of euros)		
	(in numbers)	(percentage)	of euros
Share holder:			
State of the Netherlands	129,880	69.77%	58,966
City of Amsterdam	37,276	20.03%	16,923
Aéroports de Paris	14,892	8.00%	6,761
City of Rotterdam	4,099	2.20%	1,861
	186,147	100%	84,511

In 2010 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 64.6 million for 2009. This amount, paid in 2010, was deducted from retained profits. The dividend for 2008, which amounted to EUR 69.1 million, was paid out in 2009 and deducted from retained profits.

The entire amount of the net result for 2010 has been added to retained profits so that retained profits as at 31 December 2010 still includes the proposed dividend distribution for 2010, as detailed in the Other information section.

31. Other reserves

The movements were as follows:

(in thousands of euros)	Exchange difference reserve	Other	Hedging transactions reserve	Total
		financial interests reserve		
Balance as at 31 December 2008	- 1,009	- 390	- 20,005	- 21,404
Movements in 2009				
Exchange differences	9,487	-	-	9,487
Fair value changes	-	641	-	641
Exchange differences on hedged borrowings	-	-	4,888	4,888
Exchange differences on hedged loans to associates	-	-	11,471	11,471
Fair value changes on derivative financial instruments	-	-	- 14,822	- 14,822
Of which are reported through the profit and loss account	-	-	1,207	1,207
Deferred tax on fair value changes derivative financial instruments	-	-	- 599	- 599
Deferred tax on fair value changes borrowings	-	-	- 1,164	- 1,164
Settlement of hedge transactions	-	-	5,371	5,371
Adjustment initial recognition of the agreement on the opening balance sheet for tax purposes	-	-	8,978	8,978
Total movements in the year	9,487	641	15,330	25,458
Balance as at 31 December 2009	8,478	251	- 4,675	4,054
Movements in 2010				
Exchange differences	9,697	-	-	9,697
Fair value changes	-	3,450	-	3,450
Exchange differences on hedged borrowings	-	-	- 34,302	- 34,302
Exchange differences on hedged loans to associates	-	-	13,926	13,926
Fair value changes on derivative financial instruments	-	-	47,934	47,934
Of which are reported through the profit and loss account	-	-	2,042	2,042
Deferred tax on fair value changes derivative financial instruments	-	-	- 12,976	- 12,976
Deferred tax on fair value changes borrowings	-	-	8,747	8,747
Adjustment to deferred tax due to a change in tax rate	-	-	124	124
Settlement of hedge transactions	-	-	- 11,723	- 11,723
Total movements in the year	9,697	3,450	13,772	26,919
Balance as at 31 December 2010	18,175	3,701	9,097	30,973

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, for recognition in the hedging transactions reserve, the hedge must be determined actually to have been highly effective.

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 2010 represents the shares of third parties in the net assets of the group companies Eindhoven Airport N.V. and Avioport Spa.

33. Borrowings

The analysis is as follows:

(in thousands of euros)	Year	Interest rate	Currency	Nominal amount (x 1,000)	Hedging reference	2010	2009
						redeemable	
XS0168641610	2010	Euribor + mark-up	EUR	30,000		-	30,000
XS0171966269	2013	4.38%	EUR	300,000		299,593	299,430
XS0399674216	2014	6.63%	EUR	649,999		646,959	696,805
XS0399674216	2014	6.63%	EUR	100,000		-	100,412
XS0495479555	2016	4.46%	EUR	50,000		49,911	49,896
XS0459479472	2016	4.46%	EUR	15,000		14,927	14,914
XS0167622454	2018	5.16%	EUR	30,000		29,947	29,939
XS0459479399	2019	4.94%	EUR	50,000		49,821	49,801
XS0459442710	2019	4.97%	EUR	85,000		84,851	84,887
XS0378569247	2038	3.16%	JPY	20,000,000	A	185,252	150,007
EMTN programme						1,361,261	1,506,091
XF0000NS4ET7	2016	5.38%	EUR	84,000		83,652	83,583
XF0000NS4FH9	2016	5.45%	EUR	40,000		39,912	39,895
XF0000NS4FX6	2016	5.12%	EUR	10,000		9,978	9,974
XF0000NS4DN2	2019	5.75%	EUR	50,000		48,972	48,845
XF0000NS4PP1	2019	5.50%	EUR	11,000		10,754	10,725
Schuldschein						193,268	193,022
ING RA Finance	2011	Euribor + mark-up	EUR	26,168	B,C,D	26,168	26,168
ABN AMRO	2011	Euribor + mark-up	EUR	12,608	E	12,608	12,608
ING Bank	2011	Euribor + mark-up	EUR	5,696		5,696	5,696
ING Bank	2011	Euribor + mark-up	EUR	14,373		14,373	14,373
ING Bank	2011	Euribor + mark-up	EUR	15,000	F	15,000	15,000
ABN AMRO	2011	Euribor + mark-up	EUR	18,239	G	18,239	18,239
ING Bank	2011	Euribor + mark-up	EUR	8,917	H	8,917	8,917
ABN AMRO	2011	Euribor + mark-up	EUR	2,742	I	2,742	2,742
ABN AMRO	2011	Euribor + mark-up	EUR	2,259	J	2,259	2,259
AREB C.V. loans						106,002	106,002
European Investment Bank	2006-2011	3.75%	EUR	150,000		16,285	47,960
Villa Carmen phase 1	2011	Euribor + mark-up	EUR	14,100	K	2,160	2,125
Avioport phase 2	2012	Euribor + mark-up	EUR	21,750	L	15,926	15,926
Avioport phase 1	2013	Euribor + mark-up	EUR	28,000	M	28,000	28,000
Other						9,171	8,738
Other borrowings						55,257	54,789
Total borrowings						1,732,073	1,907,864

The current portion of the borrowings as at 31 December 2010, amounting to EUR 122.8 million (31 December 2009: EUR 60.8 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 2010. As at year-end 2010, borrowings under the programme totalled EUR 1,361.3 million (31 December 2009: EUR 1,506.1 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 2010.

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 2010, no short-term loans were outstanding under the ECP programme.

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 June 2010, Schiphol Group reduced its syndicated and committed facility from EUR 200 million to EUR 175 million.

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. 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. These conditions did not occur in 2010. Additional security may be demanded if the company's credit rating falls below A (S&P's) or A2 (Moody's). In 2010, N.V. Luchthaven Schiphol and Schiphol Nederland B.V. were awarded credit ratings of A by S&P's and A1 by Moody's.

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. 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's) 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.

All of AREB C.V.'s borrowings are mortgage loans. For all these loans, there is an obligation to make early repayments of 0.5% per quarter if the amount of the loan exceeds 55% of the appraised value of the individual properties financed by each loan. For the mortgage loans granted by ABN AMRO, there is a further obligation to make early repayments of 0.5%, 0.75% and 1% per quarter if the amount of the loan exceeds 60%, 65% or 75% of the appraised value, respectively. If the annual rental income on the properties mortgaged to ABN AMRO is less than EUR 8.5 million (excluding VAT and service charges) (our share being EUR 5.1 million), there will be an obligation to make early repayments of 1% per quarter.

To provide collateral security for the repayment, AREB C.V. has granted the banks 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 properties that are already available for pledging.

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 (Efibanca, Banca Popolare Italiana and Unicredit) for a total amount of EUR 33.1 million (our proportional share being EUR 15.7 million). A part of this loan was repaid in 2009 with the proceeds from the sale of the Office 2 office building. As at 31 December 2010, the outstanding amount of this loan is EUR 4.6 million (our proportional share being EUR 2.2 million).

Avioport Spa (a 70% subsidiary of Schiphol Group) arranged a mortgage loan with two banks (Efibanca 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 43.9 million was utilised as at 31 December 2010 (EUR 28.0 million for phase 1 and EUR 15.9 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.

Of the total loan amount, EUR 185.3 million has been drawn in Japanese yen (JPY 20 billion). In line with the financial risk management policy, interest rate swaps, interest rate caps, 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 2010	31 December 2009	
A	JP Morgan	Currency-swap	3.16%	JPY	20,000,000	2038	- 89,415	- 38,528	
B	ING	Rate swap	4.84%	EUR	13,084	2011	385	619	
C	ING	Rate cap	4.25%	EUR	8,737	2011	-	- 10	
D	ING	Rate cap	4.12%	EUR	4,338	2011	-	- 5	
E	ING	Rate cap	4.12%	EUR	1,085	2011	-	- 1	
F	ING	Rate cap	3.50%	EUR	13,015	2011	-	- 24	
G	ING	Rate swap	4.12%	EUR	15,184	2011	452	730	
H	ING	Rate swap	5.11%	EUR	8,917	2011	359	615	
I	ABN AMRO	Rate swap	5.16%	EUR	2,742	2011	75	175	
J	ABN AMRO	Rate swap	5.16%	EUR	2,259	2011	62	142	
K	Efibanca	Rate swap	4.30%	EUR	12,041	2011	172	299	
L	Efibanca	Rate swap	3.75%-4.95%	EUR	15,331	2010	-	346	
M	Efibanca	Rate swap	4.32%	EUR	21,000	2013	1,464	1,563	
N	ABN AMRO	Forward	N/A	AUD	73,500	2010	-	8,741	
N	ABN AMRO	Forward	N/A	AUD	14,600	2010	-	1,736	
O	ING	Forward	N/A	AUD	51,300	2011	7,550	-	
O	ING	Forward	N/A	AUD	50,000	2011	7,358	-	
Total								- 71,538	- 23,604
Recognised in the balance sheet under:									
Non-current assets								- 89,415	- 37,907
Non-current liabilities								1,464	3,826
Current liabilities								16,413	10,477
								- 71,538	- 23,604

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 2010, the maximum net position of both parties amounted to EUR 10 million (EUR 10 million as at 31 December 2009) while the market value of the swap was approximately EUR 90 million (EUR 39 million as at 31 December 2009) in Schiphol Group's favour. As at 31 December 2010 JPMorgan paid Schiphol Group EUR 79 million (EUR 33 million as at 31 December 2009) (cash) by way of collateral.

References K and L concern hedges of the funding of the property development in Avioport phase 2 and Villa Carmen Srl respectively. The assumptions concerning the movements in the loans have not been realised, which means that these movements are now different from those in the derivatives. For this reason, these hedging transactions cannot be regarded as effective in 2010 (just as in 2009). The movements in the fair value of the derivatives are recognised in the profit and loss account under 'financial income and expenses'.

References N and O concern the derivative financial instruments for 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 interest rates shown against the interest rate caps are the maximum interest rates agreed with the counterparty. The counterparty is under contract to pay the excess if the rate of interest payable by Schiphol Group exceeds the capped rate. The interest rate caps are exclusive of any credit risk mark-up.

The remaining terms of the borrowings as at 31 December 2010 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	1,361,261	-	1,361,261	946,552	414,709
Schuldschein	193,268	-	193,268	-	193,268
AREB C.V. borrowings	106,002	106,002	-	-	-
European Investment Bank	16,285	16,285	-	-	-
Other borrowings	55,257	469	54,788	54,788	-
Total borrowings	1,732,073	122,756	1,609,317	1,001,340	607,977

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 2010	Fair value as at 31 December 2010
EMTN programme	1,361,261	1,574,300
Schuldschein	193,268	234,500
AREB C.V. borrowings	106,002	106,002
European Investment Bank	16,285	16,600
Other borrowings	55,257	55,258
Total borrowings	1,732,073	1,986,660

(in thousands of euros)	Carrying amount as at 31 December 2009	Fair value as at 31 December 2009
EMTN programme	1,506,091	1,616,900
Schuldschein	193,022	213,500
AREB C.V. borrowings	106,002	106,002
European Investment Bank	47,960	47,960
Other borrowings	54,789	54,789
Total borrowings	1,907,864	2,039,151

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
Carrying amount as at 31 December 2008	1,528,512	167,431	1,695,943
Movements in 2009			
New borrowings	394,193	-	394,193
Accrued interest	476	-	476
Transferred to current liabilities	- 60,750	60,750	-
Repayments	- 11,561	- 167,431	- 178,992
Exchange differences	- 4,888	-	- 4,888
Other movements	1,132	-	1,132
Total movements in the year	318,602	- 106,681	211,921
Carrying amount as at 31 December 2009	1,847,114	60,750	1,907,864
Movements in 2010			
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
Total movements in the year	- 237,797	62,006	- 175,791
Carrying amount as at 31 December 2010	1,609,317	122,756	1,732,073

In December 2010, Schiphol Group made a bid for a nominal amount of up to EUR 150 million of the outstanding EUR 800 million bond loan with a term until 23 January 2014. On 17 December, Schiphol Group eventually repurchased the total intended amount of EUR 150 million nominal for EUR 169 million. The difference of EUR 19 million concerns a compensation for the difference between the market interest and the coupon interest over the remaining term and has been charged to 2010. The repurchase was motivated by the expectation that refinancing will be possible at a lower interest rate and will reduce the repayment peak in 2014.

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		
				2010	2009
P1 car park / walkway	ABP	6.7%	2035	52,394	53,289
Triport	ABP	7.0%	2034	53,666	54,618
Control tower	Abinton B.V.	7.7%	2012	6,121	7,885
Other				1,467	1,985
Total lease liabilities				113,648	117,777

The current portion of the lease liabilities as at 31 December 2010, amounting to EUR 55,7 million (31 December 2009: EUR 4.4 million), is presented under current liabilities.

Schiphol Group has concluded a 40-year lease contract with ABP with regard to the P1 car park and the related walkway. This contract provides for two moments for early repayment, 15 and 30 years respectively after delivery. The amounts of the lump sums have been determined and laid down in the lease contract. Schiphol Group intends to make use of the first early repayment opportunity on 26 April 2011.

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.

The remaining terms of the lease liabilities as at 31 December 2010 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	231,150	116,968	114,181	24,526	89,656
Interest component in finance lease instalments	- 117,502	- 61,237	- 56,264	- 14,433	- 41,832
Carrying amount of finance lease liabilities	113,648	55,731	57,917	10,093	47,824

The movements in the lease liabilities during the year were as follows:

(in thousands of euros)	2010	2009
Carrying amount as at 1 January	117,777	121,564
Movements in the year		
Accrued interest on lease liabilities	9,515	9,706
Lease instalments paid	- 13,644	- 13,493
Total movements in the year	- 4,129	- 3,787
Carrying amount as at 31 December	113,648	117,777

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
Carrying amount as at 31 December 2009				
Present value of benefit obligation	43,228	10,656	2,647	56,531
Fair value of plan assets	14,645	-	-	14,645
	28,583	10,656	2,647	41,886
Unrecognised actuarial gains and losses	- 3,541	-	- 11	- 3,552
Benefit liability in the balance sheet	25,042	10,656	2,636	38,334
Carrying amount as at 31 December 2010				
Present value of benefit obligation	34,370	10,558	2,556	47,484
Fair value of plan assets	9,253	-	-	9,253
	25,117	10,558	2,556	38,231
Unrecognised actuarial gains and losses	- 2,640	-	- 66	- 2,706
Benefit liability in the balance sheet	22,477	10,558	2,490	35,525

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)	2010	2009	2008	2007	2006
Carrying amount as at 31 December					
Present value of benefit obligation	10,780	18,904	15,440	16,585	14,420
Fair value of plan assets	9,253	14,645	12,036	13,631	12,047
	1,527	4,259	3,404	2,954	2,373
Unrecognised actuarial gains and losses	- 1,615	- 3,139	- 1,729	- 951	- 240
Benefit liability in the balance sheet	- 88	1,120	1,675	2,003	2,133

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	1,742	1,380	1,340	4,462
Interest cost on benefit obligation	2,195	355	70	2,620
Net actuarial gain/loss recognised in the year	23	648	- 50	621
Released (as a result of amended plan terms)	- 36	- 326	-	- 362
Expected return on plan assets	- 699	-	-	- 699
Other costs	- 323	25	- 54	- 352
Total net benefit expense in 2009	2,902	2,082	1,306	6,290
Current service cost	1,699	1,345	655	3,699
Interest cost on benefit obligation	2,074	334	48	2,456
Net actuarial gain/loss recognised in the year	76	- 240	-	- 164
Released (as a result of amended plan terms)	-	-	- 18	- 18
Expected return on plan assets	63	-	-	63
Other costs	- 125	- 44	- 55	- 224
Total net benefit expense in 2010	3,787	1,395	630	5,812

With regard to the defined benefit pension schemes, a total expense of EUR 1.4 million is expected for the employer in 2011. In 2010, the actual expenses under these schemes amounted to EUR 2.2 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
Carrying amount as at 31 December 2008	27,544	9,979	2,951	40,474
Movements in 2009				
Total net benefit expense for the year	2,902	2,082	1,306	6,290
Benefits paid during the year	- 3,587	- 1,405	- 1,622	- 6,614
Payment of contributions	- 1,817	-	-	- 1,817
Other movements	-	1	-	1
Total movements in the year	- 2,502	678	- 316	- 2,140
Carrying amount as at 31 December 2009	25,042	10,657	2,635	38,334
Movements in 2010				
Total net benefit expense for the year	3,787	1,395	630	5,812
Benefits paid during the year	- 2,990	- 1,294	- 950	- 5,234
Payment of contributions	- 1,384	-	- 172	- 1,556
Changes in the consolidation	- 1,996	- 198	-	- 2,194
Other movements	18	- 1	346	363
Total movements in the year	- 2,565	- 98	- 146	- 2,809
Carrying amount as at 31 December 2009	22,477	10,558	2,490	35,525

The employee benefit liabilities have been calculated on the basis of the following actuarial assumptions and estimates on the part of management:

	31 December 2010	31 December 2009
Discount rate	4.75%	5.00%
Return on plan assets	4.75%	5.00%
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 2050 with an age set-back of 3 years for men and 1 year for women
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 2010 a provision of EUR 19.6 million remained in respect of this reorganisation (31 December 2009: EUR 20.8 million). Among other things, the provision relates to the temporary continued pay of redundant staff and the costs of helping them find 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.

In 2004 it was established that Schiphol Group faced a liability in connection with several claims and disputes. As in 2009, the provision of EUR 10.0 million recognised in respect of the combined amount of these claims and disputes in 2004 remained unchanged in 2010.

The most important of the above claims and disputes concerns the consequences of the ban on the development of the Groenenberg site that was in place from 19 February 2003 to 28 June 2007. Based on the insights available in 2003, development of the Groenenberg site 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 site under the provisions of Section 38 of the Aviation Act (old act). In June 2003, the beneficial owner of the site (Schiphol) 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 site. 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. In short, 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 site 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 under section 55 of the Aviation Act that the security for restitution risk will remain in place, even though the value increase was valued at zero by the Court of Haarlem in an interlocutory judgement on 28 January 2009, as a consequence of the development ban having been lifted.

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.

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 site 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)	2010	2009
Purchased long leases	86,396	86,940
Unrealised profit on contribution in kind Schiphol Logistics Park C.V.	3,646	3,646
Liability to Stichting Mainport en Groen	2,150	4,300
Lease incentives	152	415
Other movements	1,442	1,611
	93,786	96,912

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 a site 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 2010 the third instalment of 25% was recognised under 'current liabilities' while the fourth instalment of 25% was recognised under 'other non-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 liability of EUR 11.6 million shown in the balance sheet as at 31 December 2010 concerns the sum of the corporate income tax payable in respect of the years 2008–2010 net of provisional assessments already paid.

The corporate income tax return for 2008 was discussed with the tax inspector and recognised accordingly in these financial statements. The corporate income tax returns for 2009 and 2010 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)	2010	2009
Trade payables	76,556	77,707
Payable to shareholders and associates	780	-
Payable in respect of wage tax and social security contributions	5,040	5,551
Payable in respect of pensions	2,130	4,327
Interest payable	63,423	73,505
Liability to Stichting Mainport en Groen	2,150	2,100
Accruals	84,025	61,090
Liability to Martinair Holland N.V.	-	15,700
Deferred income	36,632	36,258
Purchased long leases	1,838	1,619
Lease incentives	612	540
Other payables	89,511	64,494
	362,697	342,891

The debt in 2009 of EUR 15.7 million to Martinair Holland N.V. results from a contract signed at the end of 2006 by SRE B.V. and Martinair Holland N.V. for the realisation of a new 13,000 m² head office for Martinair Holland N.V. at Schiphol-Oost. By now, Martinair Holland N.V. and Transavia B.V. have together moved into TransPort, the office building developed by Schiphol Real Estate. Through the early termination of its current long lease, which was due to expire in 2042, and its relocation from Schiphol-Centre to Schiphol-Oost, Martinair Holland N.V. is creating space for a possible future extension of the terminal. The investment concerns the acquisition by Schiphol Group of the beneficial title to the land in question. Martinair Holland N.V. delivered this land to Schiphol Group as a construction site (free from buildings) in 2010. The amount of EUR 15.7 million was added to the carrying amount of the relevant site under 'assets under construction used for operating activities'.

Payment was effected at the time of the delivery of the land in 2010.

The collateral of approximately EUR 79 million paid up under the cash collateral agreement with JPMorgan was recognised under 'other payables' as at 31 December 2010 (31 December 2009: EUR 33 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. Contributions due which have not yet been paid are presented as a liability in the balance sheet.

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. ABP's funding ratio increased from 95% to 105% in the second half of 2010. ABP periodically studies the development of life expectancy. This study has revealed that Dutch people live longer than previously expected, and ABP factored this increased life expectancy into the liabilities, the pension benefits which the fund must pay now and in the future. As a result, these liabilities increased significantly. The financial consequences of the increased life expectancy have been incorporated into the aforesaid funding ratio of 105%.

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 North Holland and South Holland Provincial Authorities, 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 laid down 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'. 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. Since then, the parties involved have been responsible for implementing the arrangements. The Alders Platform meets at least twice a year to discuss progress in this respect.

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 Noord-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).

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 NOMOS 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 global economic crisis has significantly reduced the number of air transport movements. 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. A number of issues in this area have been arranged in this covenant. 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.

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.

Schiphol Group will draw up its own vision for the development of the regional airports falling under its responsibility, including the corresponding investments required. Schiphol Group, in cooperation with relevant parties, 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 North Holland Provincial Government, the Haarlemmermeer Municipal Authority, the Amsterdam Regional Body, the City 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 2011 according to the current schedule. The amount indexed up to and including 2011 is around EUR 16.4 million.

In the spring of 2007, Schiphol Group and the Haarlemmermeer Municipal Authority reached agreement on an additional contribution of EUR 14.8 million from the Elzenhof area development budget for the rerouting of the A9. This amount will be indexed. As a condition for this contribution, Schiphol Group stipulated that the Municipal Authority should grant irreversible planning permission for the development of 100,000 m² of the Elzenhof area owned by Schiphol Group. This cooperation may be in the form of an exemption from Article 19 or in the form of zoning plans. The latter will partly determine the moment at which and the instalments in which Schiphol Group will pay the aforesaid contribution. As the zoning plan was not yet irreversible at the end of 2010, it is not expected that this amount will be paid out in 2011.

Rerouting of the N201

In 2005, an agreement was concluded between the North Holland Provincial Government 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

In order to improve the quality of the surface water on a permanent basis, Schiphol Group drew up a sanitation plan in 2007 to reduce the harmful effects of de-icing. The sanitation plans comprise source-reducing measures (Sanitation Plan 1) and infrastructural measures (Sanitation Plan 2). By now Sanitation Plan 2 has been replaced by an alternative, Sanitation Plan 3. The costs and investments for Sanitation Plan 3 are included in the Business Plan 2011-2015. Further operational measures at the source and in the water system are meant to limit the investments in infrastructure where possible and to replace them by operating expenses. This will be Sanitation Plan 4: pollutants will be sucked up before it starts raining by means of purchased or rented operational machines. Furthermore, in the event of emergencies (unforeseen pollution during extremely harsh winters) 'clean' water will be purchased and entered into the water system. The feasibility of this plan depends on whether it is supported by the Rijnland authorities and the water supplier. The intention is for the same objectives to be

realised at lower investments. The implementation of the plan is expected to last up to and including 2015. The Schiphol Group Board of Management cannot yet give a reliable estimate of the investments and costs which Schiphol Group will incur in the coming years on account of the sanitation plan.

Compensation for nitrogen dioxide

In 2010, the amended 'Schiphol 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. The current estimate is that Schiphol Group will invest a total amount of EUR 18 million in the coming years. The investments made by Schiphol Group in 2010 were realised in time.

Airport charges settlement

In June 2010, 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 its judgment delivered at the end of November 2010. Further appeals have been lodged in both cases by easyJet and Schiphol Group respectively.

At the moment, the NMa is considering easyJet's complaint about the airport charges from 1 April 2010. This complaint has the same purport as the complaint about the charges from 1 April 2009.

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 6 million is expected to become available during the period 2011-2013. The remaining EUR 10.5 million may be made available after 2013.

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 0.8 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 issued a bank guarantee to construction companies amounting to EUR 4.4 million as at 31 December 2010 (the share for Schiphol Group being EUR 2.1 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)	2010	2009
Result	171,714	132,709
Corporate income tax	66,889	– 9,929
Share in result of associates	– 57,076	– 26,939
Financial income and expenses	115,181	91,228
	124,994	54,360
Operating result	296,708	187,069
Adjustments for:		
Depreciation and amortisation	185,829	182,863
Impairment	467	13,235
Result on sales of property	151	– 95
Fair value gains and losses on property	– 22,180	40,135
Other non cash changes in lease receivables and liabilities	– 8,637	– 4,895
Result on disposal of assets	– 26	– 112
Change in other provisions and employee benefits	– 1,927	18,652
	153,677	249,783
Operating result after adjustments	450,385	436,852
Change in working capital	36,153	– 48,310
Cash flow from operations	486,538	388,542

42. Acquisitions

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%
City of Amsterdam	20.03%
Aéroports de Paris S.A.	8.00%
City 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.

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 laid down 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 exercised.

- 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. The next report will be issued in mid May 2011. Based on information obtained from the operator, the Minister makes an assessment of whether the airport is in danger of 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 Dutch Civil Code is as follows:

(in euros)	2010	2009
Anthony Ruys	38,000	32,875
Trude A. Maas-de Brouwer	39,000	36,500
Hans van den Broek	14,500	29,000
Frans J.G.M. Cremers	35,000	35,000
Pierre Graff	-	-
Herman Hazewinkel	35,000	24,792
Jan Kalff	-	12,625
Margot A. Scheltema	20,542	-
Willem F.C Stevens	40,000	37,500
Toon H. Woltman	9,917	32,542
Total	231,959	240,834

The Supervisory board Chairman's remuneration is EUR 33,000 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 & 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 were already owned when he was appointed Supervisory Director. The 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 Dutch Civil Code is as follows.

Regular salary (in euros)	2010	2009
Jos A. Nijhuis	377,994	375,459
Pieter M. Verboom	295,265	293,285
Ad P.J.M. Rutten	295,265	293,285
Maarten M. de Groof	295,265	293,285
Total	1,263,789	1,255,314

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 President and 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 President and 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 2010 in respect of the variable remuneration scheme (short-term) for 2010. The variable remuneration for the President and 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)	2010	2009
Jos A. Nijhuis	160,648	178,343
Pieter M. Verboom	118,401	132,271
Ad P.J.M. Rutten	118,401	132,271
Maarten M. de Groof	118,401	132,271
Total	515,851	575,156

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 2008 (long-term) variable remuneration relate to the economic profit for the three-year period 2008, 2009 and 2010 with payment, if applicable, made in 2011.
- 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.

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 2010 as follows:

- the full (long-term) variable remuneration for 2008 (reference period 2008-2010), including a swing factor of 1.5 and
- two-thirds of the (long-term) variable remuneration for 2009 (reference period 2009-2011), including a swing factor of 1.0 and
- one-third of the (long-term) variable remuneration for 2010 (reference period 2010-2012), including a swing factor of 1.0.

The foregoing gives rise to the following costs chargeable to the financial year:

Variable remuneration (long term)	2010	2009
(in euros)		
Jos A. Nijhuis	88,485	43,803
Pieter M. Verboom	154,661	76,301
Ad P.J.M. Rutten	154,661	76,301
Maarten M. de Groof	154,661	51,325
Gerlach J. Cerfontaine	–	– 64,533
Total	552,468	183,197

The cost increase chargeable to the financial year is attributable inter alia to a release from the provision in 2009 of EUR 165,808, of which release an amount of EUR 51.324 was reversed and charged to 2010.

In 2010, payment was made of the 2007 (long-term) variable remuneration, for which provisions had been built up. Accordingly, the payment did not lead to a charge on the 2010 result. In 2011, payment will be made out of the provisions accumulated for the 2006 (long-term) variable remuneration, relating to the economic profit over the three-year period 2008, 2009 and 2010.

The pension costs presented below concern the payment of regular pension contributions and a one-off refund of contributions unduly withheld.

Pension costs	2010	2009
(in euros)		
Jos A. Nijhuis	92,658	93,484
Pieter M. Verboom	202,120	65,176
Ad P.J.M. Rutten	111,502	65,176
Maarten M. de Groof	71,834	72,488
Total	478,114	296,324

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. The contributions for a voluntary 'partner plus' pension - where applicable - are paid by the Management Board members themselves.

It was established during the financial year that contributions had been withheld from the annual salaries of Messrs Verboom and Rutten, which contributions were used to finance old-age pension and were not, as previously assumed, used by ABP to cover supplementary pension. Since a non-contributory pension arrangement applies, the contributions unduly withheld for the full term of employment were refunded to both Management Board members in 2010. This sum amounts to EUR 39,668.20 for Mr Rutten, who commenced employment in 2005, and EUR 130,285.69 for Mr Verboom, who commenced employment in 1997.

Messrs Verboom and Rutten have the option of retiring at the age of 62, with defined retirement benefits equalling 70% of their last 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 2010.

Messrs Nijhuis and 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) **2010** 2009

Jos A. Nijhuis	32,129	39,893
Pieter M. Verboom	58,385	19,601
Ad P.J.M. Rutten	18,509	4,842
Maarten M. de Groof	35,432	45,394
Gerlach J. Cerfontaine	-	- 39,954

Total **144,455** 69,776

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) **2010** 2009

Jos A. Nijhuis	8,937	8,884
Pieter M. Verboom	7,668	8,410
Ad P.J.M. Rutten	8,464	8,410
Maarten M. de Groof	6,779	6,725

Total **31,848** 32,429

Total remuneration to the Management Board charged to profit and loss **2,986,525** 2,412,196

Subsidiaries

The following subsidiaries are fully consolidated:

	Registered in	Direct / indirect interest in %
Schiphol Nederland B.V. ¹⁾	Schiphol	100.00
Schiphol Australia Pty Ltd	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 ¹⁾	Lelystad	100.00
Schiphol USA Inc	New York	100.00
Rotterdam Airport B.V. ¹⁾	Rotterdam	100.00
Rotterdam Airport Supplies and Services B.V. ¹⁾	Rotterdam	100.00
Rotterdam Airport Holding B.V. ¹⁾	Rotterdam	100.00
Rotterdam Airport Vastgoed B.V. ¹⁾	Rotterdam	100.00
Beheer- en beleggingsmaatschappij Balnag B.V.	Schiphol	100.00
Brisbane Airport Real Estate B.V.	Schiphol	100.00
Malpensa Real Estate B.V.	Schiphol	100.00
Malpensa Real Estate Italy Srl	Lonate Pozzolo	100.00
Malpensa Real Estate II B.V.	Schiphol	100.00
Schiphol Real Estate Caravelle B.V. ¹⁾	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. ¹⁾	Schiphol	100.00
Schiphol Real Estate B.V. ¹⁾	Schiphol	100.00
Schiphol Real Estate Eindhoven B.V. ¹⁾	Schiphol	100.00
Schiphol Real Estate Eindhoven Finance B.V. ¹⁾	Schiphol	100.00
Schiphol Real Estate Eindhoven II B.V. ¹⁾	Schiphol	100.00
Schiphol Real Estate International B.V.	Schiphol	100.00
HAFOK B.V. ¹⁾	Schiphol	100.00
Schiphol Real Estate World Trade Center B.V. ¹⁾	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. ¹⁾	Schiphol	100.00
Airport Property Management B.V. ¹⁾	Schiphol	100.00
Dartagnan B.V. ¹⁾	Amsterdam	100.00
Avioport Spa	Lonate Pozzolo	70.00
Schiphol Telematics B.V. ¹⁾	Schiphol	100.00
Schiphol Consumer Services Holding B.V. ¹⁾	Schiphol	100.00
Schiphol Airport Retail B.V. ¹⁾	Schiphol	100.00

¹⁾ The provisions of Section 403, Book 2, of the Dutch Civil Code apply with respect to these companies

In December 2010, Schiphol Group contributed its shares in Schiphol Dienstverlening B.V., which was a subsidiary of Schiphol Nederland B.V. until that time, to a new entity, Vebegeo Airport Services B.V., in which Schiphol Group acquired a stake of 25%.

Joint ventures

The interests in the following companies are proportionately consolidated:

	Registered in	Direct / indirect interest in %
Airport Real Estate Basisfonds C.V.	Schiphol	60.25
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 Vennoot B.V.	Eindhoven	50.00
Beheer Personeelsrestaurant Schiphol B.V.	Schiphol	50.00
VOF Proefdraaiplaats Holding 27	Schiphol	50.00
P.T. Angkasa Pura Schiphol	Jakarta	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

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.

Despite the fact that Schiphol Group has an interest of more or less than 50% in the companies Airport Real Estate Basisfonds C.V., Arlanda Schiphol Development Company AB, Villa Carmen B.V. and Villa Carmen Srl, there is joint control and the interests in the companies concerned are therefore proportionately consolidated. 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.

In addition to SRE Participaties A4 zone west B.V., Schiphol Area Development Company N.V. also has a 33% stake in GEM A4 zone west C.V. and GEM A4 zone west Beheer B.V.

Abridged balance sheet for Schiphol Group's interests in the proportionately consolidated companies:

(in thousands of euros)	2010	2009
Assets		
Non-current assets	216,429	215,013
Current assets	14,029	12,327
	230,458	227,340
Equity and liabilities		
Total equity	103,625	100,570
Non-current liabilities	114,426	115,344
Current liabilities	12,407	11,426
	230,458	227,340

Abridged profit and loss account for Schiphol Group's share in the results of these companies:

(in thousands of euros)	2010	2009
Revenue	23,628	25,470
Other income, from property	- 655	- 12,600
	22,973	12,870
Total operating expenses	9,449	12,085
Operating result	13,524	785
Financial income and expenses	- 3,171	- 4,041
Share in result of associates	- 308	- 724
	10,045	- 3,980
Result before tax	10,045	- 3,980
Corporate income tax	- 257	- 1
	9,788	- 3,981

Associates

As at 31 December 2010, 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	Delaware	100.00 ^{*)}
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

^{*)} 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.

Apart from SRE B.V., Schiphol Area Development Company N.V. and Schiphol Logistics Park B.V. have interests in Schiphol Logistics Park C.V. of 3.03% and 0.04%, respectively. These interests are not included in the above interest of 38.08%.

The year 2009 saw the incorporation of Mainport Innovation Fund B.V. The aim is to invest in Dutch techno-start-ups offering products and services directed at the aviation sector and resulting in a sustainable Main Port and sustainable aviation. The four participants are Schiphol Group, KLM, Rabobank and Delft University of Technology, while the joint investment budget amounts to EUR 8 million, of which EUR 4 million is made available by the Dutch government.

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 stake 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 of New York and New Jersey concluded a lease agreement regarding Terminal 4 under which the Port Authority of New York and New Jersey 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 and 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 and 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 2010, amounts to EUR 5.8 billion (31 December 2009: EUR 5.6 billion). Our share in this amounts to EUR 468 million (in 2009 EUR 446 million).

The City of Amsterdam (24.3% interest), the Haarlemmermeer Municipal Authority (24.3% interest), Schiphol Group (33.3% interest) and the North Holland Provincial Government (18.1% interest) 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.

In November 2009, the shareholders signed a new shareholders' agreement (SADC III). Among other things, this agreement provides that each of the shareholders will own an equal (equity) interest in SADC's share capital ('parity'). In order to achieve this, Schiphol Group sold 8.3% of its stake to the Municipality of Amsterdam (0.7%), the Municipality of Haarlemmermeer (0.7%) and the Province of North Holland (6.9%) in 2010.

In December 2010, Schiphol Group contributed its shares in Schiphol Dienstverlening B.V. to a new entity, Vebego Airport Services B.V., in which Schiphol Group acquired a stake of 25%.

Below is some financial information relating to the Schiphol Group share in the above associates:

(in thousands of euros)	2010	2009
Total assets	1,181,949	1,038,104
Total equity	271,640	295,503
Revenue	417,891	309,904
Net result	166,923	74,667

The stake of JFK IAT Member LLC in JFK IAT LLC is fully included in the above financial information for 2010.

At the time when these financial statements were compiled, Schiphol Group did not yet possess the complete financial information for 2010 (profit and loss account) or as at 31 December 2010 (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 several investments are currently carried 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 2010, Tradeport Hong Kong had a loan outstanding of EUR 17.6 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. Because of Tradeport Hong Kong's negative equity, the interest was valued at zero. 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 165.6 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 31 million.

Schiphol, 16 February 2011

For the consolidated financial statements for 2010:

Supervisory Board

Anthony Ruys, Chairman
Trude A. Maas-de Brouwer, Vice-chairman
Frans J.G.M. Cremers
Pierre Graff
Herman J. Hazewinkel
Margot A. Scheltema
Willem F.C. Stevens

Management Board

Jos A. Nijhuis, President and CEO
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 2010

(in thousands of euros)	2010	2009
Result on ordinary activities after tax	24,248	22,352
Results of subsidiaries	144,712	109,771
Result attributable to shareholders (net result)	168,960	132,123

Corporate balance sheet as at 31 December 2010

Before proposed profit appropriation

	Note	31 December 2010	31 December 2009
Assets			
(in thousands of euros)			
Non-current assets			
Investments in subsidiaries	43	2,492,226	2,464,046
Investments in associates		567,096	551,542
Other financial interests		10,758	7,308
		3,070,080	3,022,896
Current assets			
Receivables	44	1,427	1,489
Cash and cash equivalents		19,072	20,287
		3,090,579	3,044,672
Equity and liabilities			
(in thousands of euros)			
Issued share capital		84,511	84,511
Share premium		362,811	362,811
Retained profits		2,003,067	1,900,853
Others reserves Schiphol Group		30,973	4,054
Revaluation reserve		401,885	431,629
Other statutory reserves		35,915	40,818
Net result of the year		168,960	132,123
Shareholders' equity	45	3,088,122	2,956,799
Employee benefits	46	1,123	651
Current liabilities	47	1,334	87,222
		3,090,579	3,044,672

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 Dutch 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 Dutch 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 carried 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 Dutch 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 an exchange differences reserve, another 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
Carrying amount as at 31 December 2008	2,329,457	538,867	6,668	2,874,992
Movements in 2009				
Result for the year	109,771	23,600	-	133,371
Dividend	-	- 10,925	-	- 10,925
Fair value gains and losses	-	-	640	640
Translation differences	9,486	-	-	9,486
Changes in the hedging transactions reserve	15,332	-	-	15,332
Total movements in the year	134,589	12,675	640	147,904
Carrying amount as at 31 December 2009	2,464,046	551,542	7,308	3,022,896
Movements in 2010				
Result for the year	144,712	26,400	-	171,112
Dividend	- 140,000	- 10,846	-	- 150,846
Fair value gains and losses	-	-	3,450	3,450
Translation differences	9,696	-	-	9,696
Changes in the hedging transactions reserve	13,772	-	-	13,772
Total movements in the year	28,180	15,554	3,450	47,184
Carrying amount as at 31 December 2010	2,492,226	567,096	10,758	3,070,080

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)	2010	2009
Corporate income tax	1,393	1,406
Other receivables	34	83
	1,427	1,489

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
Balance as at 31 December 2008	84,511	362,811	1,800,319	- 21,404	413,607	41,570	186,876	2,868,290
Movements in 2009								
Appropriation of result for previous year	-	-	100,534	-	18,022	- 752	- 117,804	-
Distribution of dividend	-	-	-	-	-	-	- 69,072	- 69,072
Exchange differences	-	-	-	9,486	-	-	-	9,486
Changes in fair value on hedging transactions	-	-	-	15,332	-	-	-	15,332
Changes in fair value on other financial interests	-	-	-	640	-	-	-	640
Net result	-	-	-	-	-	-	132,123	132,123
Total movements in the year	-	-	100,534	25,458	18,022	- 752	- 54,753	88,509
Balance as at 31 December 2009	84,511	362,811	1,900,853	4,054	431,629	40,818	132,123	2,956,799
Movements in 2010								
Appropriation of result for previous year	-	-	99,499	-	- 27,029	- 4,903	- 67,567	-
Distribution of dividend	-	-	-	-	-	-	- 64,556	- 64,556
Exchange differences	-	-	-	9,697	-	-	-	9,697
Changes in fair value on hedging transactions	-	-	-	13,772	-	-	-	13,772
Changes in fair value on other financial interests	-	-	-	3,450	-	-	-	3,450
Adjustment to the corporate income tax rate	-	-	2,715	-	- 2,715	-	-	-
Net result	-	-	-	-	-	-	168,960	168,960
Total movements in the year	-	-	102,214	26,919	- 29,744	- 4,903	36,837	131,323
Balance as at 31 December 2010	84,511	362,811	2,003,067	30,973	401,885	35,915	168,960	3,088,122

The other statutory reserves comprise the reserve for intangible assets and the reserve for investments in associates.

The other reserves of Schiphol Group comprise an exchange differences reserve, another 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 can be found under the explanatory notes on employee benefits in the consolidated financial statements.

47. Current liabilities

The analysis is as follows:

(in thousands of euros)	2010	2009
Group companies	372	86,481
Accruals	788	620
Other liabilities	174	121
	1,334	87,222

Schiphol, 16 February 2011

For the corporate financial statements for 2010:

Supervisory Board

Anthony Ruys, Chairman
 Trude A. Maas-de Brouwer, Vice-chairman
 Frans J.G.M. Cremers
 Pierre Graff
 Herman J. Hazewinkel
 Margot A. Scheltema
 Willem F.C. Stevens

Management Board

Jos A. Nijhuis, President and CEO
 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 2010 financial statements of N.V. Luchthaven Schiphol, Schiphol as set out on pages 157 to 266. 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 2010, 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 2010, 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 judgement, 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 2010, 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 2010, 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 2011
PricewaterhouseCoopers Accountants N.V.

J.A.M. Stael 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 Dutch 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)

Result attributable to shareholders	168,960
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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:

Addition to the revaluation reserve	– 15,180
(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)	

Addition to the statutory reserve	– 1,695
(sum of the results of associates, less dividend distributions, and investments in research and development less amortisation)	

Dividend distribution	– 76,163
(50% of the net result less fair value gains and losses on property after deduction of corporate income tax)	

– 93,038

Addition to retained profits	75,922
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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 243.

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)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Profit and loss account										
Revenue	1,180	1,154	1,154	1,146	1,037	948	876	860	774	695
Fair value gains and losses on property	22	-40	19	111	29	13	5	83	15	74
Own work capitalised	-	-	-	-	-	-	-	13	16	11
Total operating revenue	-	-	-	-	-	-	-	956	805	780
Other income, from property	-	-	3	3	10	10	18	-	-	-
Total operating expenses before depreciation, amortisation and impairment	-719	-731	-709	-666	-598	-492	-475	-488	-452	-383
EBITDA	483	383	466	594	478	478	424	468	353	397
Depreciation, amortisation and impairment	-186	-196	-172	-175	-162	-167	-160	-131	-106	-101
Operating result	297	187	294	420	316	311	265	338	247	296
Financial income and expenses	-115	-91	-54	-35	-36	-34	-26	-43	-39	-35
Taxation, share in operating result of associates and minority interests	-10	37	-54	-68	246	-84	-78	-104	-71	3
Result on ordinary activities after tax	172	133	187	316	527	193	161	191	137	263
Minority interests	-3	-	-	-	-	-	-	-	-	-
Net result	169	133	187	316	527	193	161	191	137	263
Balance sheet										
Non-current assets	5,000	4,798	4,754	3,945	3,681	3,249	3,157	3,047	2,729	2,522
Current assets	506	729	655	342	483	432	399	422	209	254
Total assets	5,506	5,527	5,409	4,287	4,165	3,681	3,556	3,469	2,938	2,775
Equity (excl. minority interests)	-	-	-	-	-	-	-	2,024	1,871	1,783
Equity (incl. minority interests)	3,109	2,975	2,887	2,957	2,722	2,245	2,093	-	-	-
Provisions	65	69	50	54	63	84	115	64	41	38
Non-current liabilities (incl. minority interests)	-	-	-	-	-	-	-	1,044	523	459
Non-current liabilities (excl. minority interests)	1,762	2,061	1,747	914	865	1,006	958	-	-	-
Current liabilities	569	422	725	362	514	346	391	337	502	494
Total equity and liabilities	5,506	5,527	5,409	4,287	4,165	3,681	3,556	3,469	2,938	2,775
Operating cash flow ¹⁾	351	327	421	313	362	307	327	298	293	216
Ratios										
Operating result as % of revenue	25,1	16,2	25,5	36,6	30,5	32,8	30,2	39,3	31,9	42,6
Return on average equity in % (ROE)	5,6	4,5	6,4	11,1	21,2	8,9	7,9	9,8	7,5	15,8
Return on Net Assets in % (RONA) ^{2) 3)}	7,9	4,9	7,5	12,3	10,1	9,7	8,6	11,7	9,4	12,5
Return on Capital Employed in % (ROCE) ⁴⁾ / (ROACE) ^{5) 6)}	7,3	4,5	7,3	11,7	9,8	9,9	8,7	11,5	9,4	12,8
FFO / Total debt in % ^{7) 8)}	17,0	18,5	19,3	34,3	39,0	28,7	33,4	-	-	-
FFO interest coverage ratio ^{8) 9)}	3,8	4,4	6,5	7,7	8,3	6,8	7,9	-	-	-
Leverage ^{10) 11)}	37,2	40,5	38,6	23,5	24,8	29,4	32,0	34,2	28,0	25,2
Figures per share										
Earnings per share	908	710	1,083	1,844	3,077	1,126	939	1,117	799	1,536
Operating cash flow per share	1,780	1,756	2,439	1,830	2,114	1,754	1,912	1,738	1,710	1,258
Dividend per share	409	347	371	543	462	323	271	239	245	263
Personnel										
Average effective full-time equivalent employees	2,328	2,496	2,506	2,459	2,293	2,179	2,216	2,231	2,134	2,038

¹⁾ For analysis see the cash flow statement

²⁾ Up to and including 2005: Operating result / average non-current assets less deferred taxes

³⁾ As from 2006: Operating result + result and interest associates / average non-current assets less deferred taxes.

⁴⁾ Up to and including 2003: operating result / average of equity and liabilities less non-interest bearing short term debt

⁵⁾ As from 2004: operating result / average of equity and interest-bearing debt

⁶⁾ As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt

⁶⁾ As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt

⁷⁾ Up to and including 2005: Funds from operations adjusted for working capital / total debt

⁸⁾ As from 2006: see calculation FFO / Total debt and FFO interest coverage in the note on Financial Risk Management

⁹⁾ Up to and including 2005: Funds from operating activities adjusted for working capital plus interest income / interest costs

¹⁰⁾ Up to and including 2003: interest-bearing debt / total equity and liabilities

¹¹⁾ As from 2004: Interest-bearing debt / equity plus interest-bearing debt in %

Appendix 1

Overview Traffic volume Domestic airports

Amsterdam Airport Schiphol	2010	2009	%
Passengers (excl. transit direct)	45,136,967	43,523,110	3.7%
Transit direct passengers	74,782	47,260	58.2%
Total passengers	45,211,749	43,570,370	3.8%
Air cargo (in tonnes)	1,512,256	1,286,372	17.6%
Air transport movements	386,316	391,264	- 1.3%
Other	16,059	15,710	2.2%
Total air transport movements	402,375	406,974	- 1.1%
Rotterdam The Hague Airport	2010	2009	%
Passengers (excl. transit direct)	938,102	937,694	0.0%
Transit direct passengers	31,378	26,848	16.9%
Total passengers	969,480	964,542	0.5%
Air cargo (in tonnes)	80	5	1500%
Air transport movements	12,917	13,963	- 7.5%
Other	39,727	38,942	2.0%
Total air transport movements	52,644	52,905	- 0.5%
Eindhoven Airport	2010	2009	%
Passengers (excl. transit direct)	2,142,833	1,711,504	25.2%
Air transport movements	16,650	13,515	23.2%
Other	2,209	2,126	3.9%
Total air transport movements	18,859	15,641	20.6%
Lelystad Airport	2010	2009	%
Total air transport movements	125,675	133,755	- 6.0%

Overview Traffic volume Foreign airports

Paris Charles de Gaulle	2010	2009	%
Passengers (incl. transit direct)	58,164,612	57,906,866	0.4%
Total air transport movements	491,933	518,018	- 5.0%
Paris Orly	2010	2009	%
Passengers (incl. transit direct)	25,203,969	25,107,693	0.4%
Total air transport movements	215,645	220,606	- 2.2%
Terminal 4 JFK International Airport	2010	2009	%
Passengers (excl. transit direct)	9,839,750	9,580,092	2.7%
Total air transport movements	55,315	56,860	- 2.7%
Brisbane Airport	2010	2009	%
Passengers (excl. transit direct)	19,800,000	18,886,000	4.8%
Total air transport movements	185,000	175,000	5.7%
Aruba Airport	2010	2009	%
Passengers (excl. transit direct)	1,984,173	1,919,374	3.4%
Total air transport movements	38,404	38,355	0.1%

Appendix 2

Ten largest airports in Western Europe

Air transport movements (x 1,000)			
	2010	2009	%
1 Paris Charles de Gaulle	492	518	- 5.0%
2 Frankfurt	458	458	0.1%
3 Londen Heathrow	449	460	- 2.3%
4 Madrid	434	435	- 0.3%
5 Amsterdam	386	391	- 1.3%
6 Munich	368	377	- 2.4%
7 Rome Fiumicino	323	319	1.4%
8 Barcelona	278	279	- 0.4%
9 Zurich	246	241	2.5%
10 Vienna	246	243	1.1%

Passenger transport (x 1,000) (excl. transit direct)			
	2010	2009	%
1 Londen Heathrow	65,747	65,908	- 0.2%
2 Paris Charles de Gaulle	58,075	57,788	0.5%
3 Frankfurt	52,710	50,616	4.1%
4 Madrid	49,864	48,271	3.3%
5 Amsterdam	45,137	43,523	3.7%
6 Rome Fiumicino	35,954	33,464	7.4%
7 Munich	34,568	32,605	6.0%
8 Londen Gatwick	31,348	32,370	- 3.2%
9 Barcelona	29,210	27,312	6.9%
10 Paris Orly	25,199	25,099	0.4%

Cargo transport (x 1,000) (in tonnes)			
	2010	2009	%
1 Frankfurt	2,199	1,808	21.6%
2 Paris Charles de Gaulle	2,177	1,819	19.7%
3 Amsterdam	1,512	1,286	17.6%
4 Londen Heathrow	1,473	1,278	15.2%
5 Luxembourg	705	628	12.2%
6 Leipzig	663	524	26.5%
7 Cologne	644	550	17.2%
8 Liège	639	482	32.7%
9 Brussels	476	449	6.0%
10 Milan Malpensa	422	334	26.6%

Appendix 3

Scheduled airlines operating at Amsterdam Airport Schiphol in 2010

Adria Air	p	Georgian Airways	p	United Airlines	p
Aer Lingus Irish Airlines	p	Iberia	p	US Airways	p
Aeroflot Russian Airlines	p	Icelandair	p	Viking Hellas Airl. ¹⁾	p
Afriqiyah Airways	p	Iran Air	p	Vueling Airlines	p
Air Arabia Maroc	p	Jat Airways	p	Wind Jet	p
Air Astana	p	Jet2.com	p		
Air Baltic	p	Kenya Airways	p	Cathay Pacific Airways	p + ff
Air France	p	KLM	p	China Airlines	p + ff
Air Malta	p	Korean Air	p	China Southern Airlines	p + ff
Air Transat ³⁾	p	LOT Polish Airlines	p	Deutsche Lufthansa	p + ff
Airberlin	p	Malev Hungarian Airlines	p	Emirates	p + ff
Alitalia Linee Aeree Italiane (incl. Alitalia express)	p	Airlines	p	Japan Airlines ²⁾	p + ff
Amsterdam Airlines	p	Meridiana	p	Malaysia Airlines	p + ff
Arkefly	p	Norwegian Air Shuttle	p	Martinair	p + ff
Arkia-Israeli Airlines ³⁾	p	Olympic Air	p	Singapore Airlines	p + ff
Armavia	p	Onur Air ³⁾	p		
Austrian Airlines	p	Pakistan International Airlines	p	Air Contractors	ff
Belavia-Belarusian Airlines	p	Pegasus Airlines	p	AirBridgeCargo Airlines	ff
BH Air ³⁾	p	Rossiya Airlines	p	Cargolux	ff
bmi british midland ²⁾	p	Royal Air Maroc	p	DHL International	ff
bmibaby	p	Royal Jordanian Airline	p	Flightline ¹⁾	ff
British Airways	p	SAS Scandinavian Airlines	p	Great Wall Airlines	ff
Bulgaria Air	p	Airlines	p	Jade Cargo International	ff
Cimber Sterling ¹⁾	p	SATA International ³⁾	p	Jett8 Airlines Cargo	ff
Cityjet (voorheen VLM Airlines)	p	Sky Airlines ³⁾	p	Kalitta Air	ff
Continental Airlines	p	Smart Wings ¹⁾	p	LAN Cargo	ff
Corendon Airlines	p	Sun d'Or International Airlines ³⁾	p	Nippon Cargo	ff
Croatia Airlines	p	Sun Express	p	Qatar Airways	ff
CSA Czech Airlines	p	Surinam Airways	p	Southern Air INC. ¹⁾	ff
Cyprus Airways	p	Swiss International Air Lines	p	Sundt Atlanta Sky ²⁾	ff
Delta Airlines	p	Syrian Arab Airlines	p	Trans Mediterranean Airways ¹⁾	ff
easyJet (incl. easyJet CH)	p	TACV	p		
Egyptair	p	Tailwind Airlines ³⁾	p		
EL AL Israel Airlines	p	TAP Portugal	p		
Estonian Air	p	Tarom	p		
Eva Airways	p	transavia.com	p		
Finnair	p	Tunis Air	p		
FlyBE	p	Turkish Airlines	p		
Garuda Indonesia ¹⁾	p	Turkuaz Airlines ³⁾	p		
		Ukraine International Airlines	p		

p = passengers + cargo services
ff = full-freighter services

¹⁾ started in 2010

²⁾ started in 2010

³⁾ seasonal operations

Glossary

70 MB

Programme of investment in the baggage system at Amsterdam Airport Schiphol that aims to achieve an annual baggage handling capacity of 70 million bags, resulting in shorter connection times, greater flexibility, expanded mechanisation (in part through robots), enhanced availability and a lower IR rate

ACI

Airports Council International; international sector organisation of airports

ACRE Fund

AirportCity Real Estate Fund located at Amsterdam Airport Schiphol; a property fund in which Schiphol Real Estate holds a share of 60% and institutional investors hold a share of 40%

Airport charges

Aircraft, passenger and security related charges

Airport Traffic Ruling

(*Luchthavenverkeersbesluit, LVB*)

Part of the Dutch Aviation Act (*Wet luchtvaart*) that governs the use of Amsterdam Airport Schiphol

Aerospace Exchange

Business park at Schiphol-Oost 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 CO₂

AirportCity formula

An integral development of aviation and non-aviation activities in which commercial operators and users are offered all the facilities they need. The AirportCity formula is comprised of activities in the Aviation, Consumers and Real Estate business areas

Airport Traffic Ruling

LVB (*Luchtverkeersbesluit*) - part of the Aviation Act that lays down 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

Aviation Act (*Wet luchtvaart*) governing the operation of Amsterdam Airport Schiphol

Legislation laying down the terms of the operating licence and 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-Zuidoost 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 via 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 connecting 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

Dual hub system

A system in which a global alliance of airlines uses two primary hubs to serve a particular continent; also referred to as a multi-hub system

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 higher security and convenient facilities 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. In 2011 the partnership will be extended to include Canada

FTE

Fulltime-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

Groenenberg site

A site near Runway 18L-36R owned by the property developer Chipshol and 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 on the runway

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 was recently completely renovated. Holland Boulevard offers an attractive, modern space connecting Departure Lounges 2 and 3 where transfer passengers can pass the time enjoying a host of characteristically 'Dutch' catering establishments and products, the world's first Airport Library, the Rijksmuseum Schiphol, the new and improved Dutch Masters museum shop 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 of the airport or the 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

Main port

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

Enforcement point

An enforcement point where a maximum permitted noise limit value 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 (23:00 to 07:00). All the enforcement points together make up the noise enforcement system

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 (*Nederlandse Mededingingsautoriteit*); supervises the aviation changes and conditions set by Amsterdam Airport Schiphol

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 staff and staff hired from third parties as well as that of everyone using our infrastructure

Operating year

Period from 1 November to 31 October inclusive

Operational year

Period from 1 November to 31 October inclusive

Passenger Service Charge

The charge that each departing passenger is required to pay for using 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

PRM charge

Charge imposed to implement EU aviation transport regulations for 'people with reduced mobility'

Randstad

The urbanised western region of the Netherlands, encompassing the major cities of Amsterdam, The Hague, Rotterdam and Utrecht

Registered Traveller Programme

Programme that allows registered passengers to use fast border clearance facilities through the use of, for example, a biometric pass

Return on equity (ROE)

After-tax result (payable to shareholders) divided by average equity capital

RFID

Radio Frequency Identification - system for the purposes of identification and positioning (e.g. for items of baggage) which operates using a radio signal and a chip affixed to the item to be traced (in which to store or process information) and antennas to send and receive signals

ROE

Return on Equity; after-tax result (payable to shareholders) divided by average equity capital

RONA

Return on Net Assets; operating results divided by the 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

A staff member 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 that departing passengers pay in connection with security measures

See Buy Fly

Alliance of retailers operating in the passengers-only zone at Amsterdam Airport Schiphol

Six Sigma

Method used for continuous improvement of business processes

SkyTeam

Worldwide alliance of airlines grouped around Air France-KLM and Delta Airlines

Slot Coordinator

Government-appointed person 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) 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

Terminal

The airport building with arrival and departure halls

Ticket tax

Also known as ecotax; a tax imposed by the Dutch government from 1 July 2008 until 1 July 2009 (abolished after one year) on O&D passengers departing from airports in the Netherlands. The tax was EUR 11.25 for destinations within the EU or a 2,500 km radius (or a 3,500 km radius if the 2,500 limit intersects the destination country), and EUR 45 for all other destinations

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 the 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

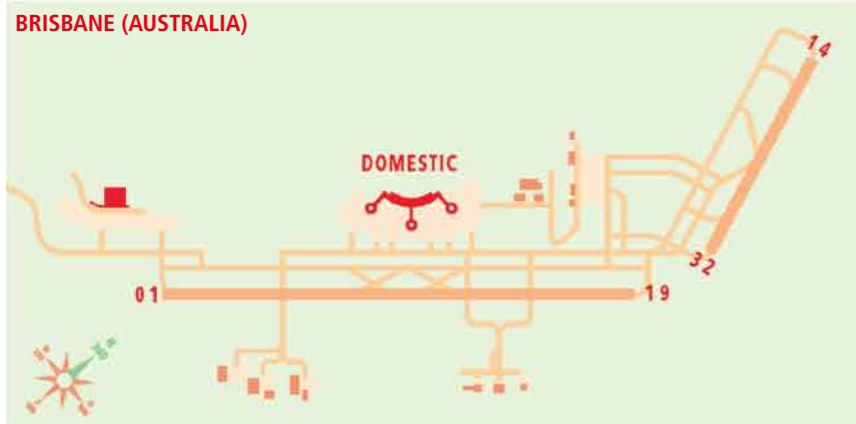
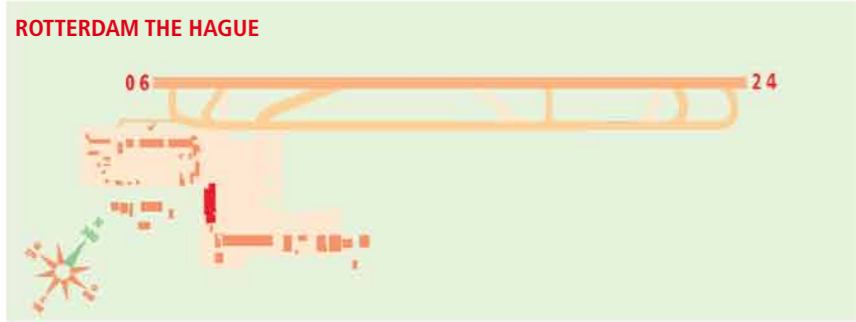
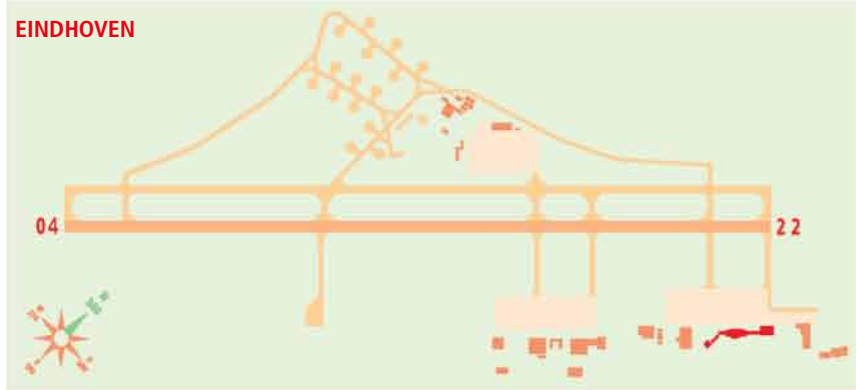
World Trade Centre Schiphol Airport

X-ray

A system by which security personnel can check items of baggage (fully automatically) for prohibited objects

Zuidtangent express bus service

Bus service travelling primarily on reserved bus lanes and offering connections between Haarlem, Amsterdam Airport Schiphol and Amsterdam Southeast, and between Nieuw Vennep, Amsterdam Airport Schiphol and Amsterdam South



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