

The 'mainport' strategy

Schiphol Group presentation to the Danish Aviation annual event

Gerben Broekema
Senior Advisor Group Strategy & Development

Copenhagen, May 21st, 2015



Agenda

- **Introducing Schiphol Group**
- The 'mainport'-concept
- Schiphol Group's strategy: to strengthen the mainport

Once upon a time...



- 1916: Military airfield next to fortress Schiphol
- 1920: 1st flight KLM
- Altitude: 4.5 m beneath sea level

Today, Amsterdam Airport Schiphol is one of largest (hub) airports in the world and of great importance to the national economy

Economic importance

- **Location Amsterdam Airport Schiphol (2014):**
 - 65,000 jobs
 - 500 enterprises
- **Economic impact:**
 - **Direct:** ~€11 billion and ~180k jobs
 - **Indirect:** ~15 billion and ~120k jobs



€26 billion
300,000 jobs

Structure Schiphol Group

Shareholders:

State of the Netherlands:	69.8%
Municipality of Amsterdam:	20.0%
Municipality of Rotterdam:	2.2%
Aéroports de Paris:	8.0%



Amsterdam Airport Schiphol



Regional airports

Rotterdam
The Hague Airport Eindhoven Airport Lelystad Airport



Airports abroad

Aéroports de Paris Brisbane Airport JFK (T4) New York



Business model Schiphol Group

Aviation



Infrastructure and facilities for airlines, passengers, handling agents and logistics providers at Schiphol

Security and safety at Schiphol

Consumer Products & Services



Products and services for travelers and businesses at Schiphol

Real Estate



Operational and commercial real estate at Schiphol and other airports

Alliances & Participations

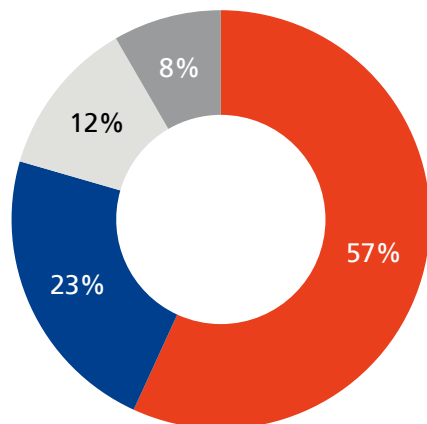


Participating interests in airports in the Netherlands and abroad

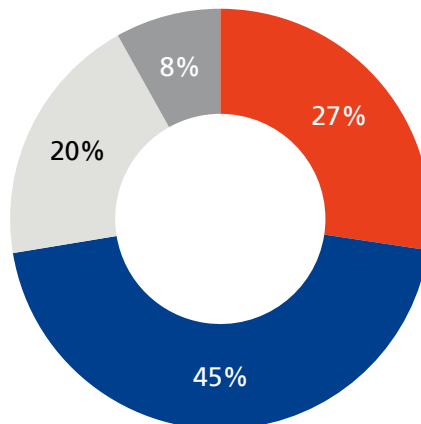
Other domestic and international activities

Schiphol Group – Financial Year 2014

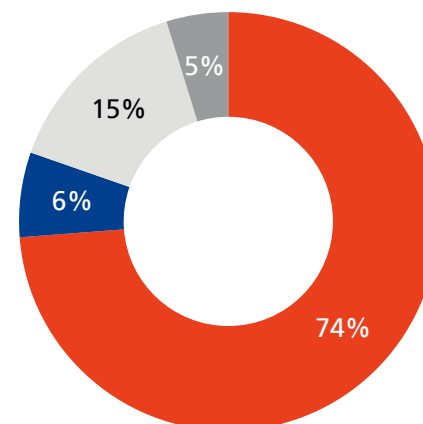
Net revenue



Operating result



Investments



EUR millions

2014	2013	+/-
1,474	1,364	8%

2014	2013	+/-
403	305	32%

2014	2013	+/-
396	323	22%

■ Aviation
 ■ Consumer Products & Services
 ■ Real Estate
 ■ Alliances & Participations

Amsterdam Airport Schiphol key characteristics



319 direct destinations



55 million passengers (# 5 in Europe)



1.6 million ton of cargo (# 3 in Europe)



438,300 air traffic movements



1 terminal with 4 lounges



5 main runways, and 6th runway for General Aviation/specific weather



40% transfer



15 km distance to Amsterdam

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Late 1980's: national mainport policy

- Driven by opening of internal EU market and poor economy
 - > How to make Dutch metropolises more competitive
- Two mainports:
 - Seaport of Rotterdam
 - Schiphol Airport



Randstad Holland

- 7 – 8 million inhabitants
- Ring of cities around a (wet) green heart
- North Wing: Amsterdam - Utrecht
- South Wing: Den Haag - Rotterdam

Mainport Rotterdam

Second Maasvlakte



The mainport Schiphol entails two closely related functions with importance to the national economy

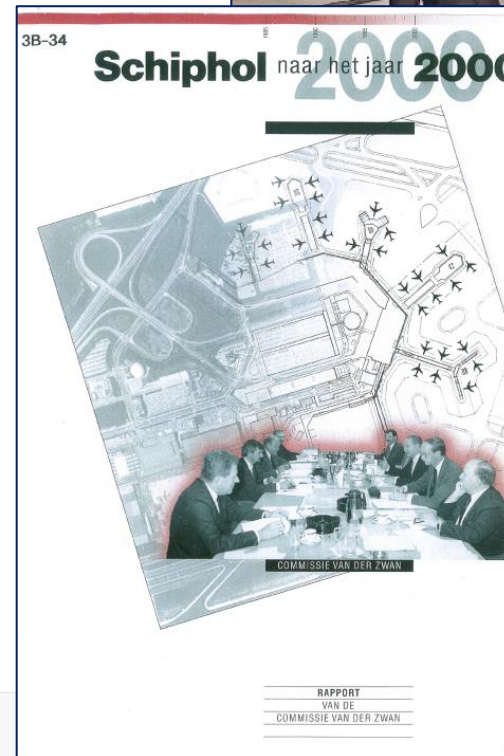
Mainport Schiphol:

1. An **airport with a hub-function**, a multi-modal node where national, European and intercontinental connections get together
2. A **metropolitan area** with a high standard living and business climate where many companies compete in international networks of production and consumption and where many people live, work and spend their leisure time



Mainport policy and traffic development led to a step-change plan for the airport

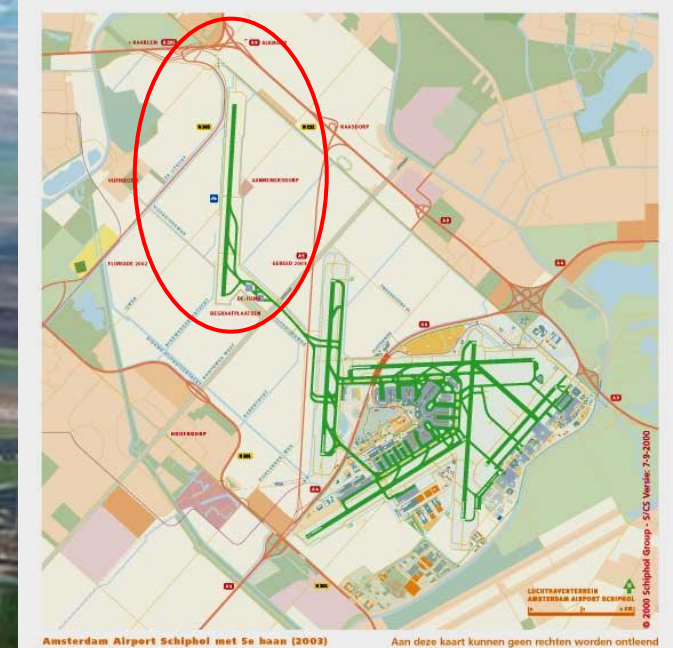
- Economic importance of airport was better understood: airport was recognized as generator of employment
- In parallel strong traffic development driven by KLM and Northwest Airlines launching first worldwide alliance



Masterplan 2020

Schiphol Polderbaan

Mainport policy requires spatial planning with a long term focus, supported by national and regional governments



1989

Schiphol towards 2000

- 1 New control tower (under construction) – operational: March 1991
- 2 Southern extension B-Pier (under construction) – operational: May 1990 (six MD80 and seven B737)
- 3 Northern extension B-Pier – planned: mid nineties
- 4 Terminal expansion – first part in use: May 1992
- 5 E Pier – in use: May 1992 (seven B747-400, one MD80 and temporary one A310)
- 6 F Pier – planned: 1997 (four B747-400 or three bigger aircraft)
- 7 G Pier – planned: 2003 (capacity approximately 23 aircraft)
- 8 Sight of possible future A Pier
- 9 Central hall: junction of passenger flows, people mover and moving walkways – construction starts mid nineties
- 10 Elevated, widened access road departure – construction starts by the end of the summer 1990
- 11 Enlarged access road arrivals hall
- 12 Multi-story car park for passengers and visitors – construction of first car park starts mid 1990
- 13 Hotel- and office facilities
- 14 Ground handling facilities
- 15 Multi-story car park
- 16 People mover to G pier – planned: after G Pier
- 17 Terminal people mover from long term car park



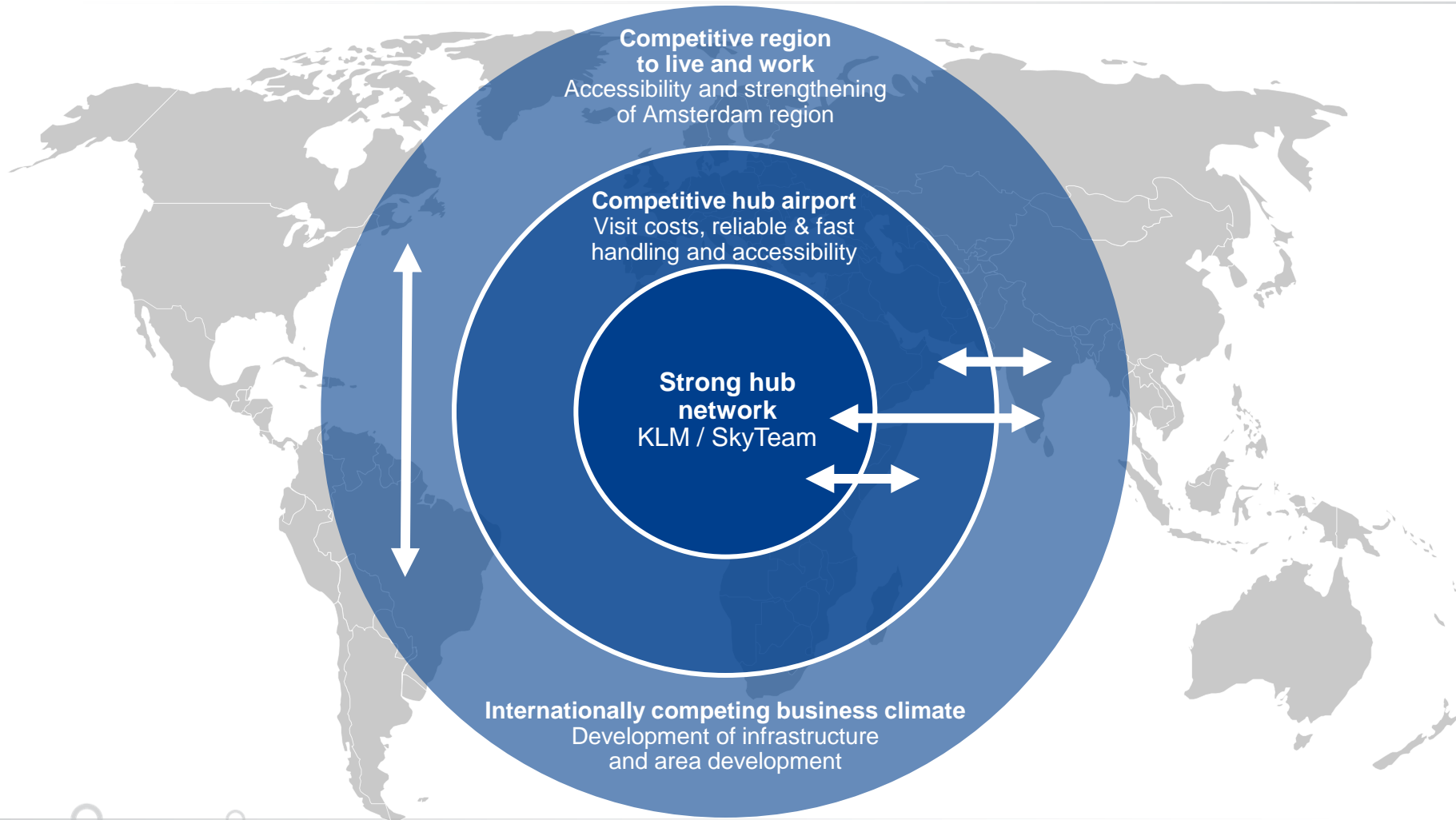
HSL Zuid: high speed line to Brussels and Paris

Accessibility and connectivity by high speed train connections

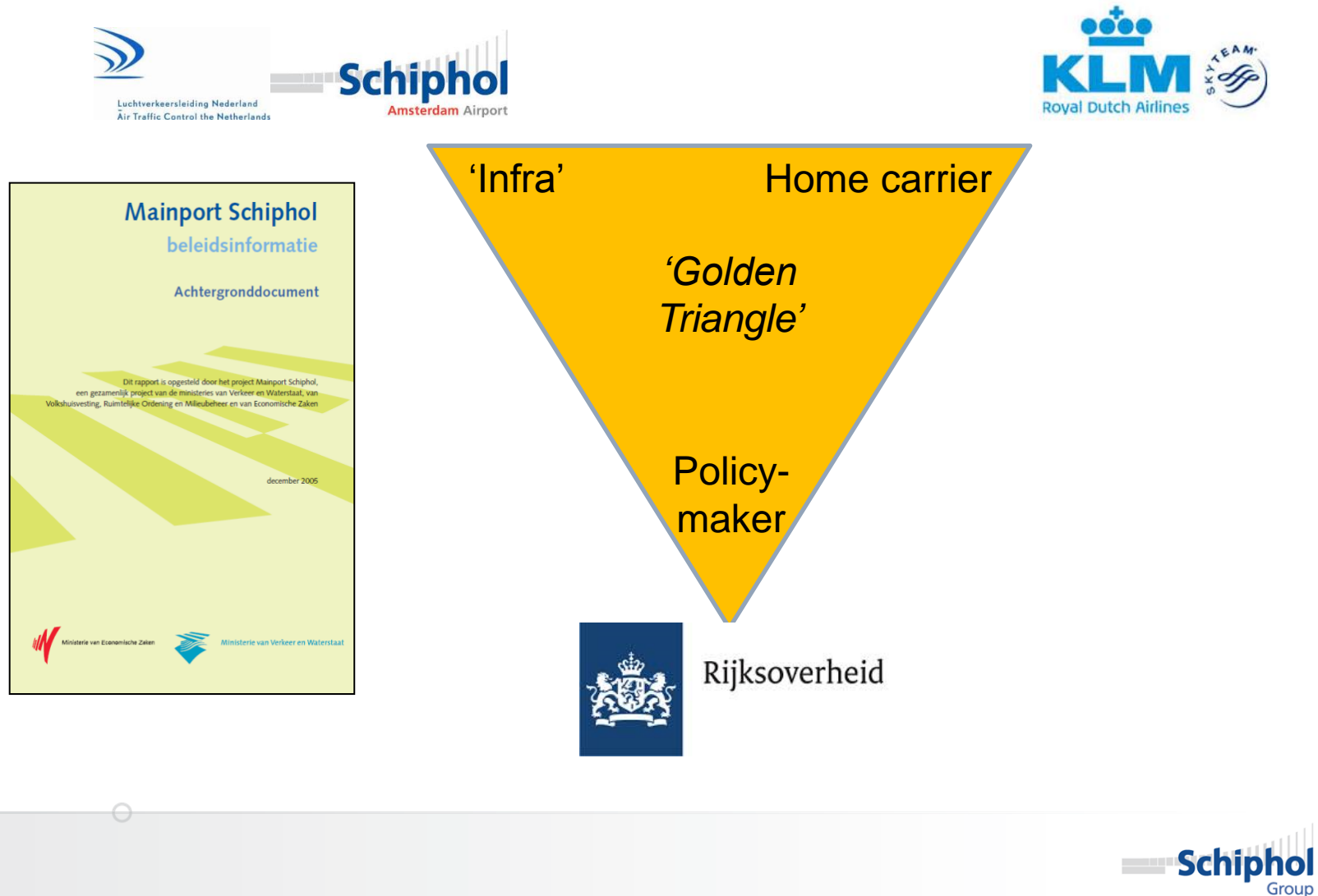


KLM/Schiphol shared vision: 'Essential elements Mainport Schiphol'

Basis for maintaining competitive position and successful mainport development



The government has a vital role in the mainport development, in cooperation with airline and airport



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Strategic Plan 2016 – 2020

Mission

Connecting the Netherlands
Connecting to compete & Connecting to complete

Ambition

Europe's Preferred Airport

Strategy

Top
Connectivity



Excellent
Visit Value



Competitive
Marketplace



Development
of the Group

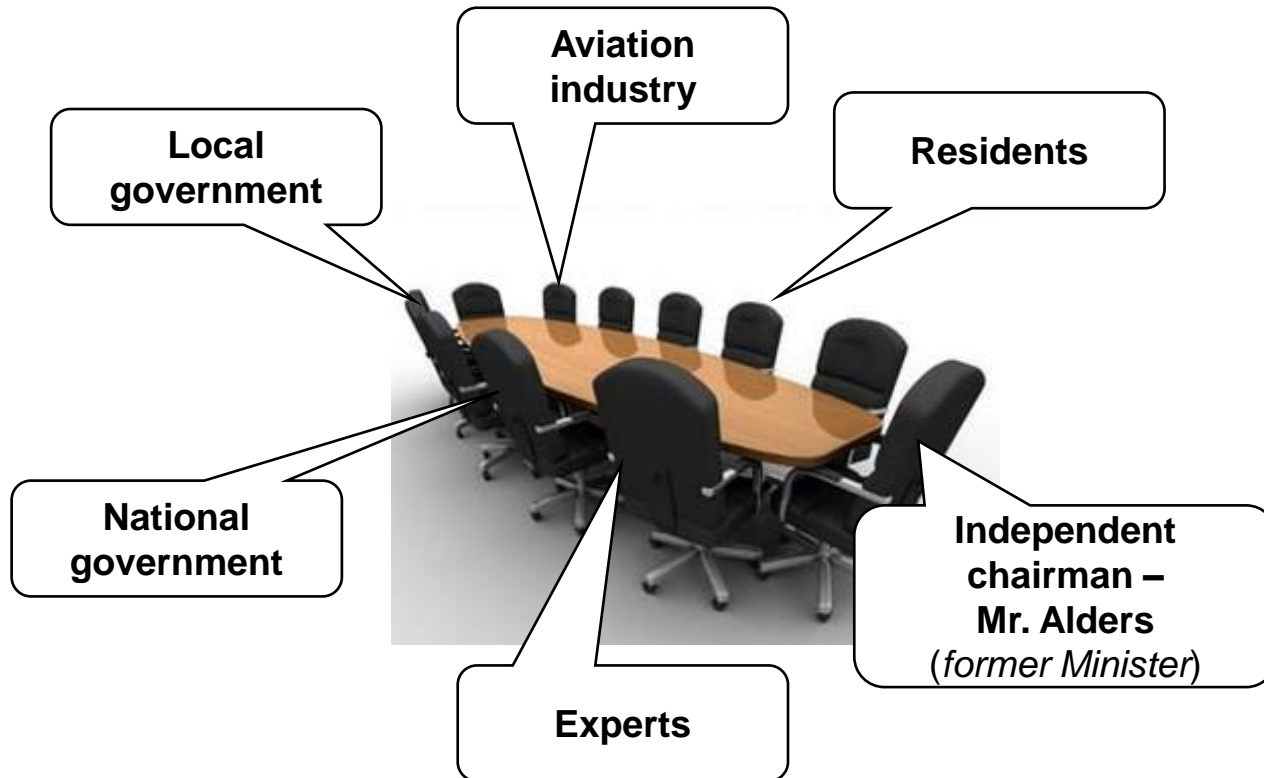


Sustainable & Safe
Performance



Alders community consultation

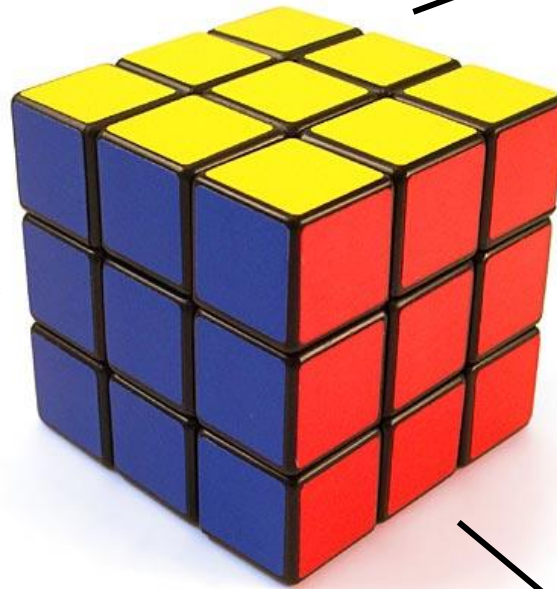
Unique setting, continuous dialogue



Alders agreement

Mainport development

- Further growth 500,000 movements at Schiphol
- 70,000 movements to regional airports
- New ATM-concept
- New noise regulation scheme
- Selectivity



Reduction annoyance

- Cap on number of movements - 2020
- CDA's fixed arrival routes
- Selectivity in use of Airport

Quality of life

- Stichting Leefomgeving Schiphol
(Environmental Foundation Schiphol)

Mainport vision Amsterdam Airport Schiphol

Selective development Schiphol: specialization on Mainport related traffic



Segmentation and priority based on destination

- 1 Hub destinations (AF-KLM and SkyTeam)
- 2 Intercontinental business destinations, served by other ICA carriers
- 3 European business destinations, served by other carriers
- 4 Full Freighter operators
- 5 Leisure destinations

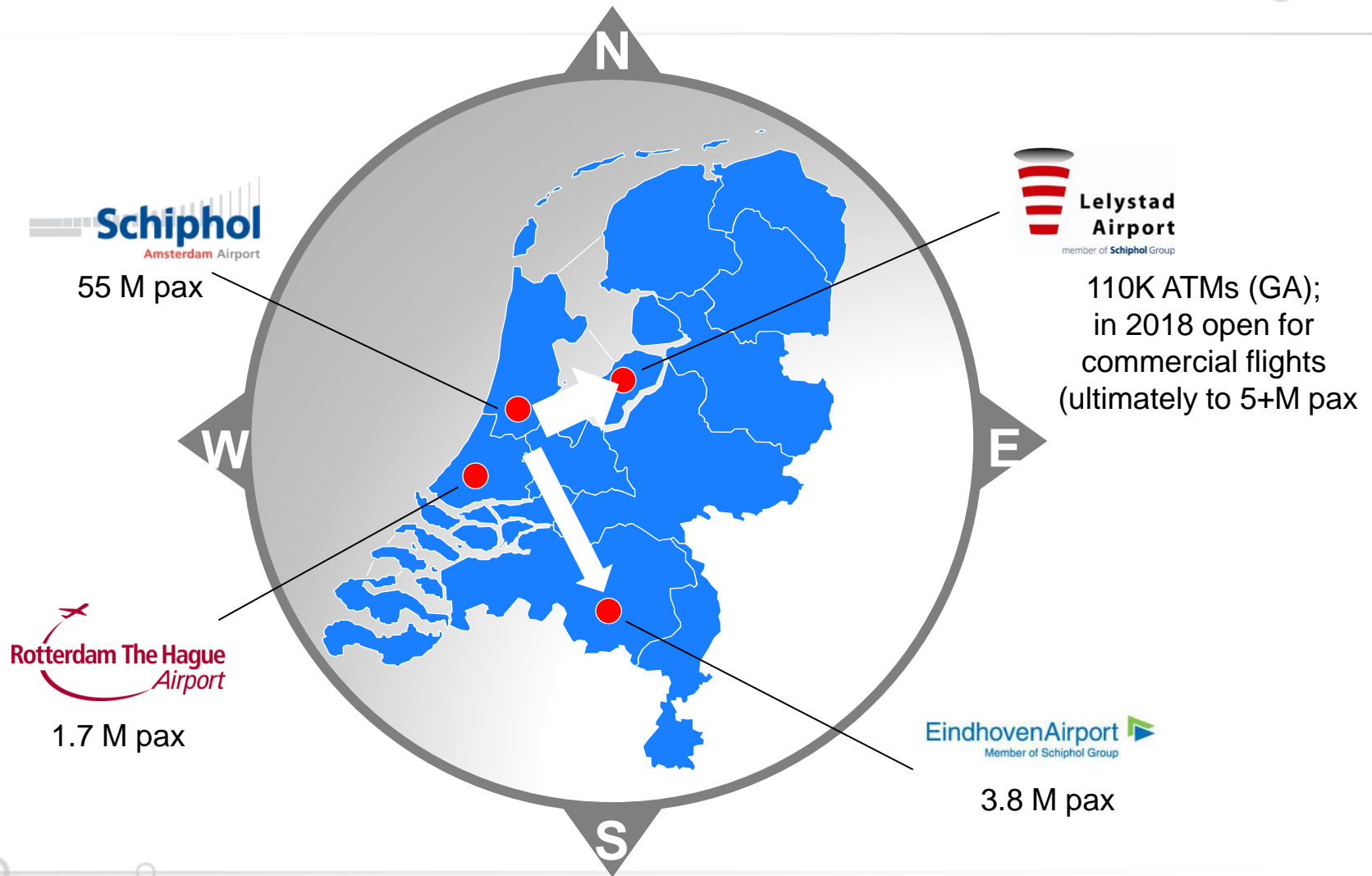
Mainport relevance

high



low

In the Netherlands Schiphol Group operates 3 regional airports that will play an important role in the further development of the mainport



Also the international strategy is geared towards strengthening the Mainport Schiphol

Objectives of Schiphol's international strategy

1

Strengthen the organisation

2

Improve financial position

3

Increase Schiphol's global reach

Together these objectives contribute to:

'Materially reinforce the Mainport Schiphol'
while further developing Schiphol Group as a leading international airport operator

Concluding remarks

- **The success of the aviation sector is dependent on an aligned vision on:**
 - The importance of aviation to the region/country
 - The future development of aviation and how to compete
 - An integral spatial planning incorporating also other infrastructure, offices and housing

- **The government has a vital role in developing aviation**

- **But the sun doesn't always shine.....**
 - Competition laws
 - Divergence on growth agenda and financial performance
 -

See you at Amsterdam Airport Schiphol!

