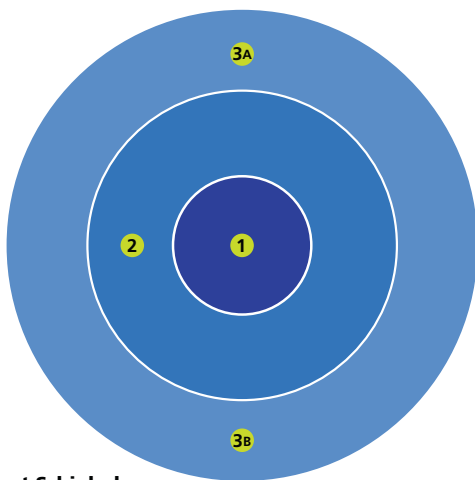
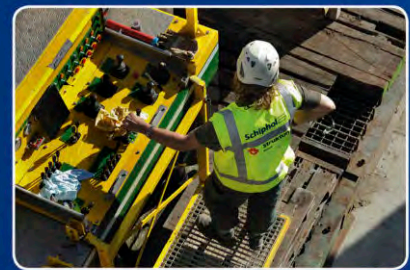


# Schiphol Group Annual Report 2013



# Strategy

In order to maintain Schiphol's position as Europe's Preferred Airport, Schiphol Group aims to continue developing the airport as a high-quality, innovative and sustainable hub. The focus will be on safeguarding Mainport Schiphol's strong competitive position. In addition to its worldwide network and role as a multi-modal transport hub, Schiphol is also a key driver of the Dutch economy. We seek collaborations at both a national and international level.



## Mainport Schiphol

- 1 A strong KLM/SkyTeam network** to drive the Mainport
- 2 A competitive airport**
  - Schiphol as an attractive & efficient hub airport (for both passengers and cargo)
  - Schiphol as an OD airport and multimodal transport junction
- 3 A competitive region**
  - A)** An attractive region for residents, employees and tourists
  - B)** A country with an attractive international business climate

## Mainport Schiphol: leading the way

We strive to maintain Schiphol's position as Europe's Preferred Airport: the airport passengers choose over our competitors for either transfer or departure. In order to achieve this goal, it is crucial that we maintain and expand our high-quality network of connections. This network, after all, lends Schiphol its status as one of Europe's four key hubs.

We are working to further develop Schiphol as a Mainport, creating an international and multi-modal hub that accommodates flows of people, goods, information, knowledge and culture. Schiphol seeks to lead the way in terms of efficiency and sustainability. Sustainability and innovation are key priorities. These goals can only be achieved by maintaining good relationships with our stakeholders and working closely with local administrators and residents in the surrounding area.

Our broad range of commercial activities helps set us apart from the competition. Schiphol is an AirportCity, a city in itself. The terminal offers passengers a broad, continually evolving range of stores and catering outlets, along with other services that make travelling a more pleasant experience. We also cater to the businesses community, offering a range of multifunctional buildings and flexible

lease contracts as befits a metropolitan region. Together, these facilities allow Schiphol to manifest itself as a top-quality location.

### **The changing role of regional airports**

Schiphol Group also comprises a range of regional airports: Eindhoven Airport, Rotterdam The Hague Airport, and Lelystad Airport. Eindhoven Airport and Rotterdam The Hague Airport offer networks for regional business traffic and cater to the non-business (leisure) segment. In future, Eindhoven Airport and Lelystad Airport will come to play a key role in achieving selective growth. This form of expansion is aimed at servicing an increasing number of non-Mainport related destinations (such as holiday destinations) from regional airports.

### **International value creation**

In order to further strengthen Mainport Schiphol and its network of destinations, Schiphol Group seeks out collaborations with key international airports, most notably the SkyTeam hubs of John F. Kennedy International in New York and Paris Charles de Gaulle. Collaboration and cross-participation with Aéroports de Paris has helped build a strong platform for the further development of the hub system and the AirportCity concept. Over the course of our international activities, we share knowledge and gain experience with new business models and processes. As a result, our international activities help to further strengthen the Mainport. Our international participations make a considerable contribution to Schiphol Group's results.

## Strategic themes

Schiphol Group has formulated several long-term themes to guide its strategy. We have incorporated the aspects as described in Changing business environment, SWOT Analysis and Risks and Opportunities into our business model and strategy to make them future-proof.

### **Top Connectivity**

Schiphol Group is continually working to further improve and expand its infrastructure. The focus is on enabling Amsterdam Airport Schiphol to continue facilitating the extensive network of frequencies and destinations. The high-quality hub network offered primarily by home carrier KLM and the SkyTeam partners distinguishes Schiphol as a transfer hub and serves as the basis for its Mainport status. This extensive network also allows us to offer our passengers and cargo carriers a certain freedom of choice. Schiphol is working with government authorities and public transport companies to further improve the Mainport's accessibility by road and rail.

### **Excellent Visit Value**

Schiphol Group wishes to continue offering its passengers, airlines and other users an attractive, high-quality airport environment at competitive rates. This will allow Schiphol to retain its status as Europe's Preferred Airport, while safeguarding and further improving its competitive position. We strive to continually improve the efficiency of our operations and the quality of products and services at our airports. The wishes of our passengers are key to our efforts in this regard. We strive to strike a careful balance between costs and quality.

### **Competitive Marketplace**

Schiphol offers an attractive working and business location. The AirportCity concept includes shopping, meeting and leisure facilities. We must create an attractive marketplace in order to remain competitive with other national and international business locations. Our retail vision and real estate strategies are key in this regard. We are also seeking to strengthen Schiphol's position as a cargo distribution hub.

### **Sustainable Performance**

Schiphol airport creates sustainable value for its customers and stakeholders. Financially sound, robust and efficient business operations will be crucial in building a future-proof company. Schiphol seeks to strike a balance between people, planet and profit. We engage in constant dialogue with our stakeholders, including interested parties in our immediate environment. In particular, Schiphol assumes responsibility for five key social themes: sustainable employment, accessibility and air quality, climate-friendly aviation, commodity shortages, and noise and the local community.

## Strategic objectives for 2013 -2017

In order to realise sufficient progress and achieve results, clear targets for each strategic theme have been formulated for the 2013-2017 period. To provide direction, we have included Key Performance Indicators for each target in our planning process. In addition, every year we prepare a *Tactical Plan* covering the next three years, which also contains the budget for the subsequent year. In the *Tactical Plan*, which is based on realisation of the long-term strategic objectives, we strive to at least meet the return requirement determined by the Dutch State and currently set at 6.7% (Return on Equity) for Schiphol Group.

We also set a management agenda for each year, including concrete steps and focus areas. Those for 2014 can be found in the Management Agenda for 2014. The level of variable remuneration for the management of Schiphol Group is partly dependent on the successful implementation of this management agenda and the associated individual targets.

### Top Connectivity

1. Facilitate the hub, with a view to the continued development of a high-quality, distinctive and competitive network of intercontinental and European connections;
2. Further improve an extended, reliable and accessible landside network of multi-modal connections.

### Excellent Visit Value

1. Continue to improve passenger travel comfort;
2. Effect a competitive price-quality ratio for airlines;
3. Offer high-quality and distinctive facilities that are tailored to meet passenger needs.

### Competitive Marketplace

1. Ensure an attractive business climate at the airport;
2. Realise flexible logistics solutions for handling agents and forwarders;
3. Offer an attractive, up-to-date portfolio of products and services.

### Sustainable Performance

1. Ensure a well-considered balance between people, planet and profit;
2. Guarantee financially robust and efficient business operations to facilitate continued Mainport development and to generate value for all stakeholders;
3. Continue the stakeholder dialogue within the Alders Platform and with parties from the Schiphol Regional Consultative Committee (CROS) in order to maintain local support.