

The background of the cover is a wide-angle photograph of an airport tarmac under a bright blue sky with scattered white clouds. In the foreground, a dark asphalt runway with yellow dashed lines curves from the bottom left towards the right. In the middle ground, several aircraft are parked at gates, and a prominent air traffic control tower stands out against the horizon. The overall scene is bright and clear, suggesting a sunny day.

Schiphol Group Annual Report 2015

Value creation

Connecting the Netherlands

Schiphol Group's mission is Connecting the Netherlands: Permanently connecting the Netherlands to the rest of the world in order to contribute to prosperity and well-being in this country and elsewhere; **connecting to compete** and **connecting to complete**.



Why



Mission

Connecting the Netherlands: Connecting the Netherlands to the rest of the world in order to contribute to prosperity and well-being in this country and elsewhere.



Ambition

It is Schiphol Group's ambition to develop Schiphol into Europe's Preferred Airport for travellers, airlines and logistic service providers alike.

How

In order to achieve our mission effectively and efficiently, we have clustered our core activities around four business areas: Aviation, Consumer Products & Services, Real Estate, and Alliances & Participations. This business model guides the implementation of our joint strategy and determines the success of Schiphol Group.



Aviation

Infrastructure and facilities for airlines, passengers, handling agents and logistics service providers at Schiphol, safety and security at Schiphol.



Consumer Products & Services

Products and services for travellers 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.

What

Our job is to maintain and further develop Mainport Schiphol's position as a multimodal hub. To do this, Schiphol Group must be successful across the board. Five themes underpin our strategy for meeting this challenge.



Top Connectivity

The best connections

Connect

- Network of destinations and flight frequencies
- Airport infrastructure
- Accessibility by road and rail



Excellent Visit Value

An attractive airport

Compete

- Cost-efficient operations
- Streamlined and distinctive passenger experience
- Competitive price/quality ratio



Competitive Marketplace

A prime location

Attractive

- Locations, locations, locations
- Attractive business climate
- Logistic capacity



Development of the Group

A strong Group

Strengthen

- International development
- Organisational development
- Synergy within the Group



Sustainable & Safe Performance

Sustainability and safety

Future-proof

- People Planet Profit
- Financial solidity
- Safe environment for staff, passengers and visitors

Who

Schiphol has many stakeholders who represent a wide range of interests:



Travellers



Airlines



Local residents

- Alders Platform
- Schiphol Local Community Council
- Local Community Contact Centre Schiphol



Sector partners

- Airlines
- Air Traffic Control the Netherlands (LVNL)
- Handling agents
- Dutch Customs
- Royal Netherlands Marechaussee



Government bodies

- Neighbouring municipalities
- Provinces
- Ministries



Financial stakeholders

- Shareholders
- Banks
- Bond investors



Business partners

- Concessionaires
- Lessees
- Security companies
- Facility service providers
- Construction and installation companies



Employees



Network and special interest organisations



Knowledge institutions

Value



Capital

Input

Output

Outcome

Produced



- Airport infrastructure
- Buildings
- Car parks
- Roads

- High-grade facilities and infrastructure
- Competitive airport charges
- Attractive real estate

Social and relationships



- Infrastructure and network
- Stakeholder dialogue
- Collaborations

- Accessibility of destinations
- Relationships with sector partners, business partners, suppliers and employees
- Local support base

Human



- Employees
- Schiphol workers

- Skilled and trained employees
- Diversity
- Safe working conditions

Intellectual



- Knowledge
- Expertise

- Brands and concepts
- Innovation

Nature



- Energy
- Raw materials
- Drinking water
- Land holdings

- Emissions
- Noise
- Use of materials and residual waste flows
- Waste water
- Water
- Space requirements
- Biodiversity

Financial



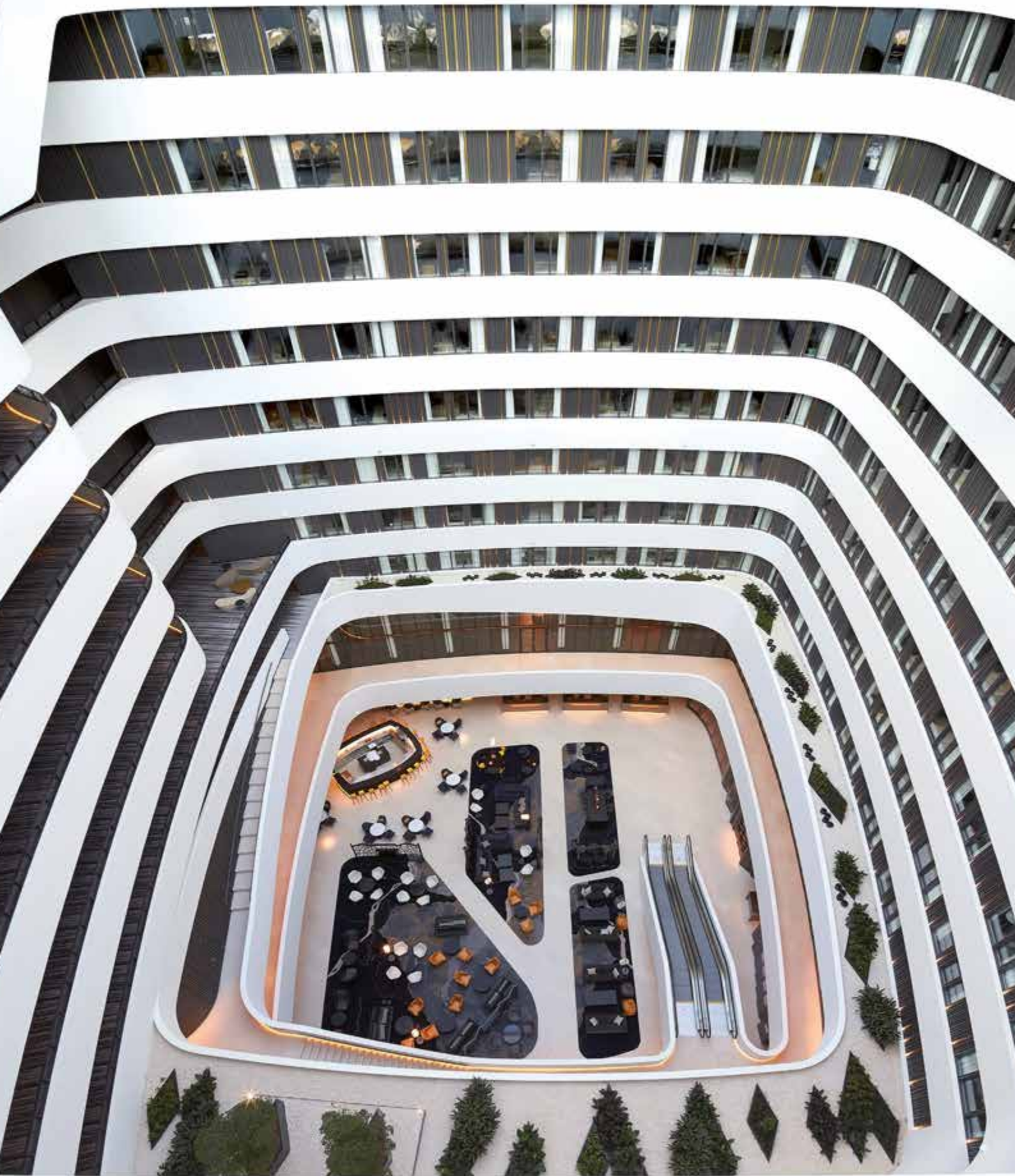
- Financial position
- Creditworthiness

- Return
- Credit rating
- Taxes
- Dividend

- Connections
- Economic value
- Safety
- Living and working climate
- Support base
- Reputation
- Committed and motivated workforce
- Ecological value

Prosperity

Well-being



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Network of destinations

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Message from the CEO

Aviation is a fascinating sector. The interests and interdependencies are huge and the sector is constantly evolving. For an ambitious market player like Schiphol Group, the key is to distinguish itself.



Mainport Schiphol is in an excellent position thanks to its extensive network of connections. Schiphol is expanding more rapidly than several of its European counterparts and its cost level is competitive. This position should not be taken for granted however. The domestic market is relatively small, the focus of the global economy is shifting and competition continues to intensify, both within and outside Europe. But there are also opportunities: more people than ever are travelling by air and new markets are developing at a rapid pace.

Strategy for 2016-2020

In 2015 Schiphol Group adapted its strategy for the 2016-2020 period. The core of this strategy is to increase connectivity by investing in capacity and quality and to facilitate the growth of activities at Amsterdam Airport Schiphol and our other airports as effectively as possible. Our strategy is based on five key principles: Top Connectivity, Excellent Visit Value, Competitive Marketplace, Development of the Group and Sustainable & Safe Performance.

Mainport Schiphol's strength lies in its dense network of destinations, the majority of which are served by our home carrier KLM and its partners. It is this network that makes Schiphol one of Europe's key hubs. Our connectivity generates growth and jobs for the Amsterdam metropolitan area and the Netherlands as a whole. Our aim is to expand this network, focusing on destinations that create the most value for the Dutch economy.

Competitive rates

Airport charges are a key income source for airports. However, competitive pricing is crucial to maintaining a strong international position. In 2015 the airport charges were reduced by 6.8% and we announced a further 11.6% reduction with effect from 1 April 2016. This decision was motivated by higher than expected passenger volumes and effective cost control. In the years ahead, passenger numbers will continue to grow and we want to be able to accommodate and facilitate this growth going forward. To that end we will have to make substantial investments, which will eventually push airport charges up again. Our intention is to provide for gradual adjustments where possible.

Continued investment

Investments to strengthen, enhance and enlarge our infrastructure are urgently needed. Our largest planned investments will be in a new pier and terminal, modernising the bus and railway station, building new access roads, upgrading Schiphol Plaza and Jan Dellaertplein and the demolition and construction of parking facilities. These measures are needed for us to continue offering travellers and airlines an excellent product. The definitive decision regarding these investments is expected soon. Several tenders for the construction of the new pier and terminal have already been initiated, with the new pier now scheduled to be completed in 2019 and the new terminal building to open in 2023. Since passenger numbers will continue to grow in the meantime, Schiphol will be reaching the limits of its capacity in the coming years. Operational

constraints are unavoidable at peak times, and some tough choices will need to be made that will affect all parties operating at the airport.

Quality under pressure: accessibility

Access to Amsterdam Airport Schiphol is currently under pressure and this could potentially undermine our competitive position. The railway station and bus station are too small and the railway tunnel does not offer sufficient capacity either, causing frequent disruptions for travellers and airport employees. In view of the anticipated growth in passenger numbers, the problems will only increase if we do not take appropriate action. Schiphol has already been calling for extension of the North-South metro line for some time now. Though investments are essential, until national and regional authorities assume their responsibility no real solution will be possible.

Quality under pressure: renovations and heightened threat level in the Netherlands

Other developments also placed constraints on the quality of our services. Setbacks in construction made it impossible, for instance, to complete the renovation of Departure Lounge 2 in 2015. This delay adversely affected our service to passengers and placed a considerable strain on our business partners, as borne out in our internal quality surveys and external rankings. At the new central security filters the security process is being optimised to enhance the passenger experience. The Royal Netherlands Marechaussee lacks sufficient capacity to man all of the desks at peak times, resulting in regular queues at passport control. This is an important issue for Schiphol, in view of long-term demands being made on the Royal Netherlands Marechaussee in connection with the nationwide fight against terrorism and immigration issues.

Role of government

Maintaining a strong and competitive aviation sector requires more than just changes at operational level. The government also plays a role by setting priorities, making the right choices, creating optimal conditions, eliminating unnecessary rules and costs, ensuring fair competition and, where necessary, making investments and collaborating closely with the sector.

It would be helpful if, after seven years of thinking and talking, the evaluation of the Aviation Act was transformed into legislation and the government pushed forward the implementation of the New Environmental Standards and Enforcement System. Agreement on the regional authorities' plans to build new housing in the vicinity of Schiphol can only be reached under strict conditions, as Schiphol believes this must be viewed alongside other elements of the Alders Agreement and the airport's long-term growth beyond 2020.

Working in cooperation with KLM and Air Traffic Control the Netherlands, Schiphol Group established a list of action points in 2015 in which we ask the government to provide more direction and adopt a more integrated approach, assess how it might contribute to a more competitive cost structure, provide clarity

regarding selectivity policy and contribute ideas and resources to improving landside accessibility of the airport. We were pleased to learn that the Ministry of Infrastructure and the Environment is taking these points as input for the Aviation Action Plan.

Connecting to compete & complete

As an aviation company, Schiphol Group has a key social and economic function. We call this *connecting to compete* and *connecting to complete*. We are determined to set a strong example in the public sphere, for instance through initiatives targeting emissions and circularity. Amsterdam Airport Schiphol aims to be the world's most sustainable airport, which is reflected in the fact that Sustainable & Safe Performance is one of the five pillars of our core strategy. Schiphol is one of the airports most actively pursuing emissions reductions. In addition, we take measures to enhance the quality of life for local residents and to promote the use of clean transport vehicles, efficient energy use, smart reuse and recycling of residual waste flows and the long-term employability of our staff. The interests of people, the environment and the community play a fundamental part in our daily operations, which is also illustrated by our commitment to the principles of the United Nations Global Compact.

Schiphol is ambitious, both in *connecting to compete* and *connecting to complete*. Running an airport is all about people – about providing our services to travellers and airlines. Schiphol has been doing this for one hundred years now and will be celebrating its centenary in 2016. Yet instead of a hundred years old, we feel young. We are bursting with energy and vitality and are continuing full speed ahead. Aviation is a fascinating sector and one that is constantly evolving, and Schiphol has got what it takes to keep playing a prominent role in the global vanguard.

Jos Nijhuis

President & CEO of Schiphol Group

Key events in 2015

First quarter

1 January

Set-up of the Schiphol Local Community Council in order to conduct consultations with the region and the sector regarding the long-term development of aviation in the Schiphol region.



31 March

Minister for the Environment Wilma Mansveld presents the Lelystad Airport Decree.

30 April

Sale of a 60% stake in Schiphol Airport Retail to Gebr. Heinemann. Set-up of a joint venture for the sale of alcoholic beverages, tobacco and chocolate in the shopping area beyond security control.



13 May

Minister for the Environment Wilma Mansveld opens the high-quality public transport hub in Schiphol-North: a unique five-party collaboration.



3 June

Implementation of central security in the entire terminal of Amsterdam Airport Schiphol. Opening of four new security filters.

Third quarter



Summer

Summer campaign in the terminal: Mini-Heroes.

29 August

Samsung Electronics B.V. reports that it will be relocating its company headquarters to Avioport.

30 September

Schiphol Group places an 11-year Eurobond for 300 million euros.

30 October

For the 26th time, Amsterdam Airport Schiphol is named best airport in Europe by the UK magazine Business Traveller.

Schiphol announces an 11.6% reduction in airport charges as of 1 April 2016. The reduction was made possible by higher than expected passenger numbers in both 2014 and 2015, as well as effective cost control.

5 February

Protix – one of 100 entries – wins the Schiphol Go International competition. This sustainable producer of commercial fish food will be launched on the international stage.



Second quarter

2 May

Schiphol is awarded Level 3+ Airport Carbon Accreditation status: the highest possible level. Schiphol is therefore among the top airports in the world with regard to sustainability.

29 May

Start of Aruba Happy Flow: a collaboration between Aruba, the Netherlands, Aruba Airport, Schiphol Group and KLM that means passengers only have to display their passport once.



18 June

Schiphol puts 35 electric buses into operation to transport passengers from the aircraft to the gates, and has the largest charging station in Europe for these buses.



2 July

Schiphol becomes the first European airport with full beacon coverage: the terminal building is equipped with nearly 2,000 beacons.

23 July

Wave Goodbye app expanded to include a 'welcome home' function.



31 August - 1 October

Major maintenance on Runway 18L-36R, meaning greater usage of Runways 18C-36C and 09-27.

Fourth quarter

17 December

The new Hilton Hotel at Schiphol – with 433 rooms and extensive conference facilities – welcomes its first guests. A covered walkway connects the hotel directly to Schiphol Plaza and the airport terminal.



Schiphol Group signs a contract with building firm Dura Vermeer for the construction and long-term maintenance of the airside and landside infrastructure of the new Lelystad Airport.

100th anniversary

Amsterdam Airport Schiphol



1916

The beginnings

Origins as a military airport

A few wooden hangars were built in the Haarlemmermeer polder, in the midst of the First World War. The first military aircraft landed on 19 September 1916. Post and cargo soon began to be shipped by air shortly after the war. KLM was founded and the Amsterdam-London route marked the first scheduled flight service in 1920. Jan Dellaert joined KLM as the terminal and airport manager.

1925

The first upgrade

A mature civilian airport with a terminal

Air traffic grew rapidly. Schiphol's facilities, however, were inadequate. The airfield suffered frequent flooding, inconveniencing passengers and pilots. The municipality of Amsterdam acquired responsibility for civil aviation in 1926. A new terminal worthy of welcoming Olympic athletes and international guests was built in 1928.

1930

Years of flourishing growth

Second airport in the world with a paved runway system

Aviation activities at Schiphol flourished. To safely manage the busy airspace, Air Traffic Control at Schiphol acquired responsibility for air traffic in the skies above the Netherlands. Schiphol gained a paved runway system in 1938. Dellaert developed a vision in which Schiphol featured as a major contributor to the Dutch economy.

1940

Destruction

Bombed by the Germans and Allies

At the outbreak of the Second World War Schiphol fell into the hands of the Germans. The airport formed a threat to the allies due to its strategic geographic location. As a result, it was bombed countless times by the British and Americans and ultimately wiped off the map.

1945

Reconstruction

Rebuilt and extended

8 July 1945 marked the landing of the first aircraft after the war, though improvisation was the order of the day. Air Traffic Control was initially housed in removal vans and a wooden, two-storey emergency building would later serve as the air traffic control tower. Jan Dellaert vigorously tackled the reconstruction efforts. A new terminal opened in 1949 and passenger volume rose sharply.

1950

An independent airport

From municipal service to public limited company

Schiphol enjoyed rapid growth with the advent of jet aircraft in 1958. To prepare for the future, the inspirational airport manager Jan Dellaert developed plans for a completely new airport. Its designated location was slightly to the west of its current location. The central government approved the plans, and in 1958 Schiphol became a public limited company with the central government as its major shareholder.



1960

The new airport**Construction of Schiphol-Centre**

Dellaert's plan was revolutionary. One central terminal building was constructed, surrounded by three piers for passengers plus a separate cargo zone. Four runways were built and geographically positioned to enable aircraft to take off and land in all wind directions. The tax-free shopping centre was unique. On 28 April 1967 Queen Juliana of the Netherlands officially opened the new airport.

1970

Steady growth**Ever larger aircraft and growing passenger numbers**

Passenger volume continued to grow steadily with the advent of the Boeing 747 'jumbo jet'. The arrival hall was expanded in 1971 and later the northerly section in 1975, which gained Departure Hall 2 plus a fourth pier. Accessibility to Schiphol improved with the opening of a railway line in 1978.

1980

New Master Plan**New expansion in order to accommodate expected growth**

Midway through the 1980s the airport again faced space constraints. A new Master Plan for more than 100 projects was created in 1988. Priority was given to the construction of a new air traffic control tower. At 101 metres, it was the world's tallest air traffic control tower at that time. Schiphol ranked as the world's third-largest airport for cargo and gained a new cargo zone at Schiphol-South in 1988.

1990

Implementation of the development plans**From airport to AirportCity**

After the opening of the air traffic control tower in 1991, further projects were implemented in rapid succession. The 1990s saw the expansion of Schiphol with the West Terminal (Departure/Arrival Hall 3) plus Schiphol Plaza. The railway station and landside shopping centre were housed under a single roof together with the arrival and departure halls.

2000

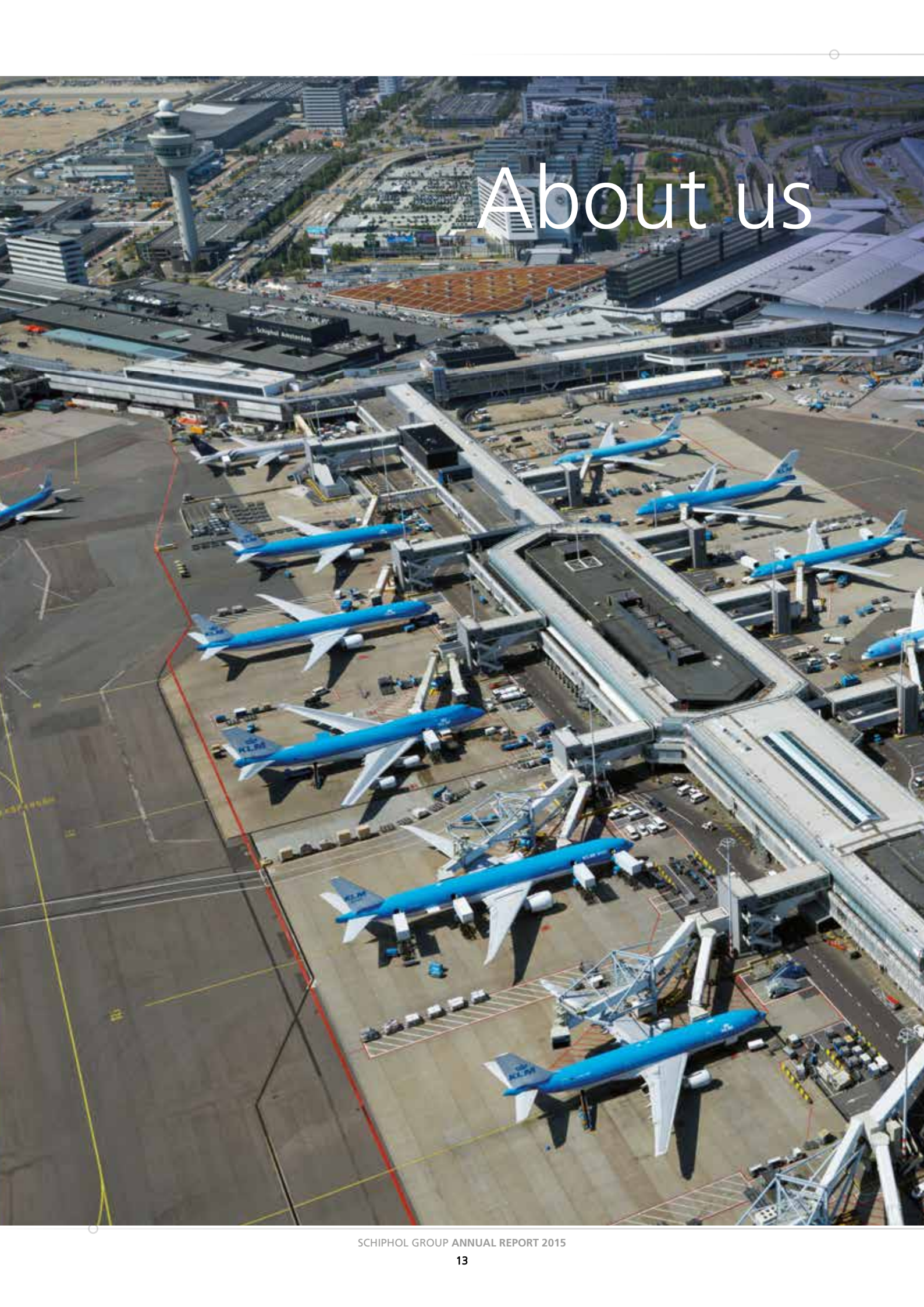
Stagnation and agreements on growth**Controlled development within agreed boundaries**

The new millennium marked a difficult start for the aviation sector. Passenger volume fell in the wake of the 2001 September 11 attacks in New York. The new 18R-36L runway opened in 2003. Schiphol expanded, gaining Departure and Arrival Halls 4, plus Piers H and M. The aviation sector reached agreement with local stakeholders about further growth.

2016

Schiphol as a major driver of the economy**Continuous innovation keeps the pioneering spirit alive**

Hundred years ago Jan Dellaert envisioned that Schiphol would play a key role in making the Netherlands 'big'. And his vision has materialised. Schiphol has made the Netherlands bigger thanks to more than 300 international connections. Schiphol continuously innovates, keeping Dellaert's pioneering spirit alive. With due consideration for the quality of life in the airport environs, Schiphol serves as a major economic driver for the Netherlands.



About us

Facts and figures



322

destinations Schiphol



295

passenger destinations Schiphol



31%

business travel Schiphol



5

main runways Schiphol



1.9

billion € real estate



1.65

kg CO₂ per passenger



40%

by public transport to Schiphol



30%

employees female



52%



64

million passengers



58

million passengers Schiphol



39.5%

transfer passengers Schiphol



1.6

million tonnes cargo Schiphol



6.4

billion € total fixed assets



88%

occupancy rate real estate



4.1%

energy efficiency Schiphol



28%

waste separated Schiphol



3.6%

absenteeism



10.4%

Key figures

EUR million unless stated otherwise

	2015	2014	%
Results			
Revenue	1,423	1,438	-1.0
Other income and results from investment property	67	-1	>100,0
Other income	50	36	39.1
Operating expenses (excluding depreciation, amortisation and impairment)	804	837	-3.9
EBITDA ¹	735	635	15.7
Depreciation and amortisation	223	228	-2.3
Impairment	8	4	78.7
Operating result	505	403	25.3
Financial income and expenses	-89	-86	3.5
Share in results of associates	60	27	>100,0
Result before tax	477	345	38.3
Corporate income tax	-99	-71	38.2
Result after tax	378	274	38.3
Net result	374	272	37.6
Total equity			
	3,716	3,453	7.6
Investments in intangible assets and property, plant & equipment	439	396	10.9
Cash flow from operating activities	508	508	-0.1
Proposed dividend	187	138	35.2
Ratios			
RONA after tax ²	8.3%	6.6%	
Return on equity (ROE) ³	10.4%	8.0%	
Leverage ⁴	37.0%	35.0%	
FFO / total debt ⁵	22.0%	26.5%	
FFO interest coverage ratio ⁶	6.7	6.4	
Earnings per share ⁷	2,010	1,461	
Dividend per share	1,006	744	
Business volume (in numbers)			
Air transport movements ⁸	498,580	484,250	3.0
Passenger movements (x 1,000) ⁸	64,309	60,591	6.1
Cargo (x 1,000 tonnes) ⁸	1,621	1,633	-0.7
Workforce in full-time equivalents	2,000	2,039	-1.9

¹ Operating result plus depreciation, amortisation and impairment

² Operating result after tax plus share in results of associates and interest income / (average non-current assets minus deferred tax assets)

³ Net result attributable to shareholders / average total equity

⁴ Leverage: interest-bearing debt / (total equity + interest-bearing debt)

⁵ Funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt

⁶ Funds from operations plus gross interest expense / gross interest expense

⁷ Based on net result attributable to shareholders

⁸ Schiphol Group: Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport

Connecting the Netherlands



Schiphol Group is an airport company with an important socio-economic task. The airports of the group, and Amsterdam Airport Schiphol in particular, create value for society and for the economy. Based on our mission of *Connecting the Netherlands* we facilitate optimal links with the rest of the world, contributing to prosperity and well-being both in the Netherlands and beyond.

Mainport Schiphol's core strength is its network of destinations. This network defines how we contribute to prosperity and well-being in the metropolitan region of the Netherlands and nationwide, as well as in other countries, cities and regions to which we are connected.

It is this network that puts the Netherlands in direct contact with key economic centres across the globe, and that allows Dutch entrepreneurs to conduct business worldwide. Conversely, the network also improves the local region's competitive position by making it an attractive business environment for international companies. This creates a competitive marketplace – a driver for economic growth. By facilitating this network and all the associated activities, Schiphol Group contributes to prosperity. We call this **Connecting to compete**.

This network of connections is also of great social value. Its constituent airports make the Netherlands larger and the world more accessible. The more refined the network, the easier it is for people to connect, share knowledge and bridge cultural differences. In this way, Schiphol also contributes to social networks and social wealth, in a form of personal and cultural enrichment that cannot only be expressed in the bottom line. In other words, we are **Connecting to complete**.

We take people, the environment and the surrounding region into account in everything we do. We are conscious of the impact of aviation activities, and realise that the benefits and drawbacks of the airport are not evenly distributed across the surrounding region. This is why we are constantly working with our stakeholders to minimise noise and inconvenience and continue to invest primarily with a view to improving the quality of life in the region.

Our organisation

Amsterdam Airport Schiphol is not the Netherlands' only gateway to the rest of the world. Though the operation of this hub airport is one of our principal activities, the other airports we operate in the Netherlands further extend our reach and impact. Schiphol Group is the owner and operator of Rotterdam The Hague Airport and Lelystad Airport, and holds a majority share in Eindhoven Airport.

We also work closely with foreign airports which can strengthen our position. They include the airports of Aéroports de Paris, in which we have an 8% cross-participation. In addition, Schiphol Group is involved in the activities of JFKIAT at JFK International Airport's Terminal 4 in New York. We are also engaged in strategic collaboration with Incheon Airport, have an interest in Brisbane Airport and have activities at the airports of Hong Kong and Aruba. These international activities account for a significant part of Schiphol Group's results. We conduct our domestic and international operations in a balanced manner, and in doing so reflect our key values of reliability, efficiency, hospitality, inspiration and sustainability.

Thanks to these activities and the strength of the group we are able to invest in growth and the highest standards of quality. By joining forces with our sector and business partners, the authorities and the local community, we can achieve our ambition to further develop Mainport Schiphol as a multimodal hub. We are positioning Amsterdam Airport Schiphol as Europe's Preferred Airport – the first choice of passengers, airlines and logistics services providers. Over

the years, Schiphol has grown to become one of the largest hub airports in Europe, with 322 direct destinations. In 2015 the number of travellers served by Schiphol grew by 6.0% to over 58.2 million. Cargo volumes were down by 0.7% to 1.6 million tonnes. Schiphol is an important marketplace, with the airport site alone accommodating some 500 companies that together employ around 65,000 people.

The rest of the group is also growing. The number of travellers served by Rotterdam The Hague Airport and Eindhoven Airport grew by 0.3% and 10.3% respectively. In 2015 a total of 64.3 million passengers travelled through Schiphol Group airports, a rise of 6.1%.

To maintain its position and enable it to continue fulfilling its socio-economic role, Schiphol Group invests in infrastructure and facilities at these airports, seeking to balance a reasonable return on its equity and a stable dividend stream, on the one hand, with a moderate development of airport charges for airlines on the other. Our sound financial policy is aimed at safeguarding full independence in the financing of our business, both today and in the future. Schiphol Group has four shareholders: the Dutch state (69.8%), the municipality of Amsterdam (20.0%), Aéroports de Paris (8.0%) and the municipality of Rotterdam (2.2%).

Schiphol Group



Our activities



In order to achieve our mission of Connecting the Netherlands effectively and efficiently, we have clustered our core activities around four business areas: Aviation, Consumer Products & Services, Real Estate, and Alliances & Participations. We use this business model to implement our strategy and determine the success of Schiphol Group.

Our business model

The most important airport in the group, Amsterdam Schiphol Airport, has been developed as an AirportCity where travellers, airlines and businesses can access all the services they need, 24 hours a day. Schiphol continues to distinguish itself through the development of a wide range of commercial activities. Three complementary and mutually reinforcing business areas form the cornerstones of the AirportCity concept: Aviation, Consumer Products & Services and Real Estate.

Serving travellers, airlines, handling agents and logistic services providers alike, the Aviation business area plays a pivotal role at the airport. Aviation supplies and manages the infrastructure needed to ensure pleasant, reliable and efficient arrival and departure processes for travellers, baggage and cargo. It is responsible for coordinating safety in the terminal, on aprons and roads, and in airside areas and buildings.

The Consumer Products & Services business area offers travellers a range of products and services that facilitate a carefree and comfortable travel process. It includes shops, catering facilities and parking services at the airport. In addition, the business area markets advertising opportunities at the airport.

The Real Estate business area develops and manages real estate at and around the airport. The central task of this business area is to ensure that the airport area offers attractive business locations and a pleasant environment. We offer a wide diversity of first-class real estate such as the new Hilton Hotel, office buildings, logistics buildings and leased premises in the terminal.

Our fourth business area, Alliances & Participations, is focused on the operation of regional airports and the development of international business activities. Like Schiphol itself, the regional airports are developed on the AirportCity model through investments in real estate and the creation of an attractive range of shops, hotels and restaurants. We also export our AirportCity concept and operational expertise to airports abroad, thereby generating income and gaining new insights for the development of Mainport Schiphol.

Schiphol Group is more than the sum of its four business areas or a collection of airports; by tapping into the operational and commercial knowledge and innovative capacity in every part of the group, including our foreign interests, the group as a whole can remain strong, agile and distinctive within the aviation industry.

The operation of these airports is governed by a management model that enables Schiphol Group to make maximum use of the expertise of sector and business partners in the value chain, thus both promoting flexibility within the group and offering economies of scale. We participate in various partnerships for the joint

development of innovative concepts and solutions, as well as in joint procurement initiatives, where possible.

All four business areas contribute to Schiphol Group's results. The group derives its income from a range of sources, including airport charges and passenger charges, concession fees from retail and catering companies, revenue from advertising and parking services, property rents and leaseholds and income from associates.

Regulation

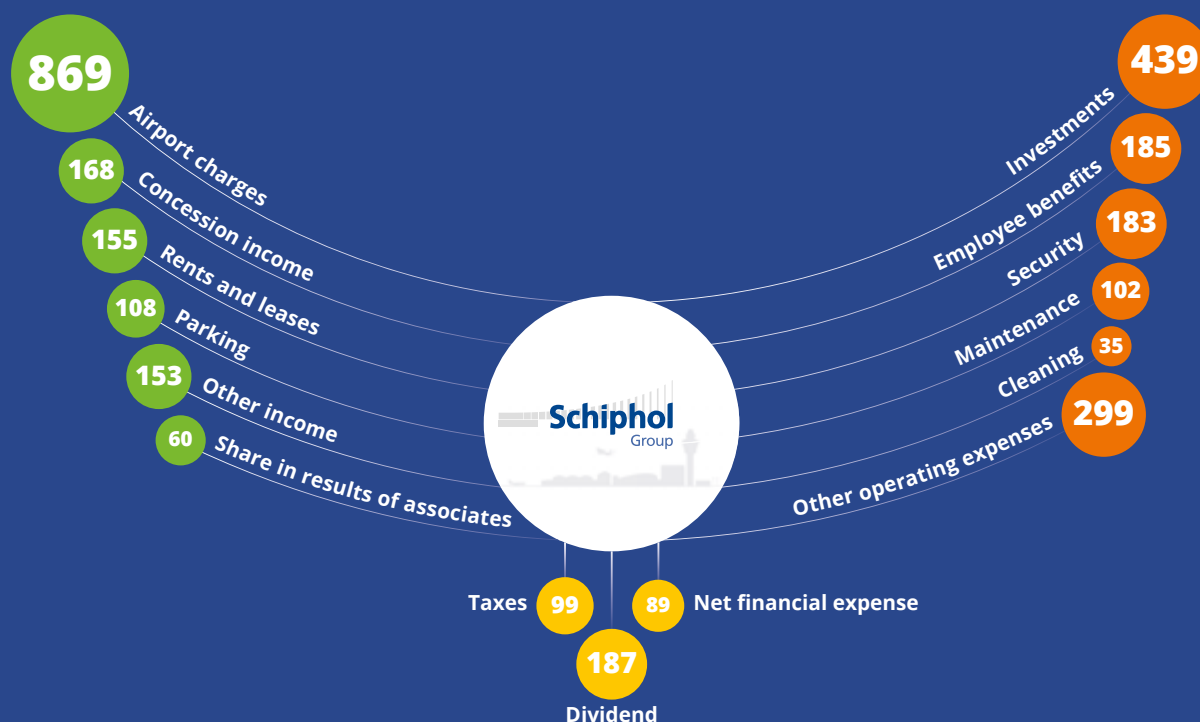
Our income differentiates between regulated and non-regulated flows, in what is known as a dual-till system.

Rates for aviation activities at Amsterdam Airport Schiphol are regulated. The scope available to Schiphol Group for charging costs directly related to its primary airport operations, infrastructure and security is largely fixed. The rates, including take-off and landing fees and passenger and security charges that Schiphol receives from the airlines, are periodically determined in accordance with legal provisions in the Dutch Aviation Act.

The return on aviation activities has been capped at the regulated average weighted cost of capital (WACC) determined annually, on which the ten-year interest rate on government bonds has a considerable impact. This means that Schiphol Group's return on aviation activities depends on the development of the interest rate.

Non-aviation activities at Schiphol are not regulated. They include all activities related to retail, catering, leases, media, real estate development, parking, car parking fees as well as our international activities. The operation of our regional airports is not regulated either. Our non-regulated revenue flow contributes substantially to the group's financial results, allowing us to maintain a healthy financial position. Both our aviation and non-aviation activities contribute to the fulfilment of our mission: connecting the Netherlands with the rest of the world.

Business model





Key figures

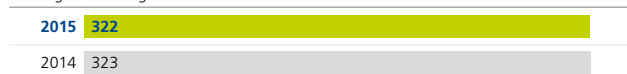
EUR million	2015	2014	%
Total revenue	844	839	0.6
Operating expenses	579	565	2.4
Depreciation	161	163	-1.2
EBITDA	266	274	-3.0
Operating result	104	110	-5.7
Average fixed assets	2,225	2,147	3.6

EUR million	Aviation			Security		
	2015	2014	%	2015	2014	%
Total revenue	549	551	-0.4	295	288	2.6
Operating expenses	341	323	5.6	238	243	-1.9
Depreciation	124	123	1.0	37	40	-7.8
EBITDA	208	229	-8.9	57	45	26.8
Operating result	84	105	-20.4	20	5	299.7

Key performance indicators

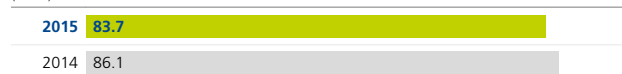
Number of scheduled destinations

Passengers and cargo



Punctuality of arrivals

(in %)



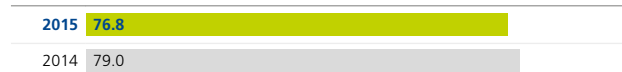
IR rate for baggage handling

(% of baggage delayed)



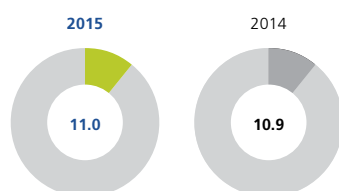
Punctuality of departures

(in %)



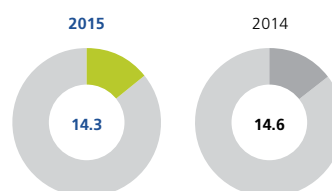
Schiphol passenger market share

Top-10 European airports (in %)



Schiphol cargo market share

Top-10 European airports (in %)





Key figures

EUR million	2015	2014	%
Total revenue	314	361	-13.0
Other income	50	5	823.9
Operating expenses	102	158	-35.7
Depreciation	24	27	-10.1
EBITDA	262	208	26.0
Operating result	238	181	31.3
Average fixed assets	314	298	5.5

EUR million	2015	2014	%
Concessions	155	145	7.4
Parking fees	90	86	4.3
Retail sales	26	82	-68.7
Rents and leases	16	18	-12.5
Advertising	16	18	-11.7
Other revenues	11	11	-2.5
Total revenue	314	361	-13.0

Key performance indicators

Airside retail spend per passenger

EUR per departing passenger

2015	14.45
2014	14.48

Parking revenue

EUR per departing NL passenger

2015	7.91
2014	7.79

Airside catering spend per passenger

EUR per departing passenger

2015	3.98
2014	3.82

Concession income

EUR per departing passenger

2015	5.33
2014	5.26



Key figures

EUR million	2015	2014	%
Total revenue	173	175	-1.2
Other income and results from investment property	66	31	117.6
Operating expenses	85	103	-17.3
Depreciation	19	20	-4.6
Impairment	7	4	58.5
EBITDA	154	102	50.4
Operating result	129	79	63.7
Average fixed assets	1,861	1,702	9.3

EUR million	2015	2014	%
Investment property: buildings, including service charges	70	70	-0.6
Investment property: land	24	24	1.5
Operating property, including service costs	43	43	1.0
Other	35	38	-7.4
Total revenue	173	175	-1.4

Key performance indicators

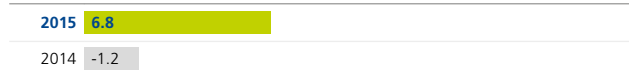
Direct return on offices

(in %)



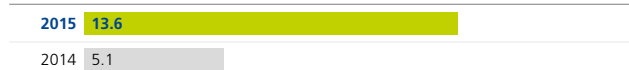
Indirect return on offices

(in %)



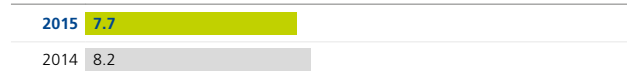
Total return on offices

(in %)



Direct return on industrial property

(in %)



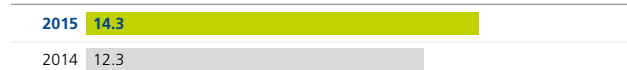
Indirect return on industrial property

(in %)



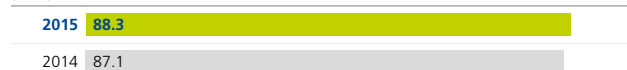
Total return on industrial property

(in %)



Occupancy rate

(in %)





Key figures

EUR million	2015	2014	%
Total revenue	187	178	4.7
Operating expenses	133	126	6.0
Depreciation	19	19	1.0
EBITDA	54	51	4.6
Operating result	34	33	4.0
Share in result of associates including interest	63	42	48.3
Average fixed assets	983	921	6.7

EUR million	International airports		Domestic airports		Other participations		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	13	15	92	88	81	76	187	178
Operating result	11	6	18	16	5	11	34	33
Share in result, interest charges and result on other investments	63	42	-	-	-	-	63	42
	-	-	-	-	-	-	-	-
Total result	74	49	18	16	5	11	97	75
Average asset base	820	754	117	112	46	55	983	921

Key performance indicators

Eindhoven Airport

Passengers x1,000

2015	4,332
2014	3,926

Rotterdam The Hague Airport

Passengers x1,000

2015	1,692
2014	1,687

Brisbane Airport (Australia)

Passengers x1,000

2015	22,153
2014	22,255

JFK IAT, New York (USA)

Passengers x1,000

2015	19,582
2014	17,130



Our position in the value chain

Many parties are involved in the development of Mainport Schiphol, and our core activities are a vital link in a complex value chain.

The passenger and cargo transport processes together constitute an airport's value chain. Schiphol Group plays a critical role in this chain: as an airport operator, we are responsible for these processes. This is also laid down in legislation and licences.

Under the Aviation Act, our core responsibility is to act as the airfield operator. Our socio-economic function is to promote the airport's optimum use as a high-quality hub for domestic and international air traffic.

Airports provide infrastructure and facilities for departing, transferring and arriving passengers and cargo, and for the businesses involved in the transportation process. In addition to being a multimodal hub, we are an attractive marketplace for products and services and offer a wide range of location options for businesses. A large number of parties are involved in these processes. Our most important value chain partners are airlines, handling agents, Air Traffic Control the Netherlands (LVNL), Customs and the Royal Netherlands Marechaussee. We also work with a wide array of business partners, including tenants, retail and catering companies and cleaning and security companies.

In many cases, responsibilities are shared. Airports do not always have complete control over the final performance: this is simply an inherent part of collaborating with multiple parties. Incidents can occur due to an error not only on the part of a Schiphol employee, but also on the part of employees of other partners in the chain. Reduction of noise impact and CO₂ emissions are also areas of shared responsibility, but Schiphol can exert its influence with partners to make air traffic more environmentally friendly and quieter. Schiphol Group also shares responsibility for spatial

planning of the airport site, which is developed in close cooperation with municipal, regional and national authorities.

It is vital that we take due account of these diverse responsibilities. They have a major influence on our growth ambitions, which must conform to environmental standards and noise level limits.

To provide insight into the long-term impact of its activities within the value chain, Schiphol Group uses a value creation model. This model explicates the relationship between input, output and outcome. Input are the resources that we use to create value, such as the airport infrastructure, our workforce potential and our partnerships. Our business activities generate output – in other words, things we produce – which include not only high-quality facilities and services but also a safe working environment, noise levels and waste flows, for example. Business activities combined with output represent the outcome, which is the added value that we are continually seeking to provide. This value is expressed, for example, by the extensive network of connections, economic value and strong popular support, all of which act to boost prosperity and well-being both in Netherlands and beyond. In 2015 we began translating our outcome into actual monetary impact. For further details, see *Valuing our Impact*.

The airport process

Our process roughly comprises three elements: transport to and from the airport, the terminal and the apron and runways. These activities determine the material aspects on which we report, such as accessibility, capacity, safety and air quality. Further details can be found under *Stakeholders and materiality* *Stakeholders and materiality*.

The diagram illustrates the layout of an airport, divided into four main zones: **Transport to airport**, **Terminal**, **Apron and runways**, and **Transport from airport**. Each zone contains various facilities, each represented by an icon and a colored bar indicating the level of control.

Legend:

- Own facility
- Full control
- In collaboration with partners
- No control

Facilities and Control Status:

- Transport to airport:**
 - Parking (P): Own facility (blue)
 - Taxi (T): Own facility (blue)
 - Train: No control (grey)
 - Bus (B): Own facility (blue)
- Terminal:**
 - Check-in: Own facility (blue)
 - Security: Own facility (blue)
 - Baggage claim: Own facility (blue)
 - Shopping: In collaboration with partners (orange)
 - Food and drink: In collaboration with partners (orange)
 - Waiting area: In collaboration with partners (orange)
- Apron and runways:**
 - Airplane: Full control (green)
 - Passengers: Own facility (blue)
 - Luggage: Own facility (blue)
 - Cargo: Own facility (blue)
- Transport from airport:**
 - Parking (P): Own facility (blue)
 - Taxi (T): Own facility (blue)
 - Train: No control (grey)
 - Bus (B): Own facility (blue)

Airport grounds

The quality and capacity of the total chain have enabled us to create a vast network of destinations, offer a high-quality visitor environment and ensure that all activities conducted here generate considerable economic spin-off for the region, the Netherlands and Schiphol Group. Schiphol Group builds, develops and commercially operates real estate on the airport grounds. The terminal and various buildings are the property of Schiphol Group. The company also leases out land under long leases. Schiphol develops a large number of office buildings, warehouses and other buildings such as hotels on behalf of or in collaboration with users/lessees. Schiphol Group shares joint responsibility with government authorities for the spatial planning of the airport grounds.

Materiality



Pre and post-transport

Schiphol Group owns the parking areas at the airport. As a result, it can influence the usage of various modes of transport, e.g. by adjusting parking fees: being picked up and dropped off by a third party means four car journeys have to be made, while if the passengers drive themselves and park at the airport, only two car journeys are required. Together with our partners in the public-transport sector, we are working to expand capacity and improve quality with regard to transport by bus and train. We are building roads and bus lanes at the airport, and are developing a high-quality bus network together with bus operators and government authorities. Furthermore, Schiphol gives concessions for taxi services from the airport, especially sustainable taxis.

Materiality



Terminal

The terminal is infrastructure owned by Schiphol Group. The airport's own employees work in the terminal as well as those of sector and business partners. The check-in desks and the baggage system are Schiphol Group assets and make an important contribution to efficient passenger flow. Safe and efficient screening of people and goods is ensured by a collaboration between the Royal Netherlands Marechaussee, Dutch Customs and security companies. The security and cleaning companies in the terminal are hired by Schiphol Group. The departure lounges located after border/security control featuring seating areas, retail and catering outlets are Schiphol Group assets. We grant concessions for operating retail and catering outlets. Schiphol develops retail and leisure concepts in association with its business partners.

Materiality



Aprons and runways

The gates where passengers board the aircraft are Schiphol Group assets. Aircraft are owned by the relevant airlines. The airlines are responsible for the safe carriage of passengers, baggage and cargo. The aprons and runways are Schiphol Group assets. We are responsible for the maintenance, availability and safety of the apron and runway infrastructure. Air Traffic Control the Netherlands (LVNL) indicates which take-off or landing runways should be used and the LVNL air traffic control tower maintains contact with pilots. In compliance with internationally applicable regulations, the government-appointed slot coordinator allocates the available slots and assigns permits for taking off and landing at certain times.

Materiality





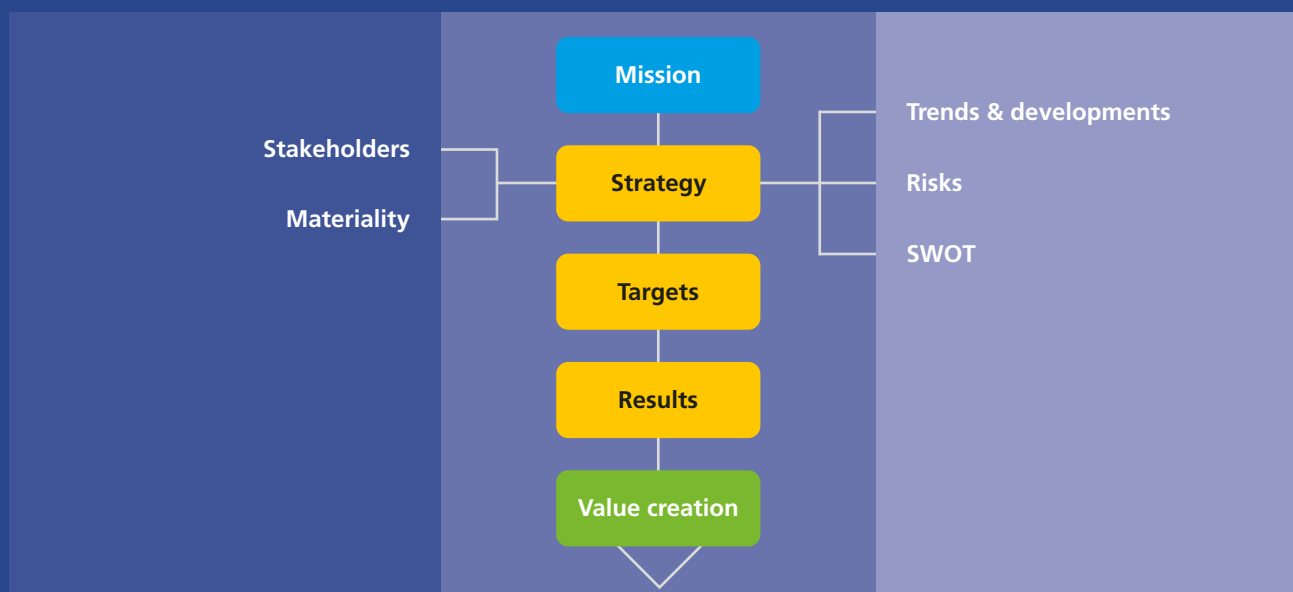
Our strategy

The context in which we operate



Schiphol Group operates in a dynamic environment. By remaining alert to new developments and responding with forward-looking strategies, we can strengthen our position. Consulting with stakeholders is an ongoing process; their interests play a part in our choices. Not only is this the best approach to Schiphol's socio-economic task, it also ensures that the group continues to meet the requirements of a robust, enterprising business model.

Strategic reporting



Stakeholders and materiality

Schiphol Group considers it its social duty to consolidate and further improve the position of Mainport Schiphol and the regional airports. This is the subject of ongoing consultations with our stakeholders. These consultations form the basis for our materiality matrix, comprising the key material aspects impacted by our organisation. We weigh the interests of Schiphol Group in these aspects versus those of our stakeholders.

Our stakeholders have let us know that direct contact is the main channel for them to be kept informed of our strategy and targets. We also use other communication channels, such as social media, websites and newsletters, depending on the message and target group. Our annual report primarily attracts comments from shareholders, financiers, policymakers and the regulatory authorities. It provides an up-to-date, comprehensive account of ongoing projects, important developments and results – information which other stakeholders, current and future staff and suppliers may also find useful.

For the most part, the interests of our many stakeholders vary widely. We are in touch with them regularly, at various levels, on a variety of issues. That way, we understand their priorities and they keep abreast of what is happening at Schiphol Group. We consult with our sector partners at operational and tactical level on a daily basis about efficient and safe operations. We regularly invite our stakeholders to visit our premises and share information about day-to-day activities, laws and regulations and current affairs, such as large-scale investments and renovation projects. Schiphol Group's Management Board is actively involved in these exchanges.

In addition to sector and business partners, influential businesses from other sectors are also involved in stakeholder consultations. Their unique expertise and insights help keep us on our toes. After all, Schiphol Group is concerned with more than just the financial bottom line: we feel connected to the surrounding community and fulfil an important socio-economic role. Potential solutions to societal issues are sought collectively. Wherever possible, any questions or advice arising in our discussions are addressed.

Sector consultations

Throughout the year, we meet with airlines to discuss transport forecasts, investments and cost development. These consultations are more than just a formal, legal obligation; they are an ongoing dialogue with the airlines, culminating in the formal setting of airport charges at set times each year. We also discuss our investment plans in these meetings. For instance, discussion of Area A development led to the adoption of a phased approach to

construction. Each consultation is evaluated with the airlines following completion.

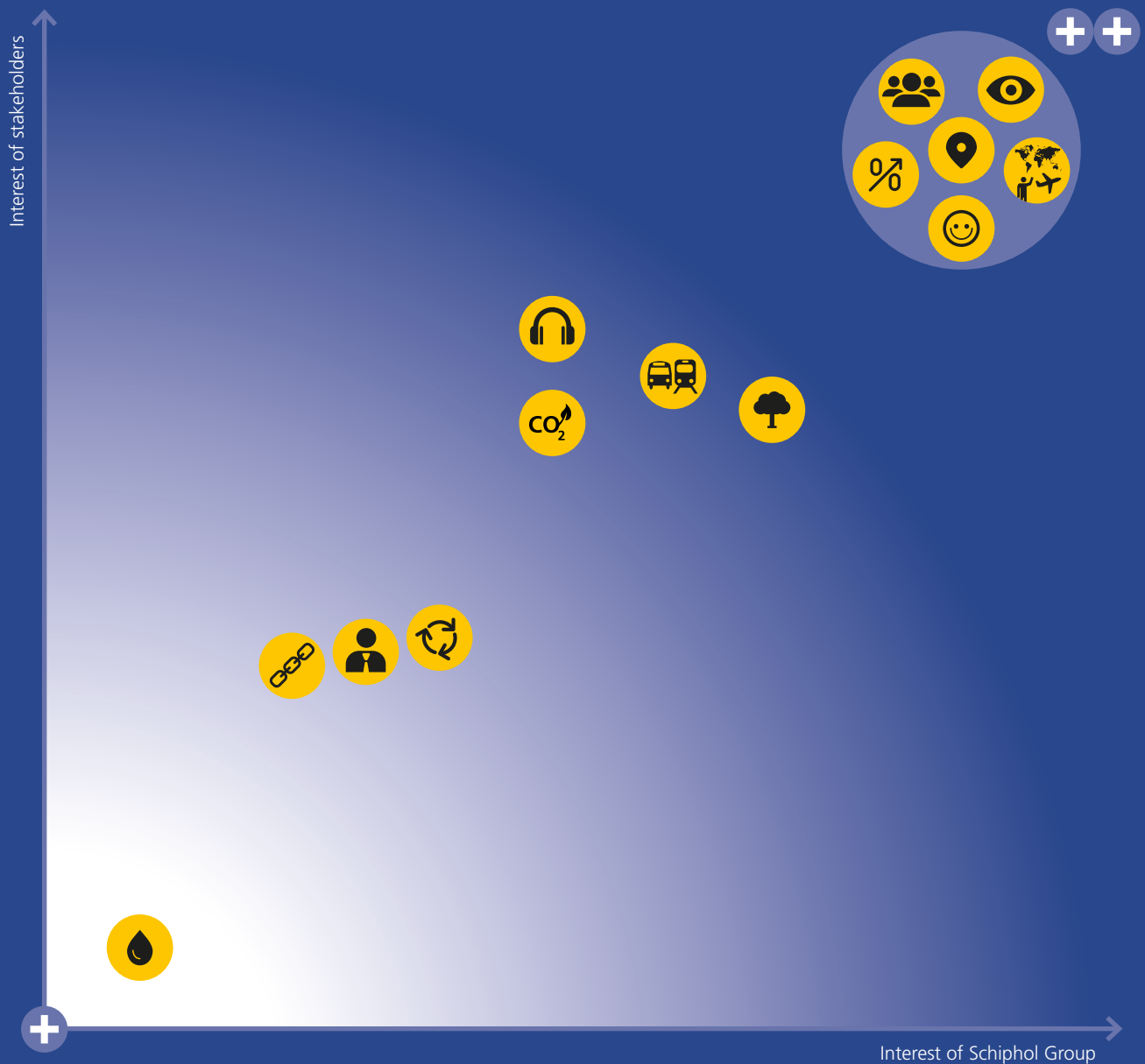
Four times per year, the Chief Operating Officers (COO) or senior managers of Air Traffic Control the Netherlands, the airlines based at Schiphol (KLM, Transavia, Martinair, TUIfly, Corendon Dutch Airlines and easyJet), the Schiphol Airline Operators Committee (SAOC) and BARIN advocates convene the Schiphol Operational Consultation (OSO), which is chaired by Schiphol. In the OSO, capacity declarations are adopted regarding the maximum number of flights ('air transport movements') allowed during the winter and summer seasons, and important operational issues and problems are discussed. As the various interests and growth plans represented in the meeting may well conflict, it is important to reach consensus on the capacity declaration. The slot coordinator and representatives of the Directorate-General of Civil Aviation of the ministry of Infrastructure and the Environment regularly sit in on these meetings.

In the Schiphol Community Council (ORS), government authorities, aviation sector parties, residents and trade organisations discuss Schiphol's development as it relates to the surrounding area, including the agreements in the Alders Platform covenants, the implementation of noise mitigation measures and the new environmental standards. For example, this meeting decided that night-time departure and approach procedures would begin half an hour earlier at 22:30. This will be laid down in the Schiphol Airport Traffic Decree (LVB). The ORS also discusses new plans to build housing in the airport's direct vicinity.

Consultations with other stakeholders

Schiphol's potential role as a driver of sustainable innovation was one of the subjects discussed at a meeting in late November of representatives from the business community and sustainability experts. Members of the Management Board attended on behalf of Schiphol, which organised the network dinner. Schiphol entered into a dialogue as to the role it might play in the pursuit of sustainability. The attendees felt that role should be significant: Schiphol has a coordinating role in the chain and should demonstrate leadership, especially because it aspires to be the world's most sustainable airport. Opinions and ideas were exchanged freely, leading to a lively and inspiring discussion. The participants felt Schiphol ought to be as open as possible and listen attentively to what employees and external parties have to say. Though they admitted that it has done much already, they thought Schiphol Group could demonstrate greater courage and persistence. After a successful meeting, the parties agreed to meet again in 2016 to determine exactly what being the most sustainable airport entails.

Materiality matrix



Network of destinations



Capacity



Customer appreciation



Regional significance



Safety



Financial solidity



Air quality



Noise



Accessibility



CO₂ emissions



Circular economy



Employment practices



Supply chain responsibility



Water

As in 2014, our CEO held meetings with his counterparts from leading Dutch companies, to discuss the future of the Mainport and the challenges it faces. The CEOs were also given a guided tour of the construction projects and received information about the significance of these huge investments. The guests acknowledged Schiphol must invest in order to maintain and strengthen its competitive position and expressed concern that investments in road and train infrastructure at and around Schiphol have lagged behind. The CEOs said that they greatly appreciated being regularly updated in this way and shared their own experiences with airports, including Schiphol. That was very enlightening.

Schiphol Group wants to be a good principal. To continue to position itself as Europe's Preferred Airport, Schiphol sets high standards for its suppliers, so it is only fair that our suppliers expect a lot of us, too. In this light, a meeting was held in early November with the management of our key suppliers to share our strategy and recent developments. The suppliers were asked in advance how they viewed their relationship with Schiphol. They explained their views

and the entire audience participated in an in-depth discussion on current topics including innovation, corporate responsibility and integrity.

Materiality analysis

The materiality analysis has been adapted somewhat following an internal consultation round. Several subjects were assigned a different position in the matrix. Two subjects were renamed: Operating capacity is now called Capacity, to signify capacity in the airspace and around the airport, in addition to capacity at the airport. Significance for the region is now called Regional significance.

The shift of Employment practices, both to the right on the horizontal axis and upwards on the vertical axis, can be explained on the basis of one of the stakeholder consultations. In the autumn, we held a meeting together with employers' association AWWN for HR managers of sector partners. The initiative produced 'Luchtvaart Inclusief' ('Aviation Inclusive'), an initiative in which employers in the

Consultations on the Aviation Policy Document

In September 2015, the Parliamentary Standing Committee on Infrastructure and the Environment held a round table discussion with various aviation stakeholders, mainly to decide whether a full or partial update of the 2009 Aviation Policy Document was required. Schiphol, the regional airports, KLM and other airlines, municipalities, residents' organisations and scientists shared their views in The Hague. President and CEO Jos Nijhuis attended on behalf of Schiphol Group and defended a number of issues critical to the development of the Dutch aviation sector in general and of Mainport Schiphol in particular:

A comprehensive Mainport approach. Central, provincial and local government policies directly affect Schiphol's operations. For example, while surrounding municipalities want to build more housing, the lack of a comprehensive policy could lead to a situation in which any noise mitigation efforts by the sector are negated.

A sustainable framework for selectivity. The decision to allow for Mainport Schiphol's selective growth will mean prioritising the traffic offering the greatest economic and social value, while other traffic is shifted to the regional airports. At this time, neither national nor European legislation and regulations provide sufficient scope to adequately develop this plan.

Prompt investment in accessibility. The reliability and capacity of the Schiphol Airport train station and the railway tunnel are under tremendous pressure. There is an urgent need for investments, which must be included in the Multi-year Infrastructure, Spatial Planning and Transport Programme (MIRT). Great improvements in regional accessibility could also be made if the North-South metro line were extended from Amsterdam to Schiphol.

Improving competitive cost levels. Security is a top priority for the aviation industry. At the same time, our cost level must be kept competitive. The costs resulting from increasingly stringent European security measures are now being borne solely by the sector. Furthermore, the Netherlands currently also has higher cargo surveillance and inspection costs than neighbouring countries.

A strategy to increase the competitiveness of European aviation. Schiphol Group supports a joint European approach to aviation treaties with third-party countries. More rapid progress is also needed in the implementation of projects such as the Single European Sky. The EU must monitor the situation closely to ensure the playing field is as level as possible. There will be an opportunity to address these matters during the Dutch EU Presidency in the first half of 2016.

Schiphol Group has asked the Lower House to make explicit mention of these issues in its agenda. In response to the round table discussion, the Minister for the Environment announced her intention to prepare an aviation sector action agenda in which measures aimed at strengthening the Dutch aviation sector's competitive position will be jointly formulated by the government and the sector.

Schiphol region join forces to find more jobs for the occupationally impaired.

The subject of Accessibility was shifted to the right on the horizontal axis. This subject has become more important for us due to the pressures facing the Schiphol railway station. See the section on

Accessibility for further details. The subjects Circular Economy and Air Quality moved up the vertical axis. This is partly due to the focus on ultra-fine particles and the collaborative ventures for the Circular Economy we established with stakeholders. The remaining subjects are still consistent with the adjusted strategy, as described in the remaining sections of this annual report.

Material aspect and results	Stakeholder	Contact moments
Regional significance	Airlines Business partners Financial stakeholders Employees Local residents Government Network and special interest organisations	Amsterdam Economic Board Tenants' consultation platform Amsterdam business network for local entrepreneurs (ORAM) Schiphol Governance Forum Mainport Amsterdam Schiphol Haarlemmermeer Structural Concept (SMASH) Agenda for collaboration between the municipality of Amsterdam, Schiphol and KLM
Network of destinations	Airlines Travellers Sector partners Business partners Government Network and special interest organisations	Consultation process Consultation with accounts
Capacity	Airlines Travellers Local residents Sector partners Business partners Financial stakeholders Government Network and special interest organisations	Schiphol Operational Consultation (OSO) Consultation process Alders Platform
Accessibility	Airlines Travellers Employees Local residents Government Network and special interest organisations Knowledge institutions	Collaboration programme for NS, ProRail and ministry of Infrastructure and the Environment SIM Innovative Mainport Alliance Talks with concessionaires
Customer appreciation	Airlines Travellers Government Network and special interest organisations	Continuous survey ASQ Benchmark Customer Contact Center
Noise	Airlines Sector partners Employees Local residents Government Network and special interest organisations Knowledge institutions	Schiphol Community Council Regional Alders Platform Local Community Contact Centre Schiphol (Bas) Schiphol Quality of Life Foundation Knowledge and Development Center (KDC)

Material aspect and results	Stakeholder	Contact moments
 Safety	Airlines Travellers Sector partners Business partners Employees Local residents Government Network and special interest organisations Knowledge institutions	Schiphol Safety Platform Runway Safety Team Netherlands Control Group for Bird Strikes (NRV) Schiphol Security and Public Safety Platform Safe Working for Main Contractors Campaigns
 CO ₂ emissions	Airlines Employees Local residents Government Network and special interest organisations Knowledge institutions Network and special interest organisations	ACI Airport Carbon Accreditation benchmark Climate KIC SIM Innovative Mainport Alliance Knowledge and Development Center (KDC) Bioport Holland RenJET
 Air quality	Airlines Financial stakeholders Employees Local residents Government Network and special interest organisations Knowledge institutions	Continuous survey ASQ Benchmark Customer Contact Center Hydrogen Economy Alliance for the Amsterdam Region
 Circular economy	Airlines Financial stakeholders Local residents Government Network and special interest organisations Knowledge institutions	Ellen MacArthur Foundation The Netherlands as a Circular Hotspot Amsterdam Economic Board Western Axis Agenda for collaboration between the municipality of Amsterdam, Schiphol and KLM
 Supply chain responsibility	Airlines Sector partners Business partners Employees Government Network and special interest organisations	Supplier Code Consultation with accounts Safe Working for Main Contractors Campaigns
 Employment practices	Financial stakeholders Employees Government Network and special interest organisations	Works Council Schiphol Aviation College Aviation Inclusive trade unions
 Water	Government Network and special interest organisations Knowledge institutions	Rijnland Water Board
 Financial solidity	Airlines Business partners Financial stakeholders Employees Local residents, Government Network and special interest organisations	General Meeting of Shareholders Consultations with accounts

The table includes the contact moments for consultation with our stakeholders on the material themes. Note that this overview is not exhaustive and that many contact moments involve multiple

stakeholders. Consultation frequency ranges from once a day to once a year. There is no direct correlation between the second and third columns. The results achieved on each material theme are

included in the section *Our results*. More information on the materiality process can be found under *Reporting guidelines*.

Trends and developments

General developments

2015 witnessed tentative signs of economic recovery – including in the Netherlands. However, at the macroeconomic level, Europe's economic growth has trailed and appears increasing fragile. Various long-term scenarios are possible, and in each of those scenarios Schiphol Group must be prepared to respond to changing conditions. According to forecasts by the Netherlands Bureau for Economic Policy Analysis (CBP), passenger numbers may surge to over 120 million by 2040, or could alternatively drop to less than 40 million. This gap is due in part to Europe's economic growth and competition from other parts of the world, which greatly impact the Netherlands' appeal as a business location and how cities develop into metropolitan regions. In this crucial gateway to Europe, the impact on passenger travel and goods transport will be evident.

Technological developments and digitisation will also affect future demand for air travel or the way in which airports organise their services. When and how this will happen is difficult to predict. Airports must account for the potential impact of technologies such as 3D printing, robotics or self-driving cars not only on their own business, but that of their clients and partners, as well.

Geopolitical developments

Geopolitical events such as wars, terrorist attacks, economic sanctions and epidemics can greatly impact airports, due to their effect on both airline operations and people's willingness to travel. Possible future developments may also significantly impact our airport: the United Kingdom may vote to leave the European Union and the influx of refugees could lead to reforms in the free movement of goods and persons. World events lead to changes which affect airports almost immediately. Examples include new security requirements and stricter border controls. Such developments can cause modifications to airport or terminal operations.

Socio-economic developments

The municipalities around our airports are increasingly looking to areas near runways for new residential development. Previously established boundaries and building restrictions are being questioned more often. Schiphol does not oppose these new construction plans per se, but does object if they were to generate additional complaints in the future. New residents cannot always imagine what it will be like to live near an airport, or end up experiencing more nuisance from noise and odour once they move in than they originally expected.

Discussions about the long-term growth of our airports often fail to sufficiently account for the positive social and economic effects. The

aim of the agreements made is to mitigate noise. However, parties looking after the interests of the surrounding areas are often focused on reducing noise impact through restrictions on capacity for future growth, to the exclusion of all other methods. This is not the only way to combat noise disturbance. For example, in recent years operational measures and quieter aircraft have also contributed to this goal. The airlines using Schiphol have contributed over 750 million euros over the past few years towards soundproofing measures and compensation for losses from planning decisions. With a volume of 500,000 air transport movements and 20% environmental benefit, Schiphol will easily achieve the noise mitigation target. The initial results of the Environmental Impact Assessment show that on balance, the disturbance reduction will be even more favourable.

Reducing CO₂ emissions to combat climate change was a central theme of the Paris Climate Conference in late 2015. The 196 participating countries reached a historic agreement to limit global warming to 2 degrees Celsius. The Intergovernmental Panel on Climate Change (IPCC, the UN climate panel) report on 2014 confirms that it is 'highly likely' that global warming is caused by human activities. According to a June 2013 UN report, by 2050 the world population will have reached 9.5 billion. In other words, over the next 35 years, the population will increase by two billion. All of those people will need homes and jobs and will want to travel. This will affect the climate and the demand for raw materials. Climate change is relevant for aviation, too. Globally, the aviation industry produces 3% of total CO₂ emissions, primarily due to kerosene combustion. Stricter international legislation and regulations may be passed in response to new insights into the dangers of ultra-fine particles. Like motor vehicles, aircraft also emit ultra-fine particles, especially during take-off. This may affect the extent to which air traffic is permitted to grow, as well as support for the location of airports in urban areas. If the aviation sector is going to reduce pollution, it will have to find new solutions, particularly to the emission of ultra-fine particles, and limiting the use of fossil fuels will play a key role in this.

The Sustainable Development Goals were ratified in New York in September 2015. The new goals replace the Millennium Goals and apply to the period from 2015 to 2030. On the eve of the Climate Conference, the European Commission introduced its action plan to promote a European circular economy. At its core, the plan seeks to reduce wastage and pollution by promoting more efficient use of raw materials and more recycling, and by discouraging waste production.

Developments in aviation

Overall, the aviation industry is expected to continue growing. However, European growth is trailing behind. The Airports Council International (ACI) and aircraft manufacturer Boeing expect intra-European air traffic to increase by approximately 3.5%, compared to average worldwide growth of 5%. This will affect European hub airports, including Amsterdam Airport Schiphol.

Competition from the Gulf states and Turkey, in particular, is expected to increase. Their airlines and airports are expanding rapidly, solidifying their position as hub airports at the expense of the traditional European hubs. Meanwhile, European competitors are also investing heavily in capacity and quality. The new Terminal 3 at Frankfurt Airport is just one example.

The market share of low-cost airlines in Europe, now at 39%, keeps growing as they expand into the business travel segment and the major airports. This is affecting network carriers, as well as transfer airports such as Schiphol, which are largely dependent upon the hub and spokes network of their home carrier.

In the long run, air cargo is likely to grow, though it is difficult to predict exactly how much. The overcapacity now dominating the market is caused by the sharp increase in the number of passenger aircraft with more cargo capacity. This overcapacity is causing downward pressure on cargo transport rates. In Schiphol's case, KLM – like many other combination carriers – is downsizing its cargo fleet, including Martinair activities. Economic developments in various markets, including the Far East, also directly affect air cargo developments. Furthermore, the centre of the Netherlands' logistics activities is shifting southward (e.g. to the province of Noord-Brabant), whereby other airports become alternatives to Schiphol. We see prospects for Schiphol – both in exports and imports – if the airway and road network connections, as well as cargo transshipment facilities, are improved.

Developments in capacity

Nearly all major European airports will expand over the next several years and invest in their facilities. The growth in global aviation, in which Schiphol has successfully claimed its share, only increases the necessity for Schiphol to expand. Capacity and quality go hand in hand. Schiphol cannot afford to risk further pressure on the quality of its services and to have to 'say no' during peak times. This would undermine its ability to compete with European hub airports and the fast-growing airports in Turkey and the Middle East.

The other Dutch airports in the group need more capacity. Plans for expansion of Eindhoven and Rotterdam airports are in the works. Lelystad has been given the go-ahead for the phased construction of a new airport for non-Mainport-related traffic, such as holiday flights.

The public transport infrastructure must also be expanded to ensure airports can easily be reached as passenger and cargo volumes grow. Schiphol railway station also has an increasingly urgent need for new infrastructure: not only is it one of the nation's busiest train stations, it is also an increasingly busy transfer point to trains and buses.

Developments in consumer behaviour

Consumer behaviour has changed dramatically over the last few years. Passengers increasingly expect an omnichannel experience, including continuous access to consistent and real-time information.

Online shopping poses a threat to traditional retail stores, including at airports, but also presents opportunities to develop this multichannel approach. Airport shops will have to offer an even broader range of products, both on and offline. Moreover, a possible ban on sales of tobacco products and alcoholic beverages in tax-free stores and limits on the number of hand baggage items allowed on board (the 'one-bag rule') pose a threat to airport retail business.

The share of inbound tourists is growing, mostly from flights originating in the Far East. A different, more personal approach is required for these passengers than for Western tourists, and they prefer to be addressed in their own language. Our more exclusive shops, in particular, are catering to this need.

Developments in real estate

Real estate is developing along two lines. While occupancy and revenue continue to grow at prime real estate locations, performance is dropping off at less desirable sites. The same is true for Schiphol: demand is focused mainly on the Central Business District and first line locations (areas near the terminals and runways). Demand for flexible lease concepts is also increasing.

Developments in international activities

Opportunities to develop international activities and forge partnerships with foreign airports are expected to continue to arise in future, too. However, airports are also attracting more and more interest as investment opportunities. Many airport operators and financial institutions are active in this market.

SWOT analysis

Strengths

- Network of destinations
- Modern and well-equipped hub airport
- Non-aviation activities
- Price/quality ratio
- Innovative strength
- Conscious weighing of people, planet and profit aspects
- Local community engagement
- Accessibility by road
- Reputation and brand recognition
- Network of international partners
- Highly developed AirportCity
- Development of the region
- Strong marketplace

Opportunities

- Traffic and transport from strongly emerging regions
- Implementation of selectivity based on Schiphol Community Council agreements
- Supply chain innovation and sustainability initiatives
- Direct international train connections to and from the airport
- International activities
- Collaboration with airlines and other partners
- Single European Sky
- Ongoing digitisation and big data

Weaknesses

- Small domestic market
- Dependence on the transfer market
- Lack of capacity during peak times
- Location in urban area limits options to expand
- Relatively old infrastructure in relation to rival airports
- Complex system of rules and agreements for using runways and airspace capacity
- Geographic location in relation to Asia less favourable than that of Istanbul and Dubai airports
- Dependence on a number of large customers

Threats

- Mounting competition from other airports
- Geographic shift of transport and trade flows
- More competing airport and carrier systems
- Challenges facing European network carriers
- Relatively limited economic growth
- Intensified security requirements
- Quality perception under pressure due to large-scale renovation projects
- Online retail and price comparison
- Declining support in metropolitan regions
- European regulations
- Impact of ultra-fine particles
- Accessibility by rail
- Threat of terrorism

Our strategy: five themes



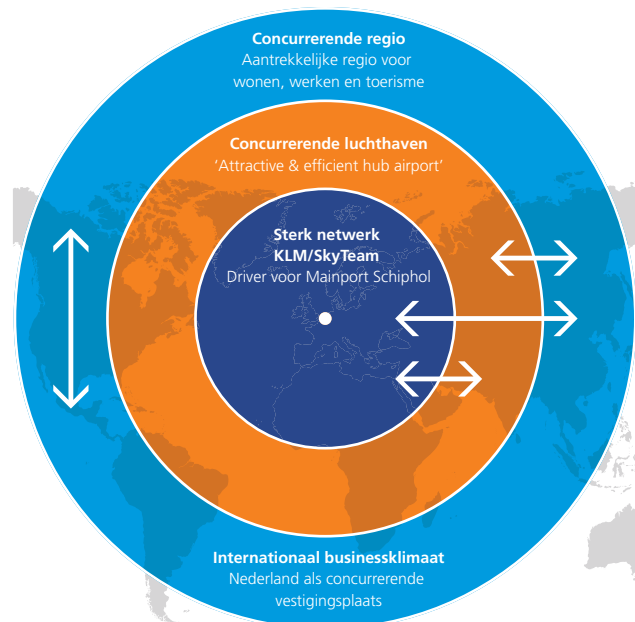
To achieve our mission of Connecting the Netherlands, we must secure the position of the Mainport. In the process, we must factor in future developments, whether or not they can be predicted. The core principle of Schiphol Group's strategy is increasing connectivity by investing in capacity and quality and offering competitive rates.

Our goal is to strengthen the Mainport network. We must ensure the conditions are in place for airlines to optimise their operational efficiency at our airports. This is reflected in our 2016-2020 targets, the milestones we wish to reach during that period. More than before, we intend to use the unique strengths of the group as a whole to achieve our targets.

To strengthen the Mainport, we always focus on making the necessary investments in capacity and quality and deliberately aim to control costs in all of our processes, which translates into competitive rates.

At the same time, we ask the government to pursue a comprehensive policy which will strengthen the Mainport without unnecessary rules and/or costs. The government can also facilitate fair competition and, where necessary, invest in and collaborate closely with the sector at both the national and the European level.

Mainport Schiphol



Strategic themes

Our core strategy is embodied by the following five themes: Top Connectivity, Excellent Visit Value, Competitive Marketplace, Development of the Group and Sustainable & Safe Performance.



Top Connectivity The best connections

Mainport Schiphol's strength is its network of destinations served by the airlines. The majority of these are served by our home carrier KLM and its partners. It is this intricate network that makes Schiphol one of Europe's key hubs. We strive to expand the network, not only in Europe but intercontinentally as well, particularly by adding destinations that support the Mainport. To continue Mainport development, existing capacity will have to be used even more efficiently and new capacity will need to be created.

In 2018, Lelystad Airport will begin commercial operations. We want to entice airlines to offer non-Mainport-related flights from Lelystad Airport to make way for Mainport traffic at Schiphol, where we are preparing to build a Pier A and a new terminal. The new capacity will be configured in a flexible manner so that it can be adapted depending on the nature of the air transport.

We must also ensure the airport can be easily accessed by road and rail. Together with sector parties such as NS and ProRail, we are developing solutions to address the current problems as well as a sustainable solution to meet the long-term capacity demand. The joint long-term plan includes the construction of a new bus and railway station and modification of the drop-off roads. At the same time, we are expanding existing parking capacity to meet the growing need for good parking facilities.

Along with our stakeholders, we will work to strengthen and develop the Mainport.



Excellent Visit Value An attractive airport

We aspire to uphold Schiphol's position as Europe's Preferred Airport: the first choice of passengers, airlines and logistic services providers. Top quality is our aim: in our processes, facilities and commercial offering. Even more explicitly than before, our policies will be guided by the interests of clients and passengers. Using new digital technologies, wherever possible, and offering users a digitally enabled airport will play an essential part in this.

As for airport operations, our focus will lie on increasing efficiency and process reliability. We offer airlines service, speed, flexibility, safety and reliability. For passengers, the focus will be on offering a pleasant and safe experience ('seamless and secure'). Schiphol wants to be an airport that surpasses passengers' expectations. The passengers' experience is to a large extent determined by the range of commercial products and services offered.

Schiphol's efficient, innovative logistics chain makes it ideal for cargo. We search for and deploy innovative solutions leading to higher, more affordable quality and lower costs for ground handlers and forwarders.

We continue to strive to offer an attractive product at a competitive price and seek to achieve quality and cost levels that compare favourably to our rival hubs.



Competitive Marketplace A prime location

We continue strengthening the Mainport through further development of the Schiphol marketplace, as a prime location for work and leisure. A key reason why international businesses establish themselves here is the proximity to the airport. We are always upgrading the working environment and offer flexible, innovative lease concepts. We call this AirportCity 3.0. Schiphol also supports the region's logistics sector and investigates opportunities for new business.



Development of the Group A strong group

Even more than before, we will act as a group. Our ability to do so will depend to an important degree on improving the Schiphol Group organisation. We are implementing the HPO ('high performance organisation') culture and coordinate major projects more comprehensively than before. We will also make more efficient use of the synergy within our own airport network: we want to make the most of the interplay between Schiphol airport, the regional airports and the group's international activities. We are seeking to expand our international activities, particularly with airports with strategic relevance for the Mainport.



Sustainable & Safe Performance Sustainability and safety

Sustainability and safety are the most important preconditions for everything we do – they play a permanent, integral part in our decisions. Maintaining a healthy and safe working environment for staff and safe surroundings for passengers and nearby residents is always a top priority. To us, sustainability means we maintain our focus on long-term developments and aim to create lasting value. We could not succeed in this without dialogue with our stakeholders. We seek a careful balance between the social, environmental, commercial and financial interests of people, planet and profit. We aim to realise a reasonable return: our financial policy is solid and forward-looking.

In 2016, we will continue developing our ambition to become the world's most sustainable airport, increasingly measuring value creation against the non-financial dimensions.

Cohesion

With our renewed strategy, we are able to respond to new developments in the aviation industry, society and the world at large. It enables us to steer the best course and confront a variety of challenges and risks. The material aspects highlight the interests of both our stakeholders and Schiphol Group and indicate where we can make a difference and thereby have an impact. We feel that it is important to establish a clear link between material aspects and our strategy. At the same time, we want to mitigate the associated risks by actively managing them.

An overview clarifying the relationship between the key risks facing Schiphol Group, its strategic themes and material aspects is given below.

Schiphol Group faces strategic, operational, financial and compliance risks. We have identified the key risks which could stand in the way of achieving our mission and we have taken the appropriate measures to mitigate these risks. Risk management is an integral part of our business operations.

The key risks are as follows:

- **A change in demand**, which could lead to either a shortage or excess capacity, directly affecting Mainport growth, the network of destinations, retail and catering outlet sales and real estate occupancy.
- **Competition** is also an important factor affecting the growth of the airports and development of commercial activities at and around airports.

- **Real estate market development**: the focus will remain on developing Schiphol as a prime location. However, supply elsewhere and shifts in demand could have a serious impact.
- **Political context**: comprehensive government policy and effective economic regulation can help strengthen the Mainport.
- **IT infrastructure and information security**: increasing dependence on IT systems makes their sustained availability and reliability crucial.
- **Major projects**: the progress, budget and quality must be monitored to ensure the required capacity is available as needed and investments achieve the desired effect.
- **International enterprise**: presents opportunities for risk diversification, but also poses other, often unknown, risks which may not be desirable.
- **Operational risks**: safety, business continuity and dependence on third parties must be properly managed in order to reliably facilitate growth.
- **Financial risks**: market, liquidity and counterparty risks related mainly to funding are mitigated to ensure long-term financial health.
- **Compliance risks**: failure to comply with legislation and regulations and other integrity violations could lead to reputational damage and loss of support.

The control measures are covered in more detail in the section on 'Risk management'.

Cohesion








Targets

Every year our long-term strategy is translated into a four-year tactical plan, comprising the budget for the coming year and three forecast years. The tactical plan sets out in concrete terms how we plan to achieve all of Schiphol Group's strategic milestones. An important condition of the plan is that it meets the requirements of sound financial policy. The company must maintain its creditworthiness (S&P rating of A+) and be robust enough to weather any financial setbacks. Schiphol Group also aims to meet or exceed the return required by the Dutch government of 6.7% (return on equity of Schiphol Group). The tactical plan also results in a management agenda which sets out concrete actions and targets for management for the year to come.

2016 Management Agenda

In addition to maintaining network quality and connectivity, increasing customer satisfaction and ensuring adequate capacity are critical aspects of the management agenda. We face tremendous infrastructure challenges. Commercial turnover must also be further optimised to respond effectively to the shortage in retail space in the coming years and to shifts in consumer behaviour.

We also want to involve our stakeholders more intensively in devising our plans, and ensure a comprehensive government approach and more political support. Meanwhile, we want to translate our aspiration to become the most sustainable airport into a plan to realise that ambition. The further development of our organisation should ensure solid business management particularly with regard to large projects and management of airport infrastructure.

					
	Top Connectivity	Excellent Visit Value	Competitive Marketplace	Development of the Group	Sustainable & Safe Performance
2016 Management Agenda					
Maintaining network quality and connectivity	●				
High levels of quality and customer satisfaction at the airports at competitive cost levels		●		●	●
Secure capacity for 500,000 air transport movements at Schiphol and sufficient capacity at the regional airports, including the development of Lelystad Airport	●			●	●
Make provisions for the necessary operating capacity and quality prior to the completion of the entire Area A	●	●			●
Implement the Master Plan such that operational performance is kept up to par and infrastructure challenges are addressed	●	●	●	●	●
Optimise commercial turnover and use scarce square meterage wisely		●	●	●	●
Improve coordination with stakeholders	●	●	●	●	●
Apply the principles of people, planet and profit (Corporate Responsibility and financial solidity)				●	●
Maintain a healthy, safe working environment				●	●
Develop the organisation				●	●

Where will we be in 2020



Our results





































2015 Management Agenda

The Supervisory Board determines the Management Agenda, which forms the basis for concrete and more detailed targets. Evaluation of the management agenda and associated targets is used to determine the variable remuneration. More information can be found in the section on *Remuneration*.

In 2015 we fully achieved six of the ten objectives on the Management Agenda. These objectives entailed improving the competitive position of the Mainport, intensifying stakeholder management, maintaining our solid financial position, completing the organisational transition and achieving further efficiency improvements. We partially achieved the result envisaged for the Master Plan. The investment decision on Area A will be taken in early 2016. Partly in response to the wishes of Schiphol users, implementation of the project will be phased, which required additional preparation time.

The operational transition to central security took place as scheduled on 3 June, even though not all construction had been completed, thereby setting a new standard for security as a service. Due to the delayed completion of Departure Lounge 2, we were unable to increase non-aviation income from retail activities. However, new lessees for The Base and Avioport and completion of the Hilton Hotel did result in additional non-aviation income. Once again we achieved various results in the area of Corporate Responsibility, such as the 'Aviation Inclusive' programme, an initiative to create more jobs for people with a disability. In addition, Schiphol has retained the highest level (3+) of the Airport Carbon Accreditation Benchmark of sector association ACI. However, internally CR does not always receive the attention it deserves. A number of CR KPIs were not achieved.

	 Top Connectivity	 Excellent Visit Value	 Competitive Marketplace	 Sustainable Performance
2015 Management Agenda				
Improve the competitive position of the Mainport, including development of Lelystad Airport and the other regional airports				
Continue to implement and develop the Master Plan, including Area A				
Continue and intensify stakeholder management				
Complete major investment projects with minimal disruption to operations and with specific attention for Corporate Responsibility				
Ensure that Schiphol Group maintains its solid financial position				
Continue to develop international activities				
Achieve the Corporate Responsibility ambitions				
Increase income from non-Aviation activities				
Complete the organisational transition and achieve further efficiency gains				
Focus on leadership, culture and compliance				



Target achieved



Target partially achieved



Target not achieved

Our results



It is Schiphol Group's socio-economic task to strengthen Mainport Schiphol and the regional airports. In fulfilling this task we have an impact on society. Our results show how we take responsibility and seek to strike the appropriate balance between the positive and negative effects of our activities. We always endeavour to consciously weigh the people, planet and profit aspects in our investment decisions, calls for tenders and other business activities.

Regional significance

Schiphol Group's activities are particularly important for the Dutch economy and the attractiveness of the Randstad conurbation. Mainport Schiphol – the hub airport for KLM, its SkyTeam partners and other airlines – and the group's regional airports serve as connecting links between national and international networks of people, businesses, trade, science and culture, thereby effectively fulfilling our mission of Connecting the Netherlands.

Connectivity is vital for both the Dutch economy and society

Mainport Schiphol has an excellent position: the network of Amsterdam Airport Schiphol and its home carrier KLM is among the strongest in Europe. Schiphol is expanding more rapidly than its European counterparts and its cost level is competitive. However, this position cannot be taken for granted. The Mainport's competitive position is coming under increasing pressure: the domestic market is relatively small, the focus of the global economy is shifting and competition continues to increase, both within and outside Europe, particularly in the Gulf Region and Turkey. At the same time, opportunities exist: more people than ever are travelling by air and new markets are developing at a rapid pace.

The Netherlands benefits from strong, direct connections with the world's major political, cultural and tourist centres. The carefully

built network of over 320 European and intercontinental destinations and the activities carried out at and around Schiphol and our other airports constitute major drivers of the Dutch economy and employment. According to aviation organisation IATA, 3.5 billion people and 55 million tonnes of cargo were transported across a global network of 51,000 routes in 2015. The aviation industry in the EU provides 9.3 million jobs and contributes 512 billion euros to GDP. Extrapolation of a 2011 BCG/McKinsey study shows that the aviation industry's contribution to the Dutch economy rose from 26 billion euros in 2011 to 30 billion euros in 2015, or 4.5% of GDP. Aviation activities directly and indirectly generate 300,000 jobs. The Schiphol location alone accommodates some 500 companies that provide jobs for approximately 65,000 employees.

Good connections with the rest of the world are also vital for the tourism industry. In 2015 the number of tourists that visited the Netherlands increased yet again to almost 15 million, up 7%, according to figures published by the National Bureau for Tourism and Conventions (NBTC). The Netherlands attracts tourists from almost all European countries as well as from other continents, especially from Asia. Many tourists arrive via Schiphol.

Significance for Amsterdam and the Randstad conurbation

Our airports, the Amsterdam Metropolitan Region and the Randstad conurbation are inextricably linked and reinforce each other.

Schiphol makes a vital contribution to the Amsterdam Metropolitan Region. As a Mainport it performs an important function for the Netherlands, offering fast, direct road and rail transport connections to the rest of Europe. Thanks to its network of connections Schiphol ranks among Europe's major hubs, which is an exceptional accomplishment given its small domestic market in the Netherlands.

Amsterdam Airport Schiphol, itself, has evolved into a dynamic city – an AirportCity. Schiphol offers a wide variety of work, visitor and leisure facilities with, at its heart, an international airport, which is being continuously improved. Improvements which are based on the principles of flexibility, multifunctionality, connectivity, experience and value for money. We offer a range of high-quality facilities to travellers and airlines and to airport-based logistic services providers and businesses.

Significance of regional airports

Our other airports similarly play a pivotal role in the regional economy. They play an essential – and increasingly significant – connective role in their respective regions in terms of employment, economic activity, knowledge development and tourism. They also make a vital contribution to the development of Schiphol's Mainport function. The development of Eindhoven Airport and Lelystad Airport is important for Schiphol's growth as they offer an alternative for non-Mainport-related air traffic.

Rotterdam The Hague Airport

Rotterdam The Hague Airport's network of destinations is increasingly meeting the need for transport to and from the south-western part of the Netherlands. The airport primarily serves European business destinations and has a growing network of connections to destinations that are important for that region.

Rotterdam The Hague Airport is an important factor in the business climate and international appeal of the Rotterdam-The Hague metropolitan region. In addition, the airport provides connections with tourist destinations abroad and plays an increasingly important role in incoming tourism, boosting both the regional economy and employment.

Eindhoven Airport

Eindhoven Airport is an essential factor in the development of the Eindhoven region, connecting Brainport, the city's high-tech centre, with other, mostly European destinations. The airport enhances the business environment and plays a crucial role in achieving the regions ambitions.

Lelystad Airport

In order to maintain and strengthen Mainport Schiphol's economic function, agreement has been reached allowing Schiphol to grow on a selective basis and to develop Eindhoven Airport and Lelystad Airport as alternative airports for non-Mainport-related traffic.

Lelystad Airport will support the Mainport by offering travellers attractive connections to popular tourist destinations in Europe and the Mediterranean region. It also serves as the regional centre for business aviation, Maintenance, Repair and Overhaul (MRO) activities, recreational aviation and pilot and other training programmes. In 2015 employment at Lelystad Airport rose by over 25% from 295 to 374 jobs.

Community engagement

If we are to achieve our growth plans and retain sufficient support for our activities, it is vital that we listen to and observe the needs and desires of the surrounding community. We aim to fulfil our

Schiphol AirportCity in 2015

Amsterdam Airport Schiphol seeks to distinguish itself by delivering top quality, an ambition overarching our activities in the terminal and the airport process. In 2015, as in previous years, we boosted the dynamism of the AirportCity and introduced further innovations. New businesses have established operations in the airport zone. Schiphol is evolving into an ever more inspiring meeting place.

With its contemporary design, the new Hilton Hotel in the heart of the airport's Central Business District is a veritable eye-catcher. The hotel welcomed its first guests in December 2015 and was officially opened in early February 2016. More businesses have likewise opened their doors. Electronics company Samsung is scheduled to move into the Avioport building in May 2016, thereby confirming Schiphol's growing appeal as a business location.

The Base office complex is a resounding success and has already attracted tenants for almost all of its 36,000 m² of floor space. We are examining possibilities for building an additional tower adding approximately 6,000 m² of office space to The Base. The building is evolving into a community centre with a range of facilities catering to the needs of working people. We have become a partner to TEDx Amsterdam, an event that contributes to our AirportCity ambitions.

We are also making further improvements to the outdoor areas. Car park P15 located between the Hilton Hotel and The Base is destined to become a public area featuring a courtyard, an amphitheatre, abundant green landscaping, a fountain and special lighting. Sports facilities will also be accommodated. December marked the completion of the revamped Evert van de Beekstraat. It now features comfortable benches, green landscaping and custom lighting.

mission in collaboration with our partners and the various authorities and in close consultation with other stakeholders (see also 'Noise').

Local residents

We believe it is important that local residents feel that Schiphol is a good and committed neighbour. We are engaged in a continuous dialogue with local residents' representatives on both the negative and positive effects of the airport on the surrounding area. Through the Schiphol Community Contact Centre (Bas) and other channels we endeavour to inform local residents as fully and effectively as possible of air traffic and other issues at and around Schiphol. In 2015 we showcased various aspects of the airport during three Neighbour Days and in the teaching materials we distributed to local primary schools. School classes that used the teaching materials were given the opportunity to experience a Schiphol Behind-the-Scenes tour.

Schiphol contributed financially and actively to the Olympic Sports Week in June, organised by Amsterdam Cares and Combiwel. Twenty-one Schiphol employees voluntarily supported the sports event held in the Olympic Stadium in which around 300 socially disadvantaged primary school children took part. The participating schools were mainly from the Amsterdam-Zuidoost and Amsterdam-West areas and do not have the means to organise sufficient sports activities themselves.

In 2015 we carried out a baseline measurement to gauge local residents' level of support for Schiphol. We will repeat the measurement each year to monitor whether support is growing or declining, and to establish whether Schiphol is undertaking the right activities to foster stronger ties with local residents.

Across the board support for Schiphol can be regarded as reasonable to good – we received an average score of 4.9 on a scale of 1 to 7. It is remarkable that there is no significant difference between residents in the immediate vicinity and those living further away. Support for Schiphol is stronger however among recent airport visitors, and among people who either work at the airport themselves or have friends or family members who work here.

Contributions to training at our airports

Airports make a significant contribution to regional employment. We stimulate employment through Schiphol Aviation College (Luchtvaart College Schiphol), an organisation established by KLM, the Amsterdam Regional Training Centre (ROC) and Schiphol Group. Every year the College provides training to some six hundred students and offers work placement positions for three hundred students. One thousand employees also receive training or take courses. At Schiphol, the College promotes intersectoral mobility aimed at facilitating employee job rotation among the companies located at the airport.

As a socially engaged business, we wish to fulfil our responsibility by offering job opportunities to people with limited opportunities

in the labour market. Schiphol Aviation College places them with airport-based employers. We also offered 10 to 14-year-olds from three Amsterdam IMC Weekend Schools an Airport Experience programme, giving them an opportunity to get to know the world of Schiphol and get an idea of prospective airport occupations.

Rotterdam The Hague Airport undertakes efforts to create employment for young people with limited opportunities on the labour market through the 'Startbaan II' project. The airport was able to arrange some 20 work experience placements for young people with several of its partners (Port of Rotterdam, the municipality of Rotterdam, the Royal Netherlands Marine Corps and the Shipping and Transport College (STC)). A quarter of the group found a job after completing their work placement.

Similarly, Lelystad Airport has made a commitment to help people with limited opportunities on the labour market into jobs at the airport in collaboration with Werkbedrijf Lelystad. The airport has also partnered with Stichting Campus Amsterdam Lelystad Airport (SCALA) and the Amsterdam University of Applied Sciences to promote and put in place training initiatives and work placements.



Network of destinations

Schiphol Group's airports, led by Amsterdam Airport Schiphol, comprise the gateway to the rest of the world. The airport's extensive network of European and intercontinental destinations enables us to fulfill our mission of 'Connecting the Netherlands'. Our aim is to maintain and expand this network for both passengers and cargo.

Schiphol's network in 2015

The number of destinations and flight frequencies to and from Amsterdam Airport Schiphol determine the socio-economic value of our network and the Mainport. In 2015 we again made every effort to facilitate this network, and the number of direct destinations remained virtually unchanged at 322, compared with 323 in 2014. The majority of these destinations, 295, are passenger destinations or combined passenger and cargo destinations. The number of cargo destinations in 2015 totalled 165 (2014: 159). The remaining 27 are destinations operated solely by full-freighters or cargo-only aircraft (2014: 21 in total).

The 322 direct destinations in 95 countries and are served by a total of 109 airlines. Of these destinations, 134 were intercontinental in 2015 (2014: 132). This large intercontinental network is largely thanks to the transfer product offered by our home carrier KLM and its partners. The number of destinations operated by KLM and its codeshare partners rose to 217 (2014: 210).

O&D traffic (origin and destination traffic using Schiphol as the airport of departure or arrival) grew substantially. Within Europe, KLM has increased its network and flight frequencies. Low-cost

carriers – easyJet and Flybe in particular – are increasing their focus on major hub airports to improve their services to the business market.

The changes in the KLM and partner airlines' timetable largely account for the shift in the number of destinations. Our home carrier added Edmonton (Canada) and Bogota and Cali (both in Colombia) to its timetable in 2015. The direct flight to Cali is unique: Schiphol is the only European airport to offer this connection. Delta Air Lines began operating flight services to Salt Lake City (USA).

Within Europe KLM added several new destinations: Belfast City (Northern Ireland), Krakow (Poland) and Montpellier (France). Flybe began operating flight services to Bournemouth (England), Adria Airways to Lodz (Poland) and Transavia to Lemnos (Greece). Transavia France now flies to Paris Orly (France).

Schiphol welcomed seven new airlines in 2015: Aegean Airlines (Heraklion and Rhodes), Xiamen Airlines (Xiamen), Atlas Global (Istanbul Atatürk Airport), Ryanair (Dublin), Qatar Airways (Doha), Air Canada (Toronto) and Transavia France (Paris Orly).

Spring 2015 marked the opening of easyJet's base at Schiphol where it now stations both aircraft and personnel. China Southern Airlines launched the Amsterdam-Beijing route in June 2015 with the Airbus A380; it is the second airline to operate flights with the world's largest passenger aircraft at Schiphol.

Regional airport network

The nature of the network of our regional airports differs from that of Schiphol. Where the focus of our largest airport is on Mainport-related traffic, the focus of Rotterdam The Hague Airport and Eindhoven Airport is on flights to European holiday and business destinations. However, the regional airports also facilitate European business traffic to destinations such as London City or London Stansted.

The number of destinations served by Rotterdam The Hague Airport rose to 47 in 2015 (2014: 40). Over a quarter of these destinations are offered year round, and the remainder seasonally. New direct destinations are Berlin-Tegel (Transavia) and Hamburg (VLM Airlines). The number of destinations served by Eindhoven Airport decreased from 76 to 72 in 2015; Ryanair discontinued a number of destinations. With year-round services to three quarters of its destinations, traffic at Eindhoven Airport is less seasonal in nature than at Rotterdam.

Passenger volume continues to rise

Passenger volume rose at all Schiphol Group airports. Total passenger volume was up by 6.1%, from 60.5 million to 64.3 million. The largest share was generated by Amsterdam Airport Schiphol, where passenger volume rose by 6.0% to 58.2 million (2014: 54.9 million).

2015 passenger volume at Schiphol

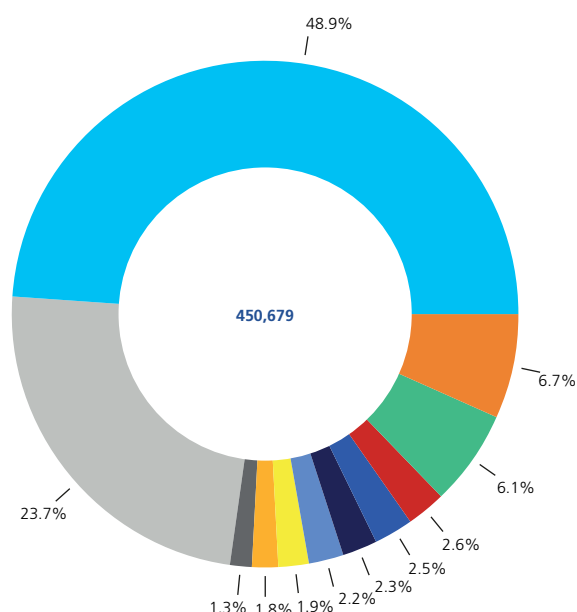
(No. of passengers by airline)

	Total	Relative growth
KLM	28,681,460	2.7%
easyJet	4,477,209	21.0%
Transavia	4,243,148	-2.2%
Delta Air Lines	2,720,136	4.5%
TUIfly	1,630,574	3.9%
Air France	1,231,682	21.7%
British Airways	1,222,410	10.5%
Vueling	884,801	17.8%
Lufthansa	837,446	4.5%
Aer Lingus	703,637	3.0%

Air transport movements at Schiphol rose by 2.8%, from 438,296 to 450,679. Seating capacity increased by 5.2% to 70.3 million. Average seating was up by 1.9% to 162 (2014: 159). The trend observed in recent years with the number of available seats outpacing the growth in air transport movements therefore continued in 2015. This is attributable to new, larger aircraft among other factors. Similarly, passenger load increased from 82.2% in 2014 to 82.9% in 2015.

The growth in O&D passenger volume increased markedly in 2015, reflecting above-average growth of 7% to 35.2 million. In particular the category of foreign passengers with the Netherlands as their destination rose sharply. This is in line with the rising number of foreign tourists. The Netherlands Office for Tourism & Conventions (NBTC) has calculated a 7% increase for the full year 2015. The NBTC has found that the relatively inexpensive euro has boosted travel from non-eurozone countries to Europe. The tourism sector has also benefited from the recovery of both the European and US economy. Incoming tourism from China (+20%) and Brazil (+12%) rose sharply in 2015; however, the number of tourists from Russia plummeted (-23%). Incoming tourism from India reflected a 9% increase.

2015 Air transport movements at Schiphol



Number of flights		Number of flights	
KLM	220,512	Air France	10,442
easyJet	30,201	Flybe	9,640
Transavia	27,597	TUIfly	8,667
Delta Air Lines	11,432	Lufthansa	8,285
British Airways	11,086	Vueling	5,910
		Other	106,907

Passenger volume also grew at the regional airports. At Eindhoven Airport the number of passengers was up by 10.3% to 4.3 million. The increase was mainly brought about by the increase in flight services offered by Ryanair (13%), Wizz Air (10%) and Transavia

Development of Schiphol's market share in 2015

(in millions of passengers)

				Growth	Market share
1	London Heathrow	LHR	75.0	2.2%	14.2%
2	Paris CDG	CDG	65.7	3.1%	12.4%
3	Istanbul	IST	61.3	7.7%	11.6%
4	Frankfurt	FRA	60.9	2.5%	11.5%
5	Amsterdam	AMS	58.2	6.0%	11.0%
6	Madrid Barajas	MAD	46.8	11.9%	8.9%
7	Munich	MUC	40.9	3.2%	7.7%
8	London Gatwick	LGW	40.3	5.6%	7.6%
9	Rome Fiumicino	FCO	40.2	5.1%	7.6%
10	Barcelona	BCN	39.7	5.7%	7.5%

(7%). Passenger volume at Rotterdam The Hague Airport rose by 0.3% to 1.7 million.

Schiphol is posting higher passenger growth figures than the three largest European airports: London Heathrow, Paris Charles de Gaulle and Frankfurt. However, Istanbul Atatürk Airport, now is the third largest airport in Europe in terms of passenger numbers. Istanbul saw its passenger volume rise by 7.7% to 61.3 million and now boasts a market share of 11.6%. Schiphol, Europe's fifth largest airport in 2015 (as in 2014), saw its growth figure increase slightly from 5.8% to 6.0%. Madrid ranks sixth but is catching up fast on Schiphol, with passenger numbers up 11.9% in 2015.

Transfer traffic increased by 3.4% bringing the total number of transfer passengers to 23 million. As a result, the share of transfer passengers fell from 40.5% to 39.5%. Transfer traffic is reflecting slower growth with passengers choosing to transfer via the Gulf Region and Turkey more often than in the past. To illustrate the above, in 2015 Schiphol's market share for transfer passengers from and to the UK (from 7% to 6%) and Scandinavia (from 10% to 9%) declined.

Air traffic within Europe grew sharply, representing 69.8% of total passenger volume in 2015 (2014: 69%). This growth is to be attributed largely to the United Kingdom (11%), Italy (18%) and Germany (13%). Both easyJet and KLM increased the frequency of their flights to these countries in 2015. Outside Europe, most of the growth in passenger volume was accounted for by North America (5%) and the Middle East (8%). Africa was the only continent where passenger volume decreased, namely by 2%.

Cargo

In 2015 cargo at Schiphol recorded slightly lower results than in the 2014 record year. Cargo volumes were down by 0.7% to 1.62 million tonnes. The decline is partly due to the decrease in imports from Asia. The trade embargo on Russia has also adversely affected air cargo volumes.

In 2015 we saw a marginal shift in cargo volumes carried by full-freighters (cargo-only aircraft) to belly cargo (aircraft carrying both passengers and cargo). This is partly the result of the downsizing of KLM/Martinair's full-freighter fleet. The share of full-freighter volumes declined in 2015 to 59.7% (2014: 61.4%).

Schiphol continues to rank as Europe's third-largest cargo airport, after Frankfurt and Paris Charles de Gaulle. Compared with Frankfurt, Paris and Heathrow however, our market share fell slightly from 14.6% to 14.3%. Several smaller airports within our catchment area grew faster than Schiphol. For example, cargo volumes at Leipzig and Liège increased by 8% and 10% respectively.

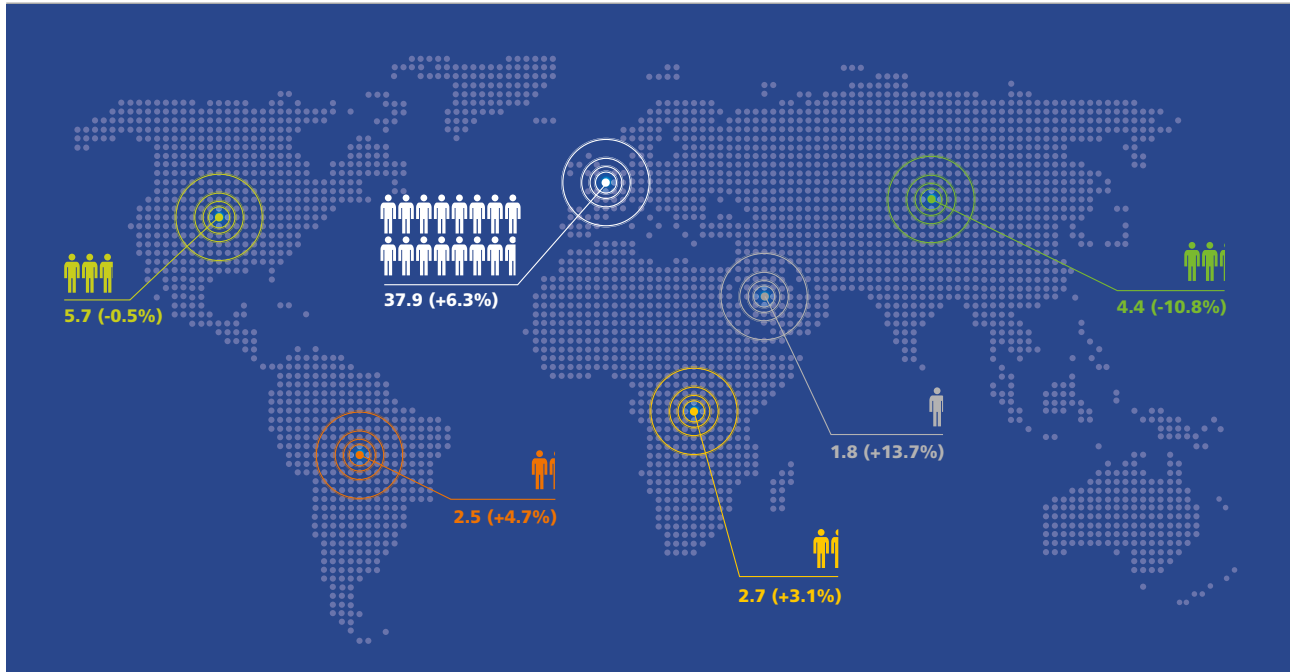
Schiphol recorded strong growth in cargo transported to Asia in 2015, with export volumes up by 11%. The high performers were Shanghai (+912 tonnes, +15%), Guangzhou (+618 tonnes, +62%) and Singapore (+534 tonnes, +21%). Incoming cargo volumes from

North America rose sharply, mainly Los Angeles (up 100%), Atlanta (up 100%) and Chicago (up 37%).

The air cargo market was volatile in 2015. Recovery set in mid-way through the year but it is still too early to determine whether it will endure.

Passenger volumes and growth by continent

Passenger volume at Schiphol in millions (growth versus 2014)



Cargo volumes and growth by continent

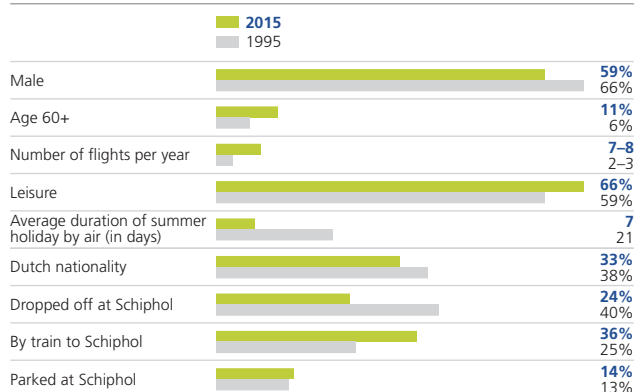
Schiphol cargo x 1,000 tonnes (growth versus 2014)



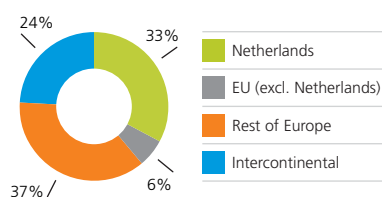
Our traveller

The features that characterise our travellers have gradually shifted over the past two decades. More and more people are flying for leisure purposes, and with a shift to shorter holidays. The majority of our travellers continue to be male, and the average age is increasing. The top three leisure destinations have not changed.

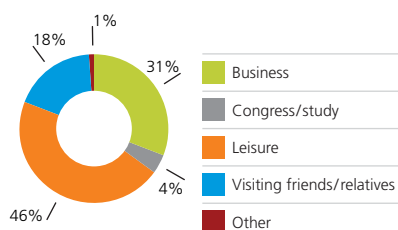
Travellers at Schiphol



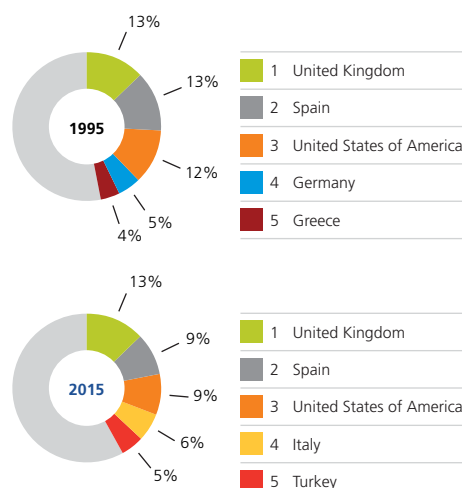
Country of residence



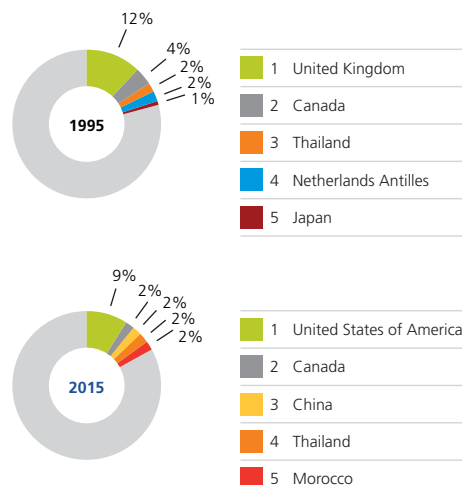
Reason for travelling



Top-5 leisure destinations



Top-5 intercontinental destinations



Capacity

In an effort to strengthen our competitive position and ensure that we can continue to offer our passengers and airlines a top-quality product, Schiphol Group is making substantial infrastructural investments. To support and ensure Schiphol's continued growth, the airport's facilities will undergo extensive expansion and renewal in the years ahead. This will allow us to offer the required extra capacity, bring quality to a higher level and further optimise the processes. Our Master Plan will be implemented in a modular fashion, by expanding the capacity on a gradual basis in line with anticipated market developments.

Capacity and quality for our clients

As a result of the rise in air traffic, pressure on the operating capacity at peak times is increasing. As we wish to continue to offer our clients top quality even during peak hours, we are therefore investing in the necessary expansion of the number of aircraft stands, the space in the terminal, access roads and the railway station. In Area A, preparations are underway for a new terminal and pier. Now that agreements have been reached about the growth of Schiphol, we wish to encourage airlines to relocate some of the air traffic to Lelystad Airport where an efficient, new airport for leisure flights is being constructed.

We are offering passengers greater comfort in more spacious terminals and piers with more streamlined passenger processes. The new security filters, the creation of pleasant waiting areas at the gates, the transformation of Departure Lounge 2 and the complete renovation and expansion of Holland Boulevard will contribute to an outstanding customer experience.

Central security in the non-Schengen area

In 2015, Amsterdam Airport Schiphol switched to central security in the non-Schengen with four new large security filters: two for departing passengers and two for transfer passengers. These new filters replaced the 130 separate checkpoints at the non-Schengen gates. The transition from the old to the new system went smoothly. Fifty-two new lanes in four filters became operational from one day to the next, during the night of 2 June. In Departure Hall 1 (Schengen), the new central security filter had already been in use since 2014.

The extensive renovation provides for a more efficient and more service oriented security process while at the same time increasing space on the piers. With this project Schiphol is also prepared for the anticipated growth in the number of passengers, future legislation and new technological developments. Furthermore the actual cost savings resulting from the transition to central security is higher than originally anticipated resulting in an more positive business case for aviation than at the time the investment decision was taken.

In order to enable the transition to central security, the terminal underwent a major overhaul resulting in an additional 40,000 m² of new space and renovation of 30,000 m² of existing space. A new level was constructed in Departure Halls 2 and 3 to accommodate the new filters and an additional level was added on top of Piers E, F and G in order to separate the various passenger flows. This required the modification of 27 gates, and 24 gates were provided with so-called gatehouses. These contain two floors; smart wall systems are used to separate arriving and departing passenger flows. Transfer passengers now pass through a security check before entering the lounge. Passenger feedback on the new central security filters shows that their perception of waiting times has improved.

The large-scale renovations which were required for central security started in 2013 and will be completed in 2016. Operational processes needed to continue despite the complexity of this project. To that end we remained in close consultation with numerous partners in order to minimise disruption for passengers and other parties involved. In addition, the project had to meet a tight schedule in order to be able to satisfy security legislation. As a result, much of the work was carried out at night and numerous temporary measures were implemented. A comprehensive evaluation has shown that the facilities were taken into use within the deadlines set, but that the tight planning led to higher costs.

Smart climate control on new floors

The new floors on the piers are full of smart technology which reduces costs in various areas. The climate control system is certainly unique, as it is linked with Schiphol's flight information system. The air regulators, which know how many passengers will be arriving, blow more air through the various spaces at peak times. The air regulators are able to detect the presence of people on the piers on the basis of mobile phones trying to find a WiFi source. As soon as no more signals are received, the ventilation stops.

Room for quality

Capacity and quality are inextricably linked. Without sufficient capacity, we cannot provide quality processes or facilities for our passengers, airlines and logistics services providers. We are currently experiencing problems in this regard in our terminal and our car parks: at busy peak times, we are unable to offer passengers the quality experience we would like. The first requirement is therefore additional capacity and space. This will allow us to keep positioning Schiphol as Europe's Preferred Airport in the future, with an efficient, reliable, attractive and inspiring range of products for all our users. Sustainability is our main focus when creating more capacity, as we believe that quality and sustainability go hand in hand.

The new floors have smart sun blinds. Instead of electric, energy-consuming blinds, the windows are fitted with a screen print containing millions of small dots: black on the inside and white on the outside. From inside people can see out, while at the same time the white dots on the outside reflect the sunlight.

Renovation of Departure Lounge 2

In 2014 we began the large-scale renovation and redesign of the entire retail and catering area in Departure Lounge 2. This lounge will offer an entirely new range of retail outlets, restaurants and services, featuring surprising 'worlds of experience' which tie in with Schiphol's distinctive atmosphere.

In 2015, we began with the phased opening of new retail and catering outlets, allowing passengers to gain an impression of the quality of the new lounge. Unfortunately, as a result of construction setbacks, it was not possible to complete the renovations on schedule (in the second half of 2015). The delay put considerable strain on our sector and business partners and also placed passenger services under pressure. This is reflected in our quality surveys. The renovation of Departure Lounge 2 will be finalised in the next few months.

In addition to Lounge 2 we are also still busy with the renovation work on Holland Boulevard, which is being entirely redesigned. The floor area of Holland Boulevard has almost doubled.

Passenger ratings of the new retail and catering outlets in Departure Lounge 2 and Holland Boulevard has improved, but has not yet reached the level it was at before the work started. This is because the construction work is still extremely evident in several areas. We expect to receive higher scores in 2016.

The renovation activities have adversely affected the average spend. The hoardings and diversions mean there is less space for passengers. This influences passengers' perception and purchasing behaviour: in areas which are extremely busy, people buy less. Thanks to pop-up stores and the low rate of the euro compared with several other currencies, the losses were limited.

Preparations for Area A

The expansion of Schiphol is essential for safeguarding the competitive position of the Mainport: it will allow Schiphol to keep pace with market growth, improve connectivity and retain its important role in Europe.

The development of Area A, with its new pier and a terminal, is the next step in Schiphol's modular Master Plan approach. Although for many years renewal work at Schiphol has largely been based on the renovation and modification of the existing infrastructure, Area A involves a structural expansion which will add capacity and therefore also quality. Furthermore, the new pier and terminal are being developed in accordance with the LEED method, which focuses heavily on sustainability aspects.

The new pier is badly needed in order to make up for the shortage of aircraft stands. It will accommodate both large and medium-sized aircraft. The intention is for Pier A to be completed in phases as part of Area A, with the first part being completed at the end of 2019. The decision-making regarding Area A is expected to be finalised in the first quarter of 2016.

Preparations are currently underway for the construction of a new terminal above the current South baggage basement (next to the air traffic control tower) and its integration into the current landside infrastructure. The new terminal, which is intended for both intercontinental passengers and passengers within Europe, will be connected to the current terminal, thus retaining the highly valued 'one-terminal concept'. On the basis of current planning the new terminal will be completed in 2023.

Operational Transition Plan

In view of the major new construction plans to be implemented, we prepared an Operational Transition Plan in 2015. The plan identifies the operational problems that can be expected to occur prior to completion of Pier A and the new terminal, and identifies (temporary) solutions we will take to ensure the required capacity. These solutions include process adaptations, modifications to existing infrastructure or new construction. Our prime concern is to continue providing the highest possible level of quality for travellers and our customers. We have shared the Operational Transition Plan with the airlines.

Parking

In 2015, Schiphol once again attracted more passengers and visitors than in the previous year. As a result, we are reaching the limits of our capacity at more times during the year, including for our parking garages and car parks.

The new covered car park at P3, which will offer 2,650 additional parking spaces, will increase long term parking capacity. This facility is scheduled for completion in the spring of 2016, ahead of the busy summer period. Unfortunately, however, passengers are experience some disruption during the construction work. By introducing a number of temporary measures we are trying to maintain quality levels. Products such as Holiday Valet Parking and Drive-Incheck have made a positive contribution in this regard.

We are also reaching the limits of our parking capacity at Schiphol-Centre. In 2015, we developed plans for expanding the facilities so that we can continue to offer passengers and visitors a high level of service. Construction of the new terminal in Area A will require the demolition of a part of car park P2. To compensate for the loss of part of the current car park P2, an extra level will be added to car park P1 and the remaining part of P2 and a new garage will be built on the site of the old Hilton hotel.

In 2015, parking revenues rose by 4.3%. This increase is higher than the increase in the number of Dutch passengers departing from Schiphol (+2.4%). Extra marketing efforts through both TV



Area A at Schiphol with the new pier and terminal (awaiting development)

commercials and on and off line advertising continuously highlight the wide range of parking products offered by Schiphol Parking. We are also seeing a clear increase in the number of passengers making advance online bookings.

Development of Lelystad Airport

On 31 March 2015, the Minister for the Environment issued the Airport Decree. This decree allows Lelystad Airport to start constructing a new airport, which will open in 2018 when the first leisure flights will depart.

Lelystad Airport has chosen a concept which revolves around the passenger, with a compact airport, bespoke products and the accompanying levels of quality and comfort based on the principles of simplicity and no-nonsense.

Rotterdam The Hague Airport

In order to satisfy the growing market demand, Rotterdam The Hague Airport is preparing a new Airport Decree which provides for gradual growth through the addition of ten new destinations by 2025. An environmental impact assessment, an economic feasibility study and a socio-economic cost-benefit analysis have been drawn up in order to substantiate this request. These also serve as the starting point for the dialogue with stakeholders in the region. Broad regional support among officials and residents is a precondition for the desired growth and expansion of the number of destinations.

In 2016 and 2017, the apron and the airport square in front of the terminal will be renovated and the terminal capacity will be reviewed.

Eindhoven Airport

In response to its rapid growth, Eindhoven Airport has focused on infrastructural expansions. A multi-purpose building will be constructed on the airport forecourt to accommodate short-term parking, a public transport terminal and retail/catering outlets. Construction is scheduled to begin in the second quarter of 2016. The new multi-purpose building on the front airport concourse will be constructed in accordance with the BREAAAM 3-star certificate ('very good'). This means that the new premises will comply with a wide range of sustainability requirements. In addition, the baggage hall will be expanded. Construction will start in the first quarter of 2016, and terminal processes and facilities will need to be modified accordingly. Airside capacity was already expanded in 2015 with the addition of two new aircraft stands and a separate General Aviation apron. Once all the renovations and expansions are completed, Eindhoven Airport will be able to handle around six million passengers per year.



Accessibility

Schiphol Group will only be able to connect the Netherlands with the rest of the world in an optimal manner if our airports are also easily accessible by road and rail. This is crucial to travellers, businesses, suppliers and employees. After price, the network of destinations and flight frequency, accessibility is the main reason why passengers choose a specific airport. Together with our partners we therefore strive to ensure an extensive and reliable network of multimodal connections. This is a prerequisite for safeguarding our competitive position.

Schiphol Group itself does not offer public transport, but it does play a coordinating role in improving public transport access to its airports and increasing the sustainability of the solutions offered, in consultation with the transport companies. We wish to offer a good mix of products at our locations, with the provision that these products are of a high quality and providers are encouraged to use the most sustainable products. We hold regular discussions on these subjects with our partners and include them as criteria for our concession agreements for street taxis and bus transport from, to and at Schiphol.

Schiphol's accessibility

Space in the Netherlands and also around Schiphol, our main airport, is limited. Schiphol Group and the parties involved must make every effort to ensure that the road system, parking facilities and public transport keep pace with the growth of air traffic. We aim to configure the facilities as efficiently as possible and to facilitate the smooth flow of traffic at the airport.

The bar is set high: Schiphol depends on a dense, high-frequency public transport network as well as on a varied and adequate range of parking options that meet the needs of visitors, passengers and employees. Nonetheless, Schiphol's accessibility is under pressure, which could undermine our competitive position. One concrete example is the Schiphol NS railway station. The platforms, exits, Plaza and bus station are reaching the limits of their capacity. In order to resolve this issue, a project group has been set up which includes ProRail, NS, the Ministry of Infrastructure and the Environment, the municipality of Haarlemmermeer and the Amsterdam Metropolitan Area. The project group is developing solutions for the short and long term. In view of the expected growth in the number of passengers, these plans must be implemented as soon as possible.

Schiphol will also continue to work towards more and better train connections. We are in favour of extending the North-South metro line from Amsterdam-Zuid WTC to Schiphol, and will continue our efforts to ensure this issue remains on the political agenda. We believe there are two reasons why extending the North-South metro line is so important: it will improve the connection with Amsterdam and relieve pressure on the railway system. The reliability of the entire transport system is expected to improve as a result. The project will free up space in the rail system for international connections to Paris and other important cities, such as Berlin, Frankfurt and London. As well as improving accessibility for our passengers and visitors, these transport options also tie in with our aim to reduce CO₂ emissions.

Several significant improvements were introduced in 2015. Work has continued on the road network around the airport: the rerouting of the A9 motorway is underway and is scheduled for completion in 2018. As a result, traffic will flow more smoothly at the A4/A9 interchange.

The airport's accessibility by bus was significantly improved in 2015. In May, the North High-Quality Public Transport Hub (HOV) was opened by the Minister for the Environment. Travellers can transfer comfortably at this hub onto express bus services to destinations such as Schiphol Plaza, Haarlem, Amsterdam, Amstelveen and Amsterdam-Zuidoost. The project is a collaboration between Schiphol, the Amsterdam Metropolitan Area, the province of North Holland and the municipality of Haarlemmermeer.

The new bus station, designed by the architects Claessens Erdmann, is an unusual and highly sustainable building. The roof is made of steel salvaged from an old British WWII aircraft hangar, which was previously located at Rotterdam The Hague Airport. Solar panels on the roof make the building self-sufficient and therefore climate-neutral. The roof can be illuminated in various colour combinations, drawing the attention of passengers and people in the surrounding area. The unique design won the ARC 15 Innovation Award. A second bus station is currently being constructed at Schiphol-East.

Despite the programme for collaboration with NS and ProRail, the number of disruptions caused by defective trains and railway systems remains high. While the number of fire alarms in the Schiphol Tunnel has fallen, Schiphol's central position in the national railway timetable means that disruptions outside Schiphol often negatively impact the accessibility of the airport. This is why continuation of the improvement programme is essential.

Passengers' choice of transport

Despite the number of disruptions on the railway system, Schiphol still achieves high scores for accessibility from passengers. In fact, within Europe only Copenhagen airport scored higher for accessibility in the annual Airport Service Quality survey. This survey, which compared 280 airports, reflects the level of passenger satisfaction regarding accessibility.

We conduct surveys among passengers in the waiting areas at the gates throughout the year. One of the questions is how the respondent travelled to Schiphol. In 2015, the percentage of passengers who were dropped off and collected by car fell slightly while the percentage of passengers parking in the Schiphol car parks increased slightly. The percentage of passengers arriving by public transport also increased slightly. We are pleased with this development, as parking involves two traffic movements (there and back), and collection and dropping off involves four traffic movements (twice there and twice back).

Passengers' choice of transport to and from Schiphol in %

	2015	2014
Public transport	40.4	39.1
Dropped off by car	23.8	26.2
Parked car at airport	13.6	13.7
Taxi	10.8	9.3
Group transport	8.2	8.4
Other	3.2	3.3

Accessibility of regional airports

Improved connections with public transport and the provision of quick access roads are very important for our regional airports.

The accessibility of Rotterdam The Hague Airport has been improved by expanding and renovating the airport's link to the A13 motorway (Doenkade junction). As a result, car traffic is now flowing more smoothly. With regard to public transport, the frequency of the bus service to and from Meijersplein station for the connection to Randstadrail has been increased. This means that the airport has also been easier to reach by public transport at weekends since the end of 2015. The connection could be further improved and the airport is working with the metropolitan region, RET and the other parties involved in order to achieve this.

Eindhoven Airport has reached agreements with national and regional authorities regarding improved accessibility. An important element is improvement of the connection to the A2 and A58 motorways no later than 2020. Eindhoven Airport would also like to realise a rapid improvement in accessibility by train. In 2015,

the frequency of the direct bus connection between Eindhoven Airport and Eindhoven railway station was increased to eight buses per hour.

In the longer term (2028) a new Eindhoven Airport railway station, on the Eindhoven-Den Bosch line, is a serious consideration. The station could promote a number of objectives, including the further development of Brainport Eindhoven with its various business parks. The Minister for the Environment is supporting investigation into the possibilities for a railway station at Eindhoven Airport.



Customer appreciation

Schiphol Group is positioning Amsterdam Airport Schiphol as Europe's Preferred Airport for passengers and airlines. We can only realise this ambition if we offer comfort and service at the highest level. We ask our customers for their opinion in order to identify areas for improvement. We also focus on consistent high quality at our regional airports.

Amsterdam Airport Schiphol

Customer appreciation of Amsterdam Airport Schiphol is currently under pressure. This is reflected in our own surveys, as well as in external measurements and rankings. In the global SKYTRAX ranking, we have dropped from position 5 to 9. This is not unexpected: there has been a temporary drop in comfort and quality because of the construction work for the central security filters, Departure Lounge 2 and Holland Boulevard.

High-quality taxi service

Schiphol wishes to offer passengers and visitors high-quality and sustainable taxi transport. For this reason, we reached agreements with BBF Schipholtaxi and BIOS-groep on the rates and service levels for trips from the drop-off roads at Jan Dellaertplein. In addition, these transport providers operate a fleet of 167 electric Teslas.

In 2015, a change in the taxi legislation and a gap in the local legislation meant that other taxi providers could also offer their services from Jan Dellaertplein. Taxi firms were offering taxi services on the concourse outside the arrival hall in an irritating, undesirable and intimidating manner. The operators who had been selected by the airport for Schiphol Taxi were losing business as the taxi touts were intercepting passengers before they reached the official taxi ranks. This situation is undesirable and we also feel that it does not tie in with the image of a high-quality international airport.

Schiphol therefore collaborated with the municipality of Haarlemmermeer to develop appropriate measures. The municipality drew up revised General Municipal By-laws (APV) which prohibited taxi touts. In turn, Schiphol provided organisational changes such as improving the visibility and signposting of the official taxis, and additional enforcement of the revised APV. Schiphol will bear the cost of extra supervisors.

This approach aims to counter the taxi touts and the disturbance of public order associated with their activities. Our aim is to restore the taxi service from Schiphol to the desired high-quality and sustainable level. However, we are still running up against legislative constraints in terms of the permitted measures and enforcement capacity.

We conduct an annual survey about how satisfied travellers are with our services. We measure passenger satisfaction with the arrival and departure process, the accessibility of the airport and the price/quality ratio of the shops and catering outlets beyond passport control. We can see that the renovation work at Schiphol has a clear effect on passenger quality perception. On average, passengers who travelled in the first half of the year found it less easy to find their way and had to walk greater distances. The perception of the hygiene, atmosphere and range of catering and retail outlets in Departure Lounge 2 is also less positive.

After the introduction of central security on 3 June, passengers had to get used to the modified process and walking routes in the terminal. The Net Promoter Score dropped from 30 to 28. Waiting times for central security have been rated as 'reasonable to good' so far. Passengers are less satisfied with the waiting times for the various passport controls. This is partly due to temporary capacity issues at the Royal Netherlands Marechaussee.

Despite the slightly lower score for several components, the general perception of Schiphol has remained stable and at a high level. We are expecting an improvement in quality perception levels in 2016 once the renovation of Holland Boulevard and Departure Lounge 2 is complete and passengers are able to use the new facilities. In the last quarter of 2015, when central security was fully operational, for example, we already noticed a shift towards a more positive score. In Departure Lounge 2 there are already signs that the score is increasing once again; this is due to the phased opening of new retail and catering outlets.

The Airport Quality Service (ASQ) benchmark, which compares European airports, shows how travellers rate our service level and facilities compared with other airports. Schiphol ranks seventh among O&D passengers; Copenhagen Airport ranks in the top spot. Our goal is to achieve second position by 2020. Transfer passengers have ranked us sixth; in this group Munich occupies the top spot. We are aiming to rank first by 2020.

Rotterdam The Hague Airport

Rotterdam The Hague Airport has successfully undertaken steps to further improve quality for example by introducing of new parking products, online reservations, renovation and expansion of the arrival facilities and improving the passenger flow through the baggage checks. Passenger appreciation of the improvements is reflected in an increased Net Promoter Score from 30 to 46.

Eindhoven Airport

Eindhoven Airport is currently in a phase of expansion and change. As a result, customer satisfaction in the ASQ benchmark is slightly lower than for other airports. The score in the autumn of 2015 was 3.62, compared with 3.65 in 2014. The position of Eindhoven Airport in respect of other airports is stable and remains at 21. Once the construction work has ended and the airport is able to reposition itself, the customer appreciation will increase resulting in a higher

ASQ score. The launch of a new mobile website will also contribute to this.

Awards

Amsterdam Airport Schiphol

- Business Traveller UK (United Kingdom): 'Best Airport in Europe', for 26th year in a row.
- Airlines on Airports benchmark among European airports: number 1 overall.
- IATA: Air Cargo Excellence Award, 'Best major European airport'.
- Airport Marketing Awards Routes Europe: Highly Commended in the category of 'Airports above 20 million passengers'.
- Airport Marketing Awards World Routes: nominated (top 5) in the category '50 million passengers plus'.
- Spin Award (for creative digital concepts): online game Destination Unknown.
- Baxter Travel Media Agents' Choice: favourite international airport according to Canadian travel agents for the 11th year in a row.

Eindhoven Airport

- Zoover Awards: 'Most popular airport in the Netherlands'.



Living and working near an airport has both positive and negative sides. These are not distributed evenly over the region. We regard it as our socio-economic responsibility to work with partners to improve the quality of life and to limit disturbance to the greatest possible extent.

Among other things, noise disturbance depends on the number, timing, flight operations and the aircraft used. Schiphol can influence some of these aspects directly, but on others we can only exert indirect influence. Schiphol is continuing its efforts to contain noise disturbance as effectively as possible in collaboration with other aviation parties, including KLM, BARIN and Air Traffic Control the Netherlands (LVNL).

Disturbance reduction around Schiphol

Flight frequency: growth and agreements

With Schiphol's growth in mind, agreement has been reached with the Alders Platform (which has now been absorbed into the Schiphol Community Council) regarding how many flights may take place until 2020 and how the number of flights can develop from then on. In January 2015 the parties to the Alders Platform made a number of supplementary agreements. Schiphol will be given less room for growth until 2020, and the maximum traffic volume has been reduced from 510,000 to 500,000 air transport movements. In return, Schiphol will be permitted to use the fourth runway more often.

How flights are operated: runway usage and large-scale maintenance

Four rules have been formulated that describe how the aviation sector is permitted to use the runways. For more information, click [here](#).

Within these rules, it is up to LVNL to decide which runways are to be used at which times. Schiphol influences this through the choices it makes with regard to the timing of large-scale runway maintenance. This year, large-scale maintenance was carried out on runways 18L-36R and 18C-36C. On both runways, work was carried out on the so-called 'Touch Down Zone', the target area where aircraft first touch the runway. This area of the runway is subject to heavy stress. This type of maintenance is essential in order to prevent possible future disruptions. In addition, we have worked hard on the Aircraft Lighting Control and Monitoring System. This runway lighting system is being renewed across the entire airfield, this year on Runways 06-24, 18R-36L, 09-27 and 18L-36R, for example. In 2015, runways were taken out of use more frequently than in other years.

The aircraft used: fleet renewal

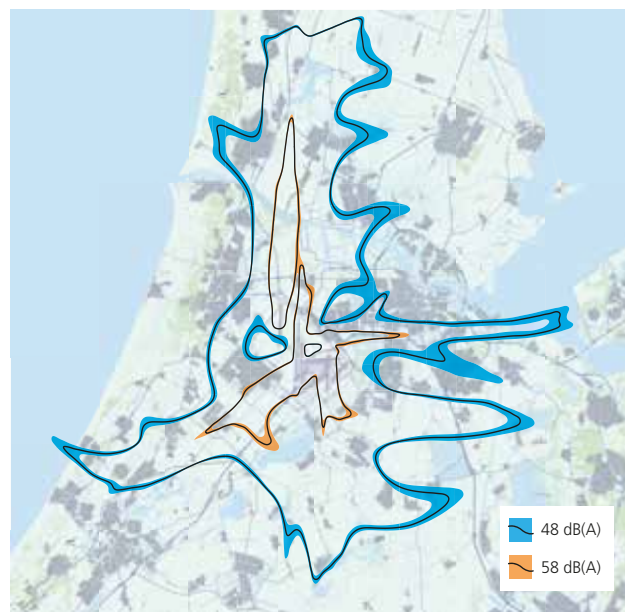
Fleet renewal affects noise disturbance. Schiphol welcomed an Airbus A350 for the first time this year. The Finnish airline Finnair introduced this innovative aircraft to its fleet. This aircraft will be seen at Schiphol on a regular basis in the years ahead. 2015 also saw the introduction by KLM of the Boeing B787 Dreamliner. Both the Airbus A350 and the Boeing B787 generate less noise and emit less noxious gases than their predecessors. A quieter, cleaner and more economical fleet is in everyone's interests. Airlines, airports and residents all benefit from these modern technologies.

Impact of disturbance reduction in 2015

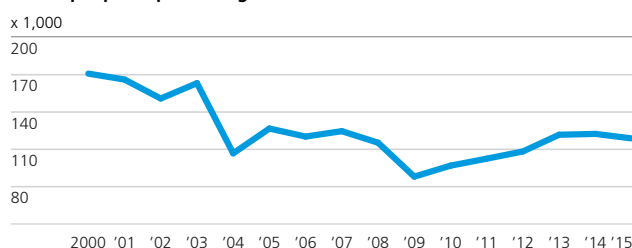
As early as 2013, it was already clear that we would easily achieve the agreed 5% reduction in noise disturbance. It is now evident that we can achieve a 20% reduction given a volume of 500,000 movements. The initial results of the Environmental Impact Assessment (MER) show that on balance, the disturbance reduction will be even higher.

Noise impact

The figure shows the 58 and 48 Lden noise contours during the 2015 operating year. The contour shows where a noise impact of 58 decibels or 48 decibels can be expected around Schiphol in average weather conditions. This contour is not static but has a bandwidth, as the noise disturbance can vary as a result of changes in the weather. Within the contour, the number of residents that can be characterised as 'experiencing severe noise disturbance' is calculated. The statutory norm for the maximum number of people experiencing severe noise disturbance is 180,000. In the operating year 2015, the number of people experiencing severe noise disturbance as a result of the actual noise impact was calculated to be 119,000.



No. of people experiencing severe noise disturbance



Breaches of environmental standards

Schiphol is transitioning from the old environmental standards to the new Environmental Standards and Enforcement System (NNHS). Although not yet officially effective, the NNHS is already used in practice as the standard for flight operations. Over the past operating year the sector was in compliance with all the rules of the new system with the exception of the number of night-time air transport movements, which must be reduced in the operating year ahead.

The rules under the new system are to be laid down in laws and regulations. The Scope and Details Memorandum was published in June 2015. Publication of the Environmental Impact Assessment (MER) is expected in the first quarter of 2016, after which the period of public consultations can begin. The aim of the MER is to have the new system implemented as from the 2017 operating year, which starts on 1 November 2016.

At present we still apply the old system as a basis for our reporting. In the 2015 operating year the limit values of three enforcement points were exceeded. Until the NNHS has been incorporated into the Aviation Act, any breaches will be evaluated with due regard for this new system. If such breaches turn out to be the result of the application of the new system of rules, no measures will be imposed on the sector.

Collaborating parties

The structural consultations at national, provincial and municipal level are extremely valuable for us. The Schiphol Community Council was set up in January 2015. It is a platform in which stakeholders come together to address issues relating to the development of Schiphol and the surrounding area. These stakeholders include authorities, the aviation sector, residents and sector organisations. The Community Council has replaced the Alders Platform Schiphol and the Schiphol Regional Consultative Committee (CROS).

We also actively participate in SMASH (the Mainport Amsterdam Schiphol Haarlemmermeer Structural Concept), with the aim of strengthening the metropolitan region and the role of the airport in this regard.

At a regional level, the Lelystad Alders Platform holds regular discussions with the municipalities and other interested parties in the surrounding area. In Eindhoven the regional Alders Platform discusses airport development with key stakeholders. Rotterdam The Hague Airport has its own Regional Consultative Committee, which holds regular meetings with the main parties in the local community.

Improving the quality of life around Schiphol

Improving the quality of life for people living near Amsterdam Airport Schiphol is a goal which is shared by Schiphol Group, the province of North-Holland and the central government. These parties have set up the Schiphol Quality of Life Foundation in order to achieve this. All the participants have twice donated ten million euros to the foundation. The foundation finances projects and offers benefits-in-kind (such as noise insulation) to individuals subject to unacceptable or unworkable circumstances who fall outside the scope of the existing statutory regulations for compensation. For example, dire cases are accommodated in a special programme, the first phase of which was completed in 2015.

Area-specific projects to which the foundation donates funds include the Campus Uilenstede in Amstelveen and the Iepenlaan in Uithoorn. Both will be completed in the first half of 2016. The approved Green Zone (Aalsmeer) and Hart van Zwanenburg projects are still in the preparatory phase. They will be financed using the first tranche made available by the foundation. In 2016, the foundation will start to select and implement activities and projects covered by committed funds from the second tranche.

Reports by local residents

The Local Community Contact Centre (Bas), a foundation formed by Air Traffic Control the Netherlands (LVNL) and Amsterdam Airport Schiphol, provides daily information on air traffic to, from and at Schiphol, runway and route usage and living in the Schiphol area. Bas registers all complaints and visits local residents who feel seriously affected and have requested face-to-face contact.

Number and nature of reports to Bas

	Focus group		Habitual complainants	
	2015	2014	2015	2014
Number of complainants	5,462	7,446	35	26
Reports received				
Specific reports	20,392	20,870	114,204	83,437
Period reports	27,197	40,894	4,990	5,530
General reports	685	840	422	275
Total reports received	48,274	62,604	119,616	89,242

Reports may concern specific air transport movements or a specific period, or they may be of a general nature.

The focus group consists of people who submit no more than 500 reports per person per year, which is 99.4% of the total number of complainants. Both the total number of complainants in and the number of reports received from this group were down in 2015, according to Bas figures. This follows a rise in the number of people submitting reports in the previous operating year, which owed to a long period of maintenance to the two preferred runways, 06-24 and 18R-36L. Overall, the number of reports was up. This is attributable to 35 individual habitual complainants who together submitted 119,616 reports, up 34% from 2014.

The lion's share of complainants submitted reports in September 2015, largely due to adjusted runway use in connection with major runway maintenance and work on lighting and control systems on Runway 18L-36R. As a consequence of this and the prevailing weather conditions, Runway 09-27 and Runway 04-22 were in frequent use during this month. In previous years, local residents submitted the largest number of complaints during the peak summer period in July and August.

Noise monitoring points

Amsterdam Airport Schiphol uses the Noise Monitoring System, or NOMOS, which currently constitutes 37 monitoring points. A monitoring point consists of a 6-10 metre high mast mounted with a microphone which continuously measures all environmental noise. These points are connected to a computer and to the nomos.schiphol.nl website, on which the results are posted. In 2014 and 2015, Schiphol extended this network by adding eight monitoring points in surrounding municipalities. In early 2016 another noise monitoring point will be added in Sassenheim.

Noise disturbance around Rotterdam The Hague Airport

Noise impact in the area around Rotterdam The Hague Airport is measured on the basis of six enforcement points. These enforcement points have been laid down in regulations which serve as a provisional airport decree. No breaches of these enforcement points occurred during the 2015 operating year. The airport used

approximately 97% of available noise capacity at the most critical enforcement point over the course of the 2015 operating year.

Noise disturbance around Eindhoven Airport

Noise capacity at Eindhoven Airport allowed for restricted growth in air transport movements in 2015. This capacity was not exceeded in 2015 and will be increased in 2016, allowing for more flights. Local residents can find information about noise and aircraft movements at Eindhoven Airport on the website www.samenopdehoogte.nl.

Alders Platform agreements on Lelystad Airport

The Airport Decree on the expansion of Lelystad Airport took effect on 1 April 2015, providing for phased development to a maximum of 45,000 commercial air transport movements. Members of the Lelystad Alders Platform adopted a Work Programme 2.0 defining and allocating actions to be taken over the coming years,

Further information:

- *Local Community Contact Centre Schiphol (Bas)*
- *Schiphol Community Council*
- *NOMOS*
- *Schiphol Quality of Life Foundation*



Safety

Safety is a key priority in both our own operations and those of our partners. We work to ensure the safety of our travellers, visitors and employees and improve workplace safety in cooperation with the airlines, the Royal Netherlands Marechaussee, contractors and other companies.

A safe and healthy airport environment and workplace is the shared responsibility of all stakeholders. Each partner is responsible for ensuring the safety of its own processes. As the airport operator, Schiphol Group monitors compliance with all relevant regulations. Safe working conditions receive added attention during large-scale construction projects such as the current implementation of the Master Plan. Management and employees must lead by example and communicate the importance of health and safety both within and outside the organisation.

Safety on and around runways

Our runway safety policy is mainly aimed at preventing situations in which aircraft or other vehicles enter a runway when this is not permitted or desirable. We make every effort to minimise the likelihood of such runway incursions. If an incident occurs, we take all possible steps to limit any consequences and investigate what can be done to prevent similar occurrences in future, working in close cooperation with all parties in the aviation process, and in

particular with Air Traffic Control the Netherlands (LVNL) and our home carrier KLM.

Schiphol

In 2015 a total of 41 runway incursions were registered at Amsterdam Airport Schiphol (2014: 17). This figure is well above our target maximum of 22. There is no obvious cause for this increase; most runway incursions resulted from a failure to follow procedures. This issue continues to be a priority not only at Schiphol but within the entire aviation sector. The Runway Safety Team dedicated a separate session to the theme Human Factors.

In 2015 we permanently closed down the W11 and W12 access roads from the Zulu taxiway to Runway 18C-36C, on which a considerable number of runway incursions occurred in the past. Measures implemented on and around the G1 access road from Runway 04-22 have led to a substantial reduction of runway incursions there.

Runway incursions at Schiphol

(annual number)

2015	41
2014	17
2013	23
2012	42
2011	36

Rotterdam The Hague Airport

Nine runway incursions occurred at Rotterdam The Hague Airport in 2015 (2014: 5). Rotterdam The Hague Airport implemented a number of additional control measures in 2015 to prevent runway incursions. Various new (and existing) lines have been applied (or reapplied) using sustainable materials and flashing lights have been installed at the holding position markings along the taxiway as an extra signal to pilots and vehicle operators that they are approaching a runway.

Eindhoven Airport

Eleven runway incursions occurred at Eindhoven Airport in 2015 (2014: 8). In October 2015 the audit institute of the Dutch Airports Association (NVL Auditinstituut) performed an audit under the National Regulations for the Safe Use of Airports and other Aerodromes. This did not result in any urgent findings.

Bird strikes

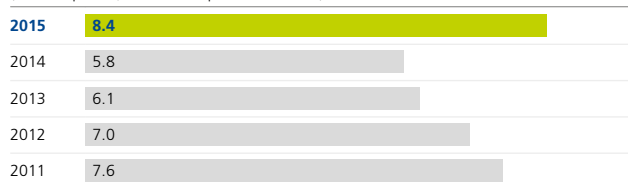
Birds are a serious flight safety risk. In order to control this risk, Schiphol employs bird controllers who patrol the landing area 24 hours a day, 7 days a week. In 2015 the mild winter led to a mouse infestation and an attendant sharp increase in the number of birds of prey throughout the Netherlands, and at Schiphol of kestrels in particular. To keep these birds away we sowed large areas with a type of grass that is inedible for insects and mice, prompting them to seek out different foraging areas. As soon as the mouse population decreases, the kestrels will move out too.

The activities of the Netherlands Control Group for Bird Strikes (NRV) were further developed in 2015, with measures from the covenant, such as the accelerated ploughing back of grain fields by farmers, implemented as effectively as possible.

A new NRV covenant was prepared in 2015 for the 2015-2018 period. This new covenant will be signed in the spring of 2016 and builds on the existing agreements. 2015 also saw frequent use of the bird detection system to supply data to NRV partners and analyse the results of measures taken at Schiphol. In 2015, the number of bird strikes at Schiphol per 10,000 air transport movements amounted to 8.4 (2014: 5.8).

Bird strikes at Amsterdam Airport Schiphol

(number per 10,000 air transport movements)



Rotterdam The Hague Airport

The number of bird strikes at Rotterdam The Hague Airport dropped to 3.1 per 10,000 air transport movements (2014: 5.7).

Eindhoven Airport

At Eindhoven Airport, the number of bird strikes dropped to 8 per 10,000 air transport movements (2014: 8.8). This figure includes both civil and military flights. The ratio in 2014 was higher than reported in the 2014 Annual Report due to a calculation error.

Work safety

Safety during construction work

Our efforts to improve occupational safety received an additional impetus with the renewed risk-based Safe and Sustainable Employability management system. A Schiphol-wide occupational health and safety risk survey was carried out in 2015 and the identified risks were classified in a risk matrix. The top 5 risks are being further analysed and will be addressed through a number of measures. The top risks include staff absenteeism due to prolonged perceived excessive work pressure, staff absenteeism resulting from employability issues among older employees (due to e.g. the pace of automation, flexible deployment and innovation), and personal injuries sustained during construction processes.

The design and construction of central security for non-Schengen destinations placed a major emphasis not only on ergonomics, but also on safety. Safety can not be taken for granted. The 12 Golden Rules of Safety are a vital instrument for keeping employees and contractors mindful of safety. In 2016 we will also be launching several safety campaigns in conjunction with our main contractors.

The non-Schengen central security project offers a number of valuable lessons for the development of Area A. An external evaluation of the efficacy of safety policy in this project concluded

that while our projects are characterised by tight deadlines, we never lose sight of safety. A case in point would be the decision of whether to both process and assemble or only assemble specific project components on site in the terminal, since this impacts on the indoor climate. Careful consideration is vital as the terminal is in use 24 hours a day and there is limited room to manoeuvre.

Industrial accidents

Schiphol uses Lost Time Injury Frequency (LTIF) when registering work-related accidents that result in absenteeism. In this way we can compare our performance with that of other companies within or outside our sector. A total of seven work-related accidents resulted in absenteeism within our organisation in 2015, six of which concerned airport fire service staff – one resulted from an injury sustained during fire service training and the other five from sports-related injuries. In 2015 Schiphol Nederland B.V. (excluding the fire service) had a single work-related accident with absenteeism, bringing the LTIF score for 2015 to 0.4 (2014: 1.2). The fire service achieved a score of 27.1, as compared to the target of 40 (2014: 22.7). The LTIF for both Rotterdam The Hague Airport and Eindhoven Airport was 0.

There were 78 incidents in the terminal involving personal injury, mostly to passengers (2014: approximately 100). Roughly half were related to the use of our facilities, such as a staircase, escalator or ramp. The majority of injuries resulted from trips and falls.



CO₂ emissions

As a key link in the aviation chain, Schiphol Group takes responsibility for emissions reduction and pursues active policies to this end. We are continually investing in the sustainability of our own business operations and stimulate our partners at the airports to do the same. In 2015, Schiphol Group once again took part in Airports Going Green, a leading aviation industry conference in Chicago where experts share knowledge on airport sustainability and explore innovative solutions. The ninth edition of Airports Going Green in 2016 will be held at Schiphol in honour of our 100th anniversary.

Joining forces

Though they do not consume kerosene themselves, airports can work to facilitate the transition from fossil fuels to cleaner alternatives. Schiphol Group has joined forces with home carrier KLM, biofuel supplier SkyNRG and several other partners to promote large-scale use of biofuels in aviation. Schiphol Group and KLM are furthermore taking part in a number of university studies and pilot projects to explore options for developing the biofuels market. KLM is one of the world's most progressive airlines in terms of biofuels use. Schiphol extended its membership of the KLM's Corporate BioFuel programme in 2015 through to at least 2018.

As a part of the European Single European Sky (SES) initiative, efforts are underway to modernise the European air traffic control system.

As well as boosting capacity and optimising the use of air space, these modernisations also encompass significant efficiency improvements in ground processes, aircraft handling and airport use. Airspace optimisation is aimed at shortening flight routes and lowering fuel consumption which reduces CO₂ emissions.

The SES programme is erasing national borders in the sky and the boundaries between civilian and military airspace to create a single European airspace. Schiphol Group and its European partners are actively seeking the accelerated implementation of Single European Sky.

Schiphol supports the development of energy-saving take-off procedures, provided they are balanced against noise impact. This was the first full year in which KLM operated flights in accordance with the NADP2, a take-off procedure under which departing aircraft achieve a high speed faster but also begin a steep ascent earlier, and which reduces fuel consumption. Newer, lighter aircraft types are also helping to cut back on the emission of hazardous substances; these include the Airbus A350 and the Boeing 787 Dreamliner, which TUI began using in 2014 and KLM in 2015.

Leading the way in CO₂ emissions reduction

It has been Schiphol Group's goal since 2012 to achieve CO₂ neutrality for its own operations every year. We reduce emissions by using sustainable energy and fuels to the fullest extent possible. As in previous years, Amsterdam Airport Schiphol met its target of CO₂-neutral business operations in 2015, partly by compensating for emissions through certificates for Dutch, Belgian and Central-European wind energy and Belgian solar energy.

Amsterdam Airport Schiphol is one of the airports most actively pursuing emission reductions. In 2015 we retained our 3+ status in the Airport Council International's Airport Carbon Accreditation benchmark. This is the highest status that can be attained and was awarded on the basis of our investments in biofuels, electrically powered vehicles, use of LED lighting and restriction of commuter traffic. Our ambition is to maintain this highest status in future.

In 2012 we set ourselves the goal of reducing CO₂ emissions per passenger to 1.35 kg by 2020. The target for 2015 was a reduction to 2.01 kg; the actual emissions level was 1.71 kg. The target for 2016 has been set at 1.88 kg. As a result of the expansions of, for instance, central security and the new Hilton hotel it will be a challenge to achieve this figure in 2016.



As of 2015, Amsterdam Airport Schiphol reports its emissions from energy consumption on the basis of the Greenhouse Gas Protocol (scope 1 for emissions from airport activities and scope 2 for indirect

emissions from energy purchased), making it possible to more actively monitor the performance indicators. CO₂ emissions are consequently published in a different form than in the 2014 Annual Report. For further information about performance indicators, see the section on *Socio-economic accountability*.

Eindhoven Airport was awarded 3+ status in the 2013 Airport Carbon Accreditation benchmark and has had ACA certification since 2011. The process to review the accreditation level is currently ongoing.

Rotterdam The Hague Airport aims to cut CO₂ emissions by generating 20% of its energy from renewable sources by 2020. The airport is currently not yet ACA-accredited but has taken steps to do so, for example by identifying the sources of CO₂ emissions so that we can launch and monitor targeted projects and initiatives. Rotterdam The Hague Airport's CO₂ emissions, which are calculated on a different basis than at Amsterdam Airport Schiphol, declined by 5% in 2015 to 2,356 tonnes (2014: 2,484 tonnes).

CO₂ emissions by Amsterdam Airport Schiphol (in tonnes)

Caused by		2015 ¹	2014 ¹
Scope 1	Natural gas and fuel consumption under the SNBV licence	19,954	16,190
Scope 2	Electricity	78,681	81,426
Total CO₂ emissions		98,635	97,616
Passengers	x 1,000	57,581	54,549
CO ₂	Kg / passenger	1.71	1.79

¹ The figures relate to emissions and the number of passengers over the operating year.

Energy efficiency

Schiphol Group's policy is to use energy as efficiently as possible so that we can handle more aircraft, passengers and cargo while using less energy. In 2015 we once again implemented a wide range of measures to this end. A large share of the public and car park lighting was replaced by LED lighting, large cooling units and air treatment units made way for more energy-efficient models and, where possible, signs and systems were switched off more often. As of 2015 we are also concluding Sustainable Management and Maintenance contracts with our main contractors, which will create a more comfortable environment for building users and reduce energy use. We have initiated the process to obtain BREEAM in-use sustainability certification for our office portfolio and also plan to develop a mobile energy-neutral commercial multi-tenant building at Schiphol-East.

Combined, the measures taken in 2015 yielded energy savings of more than 60 TJ, comparable to the energy consumption of around 730 households, and met our 4.1% reduction target. Our absolute energy consumption did increase by 40 TJ, which is attributable in

part to the fact that the 2015 operating year, which ran from 1 November 2014 to 31 October 2015, was slightly colder than the 2014 operating year. Consumption was also higher because apron buses now require electric charging; however, this is offset by the fact that they no longer produce diesel emissions. For 2016 we have set the same energy efficiency target of 4%.

In 2015 the terminal of Rotterdam The Hague Airport was connected to a collective heat and cold storage (HCS) system, which will dramatically cut gas consumption. The full effect will be measurable in 2016. Solar panels had already been installed on the roof of the terminal and have now also been placed on a new operational building. The new second arrivals hall slated for completion in April 2016 has been designed to minimise energy consumption, with solar panels on the roof, LED lighting and a HCS connection.

Sustainable energy

With the ground under Schiphol ideally suited for heat and cold storage (HCS), this technique continues to offer a financially and technologically sustainable solution for existing and new buildings alike. Two new sources were activated in 2015, one to supply the new Hilton hotel and another for the new security filter to Piers G and H. These sources are now being charged for the first time. The HCS supply for Pier F, which was taken out of operation during construction of the central security facilities, will also be reactivated.



Air quality

Schiphol Group is dedicated to high air quality at and around the airports and aims to lead the industry when it comes to reducing NO_x, PM_x and particulate emissions. These efforts are important in view of our commitment to the health of employees at Schiphol and local residents in our immediate environment.

Air quality composition is monitored by the government through the National Air Quality Cooperation Programme. The Schiphol site currently meet all governmental requirements in this field. Public

discussion concerning these standards at the European level may however lead to a tightening of the requirements in future.

We apply performance indicators that involve input measurement, such as the installation of Fixed Electrical Ground Power at aircraft stands and the electrification of the vehicle fleet. Performance indicators that involve output monitoring are not being used at present as it is not always possible to draw clear causal links between our own and other activities in the region and air quality.

Measures

In many cases, measures we take to improve air quality at our airports can dovetail with measures to cut energy consumption, most notably in the replacement of traditional fuel engines with electric engines. In 2015, we put 35 electric buses into operation which are powered on solar energy instead of fossil fuels. The buses were designed especially for and in collaboration with the airport so that they offer more seats and passenger comfort as well as more baggage space. This is made possible by a number of measures, such as a smaller battery tailored for the limited range required for these busses at Schiphol.

The growth of electric driving is accompanied by a growing need for electric charging stations. Over the past year we met with all stakeholders to draft a policy on electric charging which was subsequently communicated to all handling agents and airlines. Sixteen charging facilities have now been installed out of a total of 150-200 ultimately required. These will be built over the next two years. Electric charging points will also be installed in the car parks.

At the end of 2015, a total of 70 aircraft stands were supplied with Fixed Electrical Ground Power (FEGP). Aircraft at these locations no longer need to use their tail engines, thereby cutting NO_x emissions. In 2016 we will be adding FEGP at another three aircraft stands.

At Rotterdam The Hague Airport a further share of the mobile equipment will be replaced with electrical transport in 2016. In 2015 the airport and handling agent also agreed to launch a pilot project to replace diesel generators with hydrogen-powered generators.

Dilemma: generating energy on our own site?

In previous years our ambition was to generate 20% of our own energy requirement by sustainable means at Amsterdam Airport Schiphol itself. This year we evaluated whether this ambition is still realistic. We were confronted with a dilemma: on the one hand, we have a great deal of land on the Schiphol location, but on the other, we are faced with constraints due to airfield safety requirements. Besides there is also the question as to whether the role of energy producer fits in with Schiphol's strategy.

For these reasons, in 2015 we compared options for generating energy on the Schiphol site and outside the Schiphol site. We have decided to purchase 100% sustainable energy. Meanwhile, we will continue to explore options for generating energy to meet our own building and process-based requirements on site. One example is our fleet of electric buses on airside, which run on solar energy generated on the Schiphol site. Plans are also well advanced for solar panels on the roofs of two cargo warehouses. We installed panels on the rooftops of the office complex The Base and the HOV Noord bus terminal in 2015.

Circular economy

Schiphol Group believes in the necessity of a circular economy. We are dedicated to the intelligent design of operating equipment, reuse and recycling of residual flows, closed circular supply chains and raising awareness throughout the entire supply chain. Aviation companies have a key social and economic function, and we feel it is important to lead by example wherever we can. Rather than contributing to the problem, Schiphol Group wants to be a part of the solution, and this also fuels our mission to innovate.

Protection of the environment is of course the main reason to invest in a circular economy, but other factors are involved too. More effective and efficient use of raw materials makes us less vulnerable to variations in supply and corresponding price fluctuations. It also reduces the risk of incidents and catastrophic events that could arise from the use of hazardous substances such as asbestos and chromium-6 toxic paint.

With our central role in the aviation process in the Netherlands, we work alongside a wide diversity of companies and organisations both on and off the airport premises. For example, Schiphol is a founding partner of 'The Netherlands as a Circular Hotspot' initiative. The Dutch EU Presidency, in particular, will afford an opportunity to broadly promote the Netherlands' image as a pioneer, including during an incoming trade mission.

In 2015 we joined the Ellen MacArthur Foundation, whose mission is to speed the transition to a circular economy. We joined the foundation in order to expand our knowledge in this field. With a broad international network of support, this foundation promotes education and works with industry and authorities to develop ultramodern innovations.

Zero waste in 2030

By the year 2030 we aim to be an organisation that uses only products and resources that can either be reused or recycled or else are entirely biodegradable. Making Amsterdam Airport Schiphol a zero waste airport will require long-term vision and perseverance.

Recycling and reuse

We continue to make progress every year, but have not yet achieved all of our ambitions. In 2015 we were unable to meet our recycling target. This is one of the reasons why we have now launched a Zero Waste Plan.

Under this plan, we aim to recycle at least 70% of operational waste at Amsterdam Airport Schiphol by 2020. Construction and demolition waste and water containing glycol are not included in this target since they are removed by external parties. The percentage of separated waste in 2015 was 28.4% (2014: 25.9%), whereas our target was 40.0%.

We are currently rethinking our approach. We aim to eliminate waste flows, and are now talking in terms of residual flows, which often still have economic value. Achieving a true zero waste operation calls for us to make our supply chains more sustainable and to restructure our business models. Our order of preference is to reuse released materials on location and, if that is not possible, to reuse them in the region or else nationally. As well as simplifying the process, this also cuts back on transport. Besides this we are also working to phase out toxic substances used in construction and renovations at our locations.

Use of materials

Schiphol uses biobased products wherever possible. We cultivate our own hemp for fibre and flax for oil and recently began planting elephant grass. These grass varieties are useful for a range of reasons: they do not contribute to residual flows, are unappealing to birds and at the same time supply organic products such as furniture polish, sustainable building materials and paint. In October, the paint manufacturer Rigo which produces such organic paints and polish received a SHARE Award for its sustainable initiatives, presented during the eighth SHARE conference. This

Percentage of waste separated

(per year)

2015	28.4
2014	25.9
2013	36.0
2012	35.0
2011	30.2

Further research on ultra-fine particles

In 2015 the Dutch National Institute for Public Health and the Environment (RIVM) conducted a supplementary study on the concentration of ultra-fine particles in the air around Schiphol, responding to a publication issued by the TNO research institute in late 2014. The latter study found that aircraft may increase the concentration of ultra-fine particles in a radius of 40 kilometres around the airport during take-off. The RIVM's research results, which were published in September 2015, show that concentrations of ultra-fine particles near the airport are comparable to those in a busy city street. It further notes that additional research is needed to ascertain the effects of ultra-fine particles on health. The Minister for the Environment has pledged to the Lower House that this further research will be conducted. Schiphol is seeking cooperation with other aviation sector partners to expand our knowledge of ultra-fine particles. We aim to address this issue as proactively as possible, supplying aircraft stands with Fixed Electrical Ground Power and encouraging a speedier switch to electrical vehicles on airside.

event, of which Schiphol is one of the original founders, is held in Haarlemmermeer every year and seeks to promote a sustainable economy in the region.

Regional airports

Rotterdam The Hague Airport looks at what materials can be recycled for all of its activities and investments. When replacing the apron, for instance, the concrete rubble removed is reused for other purposes, such as paving roads and compacting the soil on the airport grounds. A large solar cell park has also been included in the investment programme. The energy generated by the park will preferably be used entirely on the airport premises, for example to produce hydrogen. Waste separation did not take place in 2015 due to contract change with the waste collection company. The containers for separating waste were supplied at the end of the year; the plan is to introduce them in phases in the terminal and to fully transition to waste separation on 1 March 2016.



Supply chain responsibility

As an airport operator, Schiphol Group plays a coordinating role. We work to increase the sustainability of our own business operations and promote sustainability throughout our purchasing chains. We collaborate with businesses and organisations that are committed to leadership in this area. We work together to improve the sustainability of the Mainport and appeal of the region through concrete measures and agreements.

The airport's core processes involve close collaboration with our key partners: airlines, ground handlers, the Royal Netherlands Marechaussee, Customs and Air Traffic Control the Netherlands (LVNL). As we do not purchase directly from these partners, they do not fall within the scope of our sustainable procurement policy. Schiphol procures the majority of its services from construction, security and facility management companies.

CR in relation to procurement processes

Our central procurement department selects suppliers that actively pursue Corporate Responsibility (CR). The Tendering Committee applies criteria in the area of legality, integrity, efficiency and CR. European tendering procedures are conducted on the basis of a tender document that sets out our basic principles, our considerations and the desired results. As a part of the selection phase, Schiphol asks candidates to explain how they have anchored CR in their organisation. As a part of the awarding phase, we ask candidates to explain how their deliverables, service and/or activities will contribute to our key CR objectives. All these aspects are considered during the decision-making process. In 2015, in 83% of cases advice was sought from our CR officer during tendering procedures.

Specific frameworks and rules relating to working conditions and other aspects govern our procurement activities. Specific

agreements are laid down in the underlying contracts. We reserve the right to unilaterally terminate the contract with any supplier that fails to comply with these agreements. One aspect of the legislation for public tenders is the principle of proportionality: the choices that we make and the requirements and conditions we expect suppliers to meet must be reasonably proportional to the nature and scope of the contract being put out to tender. In 2015 we established a system known as Contract Management Control (RCM) for the purpose of ensuring that the agreements made in each contract are complied with so that the contracts make a maximum contribution to our objectives.

Area A and the new Lelystad Airport

Two projects stand out: Area A and the new Lelystad Airport.

Sustainability is an integral part of the development of Area A at Amsterdam Airport Schiphol. It is our aim to enhance the well-being of passengers and other users of the airport. We also wish to ensure that Area A is built and operates in a sustainable and reliable manner. Eight sustainability criteria are central to this project: well-being, materials, energy, air quality, employment, noise and the local community, the water supply chain and visible sustainability. These criteria will be incorporated into the call for tenders and in the functional Schedule of Requirements.

The tendering procedure for the development of the new Lelystad Airport, entailing a series of tender lots, commenced in January 2015. One of the results of these tenders is that the contractor intends to use an innovative method in the construction of the foundation of the new runway which will necessitate fewer truck movements thereby reducing CO₂ emissions. In addition, LED lighting rather than incandescent lighting will be used to achieve 30% energy savings. Furthermore one-third of the value of the construction work will be carried out by local businesses and that local and regional businesses will be contracted to carry out two-thirds of the of maintenance work.

Schiphol engages main contractors for airport maintenance. Most of the associated framework agreements were extended by one to three years in 2015, with the proviso that the suppliers contribute to reducing Schiphol's CO₂ footprint plus the volume of waste and help the airport to further improve air quality.

Responsible market conduct

We work in accordance with the Responsible Market Conduct Committee Code. Schiphol helped initiate this code, to which it is also a signatory. The Code defines professionalism, quality and etiquette in the sector as 'responsible market conduct'. Collaboration among principals, employers, employees and intermediaries is key.

The Code of Responsible Market Conduct for the cleaning sector has been broadened to include security and catering. As a committee member, Schiphol plays an active role in broadening the scope of this code and ensuring its further enshrinement. Among

other aspects, the Code defines good contracting practices and now reads: 'companies must ensure that contractor staff are afforded the same level of care as their own employees'.

Schiphol Group operates with respect for people, the environment and its neighbours. We can only achieve this in close collaboration with our suppliers. In 2015 Schiphol therefore updated its Supplier Code and added the topic of integrity. The Code sets out what we expect from suppliers in terms of integrity and Corporate Responsibility. This includes cooperating with any investigations.

In 2015 Schiphol introduced a complaints desk where interested parties to tendering procedures can submit complaints relating to inaccuracies and irregularities in the procedure. The Complaints Committee received and examined one complaint in 2015, which it declared unfounded. The party that lodged the complaint accepted the response.

Schiphol Group is reputed for the innovative manner in which it has organised its supply chain. In 2015 Schiphol received an honourable mention by ICT Media and Outsource Magazine during the presentation of the TOMMIE Awards, stating that Schiphol distinguishes itself by its innovative tendering procedure. By organising hackathons, designathons and similar events, the airport is building an innovative ecosystem of innovative suppliers.



Employment practices

Schiphol Group can only execute its strategy if it has the right people to do so. To ensure the continued success of our business activities we need professional and committed employees. At the same time Schiphol Group wishes to be a good employer for all of its employees. We believe this a prerequisite for a business that gives explicit consideration to people and society at and around its airports and also calls partners to account for responsible and sustainable policy.

Sustainable employability

Sustainable employability is the hallmark for Schiphol Group. We again devoted considerable attention to this topic in 2015. Our policy is aimed at the continuous development of employees within the company so that they can advance to new, challenging roles. The underlying principle is that all our people are fit, motivated and able to continue working productively both now and in the future. Vitality is a key concept for us.

Schiphol promotes internal mobility. We firmly believe that employees will derive greater enjoyment and be more productive if they change jobs at the right time. The target we have set is that every year 15% of our employees change jobs. We achieved our target again in 2015 with a mobility percentage of 20.1% (2014: 15.2%). As our active mobility policy enters its third year, employees and managers are engaging in active discussions on sustainable

employability. In 2016 we plan to focus more specifically on target groups we have not yet been able to reach effectively, such as older employees and shift workers. We will also continue our programmes for employee exchange and secondment to the regional and international airports.

Inclusive business practice

The vision underpinning Schiphol Group's employment practices is that we value people for who they are, their qualities and their talent. We aim to be an organisation where all employees feel at home, regardless of their cultural or work background, gender, sexual orientation or physical disabilities. Schiphol Group raised its ambitions for inclusive business practice in 2015 and signed the Diversity Charter in the summer. Improving the position of people with an occupational disability has become one of the key objectives of our employment policy.

On 2 December we launched the 'Aviation Inclusive' project in conjunction with employer's association ANWV. Businesses in the Schiphol region have expressed their intention to create more regular jobs for people with an occupational disability. There are ample possibilities among a wide variety of businesses. Apart from companies directly involved in aviation, security, cleaning and construction companies as well as suppliers are taking part. Aviation Inclusive is line with the Participation Act and will be given concrete form in 2016 with support from Schiphol Aviation College. The College is an important link in the chain as it can connect the parties to job seekers with limited chances on the labour market.

In 2015 we supervised 100 trainees and also organised a large number of one-day work placements or orientations. This is in line with the intentions set out in the Youth Covenant signed by Schiphol in 2014, an initiative aimed at increasing young people's opportunities on the labour market.

Women

In November 2015 Schiphol and nine other employers in the Netherlands (including Unilever, NS, Rabobank and AkzoNobel) made agreements with the Minister of Education, Culture and Science relating to promoting job opportunities for women. The programme aims to increase women's financial independence by offering work-study positions, work placements and jobs.

According to the Management and Supervision (Public and Private Companies) Act, the Schiphol Group Management Board and Supervisory Board should comprise a balanced mix with at least 30% female members. As of 1 September 2014, our Management Board consists of 50% male and 50% female members. The composition of the Supervisory Board similarly complies with this principle, with five male members and three female members (37%) effective April 2015.

This means that we exceeded our female participation targets in 2015. The challenge in 2016 will be to continue this trend to ensure

a balanced ratio of men to women across all levels of the organisation.

Engagement

In 2015 Schiphol was again named Best Employer in the transport and logistics sector in the Best Employer survey conducted by Effectory and Intermediar. We rank eighth (2014: fifth) in the category of employers with more than one thousand employees. We value this recognition, not least because the survey was conducted among our own employees. They indicated that they enjoy working at Schiphol because no day is the same, while the business of the airport continues regardless. Employees can apply their individual skills to the wide range of business activities at Schiphol. The average period of service is relatively long (13.1 years) and the average age of our staff is relatively high (44.7 years). This makes it essential that we pay particular attention to internal mobility also in the light of the fact that older employees are generally unable to work in irregular shifts.

Integrity

Schiphol places great value on the integrity of all its employees. The topic of integrity was also high on the agenda in 2015. An online training course was made available to raise and assess awareness for the Code of Conduct both among our own employees and external staff. On average, over 90% of our own and external staff have completed the training course.

A chapter on integrity based on the Code of Conduct has been added to the *Supplier Code*, which has been distributed among all suppliers and integrated into the purchasing process. We have noted that clear rules are effective, with employee's showing heightened awareness of their relationship with third parties. For example, the Code clearly states that receiving sponsoring from suppliers is a violation of the Code. It is also important that employees understand how and when to report unethical behaviour. We devoted extra attention to this aspect in 2015. Situations now often discussed preventively.

The Code of Conduct stipulates that employees must refrain from undesirable forms of behaviour such as sexual harassment, discrimination and bullying. It also contains regulations concerning use of work related communication resources and facilities (such as email, the Internet, laptop computers or telephones) and social media. A further aspect highlighted in the Code is that it is crucial for managers to lead by example.

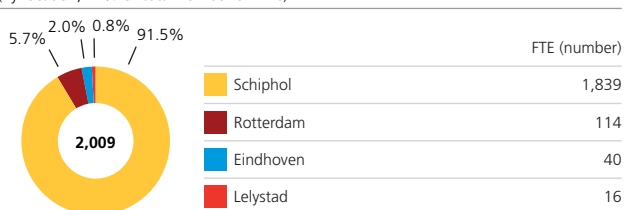
In 2015, 17 issues were reported to the Integrity Committee, one of which related to discrimination. The reports have been investigated and where appropriate, people have been called to account and necessary actions have been taken.

Employees in figures

The number of FTEs declined slightly in late 2015 to 2,009 (2014: 2,039). Our employees either have a one-year contract or a permanent contract. We conclude individual agreements with employees who fall outside the scope of the Collective Labour Agreement. The ratio of men to women overall and in management roles remained stable.

Total workforce

(By location, in % of total number of FTEs)



In 2015 the absenteeism percentage for Schiphol Nederland B.V. rose from 3.4% to 3.7%. The Verbaan standard, a realistic absenteeism indicator, is 3.6% for Schiphol Nederland B.V. Absence due to illness at Rotterdam The Hague Airport was historically low at 2.6%. The high percentage of 4.0% recorded in 2014 was due to a small number of colleagues on long-term sick leave. Eindhoven Airport recorded an absence due to illness percentage of 1.4% in 2015.

Dilemma: priority for specific groups?

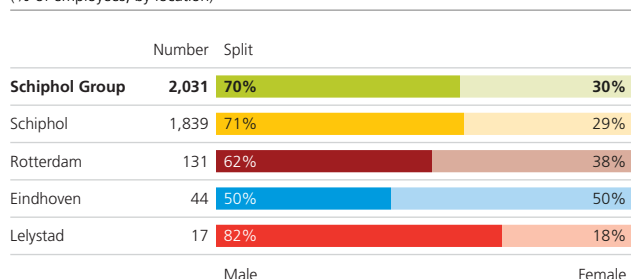
Schiphol achieved its target to employ at least 15 people in its own workforce in 2015 within the categories of people with occupational disabilities, young people and those with a non-Western cultural background. The actual number of placements totalled 53. Regrettably these placements were not distributed proportionately across the categories. In 2016 we will need to devote more attention to the target group of employees with disabilities.

We are looking for the best way to realise our ambition. Should we require managers to deliberately look for candidates in this target group? Are we going to give priority to people with a disability?

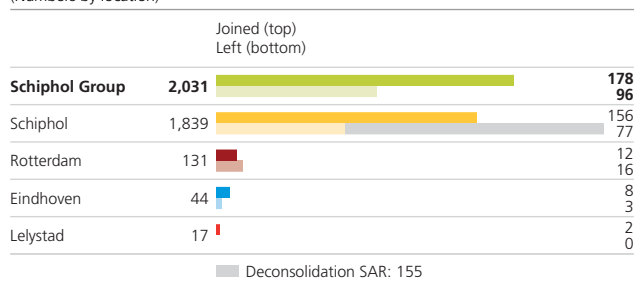
In 2015 we noticed that the provision of information within the organisation needed improving. There is a perception, for instance, that people with a disability are less able to cope with the workload. This preconception must be eliminated. In addition, we should do more to convince managers that additional support and counselling can be accommodated, if required.

Gender split

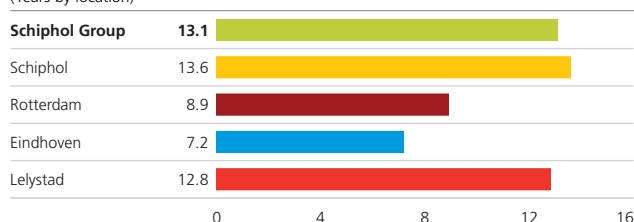
(% of employees, by location)

**Staff turnover (in number of employees)**

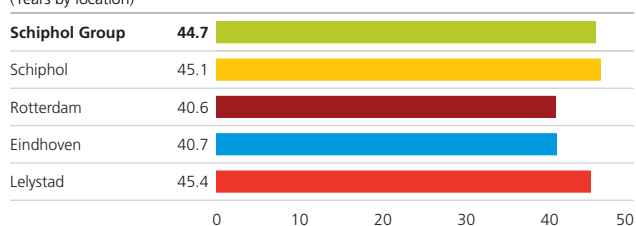
(Numbers by location)

**Average length of service at Schiphol Group**

(Years by location)

**Average employee age**

(Years by location)


Financial solidity

Schiphol Group's financial policy seeks to ensure a solid financial position and good creditworthiness with at least an A rating from two reputable credit rating agencies. This is vital to our ability to finance the necessary large-scale investments. Profitability is an essential factor in maintaining a high credit rating. The return generated by Schiphol Group determines to what extent we can create economic value for our shareholders. It equally determines the extent to which financial stakeholders believe that Schiphol Group is equipped to bear investment risks.

A dividend is paid to the shareholders every year. In 2015 Schiphol Group paid a dividend of 138 million euros, of which 128 million was distributed to the Dutch State, the municipality of Amsterdam and the municipality of Rotterdam.

Return

Schiphol Group pursues a sound financial policy to ensure the current and future independence. We independently raise financing through the capital markets. We have four shareholders, the largest of which is the Dutch State which holds almost 70% of the shares. In 2013 the Dutch State introduced a standard return on equity of 6.7% for Schiphol. Under the new Aviation Act (governing the operation of Amsterdam Airport Schiphol) a mechanism is expected to be introduced whereby Schiphol will be required to employ a portion of the profit exceeding the standard return to lower the airport charges. This will enable the airlines to benefit from the portion of the return exceeding the standard. On several occasions in the past Schiphol, of its own initiative, reduced airport charges to below the regulated maximum. As a result, cross-subsidisation has regularly occurred from non-aviation activities to aviation activities.

A return requirement serves as an added incentive to continue to operate cost-effectively and to generate a higher result through non-aviation activities, such as real estate, parking and concessions.

Creditworthiness

It is also important to generate a sufficient return if we are to maintain our ability to independently raise financing, as this will enable us to maintain access to the capital markets at favourable conditions. Good creditworthiness is a prerequisite for safeguarding Schiphol Group's ability to independently make the necessary long-term investments in capacity and quality.

The long-term credit rating issued by Standard & Poor's in 2015 remained unchanged at A+ with a stable outlook. Similarly, Moody's long-term rating of A1 remained unchanged with a stable outlook. The short-term ratings are P-1 (Standard & Poor's) and A-1 (Moody's).

Competitive airport charges

To sustain our airports' competitive position, it is essential that we maintain competitive airport charges. The rates charged by

Amsterdam Airport Schiphol for using the airport are regulated, and determined each year following extensive consultations with the airlines. The rates are subject to supervision by the Dutch Authority for Consumers and Markets (ACM). This economic regulation is part of the Aviation Act.

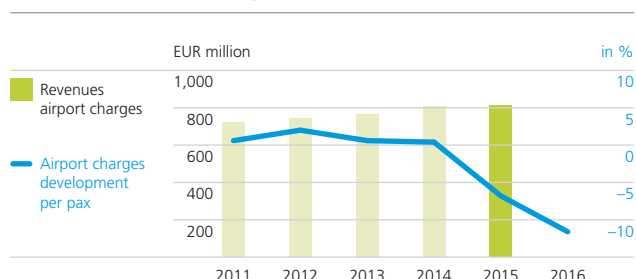
Schiphol Group is mindful of the fact that it competes directly with other airports. A large number of passengers can also choose from other airports in neighbouring countries. The capacity and quality of our airports and the added value of the services we provide to airlines, ground handlers and travellers alike are therefore of key importance. Over the past few years, Schiphol's price-quality ratio has compared favourably with that of its main European competitors.

Each year the SEO Economic Research Foundation carries out a benchmark study on behalf of the ministry of Infrastructure and the Environment, which looks at both the airport charges and government levies applicable to Schiphol and its key competitors. The benchmark published at the beginning of 2015 shows that Schiphol had seven more expensive competitors in 2014. The SEO has found that there is a considerable gap between Schiphol and the Istanbul and Dubai airports. De SEO benchmark for 2015 is scheduled to appear in the second quarter of 2016.

2015 and 2016 airport charges

The airport charges were reduced by 6.8% with effect from 1 April 2015. The decision has been taken to reduce the 2016 airport charges by an average of 11.6%. The aviation charges will be reduced by an average of 10.6% and security charges by 13.4%. Around half of the decrease consists of a set-off for the higher than expected traffic and transport volumes in 2014. The decrease in charges has also been brought about by the higher volumes in 2015, the higher expected volumes in 2016 and stringent cost control.

Revenues from airport charges



The airport charges are not expected to be reduced any further after 2016 unless significant set-offs need to be made as a result of higher than expected traffic volumes. Furthermore, in the years ahead we have planned major investments which will increase the cost levels.

Focus on cost control

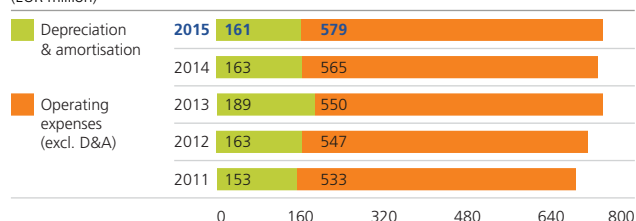
In order to be able to make major investments while at the same time maintaining competitive airport charges for our aviation activities, we continuously focus on cost control with due regard for the price-quality ratio. We wish to continue to meet the high

expectations of travellers and the airlines. We are aware, however, that quality comes at a price. Particularly where new investments are concerned, we place greater emphasis on the long-term implications of the choices we make. By focusing on cost control, we endeavour to increase our financial flexibility and resilience. For this purpose, we launched the AssetWise! programme several years ago.

Over 50% of all Aviation costs are directly related to the infrastructure – the assets – of Amsterdam Airport Schiphol. Particularly when making new investments, we apply Total Cost of Ownership as a cost control mechanism. The tightening of contract management procedures enables Schiphol to derive greater added value from supplier relationships. Where possible, we challenge suppliers to apply the full extent of their knowledge and expertise to enhance service provision and devise intelligent, cost-effective and innovative solutions. We do so, for instance, through open market consultation prior to major tenders, which gives existing and prospective partners and suppliers an opportunity to offer input an early stage. Internally we continued our efforts to bring about a culture change aimed at the more efficient utilisation of our own assets. We also organised workshops to increase knowledge of tendering procedures.

BA Aviation costs

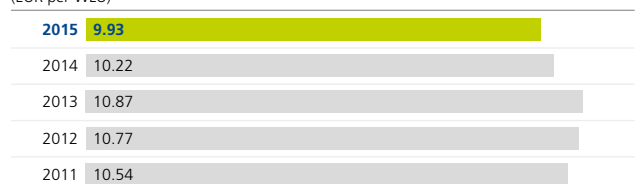
(EUR million)



Cost efficiency improved in 2015. We express cost efficiency as the cost per Work Load Unit (WLU: one passenger or 100 kilogrammes of cargo). The costs per WLU at Amsterdam Airport Schiphol decreased in 2015 by over 2.8% to 9.93 euros (2014: 10.22 euros).

Costs per WLU (Aviation)

(EUR per WLU)



Significance of non-aviation activities

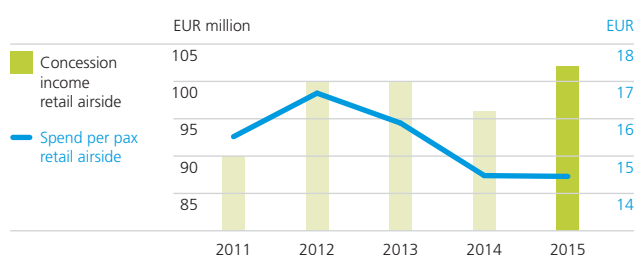
Non-aviation activities make a substantial contribution to Schiphol Group's return and to its capacity to raise financing. They generate 41% of net turnover and 79% of the operating profit. Non-aviation activities enable Schiphol Group to create economic value and financing capacity despite the low returns on aviation activities due to economic regulation that determines a regulated weighted cost of capital of 2.87% in 2015. Without the contribution from non-

aviation activities, Schiphol Group would be unable to raise financing independently and the risks would be inadequately distributed.

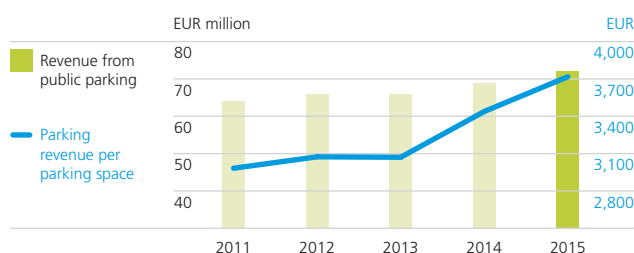
Consumer Products & Services

The business area's contribution over the past few years is largely reflected in the rise in concession income and parking revenue.

Concession income and spend per passenger



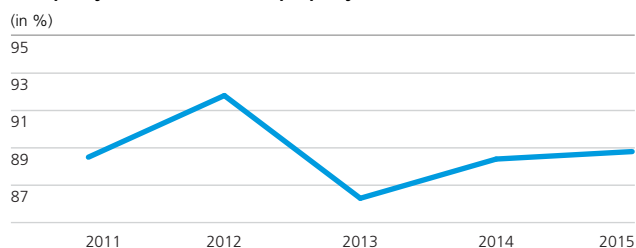
Revenue from public parking



Real Estate

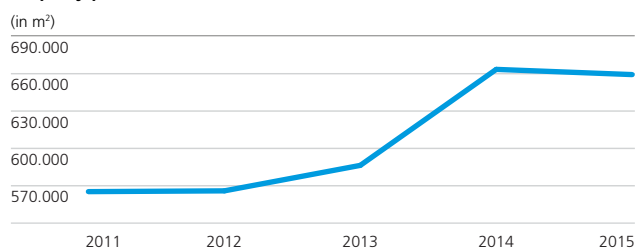
Real estate activities provide robust revenues and cash flow. They are also important for spreading risk since the results are less dependent on developments in the aviation industry. Real estate activities mainly generate rental income. We have a diversified real estate portfolio of offices, business premises and other real estate generally offered at prime locations and even at the top end of the Dutch office market. The occupancy rate has remained strong over the past few years, particularly in comparison with the other players in the real estate market.

Occupancy rate of commercial property

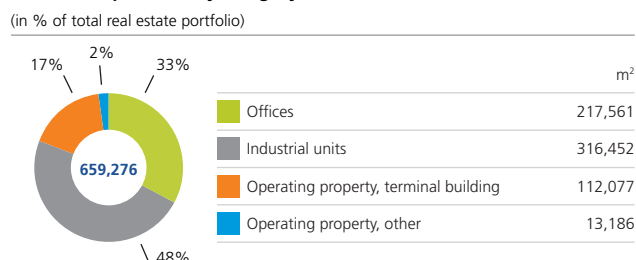


In 2015 the occupancy rate rose to 88.3% (2014: (87.1%). A number of significant new lessees were recruited for existing and redeveloped premises, including The Base, the office complex which now forms the heart of the Schiphol Central Business District. The recent period saw the valuation of commercial real estate rally, partly due to the favourable development of occupancy rates and new, long-term rental contracts.

Property portfolio



Real estate portfolio by category

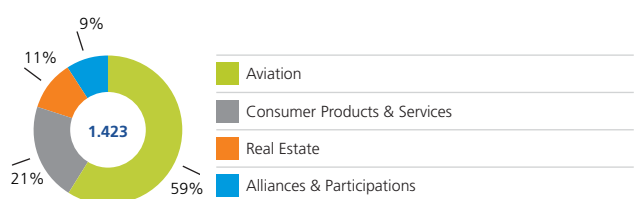


Contribution from regional airports

Amsterdam Airport Schiphol is not the Netherlands' only gateway to the rest of the world. Regional airports such as Eindhoven Airport, Rotterdam The Hague Airport and, in future, Lelystad Airport help to increase our connectivity. In addition, the network of domestic airports helps to spread both the positive impact and the burden

Revenue

(EUR million)



Operating result

(EUR million)



geographically. The knowledge and know-how gained within the Group ultimately strengthens all airports. The regional airports contribute 3% to the overall result of Schiphol Group.

Contribution from international activities

Our international activities strengthen the organisation and help boost passenger and cargo traffic. They also make a significant contribution to our financial solidity and spread business risk, thereby reinforcing the Mainport's position. Our stakes in Aéroports de Paris S.A., Brisbane Airport and our other international activities contributed approximately 18% to net profit in 2015.

In line with our new strategy, in 2015 we initiated a proactive policy to acquire new international activities. We will enter into discussions with airports of relevance to the Mainport. These processes typically take time, which means that the results of our new policy are only expected in the longer term.

Our strategic partner Aéroports de Paris (ADP) recorded a total of 95.4 million passengers in 2015, with 65.8 million at Paris Charles de Gaulle (+3.1%) and 29.6 million at Paris Orly (+2.8%). The increase is partly attributable to the relatively low volume in 2014 (prolonged Air France strike). The impact of the November 2015 terrorist attacks in Paris had a negative impact on the development of passenger numbers in November and December. Retail and real estate activities at the Paris airports performed strongly. Under the HubLink alliance, a collaboration between ADP and Schiphol, we made agreements to intensify the exchange of knowledge.

In 2015 Brisbane Airport recorded 0.5% growth in passenger volume, which rose from 22.1 million to 22.2 million. The international passenger segment grew by 4.8% to 5.2 million passengers. The redevelopment of the international terminal, and of the retail section in particular, was completed in 2015. The terminal has been widely acclaimed for its contemporary design and 'quintessentially Brisbane' characteristics. International travellers are offered a locally flavoured experience, with inspiring and inviting retail and catering outlets featuring in the terminal. Retail sales to date are higher than projected.

Terminal 4 at New York's JFK Airport recorded a further increase in passengers numbers in 2015 to 19.6 million (+14.6%). Delta Air Lines opened 11 new gates at the beginning of 2015.

The number of passengers flying via Aeropuerto Internacional Reina Beatrix in Aruba rose by 16% to 2.9 million. In May 2015 Aruba Airport launched 'Aruba Happy Flow', a unique, innovative project for improving passport control and boarding card inspection. Thanks to facial recognition technology passengers can proceed from check-in and baggage drop-off through passport control without having to show their passport and boarding card each time.

The value of our impact

Connecting the Netherlands is our mission with at its core, expanding connectivity. We therefore invest in capacity and quality to facilitate the growth of aviation at Schiphol and Schiphol Group's other airports as effectively as possible.

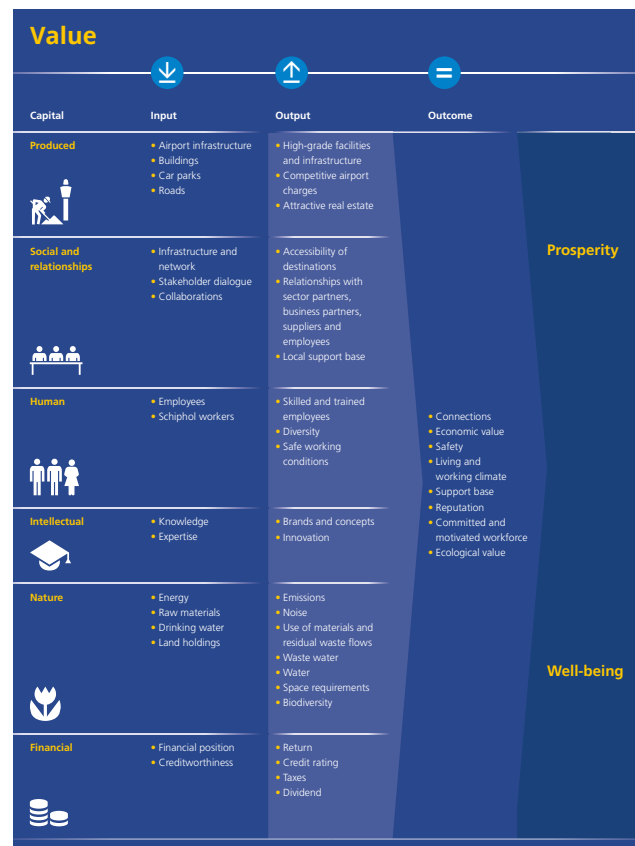


Schiphol has a socio-economic function and creates value for its stakeholders, not only financial value but also value in terms of natural and social capital, for example. Monetisation is a method which is used to make such values tangible, as it reflects the impact of an organisation on the various forms of capital expressed in euros.

In 2014 we visualised our added value for the first time based on the forms of capital laid down by the International Integrated Reporting Council (IIRC). In 2015 we took the first steps to monetise value.

The topics are part of the material themes. For more information, see *Stakeholders and materiality*.

Since the value that Schiphol creates for its stakeholders is generated in a value chain in which a number of parties in addition to Schiphol itself play a role, the impact of that chain cannot be attributed to Schiphol alone. One example is the fact that countless international companies choose to locate an office at or around Schiphol. A number of those companies would not have done so without the presence of the airport and its extensive network of destinations. However, the geographical location in the Amsterdam metropolitan region and the favourable tax climate also contributed to their choice for Schiphol.



This impact is reflected in an allocation factor that indicates which part of the value chain Schiphol attributes to itself. At the moment that factor is at 10%. This represents Schiphol's added value, based on the current situation minus the situation if the airport did not exist.

Exploring the impact on the various forms of capital







One important impact of Schiphol within the value chain is that it increases the accessibility of travel. Thanks to the existence of Schiphol, people in the Netherlands need not travel via foreign airports and people from outside the Netherlands can fly to this country directly. As a result, travelling has become simpler, more affordable and faster for more people.

In association with True Price we made an estimate of the impact of the activities at the Schiphol location. Financial capital is among Schiphol's most important forms of capital and is generated not only by the financial result we achieve, but also by the wages and taxes that we pay. Value creation on manufactured capital consists of all our assets, the depreciation of which has a negative impact. The airport has few patents, which is reflected in the relatively minor impact on intellectual capital, compared with the other forms of capital. Due to our emissions we have a negative impact on natural capital; however, we create a positive impact on natural capital by

improving the sustainability of our energy supply and recycling waste flows. A positive impact on social capital arises because people spend money on travelling and visiting family and friends. However, noise disturbance causes a negative impact on the environment and also, therefore, on social capital. Investing in people and generating employment result in a positive impact on human capital.

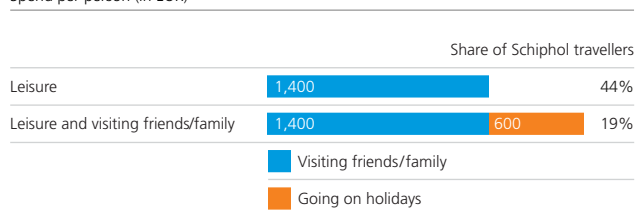
In-depth analysis

Two *strategic themes* by means of which we elaborate our mission are Top Connectivity and Sustainable & Safe Performance. For each of these themes we have selected a material topic: the network of destinations for Top Connectivity and CO₂ emissions for Sustainable & Safe Performance. Travellers' motives for flying to destinations within our network vary considerably. We have specifically analysed journeys made for holiday purposes. Such holiday trips represent a certain value for, and also have a certain impact on the traveller's well-being. The environmental impact caused by the use of fossil fuels has been examined as part of the CO₂ emissions analysis. Emissions pricing is becoming an ever more widespread practice. Connecting people and the impact of this on travellers' well-being is a more abstract approach. These exploratory analyses of a type of capital that represents both a positive and a negative value have encouraged us to consider our impact from a new perspective.

	 Financial capital	 Manufactured capital	 Intellectual capital
Positive impact	<ul style="list-style-type: none"> • Financial result • Wages • Taxes • Contribution to the results of business partners 	<ul style="list-style-type: none"> • Investments in fixed assets • Infrastructure 	<ul style="list-style-type: none"> • Innovation • Aviation-specific knowledge
Negative impact	<ul style="list-style-type: none"> • Subsidies 	<ul style="list-style-type: none"> • Depreciation 	
	 Natural capital	 Social capital	 Human capital
Positive impact	<ul style="list-style-type: none"> • Renewable energy generation • Reuse and recycling • Compensation-based greening of energy 	<ul style="list-style-type: none"> • Well-being attributable to holiday travel • Customer appreciation 	<ul style="list-style-type: none"> • Well-being attributable to work • Training and education • Contribution to the employment of business partners
Negative impact	<ul style="list-style-type: none"> • Emissions • Raw material consumption • Waste flows • Water and land use 	<ul style="list-style-type: none"> • Noise disturbance • Inconvenience caused by flight delays 	

Well-being directly attributable to holiday travel

Spend per person (in EUR)

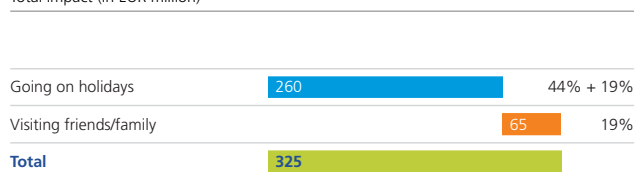


Impact of holidays on well-being

We have investigated the extent to which holidays contribute to travellers' well-being. The literature indicates that travellers feel better than normal several months before a trip and several months afterwards. Their sense of well-being is even greater if the trip includes meeting family or friends. The calculation is based on the number of passengers in 2014 who stated holiday (44%) or visiting family or friends (19%) as the reason for travelling. On the basis of the allocation factor, it is safe to assume that 10% of the current number of holiday-makers would not go on holiday by plane if Schiphol did not exist. Most of them would still go on holiday, for example by car, but some would not. For each holiday by air that would not be possible without Schiphol, approximately half the impact can be attributed to Schiphol and the other half to hotels, restaurants and other players in the travel chain. The airport is one of the many links in the chain – but an important link. Various sources in the literature have been used to calculate the impact of a holiday on the value of well-being. Statistics Netherlands has published data on the average amount spent on holidays. Combining these figures, the net value of a holiday averages at 1,400 euros per passenger. Passengers spend an additional 600 euros, on average, when visiting family or friends during their trip.

Well-being directly attributable to holiday travel

Total impact (in EUR million)

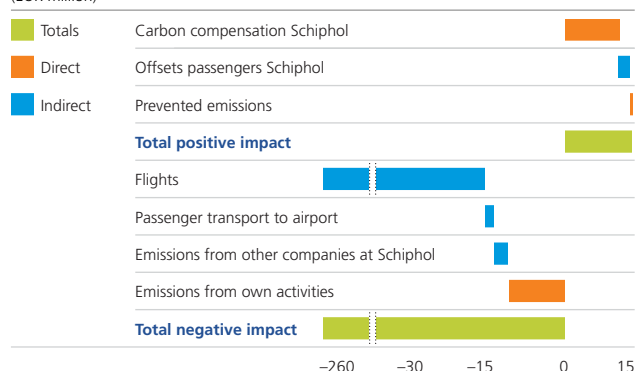


CO₂ emissions

The second analysis relates to the impact of CO₂ emissions at the Schiphol location. This covers all emissions, including those caused by flights. Again, the allocation factor for Schiphol in relation to these emissions is 10%. This is the share that we have allocated to our impact. A CO₂ price of 110 euros per tonne of CO₂ has been used. The reason for using this relatively high price in the calculation is that it costs more to fight the effects of emissions than to prevent emissions. Every player in the chain will need to take sustainability measures, and we will need to do so in a coordinated manner. See the section on *Emissions* for a description of initiatives taken by the

CO₂ impact of Schiphol

(EUR million)



1 The impact of flights represented here equals 10% of the total impact of flights departing from Schiphol.

sector to reduce emissions. We generate the positive impact by making our energy supply system more sustainable.

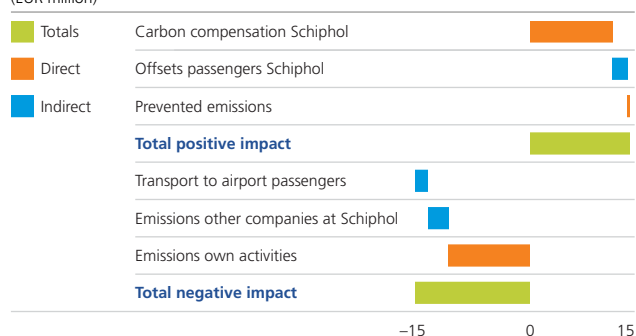
Detailed discussion

This is the first time we have carried out this survey. We can conduct a more in-depth and more comprehensive analysis of all forms of capital. For example, the raw materials consumed by the airport are not included in the analysis of the impact on the natural capital due to the unavailability of the relevant data. And the figure for social capital does not yet include the value of business travel and safety. To be able to benefit from this method, we need to analyse which impact lies within our sphere of influence and which impact we wish to increase or and which to reduce. The CO₂ analysis which includes the allocation factor clearly shows the impact of the flights themselves. If we remove air traffic from the analysis, we can see which portion of the emissions is to be attributed to our own business activities.

In addition, we developed our own method to examine whether the monetisation of non-financial values creates added value when making investment decisions. We can conclude that we have a better understanding of the impact of our activities thanks to this method, and will develop it further in 2016.

CO₂ impact of Schiphol excluding allocated emissions from flights

(EUR million)



Financial performance

Amsterdam Airport Schiphol recorded a further increase in passenger volume to over 58.2 million in 2015, making it all the more urgent for us to continue to invest in capacity and quality. Schiphol Group enjoys a healthy financial position that allows us to make such investments.



In 2015 Schiphol Group's net result rose to 374 million euros (2014: 272 million euros) thanks to 6.0% passenger growth at Amsterdam Airport Schiphol, the one-off result of 50 million euros on the sale of our 60% stake in Schiphol Airport Retail (SAR) and a 67 million euro increase in the value of our real estate. In accordance with the Aviation Act, effective 1 April 2017 approximately 55 million euros will be set off in the airport charges, of which 36 million euros can be attributed to the better than expected development in passenger volumes.

Revenue

Revenue decreased by 15 million euros (1.0%) in 2015, from 1,438 million euros in 2014 to 1,423 million euros. Adjusted for the effect of the deconsolidation of SAR, revenue increased by 1.5%.

Despite the 6.8% decrease in airport charges effective 1 April 2015, total revenue from airport charges rose by 0.6% to 869 million euros (2014: 864 million euros) thanks to the favourable development of traffic and transport volumes. Passenger numbers at Amsterdam Airport Schiphol rose by 6.0% to more than 58.2 million, while the number of air transport movements rose by 2.8% to 450,679. The increase was mainly seen in the segment of passengers using Schiphol as their point of departure or final destination. Cargo volume declined by 0.7% to 1,621 tonnes partly due to the declining transport flows to Asia and Russia. Eindhoven Airport, a regional airport, likewise recorded growth in passenger numbers, which rose by 10.3% to a total of 4.3 million passengers. The

number of passengers served by Rotterdam The Hague Airport remained virtually unchanged at 1.7 million. The number of air transport movements recorded by Eindhoven increased by 5.1% to 30,394 while Rotterdam recorded a 2.7% increase to 17,507.

Total revenue from concessions increased by 23.6%, from 136 million euros in 2014 to 168 million euros in 2015. Due to the sale of a 60% stake in SAR, this entity was recognised as an associate with effect from 1 May. As a result, the revenue from retail sales was replaced by a concession fee and a share in the results of associates, with a positive effect on concession fees of 21 million euros. Excluding the effects of the sale of SAR, revenue from

Revenue

EUR million	2015	2014	%
Airport charges	869	864	0.6
Concessions	168	136	23.6
Rent and leases	155	157	-1.0
Parking fees	108	104	4.3
Retail sales	29	85	-66.1
Advertising	17	19	-12.1
Services and activities on behalf of third parties	22	19	12.8
Other	56	53	4.4
Net Revenue	1,423	1,438	-1.0

concessions increased with 11 million euros. This equals the increase in passenger volume and the average retail spend per departing passenger in the area behind passport control at Amsterdam Airport Schiphol, which remained virtually unchanged at 14.45 euros in 2015 (2014: 14.48 euros). The fall in retail sales, from 85 million euros in 2014 to 29 million euros in 2015, is primarily due to the deconsolidation effect of SAR effective 1 May 2015.

Total revenue from rents and leases declined by 1.0% to 155 million euros. Departure Lounge 2 was completed later than planned, as a result of which rents and leases in the terminal fell relative to the previous year. The average occupancy rate of commercial real estate rose from 87.1% in 2014 to 88.3% in 2015.

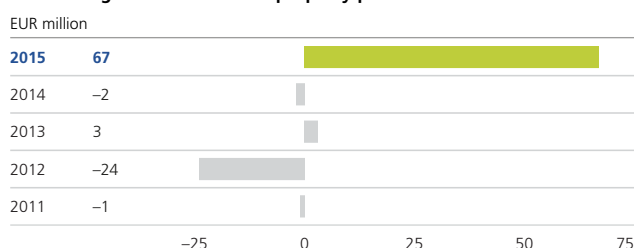
Total parking revenue rose by 4.3% to 108 million euros on account of the improved capacity utilisation and passenger growth.

Other revenues and other results on real estate

The increase in other revenues relates to one-off effects. In 2015, the one-off result on the sale of a 60% stake in SAR of 50 million euros was recognised under this item. In 2014, two transactions accounted for positive revenue of 35 million euros: 30 million euros arising from the expansion of our stake in AREB C.V. and 5 million euros from the sale of our stake in Arlanda Schiphol Development Company A.B.

Other results on real estate amounted to 67 million euros (2014: 1 million euros negative). This positive development was brought about by the improved conditions on the real estate market, low interest rates and a favourable trend in occupancy levels. The increase in value is particularly in evidence at the offices in Schiphol-Centre and the cargo warehouses. This result merely concerns a fair value change, and does not reflect any actual cash receipts or realised income.

Fair value gains and losses on property portfolio



Operating expenses

The 35 million euro decline in operating expenses from 1,070 million euros in 2014 to 1,035 million euros in 2015 (-3.3%) was primarily due to the deconsolidation of SAR effective 1 May 2015, following the sale of the 60% interest. This resulted in a decrease in total expenses by 35 million euros, of which 27 million euros concerns purchasing costs and 6 million staff costs SAR. Operating expenses in 2014 also included 15 million euros in one-off expenses. Adjusted for these effects totalling 50 million euros, expenses rose by 1.5%.

Operating expenses

EUR million	2015	2014	%
Outsourcing and other external costs	434	434	-0.1
Depreciation and amortisation	223	228	-2.3
Employee benefits	185	188	-2.0
Security	183	196	-6.9
Impairments	8	4	78.7
Other operating expenses	4	19	-81.3
Operating expenses	1,035	1,070	-3.3

Adjusted for the lower purchasing costs associated with SAR, outsourcing and other external costs increased in particular as a result of renovation activities in the terminal. Security costs fell by 13 million euros thanks to the implementation of central security, which has enhanced the efficiency of the security process.

The impairment of 8 million euros primarily relates to the write-down of land developments at Schiphol-East and Nieuwe Meer. Other operating expenses were lower than in 2014, when a number of one-off effects were recognised; 8 million euros relating to the expansion of the interest in AREB C.V. and 7 million euros for an onerous contract concerning land holdings, in which Schiphol Group participates with third parties.

Operating result

The operating result rose by 102 million euros from 403 million euros in 2014 to 505 million euros in 2015 due to the higher result generated by the Consumer Products & Services and Real Estate business areas. This is due primarily to the sale of SAR (50 million euros) and the increase in the value of real estate (67 million euros).

Operating result

EUR million	2015	2014	%
Aviation	104	110	-5.7
Consumer Products & Services	238	181	31.3
Real Estate	129	79	63.7
Alliances & Participations	34	33	4.0
Operating result	505	403	25.3

Financial income and expenditure

The net financial expense rose by 3 million euros to 89 million euros in 2015. Of this amount, 6 million euros is attributable to the increase in the value of a profit-sharing loan. In 2014 there were one-off costs of the settlement of interest rate derivatives of AREB C.V. and termination of hedge accounting for these derivatives.

Share in results of associates

The share in the results of associates increased from 27 million euros to 60 million euros and represents 16% of the total net result (2014: 10%). In 2014 this result had been adversely impacted by the write-

down of 16 million euros on land positions in which Schiphol holds an indirect interest. In addition, in 2014 the results of the associates ADP and Brisbane were adversely impacted by a 6 million euro decrease in the value of ADP real estate and a 7 million euro decrease in the value of Brisbane derivatives.

Share in results of associates

EUR million	2015	2014	%
Aéroports de Paris	36	26	38.2
Brisbane	20	11	84.4
Other results of associates	3	-10	-135.3
Result of associates	60	27	119.4

The return on our 18.72% stake in Brisbane Airport amounted to 21.7% in 2015 (2014: 14.9%). In 2015 Schiphol Group received a dividend of 19.3 million euros on its ADP investment. The return on the 8% stake in ADP amounted to 5.8% in 2015 (2014: 4.2%).

Corporate income tax

Corporate income tax amounted to 99 million euros in 2015 compared with 71 million euros in 2014. The effective tax burden in 2015 was 20.7%, which remains unchanged over 2014. The tax burden on the results adjusted for associates and joint ventures – units exempted from the participation exemption – amounted to 21.7% (2014: 22.4%).

Schiphol Group pursues a transparent tax policy. The lower than nominal tax burden in both 2015 and 2014 is mainly attributable to the application of the participation exemption to the dividend received on Brisbane Airport preference shares. Another – one-off – effect is the exempted result on the sale of a 60% interest in SAR. Excluding the exempted results of associates, the tax burden for 2015 would be 25%.

Of the tax burden totalling 99 million euros, 94 million euros comprises Dutch corporate income tax (2014: 70 million euros) and 5 million euros US corporate income tax (2014: 2 million euros).

Net result

The net result recorded for 2015 is 374 million euros (2014: 272 million euros). The result was determined by the positive effects of the better than expected development in passenger volume, the sale of a 60% stake in SAR (50 million euros) and the upward trend in the value of the real estate portfolio (67 million euros). Pursuant to the Aviation Act approximately 55 million euros will be used as set-off in the airport charges that take effect on 1 April 2017. The return on equity (ROE) amounted to 10.4% in 2015 (2014: 8.0%) and RONA after tax to 8.3% (2014: 6.6%).

Investments

In 2015 Schiphol invested 439 million euros in fixed assets (2014: 396 million euros), 11.0% more than in 2014.

The new central security system was taken into operation on 3 June 2015, with the final construction work scheduled for completion in 2016. The Hilton Hotel was completed in December 2015 and the Departure Lounge 2 refurbishment will be completed in summer 2016.

Investments by Schiphol Group

EUR million

2015	439
2014	396
2013	310
2012	298
2011	263

Balance sheet developments

Schiphol Group's balance sheet total rose by 9.9% to 6,405 million euros (2014: 5,830 million euros). Shareholders' equity increased by 263 million euros to 3,716 million euros, largely on account of the addition of the 2015 net result of 374 million euros, after payment of the 138 million euro dividend for 2014.

Associates and joint ventures posted an increase of 61 million euros arising from the favourable development of the results of Brisbane Airport and ADP, and the recognition of SAR as a joint venture.

Cash and cash equivalents rose by 216 million euros to 384 million euros. In 2015 under the EMTN programme a public placement of 300 million euros was issued with an 11-year maturity period and a 2% coupon.

The repayment of 134 million euros for Schuldschein notes due in February 2016 and 145 million euros in bonds due in autumn 2016 account for the increase in current liabilities.

Cash flow developments

The cash flow from operating activities remained unchanged in 2015 compared with 2014, at 508 million euros. The operating result reflects an increase of 102 million euros. However, this includes two large non-recurring items: the sales result and the revaluation effect arising from the sale of Schiphol Group's 60% stake in SAR (50 million euros) and 67 million in real estate value changes. The cash flow from investing activities amounted to 411 million euros negative compared with 410 million euros negative in 2014. This is due to the high level of investments of 439 million euros, which is offset by receipts of 29 million euros for the 60% stake in SAR.

The net cash flow from operating and investing activities – the free cash flow – amounted to 97 million in 2015 compared with 98 million in 2014. The cash flow from financing activities was 157 million euros positive in 2015 (2014: 397 million euros negative) as

a result of drawing 300 million euros in bank loans and the dividend payment of 138 million euros. The net cash flow in 2015 amounted to 254 million euros positive (2014: 299 million euros negative). Consequently, the net amount of cash balances rose from 178 million euros at the end of 2014 to 394 million euros at the end of 2015.

Financing

The total amount of outstanding loans and lease liabilities rose by 324 million euros in 2015 to 2,185 million euros. In 2015 an 11-year bond of 300 million euros was issued under the EMTN programme. In 2015 Schiphol Group also took out a new 300 million euro syndicated and committed revolving credit facility with maturity in June 2020. Schiphol Group also has access to a bilateral committed credit facility agreed with BNG Bank in the Netherlands. In 2015 this 100 million euro credit facility was extended until 1 January 2017. In addition, Schiphol Group has two bilateral uncommitted credit facilities, amounting to 75 million euros each.

Ratios

The most important financing ratios set out in our financing policy are the 'FFO/total debt' and 'FFO/interest coverage ratio'.

Funds from operations (FFO) is the cash flow from operating activities adjusted for operating capital. The FFO declined marginally in 2015 from 493 million to 482 million euros. This was brought about by the adjustment of the higher operating result for non-cash transactions relating to impairments and the result on the sale of a 60% stake in SAR, with retention of a minority shareholding.

The FFO/total debt ratio amounted to 22.0% in 2015 (2014: 26.5%). The FFO/interest coverage ratio in 2015 was 6.7x, an improvement over the 6.4x recorded in 2014. This should mainly be attributed to the higher operating result. In addition to these two ratios, we apply the leverage ratio (ratio of interest-bearing debt to total equity plus interest-bearing debt). At the end of the financial year Schiphol Group's leverage ratio stood at 37.0% (2014: 35.0%).

This means that the financial ratios satisfy the minimum requirements from Schiphol Group's financing policy, which prescribes an FFO/total debt ratio of at least 20% and a leverage ratio of between 30.0% and 50.0%.



Hans de Boer

Chairman of Employers' Association VNO-NCW

Schiphol: pioneering connectivity and sustainability for a century

"Schiphol's 100th anniversary is a very special milestone. Not only can Schiphol boast an impressive history, it also occupies a strong position today. The hundreds of direct connections via Schiphol are very important for the Dutch business climate. They make the Netherlands attractive to international companies and head offices, and help to create jobs. It is therefore essential for Schiphol to remain a leading hub. This requires the government, airport and hub carrier to keep operating as a single Dutch aviation system in order to remain competitive at a global level.

At the same time, the challenge of maintaining and strengthening this position requires pressure on the climate and the environment to be reduced. In my opinion, this should be possible if the sector and international governments work together to set

appropriate conditions. Examples include further steps under the Dutch Presidency of the EU towards a single European airspace and establishment by ICAO of a market mechanism for CO₂ reduction on a global scale. In the meantime, impressive progress is already being made through the use of quieter, cleaner and more efficient aircraft. Home carrier KLM is a global pioneer in the use of biokerosene, and Schiphol itself is internationally renowned as one of the most sustainable airports in the world. Schiphol has a 'one terminal' layout, which means that passengers can reach everything at the airport on foot. Electric taxis can be found in front of the terminal and the train station is beneath it. Recently, the terminal was the first in the world to install circular lighting. It is this combination of leadership, core activities, competitive strength and sustainability which forms the basis of a sustainable strategy. This will allow KLM's outstanding network and the equally outstanding Schiphol airport to retain their strategic significance for the Netherlands in the years ahead."



Laura van Geest

Director of CPB

"Amsterdam Airport Schiphol is an attractive but uncertain asset. It is a modern airport with an extensive network of destinations. This is important for Dutch travellers and also for the Dutch economy. The Netherlands Bureau for Economic Policy Analysis (CPB) also expects expansion in the future as Schiphol is located in a densely populated, affluent region which will continue to experience economic growth. Increasing prosperity in other parts of the world also means that more foreigners will wish to fly to or via Schiphol. An appealing network of destinations should not be taken for granted, however. In the face of increasing competition, Schiphol will only be able to retain its position by continuing to innovate and invest,

in consultation with the users, and taking the interests of local residents into account.

Significant risks to future growth include the capacity of the runway system and noise disturbance. Schiphol must continue to invest in improving take-off and landing procedures to ensure the most efficient use of the runway system and to keep disturbance levels caused by arriving and departing aircraft to a minimum. Schiphol could also encourage airlines to use quieter aircraft. This will allow Dutch travellers and the Dutch economy to continue to benefit from Schiphol's hub function in the future."



Sharon Dijksma
Minister for the Environment

Pioneering spirit

"2016 is the year of Amsterdam Airport Schiphol. A hundred years ago, three small single-engine planes landed on a bumpy field with four wooden sheds on it. These days, over 58 million passengers pass through the airport every year, involving over 450,000 air transport movements. With 322 destinations, Schiphol connects the Netherlands with the rest of the world. It is an indispensable factor for our economy, but the airport is also crucial for connecting people, cultures, knowledge and science.

We can be proud of Schiphol, also because we have managed to achieve growth in a densely populated area in which large numbers of people wish to live, work and visit comfortably. Schiphol would not have been able to develop in this way without close consultation with local stakeholders. The new environmental standards which we are currently working on involve a clever balancing act.

Although the past creates confidence, this must never change to blind faith. Growth should not be taken for granted. The development of the Asian market and the emergence of the Gulf states are shifting the balance in the global aviation sector. Major new airlines are coming onto the market, not to mention new hub airports. All of our pioneering spirit and our innovative and collaborative capacity will be required to ensure the sustainable future of our own aviation. Even if we cannot be the largest, we can still be the best, most innovative and most sustainable airport. This year, I will therefore be working with Schiphol and many other parties to draw up a 'Schiphol Action Agenda' to determine which steps we should take in the short and long term. This is the year of Amsterdam Airport Schiphol, in which we reflect on the past but work towards the future."



HRH Prince Carlos of Bourbon-Parma

Director of the Institute for Sustainable Innovation & Development INSID

"For foreign visitors, Amsterdam Airport Schiphol provides the first experience of the Netherlands. And for the Dutch, it is a gateway to the rest of the world on the one hand and a 'welcome home' on the other. In this context, the airport's sustainability ambitions serve a dual purpose: they illustrate both internationally and nationally the choices which the Netherlands has made in favour of a sustainable, circular economy and society. The most important element needed to realise these ambitions is collaboration. More than ever before, true progress and innovation can only be achieved through extensive collaboration between businesses, authorities and social organisations.

To prepare for a presentation on the circular economy, I recently found myself leafing through a pile of old magazines. My eye was drawn to a wonderful series of photos of Schiphol from the early 1950s. With these images still fresh in my mind, it is hugely impressive to look at the Schiphol of 2016. In order for an airport to develop in such a rapid and spectacular way, a well considered vision is indispensable. The fact that the circular economy forms a main cornerstone of that vision today reflects a healthy and ambitious sense of entrepreneurship. This choice also involves certain challenges, but I am convinced that, with a dedicated focus, the path taken will lead to further success."



Allard Castelein

CEO of the Port of Rotterdam Authority

"A 100th anniversary is a fantastic milestone which invites us to look far ahead into the future. The Schiphol and Rotterdam Mainports currently account for around 8% of the country's GDP and generate around 500,000 jobs in total. If the Mainports are to keep making such a significant contribution to the prosperity of the Netherlands over the next 100 or even 25 years, we must keep on investing and innovating. This is the only way to stay ahead of our international competitors. We must ensure that we remain the most attractive hub for our customers, lead the way in service, offer outstanding value for money, provide exceptional ease of use for passengers and crews and give top priority to security and safety.

Our ambition as Mainports must be to lead the way in all these fields, but I feel that two aspects truly stand out: sustainability and support. We must be pioneers

when it comes to increasing the sustainability of our Mainports. Not only does this mean ensuring that our own activities have a minimal ecological footprint, but also encouraging our maritime and aviation customers to reduce their own environmental burden.

Reducing the environmental burden is important for creating support among the general public and within the local community. A positive image and support for the development of Schiphol and the port of Rotterdam are essential for our continued growth. If the Dutch people, and above all the local community, view us positively, this will go a long way towards achieving our ambitions. Our task is to ensure that our communities are and remain proud of us and of what we are doing.

I wish Schiphol every success over the next 100 years."



Roger van Boxtel

CEO of Dutch Railways

"Every day, almost 70,000 people travel by train to and from Schiphol and their number is growing. Good accessibility is crucial for the competitive position of the airport and the economy of the Amsterdam Metropolitan Region and the Netherlands. Because of the number of passengers and its strategic location within our network, Schiphol Station is in the NS top 10. We attach great value to making the airport future-proof and to serving all train passengers with their varying needs. For this reason, NS is working to expand the railway station in close collaboration with Schiphol and its other regional partners, such as the municipality of Amsterdam. This will allow us to accommodate the growing number of passengers and improve service.

Schiphol is very different from other railways stations. Nowhere else do fewer people live in the immediate vicinity of the station, nowhere else is the number of tourists higher and no other station brings together more nationalities. This places many demands on the travel information, employees and services. As a result, NS and Schiphol need each other to keep this important economic engine running smoothly.

All kinds of people also come together at Schiphol Plaza: from train passengers to holidaymakers and from taxi users to shoppers and Schiphol workers. In 2015, the airport and NS held intensive discussions on how to prepare Schiphol Plaza for the future, thereby finishing 2015 on a positive note for the years ahead."



Paul Polman
CEO Unilever

"I am delighted to be able to congratulate Schiphol Group with its 100th year anniversary. Schiphol's mission is 'Connecting the Netherlands'. After having spent a substantial part of my life in Cincinnati, a great city still close to my heart but surprisingly with only one direct international flight connection, I now value the unique position of the Netherlands as an international mainport, through both Schiphol Airport and Rotterdam harbour even more than before.

In our competitive world growth is vital, but in my view this is only permissible in the context of a sustainable growth business model, which serves economic, environmental and social goals at the same time. This core principle underlies my company's Sustainable Living Plan. I am thrilled to say that I have always counted Schiphol Group as a staunch ally in this endeavour, and for good reason.

In 2014 Schiphol received the Airports Going Green Award, and the company has gone from strength-to-strength, including a circular lighting partnership with Cofely and Philips.

Following the December 2015 Climate Summit in Paris, I would like to express my hope that Schiphol will continue its sustainability focus, for example by teaming up with its business partners in order to swiftly implement science-based targets consistent with the agreed Paris goal of keeping global average temperature rise well below two degrees Celsius.

If so, Schiphol's second centenary couldn't be off to a better start, and I would like to wish you all a pleasant journey."



Augustin de Romanet

Le Président-directeur général Aéroports de Paris

"In order to achieve success in the long term, Schiphol has demonstrated its strong capacity to adapt its hub position to develop fast growing and changing markets. Its connectivity-oriented attitude is definitely a key success factor for its sustainable future. In addition, Schiphol's achievements in enhancing the quality of the passenger experience have definitely strengthened its competitive position for the future and qualify as a worldwide reference for customer satisfaction.

Another key element in Schiphol's future is Corporate Responsibility. In particular, this concerns the airport's sustained efforts to involve all stakeholders in the decision-making process for major development projects, as well as the company's constant involvement in climate change issues.

2016 marks the eighth anniversary of the HubLink alliance between Schiphol and Aéroports de Paris. With increasing competition between European and Middle-Eastern airports, HubLink is a great opportunity for its two partners to distinguish themselves in this competitive environment by gaining access to best practices, learning from each other's optimised processes and achieving joint results. In this regard I would like to thank the Schiphol and Aéroports de Paris teams for their involvement in and dedication to the alliance.

I strongly believe that further collaboration and international orientation is a prerequisite to the sustainable future of our airports. In this regard, Schiphol clearly has everything it needs to secure its continuity over the next one hundred years."



Ton Heerts

Chairman of Trade Union Confederation FNV

"Investing in sustainable fuels, reducing emissions and improving technology will all help to ensure Schiphol's sustainable future. However, creating sustainable employment is one of the most important building blocks of this future. Competition on the basis of terms of employment and working conditions will lead to a race to the bottom that will also eventually cause the quality of work to suffer. It is important to invest in sustainable employment relationships, in real jobs which offer sufficient security, quality and purchasing power, appreciation, a decent income and equal pay for equal work.

At Schiphol, the Netherlands Trade Union Confederation (FNV) is represented in various sectors such as flight handling, baggage handling, cleaning and security. Schiphol is also one of the largest contractors of services in the region. The FNV would like Schiphol to promote solid collective labour agreements in each of these sectors. This will avoid a division in the employment market between employees with permanent contracts and the requisite level of security on the one hand and a rapidly growing group with flexible contracts and far less security on the other. In its commissioning role, we are encouraging Schiphol to contribute to the creation of a sustainable employment market with more real jobs and to stop exclusion and further flexibility in the employment market."



Theo Weterings
Mayor of Haarlemmermeer

"A strong airport needs a strong region. The main building block for a sustainable future, therefore, is the relationship with the environment. Schiphol is an airport which, in collaboration with its regional partners, develops innovative and pioneering initiatives in the fields of home, work, life and leisure – all centred around an international infrastructure hub.

Creating a distinctive profile in terms of socio economic, spatial and infrastructural aspects is essential for an airport region that aims to retain its leading position in the world.

It is important to be and remain receptive to ideas, to new interventions, to views within society at large and from local residents and businesses. Make sure that the airport reflects pride and innovation in all its activities and assets, as a welcoming gateway to the rest of Europe. From this spot you're in front of Rembrandt's Night Watch in twenty minutes, after landing in a quintessentially Dutch polder that was drained using 19th century steam power. Make sure that everyone has reason to be and remain immensely proud of this dynamic epicentre in the heart of the Randstad conurbation."



Eberhard van der Laan

Mayor of Amsterdam

"In the third Golden Age of Amsterdam, it is fitting that travellers to and from Amsterdam should pass through an airport which is a global leader in the areas of innovation, e.g. the new security filters, hospitality and sustainability. Schiphol and home carrier KLM constantly demonstrate their pioneering role in the aviation industry."



Hans Martens

Market Research &
Intelligence Manager, Schiphol Group

"First of all, I would like to say that I am proud to work for this airport and I know that many of my colleagues feel the same. Schiphol is a leading European airport and it gives me a great deal of satisfaction to be contributing to its success. As an employee, I feel that a sustainable employment policy is very important: after all, employees are a company's key assets. So, select them carefully, put the right man or woman in the right place, make sure they can work efficiently and enjoy their work, give them every opportunity to develop and grow along with the company, and remain a caring employer."

One of the things I have always found fascinating is the extent to which our activities are interwoven with all the other parties at and around the airport; the airlines, Royal Netherlands Marechaussee, government, local residents and others. Good consultation and collaboration with all of these parties is essential if we are to create a sustainable future.

My personal message to Schiphol would be for the company to show its human side in everything it does, in addition to business efficiency. Show understanding and compassion. And above all: show passion. Over the next 100 years, continue to fulfil your role as a socially responsible company with the same level of enthusiasm."



Hans Alders

Chairman of the Schiphol Community Council

Multiple connections

"Schiphol has a public function. It provides the Netherlands with a hub for intercontinental connections. The key quality of a sustainable Schiphol is connecting.

The future resilience and quality of this network demands constant maintenance of connections:

1. The network of connections is supported by the operation of the hub, which forms the basis for the continuity and quality of the connections. Recognition of this requires an effective and open selectivity policy for the allocation of the scarce capacity.
2. The continuity and quality of the network of connections also requires connection within the aviation chain of hub carrier, airport and air traffic control. Collaboration within the chain is a prerequisite for being able to offer excellent service at a competitive price.
3. The network of connections is an important cornerstone of The Netherlands' position as competitive business location and employer. Exploiting the positive effects of connections is a societal responsibility. Connections to national and international business, travellers, and local and national authorities are essential.
4. Last but not least, the quality and future resilience of Schiphol as an international hub are determined by the relationship with its neighbours: the people who live in the area surrounding Schiphol, both now and in the future. The connection with these neighbours – regional authorities and residents' organisations – contributes significantly to our 'licence to operate'.

There can be no (sustainable) Schiphol without sustainable connection. I wish Schiphol outstanding connectivity over the next 100 years."

Governance



Report of the Supervisory Board

A. Supervision

The Supervisory Board monitors and advises the Management Board in setting and achieving the strategic objectives. The Supervisory Board is also closely involved in the major challenges facing Schiphol Group in its ambitions to grow and the associated capacity issues. The company faces stiff competition and is obliged to carefully consider and safeguard its interests. The Supervisory Board ensures that it is continuously informed of the the Management Board's considerations in this regard.

In this report, the Supervisory Board explains how it gave shape to its monitoring of the Management Board's activities in the past year. The 2015 Management Agenda serves as a guideline for the Supervisory Board's monitoring task as well as for the assessment of the performance of the Management Board of Schiphol Group.

Other important developments in which the Supervisory Board was involved this year are also discussed in this section.

Main points for attention

In 2015 the Group's Strategic Plan for the 2016–2020 period was reviewed and adjusted. The Supervisory Board closely followed the process of reviewing and optimising the Strategic Plan, and subsequently approved the new plan.

Schiphol Group is investing in the expansion and renovation of the airports in order to safeguard Schiphol's position as a Mainport

going forward. 2015 saw various decisions taken in regard to major projects, and some major projects were completed in that year. Milestones included the completion of central security in the non-Schengen area and the opening of the new Hilton Hotel at Amsterdam Airport Schiphol.

It is gratifying to note that the Airport Decree for Lelystad Airport has been awarded and the tenders for Lelystad have formally commenced. A major step has also been made towards the future realisation of Area A, which will allow Amsterdam Airport Schiphol to accommodate the expected growth as well as guarantee quality.

Despite the large-scale renovations, Schiphol was again able to break records: 2015 saw increases in both passenger numbers and the number of air transport movements.

In April, Schiphol Group transferred its majority holding in Schiphol Airport Retail to a joint venture with Gebr. Heinemann. This association sees Schiphol team up with a strong partner for the further development of airport retail.

Socio-economic commitment and responsibility

It is Schiphol Group's socio-economic task to bolster the strength of the Mainport. One of the conditions for achieving this is to ensure that passengers and airlines continue to view Schiphol as Europe's Preferred Airport. This is an ambition which was also further crystallised in 2015 by Schiphol working to raise quality and expand capacity both now and in the future. The associated investments are

Annual Report

The Supervisory Board is pleased to present the Annual Report, which includes the financial statements for 2015. The Annual Report was compiled by the Management Board. KPMG Accountants N.V. have audited the financial statements and issued an unqualified audit opinion. For further details, see 'Other information' under the Financial Statements section of this report. The Audit Committee has discussed the financial statements extensively with the Chief Financial Officer (CFO), her team 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 regulations and fulfils all governance 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 187 million euros on the issued share capital. After an addition to the revaluation reserve amounting to 56 million euros and a release from the other statutory reserves of 3 million euros, the remaining portion of 128 million euros will be added to the retained earnings.

The financial statements will be put before the General Meeting of Shareholders for adoption on 12 April 2016. The Supervisory Board proposes that the Management Board be granted discharge in respect of the management carried out, that the Supervisory Board be granted discharge for the supervision exercised and that the financial statements be adopted.

necessary to strengthen and improve Schiphol's position, necessary due in part to competition from other airports that are also making substantial investments in the future and improving their quality. The latter is borne out in rankings in which Schiphol's score dropped in 2015.

Over the past year, the Supervisory Board has been intensively involved in developments that concern the future of the Mainport, focusing on the continued implementation of the Master Plan and the expansion of Area A in particular. This important item featured multiple times on the agenda in 2015, with the Management Board providing detailed explanations regarding the strategic background and necessity of the project, which for Schiphol is of unprecedented scope, both financially and in terms of complexity.

The Supervisory Board ensures that investments are well balanced against a controlled cost development so that tariffs can remain competitive.

It is extremely important that Schiphol's growth ambitions can rely on sufficient public support. This is why the Supervisory Board ensured that it received regular updates on the discussions being conducted in the Schiphol Community Council, such as the discussion on the dilemma about growth of the airport, on the one hand, and the desire of municipalities to build new homes in the environs of Schiphol, on the other.

Strategic issues and projects

2015 was a demanding year, with major renovation work requiring much attention from both the Management Board and management while regular operations carried on as usual. The Supervisory Board is satisfied to conclude that Schiphol has achieved good results in terms of operations and its relationships with its key stakeholders. While the drop in passenger appreciation relative to previous years is understandable given the scale of the renovations, it nevertheless remains an important point for attention. The year closed with healthy financial results and a record number of passengers.

Strategic Plan for 2016 -2020

With the reviewed and optimised Strategic Plan for 2016–2020, the Management Board has laid a healthy foundation for Schiphol Group's strategy for the years ahead. During the strategy meeting in April, the Supervisory Board discussed the Strategic Plan with the Management Board. This discussion included the context in which Schiphol operates and the various uncertainties affecting the aviation industry worldwide: the emergence of low-cost airlines, the growth of both airports and airlines in the Middle East, and the position of the home carrier at Schiphol.

The subject of 'capacity' also includes good accessibility of the airport. The Supervisory Board considers it vital that investments continue in public transport to and from the airport, the bus station and the railway station.

Central Security non-Schengen

An important objective was reached with the completion of central security in the non-Schengen area by the fixed date of 3 June 2015. With the centralisation of security processes, not only does Schiphol comply with European regulations in this area, it has also increased the efficiency of the security process, thereby boosting the quality of the airport experience for passengers and airlines. During the construction work, the Supervisory Board went on several guided tours through the area in order to satisfy itself that the work was proceeding smoothly and that safety measures taken were effective. After the new central security filters were put into operational service, the Supervisory Board reviewed a detailed evaluation of the project, focusing especially on the budget adjustment that took place. The lessons learned will be applied within the context of future projects.

Current developments in Europe which are placing pressure on the Schengen Agreement featured in the discussions on airport security. There was also attention for the long queues which develop from time to time at the airport as a result of the fluctuations in Royal Netherlands Marechaussee staffing of the border posts.

Lounge 2

The Supervisory Board devoted special attention to the delay that has occurred in the Lounge 2 project. The Supervisory Board has been informed of the causes of the delay as well as the control measures taken and has gained an understanding of the various considerations made.

Area A

A key milestone, in November 2015, was the provisional approval of the development of Area A. This scheduled expansion paves the way for further development of Amsterdam Airport Schiphol and continued growth based on the Master Plan. An important component of the provisional approval is the second opinion regarding Area A, which will be provided at the request of the Supervisory Board and the shareholders. It has been decided to make this second opinion a special area of attention for one of the Supervisory Board members. The step change formed by this project, and especially its complexity, requires careful decision-making. A final decision is expected in the first quarter of 2016. The decision-making process involved extensive attention to the relocation of a part of the current cargo area.

Hilton Amsterdam Airport Schiphol

December 2015 saw the completion of the Hilton Amsterdam Airport Schiphol Hotel, marking the successful finalisation of this real estate project. This remarkable hotel adds quality to the existing hotel facilities at the airport.

Schiphol Airport Retail

Another strategic development concerns the transfer of Schiphol Airport Retail (SAR) to a joint venture in which the German company Gebr. Heinemann acquired a majority stake. With this transaction, SAR's position has been consolidated with experience and expertise

in the area of travel retail, e-commerce, procurement and logistics. This collaboration also means that SAR will be able to respond effectively in the future to the rapid developments in the international travel retail market.

Asset Wise!

The Supervisory Board was included in the considerations and results of the Asset Wise! programme, which has now been incorporated into the existing organisation. The Supervisory Board has established that Asset Wise! has led to necessary organisational improvements that will remain a focus of attention. The topic of cost-awareness and the continued follow-up of the issues brought forward by Assets Wise! will therefore remain on the agenda of the Supervisory Board in the year ahead.

Corporate Responsibility

In monitoring the strategy pursued by Schiphol Group, the Supervisory Board has paid particular attention to Corporate Responsibility (CR). For the Supervisory Board, it is extremely important that concrete CR objectives are developed for the organisation, and particularly for the major projects that are due to be launched in the period ahead (such as Area A). The Supervisory Board was kept well informed of the various activities and is convinced that the right steps are being taken to further define and anchor Corporate Responsibility as a key element of the strategic agenda. Schiphol Group is setting the tone as a socio-economic responsible enterprise. The Supervisory Board expresses its appreciation for initiatives such as the launch of the Aviation Inclusive covenant and the zero waste policy, which support Schiphol's ambition for a circular economy.

Other subjects

The Supervisory Board has been informed about 'Mind your step', the compliance programme for Schiphol employees which includes e-learning. Like the the employees of various departments, the Supervisory Board members played the Dilemma Game as a way of discussing common business dilemmas. There was also a broader discussion on risk management within the group.

The Supervisory Board devoted specific attention this year to the subject of management development within Schiphol Group. The Supervisory Board is pleased to note that the new CCO has been appointed from within the company. Mr De Groof has performed outstandingly in the position of CCO since 2008 and, after having served two four-year terms, will leave the organisation. In Mr Van den Berg, who previously served as director of Schiphol Real Estate, the Supervisory Board believes it has found an excellent candidate for this position.

Management Board member Ms Otto was afflicted by a serious illness which resulted in her absence for an extended period. The Supervisory Board has tremendous appreciation for the three other members of the Management Board who shared her duties during her absence.

This year a delegation of the Supervisory Board was involved in preparing an amendment to the Articles of Association requested by the shareholders. The reason for this amendment is the State Shareholdings Memorandum in which the government formulates its state shareholdings policy. In the memorandum, the government expresses a desire for more uniform articles of association across the various state shareholdings. A delegation of the Supervisory Board and of the Management Board is closely involved in this process. An important issue is the need to safeguard good governance: the relationship between shareholders, the Supervisory Board and the Management Board.

Financial reporting

The Management Board provides monthly reports to the Supervisory Board in which the enterprise's actual results are compared to the 2015 budget, the latest estimate 2015 and the results of 2014. The Supervisory Board discussed these reports during the meetings of the board. Subjects covered included the development of the company's operating and commercial costs and results, the development of the traffic and transport figures and their impact on the budget, the development of profitability, and the company's funding and cash flow position.

The Supervisory Board concludes that Schiphol Group is financially sound, but that the predictability of the costs of major projects calls for continued attention.

The Supervisory Board observes that the credit ratings of Moody's and of Standard & Poor's were upheld in 2015. These ratings are important in connection with the enterprise's future funding requirements. In 2015, the 2016 funding plan 'was adopted on the basis of which the enterprise will be able to securing funding.

No Conflicting Interest

There were no transactions in 2015 involving conflicts of interest on the part of Management Board members, Supervisory Board members, shareholders or the external auditor that were of material significance to the company and/or the relevant Management Board members, Supervisory Board members, shareholders or external auditor.

Central Works Council (COR)

The Supervisory Board, the Management Board and the Central Works Council (COR) of Schiphol also held discussions a number of times in 2015. Members of the Supervisory Board were present at five consultative meetings between Management Board members and the COR. Furthermore, the COR held discussions with the new Supervisory Board confidential advisor, Ms Scheltema. The members of the Supervisory Board experienced these meetings as constructive and informative. Important topics discussed concerned the development of the organisation and, in particular, developments concerning the Asset Management, Operations, Security and ICT departments, and the integration of Schiphol Telematics. The meetings also devoted time to the lessons learned from the non-Schengen central security and Lounge 2 projects. The COR also

spoke with the Supervisory Board about the Strategic Plan for 2016–2020 and issued a positive recommendation regarding the appointment of Mr Van den Berg as the new CCO.

work with the Management Board to achieve as much diversity as possible among the seats of both bodies. Further personal details on each member of the Supervisory Board can be found in the next section of this annual report.

B. Quality Assurance

Members

Diversity is one of the cornerstones of Schiphol Group's policy. At the end of 2015, the Supervisory Board had three female and five male members. The Management Board has two female members and two male members. The Supervisory Board will continue to

In making new appointments, the Supervisory Board aims to safeguard the complementary expertise of its members, particularly in relation to the fields of knowledge that are relevant to Schiphol Group; these are listed in the Supervisory Board Profile (Appendix A to the Supervisory Board Regulations). The overview below indicates the fields of knowledge represented by each Supervisory Board member. The distribution of fields of knowledge areas as set out below will factor into the filling of any new vacancies that arise.

Division of knowledge areas among the members of the Supervisory Board

	L. Gunning - Schepers (Chair)	H. Hazewinkel (Vice-Chair)	C. Clarke	L. Galzy
Year of birth and nationality	1951, Dutch	1949, Dutch	1964, British	1957, French
First appointed in	2014	2009	2015	2014

Knowledge areas

1. EU / Globalisation			•	•
2. Aviation		•		•
3. Real Estate		•		•
4. Retail / e-Business			•	
5. Finance / Accountancy / Risk Management		•	•	•
6. Corporate Responsibility	•		•	
7. Marketing / Sales			•	
8. Human Resource Management	•	•		
9. Politics and Schiphol's Social Climate	•			
10. Corporate Governance / Company Law		•		
11. Expertise on Amsterdam and the Amsterdam region	•			

	R.J. van de Kraats	M. Ohlsson	M. Scheltema	J. Wijn
Year of birth and nationality	1960, Dutch	1957, Swedish	1954, Dutch	1969, Dutch
First appointed in	2015	2015	2010	2012

Knowledge areas

1. EU / Globalisation		•	•	•
2. Aviation				
3. Real Estate		•		
4. Retail / e-Business		•		
5. Finance / Accountancy / Risk Management	•		•	•
6. Corporate Responsibility			•	
7. Marketing / Sales	•	•		•
8. Human Resource Management	•			
9. Politics and Schiphol's Social Climate				•
10. Corporate Governance / Company Law	•	•	•	
11. Expertise on Amsterdam and the Amsterdam region	•			•

All the members of the Supervisory Board are independent within the meaning of the Corporate Governance Code, with the exception of Mr Galzy, who is International and Participations Director at Aéroports de Paris S.A., and Mr Wijn, who is a member of the ABN Amro Group N.V. Management Board.

Mr Galzy has French nationality, Mr Ohlsson has Swedish nationality and Ms Clarke has British nationality. The other members of the Supervisory Board have Dutch nationality.

Permanent education

As part of the permanent education programme, various members of the Supervisory Board attended training sessions organised by the company. The aim of such training sessions is to provide the attendees with a detailed understanding of matters that are relevant to Schiphol, such as stakeholder management, capacity management and competition law. The Supervisory Board also attended a session on the topic of economic regulation. The three members who joined the Supervisory Board in 2015 took part in an intensive introductory programme.

Evaluation

An extensive evaluation led by an external expert in 2014 was discussed at length by the Supervisory Board in early 2015. The evaluation proved useful in allowing the Supervisory Board to optimise its composition and role. The results of the evaluation were also considered in selecting the three new Supervisory Board members appointed in 2015.

In 2015, the Supervisory Board conducted another self-evaluation, which it will discuss in the first quarter of 2016.

C. Other matters

(Re)appointments

There were no changes to the Schiphol Management Board during 2015. The second term of Mr De Groof comes to an end in 2016. He will be reappointed for a term of two months effective 1 February 2016, after which he will be succeeded by Mr Van den Berg, who was previously director of Schiphol Real Estate B.V., effective 1 April 2016.

At the nomination by the Supervisory Board and following a positive recommendation by the Central Works Council, the General Meeting of Shareholders of April 2015 appointed Ms Clark, Mr van de Kraats and Mr Ohlsson as Supervisory Board members. Mr Van de Kraats was also appointed Chair of the Audit Committee.

Mr Ruys, Mr Cremers and Mr Brouwer stepped down as members of the Supervisory Board in April 2015.

Ms Gunning was appointed Chair of the Supervisory Board effective 1 September 2015. Until that date, the role of Chair of the Supervisory Board had been assumed by Vice-Chair Mr Hazewinkel, after the former Chair, Mr Ruys, stepped down in April 2015.

In December, Mr Galzy, Supervisory Board member on behalf of Aéroports de Paris S.A., announced his intention to step down as a member. Aéroports de Paris S.A. will nominate a replacement for Mr Galzy in the near term.

The changes in Supervisory Board membership have led to changes in the composition of the committees in 2015. These changes are represented in the diagram below.

	L. Gunning-Schepers (Chair)	H. Hazewinkel (Vice-Chair)	C. Clarke	L. Galzy
Supervisory Board	•	•	•	•
Audit Committee		•		•
Remuneration Committee		• ¹		
Selection & Appointments Committee	• ¹	•	•	
Public Affairs & Corporate Responsibility Committee	•			

	R.J. van de Kraats	M. Ohlsson	M. Scheltema	J. Wijn
Supervisory Board	•	•	•	•
Audit Committee	• ¹			•
Remuneration Committee		•	•	
Selection & Appointments Committee				•
Public Affairs & Corporate Responsibility Committee		•	• ¹	

¹ Chair

Meetings

The Supervisory Board met nine times in 2015. The Management Board attended all meetings of the Supervisory Board. Both prior and subsequent to the regular meetings, the Supervisory Board held private consultations. The various subcommittees of the Supervisory Board held 17 meetings in total over the course of 2015. Please see the enclosed schedules for a full overview of the number of meetings per subcommittee and attendance of Supervisory Board members.

In addition to these meetings, the Chair and other members of the Supervisory Board discussed issues with the Management Board on numerous occasions. Various members of the Supervisory Board also had contacts on a number of occasions with stakeholders both within and outside Schiphol Group, including the shareholders.

The Supervisory Board wishes to warmly thank the Management Board and the employees of Schiphol Group for their considerable commitment in 2015, both in operations and beyond.

Schiphol, 18 February 2016

The Supervisory Board
 Louise Gunning - Schepers, Chair
 Herman Hazewinkel, Vice-Chair
 Caroline Clarke
 Laurent Galzy
 Robert Jan van de Kraats
 Mikael Ohlsson
 Margot Scheltema
 Joop Wijn

Attendance in 2015

Attendance	A. Ruys	L. Gunning - Schepers	C. Clarke	F. Cremers	L. Galzy	H. Hazewinkel
Supervisory Board	2	9	7	2	7	9
Audit Committee	n/a	n/a	n/a	1	2	3
Remuneration Committee	n/a	n/a	n/a	n/a	n/a	4
Selection & Appointments Committee	3	5	3	3	n/a	2
Public Affairs & Corporate Responsibility Committee	n/a	2	n/a	n/a	n/a	n/a
Total	5	16	10	6	9	18

	R.J. van de Kraats	M. Ohlsson	M. Scheltema	J. Brouwer	J. Wijn
Supervisory Board	6	6	9	2	7
Audit Committee	2	n/a	n/a	1	2
Remuneration Committee	n/a	2	3	2	n/a
Selection & Appointments Committee	n/a	n/a	n/a	n/a	6
Public Affairs & Corporate Responsibility Committee	n/a	1	3	1	1
Total	8	9	15	6	16

Meetings of the committees of the Supervisory Board

Audit Committee

The Audit Committee met three times in 2015, which was also the year in which Mr Van de Kraats joined the Audit Committee. He also assumes the chairmanship from Mr Cremers, who has stepped down as Supervisory Board member. The Audit Committee spoke at great length with the CFO and the internal and external auditors about the financial statements, the annual report, the interim report, the associated press releases, the Management Letter, the annual report of regulated activities (Aviation, Security) and the internal and external audit plan.

In 2015, the Audit Committee looked specifically at the question of information & IT security on the basis of the IT Security Roadmap for 2015-2017. During the course of the year, the committee also devoted attention to the regulatory framework for airport charges (Aviation Act) and the associated (reporting and other) risks. In line with previous years, the Audit Committee focused on policy and its implementation with respect to insurances, taxes, risk management, pensions and integrity policy.

Prior to every Audit Committee meeting, the chair held a separate discussion with the external auditor (KPMG Accountants N.V.). In addition, the scope and materiality of the audits and the risks identified featured regularly as topics during the meetings. After every meeting, the Audit Committee had final consultations with the external auditor. These consultations were not attended by Management Board members.

Selection and Appointments Committee

The Selection and Appointments Committee met seven times over 2015. The appointments of Ms Clark, Mr Van de Kraats and Mr Ohlsson were the subject of extensive discussions in the first months of 2015. The selection procedure was implemented with assistance from an external consultant and resulted in the nomination by the Supervisory Board of these three candidates for appointment by the General Meeting of Shareholders. The committee maintained regular contact with both the Central Works Council and the shareholders in relation to these appointments.

Assisted by an external consultant, the Selection and Appointments Committee spoke with a number of candidates who were eligible to succeed Mr De Groof in the position of CCO. The committee eventually advised the Supervisory Board to appoint Mr Van den Berg as CCO effective 1 April 2016. Mr De Groof will step down on the same date.

Remuneration Committee

The Remuneration Committee met four times in 2015. During 2015, the Remuneration Committee focused on the progress of the Management Board targets for 2015 and on the definition of those targets for 2016. In early 2015, the committee established the outcomes of the Management Board targets for 2014. The committee also discussed the consequences of new pension legislation for the accrual of pension by Management Board members. The chair of the Remuneration Committee and the chair of the Supervisory Board jointly conducted the annual appraisal interviews with the Management Board members.

Public Affairs & Corporate Responsibility Committee

The Public Affairs & Corporate Responsibility Committee met three times in 2015. The committee discussed the external auditor's verification of Corporate Responsibility (CR) reporting and the progress of the CR objectives, as set for the Management Board for 2015. In 2015, the committee took a detailed look at the status of the new Aviation Act as well as the matter of fine particles, focusing on potential future developments in this area. Schiphol Group's media policy and stakeholder management were also the subject of an in depth discussion. The committee examined, among other things, developments in the Schiphol Community Council (ORS).

Meetings	Number
Supervisory Board	9
Audit Committee	3
Remuneration Committee	4
Selection & Appointments Committee	7
Public Affairs & Corporate Responsibility Committee	3
Total	26

Supervisory Board



H.J. Hazewinkel RA
(chartered accountant)
(1949, Dutch nationality)

Vice-Chair

First appointed in 2009
Second term expires in 2017

- Chair of the Supervisory Board of TKH Group N.V.
- Vice-Chair of the Supervisory Board of Heisterkamp Beheer II B.V.
- Vice-Chair of the Supervisory Board of Koninklijke Boskalis Westminster N.V.
- Chair of the Supervisory Board of Sociaal Werkvoorzieningschap Centraal Overijssel Soweco N.V.
- Chair of the Management Board of Stichting ING Aandelen
- Member of the Supervisory Board of the Orkest van het Oosten
- Member of the Management Board of Stichting Administratiekantoer Slagheek
- Non-executive partner Baese Strategy & Finance B.V.
- Former Chair of the Management Board of VolkerWessels

C. Clarke
(1964, British nationality)

First appointed in 2015
First term expires in 2019

- CEO of Personal Health Solutions and Executive Vice-President of Philips
- Former Senior Vice-President Europa & Africa of Sara Lee Household & Body Care

M.A. Scheltema
(1954, Dutch nationality)

First appointed in 2010
Second term expires in 2018

- Member of the Supervisory Board of De Nederlandsche Bank N.V.
- Member of the Supervisory Board of TNT Express N.V.
- Non-executive Director of Lonza Group Plc, Basel
- (Deputy) adviser to the Netherlands Enterprise Court at the Amsterdam Court of Appeal
- Member of the Supervisory Board of Warmtebedrijf Rotterdam
- Member of the Supervisory Board of World Press Photo
- Treasurer of Genootschap Onze Taal
- Chair of the Pension Funds Code Monitoring Committee
- Member of the Central Planning Committee
- Former CFO of Shell Nederland B.V.

R.J. van de Kraats, RA
(chartered accountant)
(1960, Dutch nationality)

First appointed in 2015
First term expires in 2019

- CFO and Vice-Chair of the Management Board of Randstad Holding N.V.
- Non-executive Director on the Board of Directors of OCI N.V.
- Member of the Corporate Governance Code Monitoring Committee
- Former CFO and Member of the Board of Management of NCM Holding N.V. (Atradius)



L.J. Gunning - Schepers

(1951, Dutch nationality)

Chair

First appointed in 2014
First term expires in 2018

- Member of the Management Board of Stichting VSB Vermogensbeheer
- Member of the Supervisory Board of Stichting VSB Fonds
- Crown-appointed member of the Executive Board of the Netherlands Social and Economic Council
- Chair of the Scientific Advisory Board of the Aidsfonds
- Member of the Supervisory Board of Concertgebouw N.V.
- Chair of the Board of Governors of the Prins Claus Chair
- Member of the ERC Identification Committee

J.G. Wijn

(1969, Dutch nationality)

First appointed in 2012
First term expires in 2016

- Member of the Management Board of ABN AMRO Bank N.V.
- Member of the Supervisory Board of Koninklijke Jaarbeurs Utrecht B.V.
- Member of the Executive Board and Governing Board of the VNO-NCW Confederation of Netherlands Industry and Employers
- Member of the Supervisory Board of Stadsherstel Amsterdam
- Former Minister of Economic Affairs
- Former State Secretary of Finance
- Former State Secretary of Economic Affairs
- Chair of the Board of Oranjefonds

M. Ohlsson

(1957, Swedish nationality)

First appointed in 2015
First term expires in 2019

- Vice-Chair of the Board of Directors of Volvo Car Cooperation
- Non-executive Director of Tesco plc
- Member of the Supervisory Board of Ikano S.A.
- Member of the Board of Directors of Lindengruppen AB
- Member of the Global Child Forum
- Former President & CEO of IKEA Group/Ingka Holding B.V.

L.M. Galzy

(1957, French nationality)

First appointed in 2014
First term expires in 2018

- Executive Director (international and participations) Aéroports de Paris S.A.
- Member of the Supervisory Board of TAV Airport and TAV Construction
- Member of the Supervisory Board of ADPM, ADPI, Hub One and SDA
- Member of the Supervisory Board of OMA

Management Board



B.I. Otto

(1963, Dutch nationality)

Member of the Management Board and COO

since 1 September 2014

First term expires on 31 August 2018

- Chair of the Schiphol Security and Public Safety Steering Group
- Chair of the Schiphol Safety Platform



Aviation

J.A. Nijhuis RA (chartered accountant)

(1957, Dutch nationality)

President

since 1 January 2009

Second term expires on 31 December 2016

- Member of the Supervisory Board of SNS Bank N.V.
- Member of the Supervisory Board of Aon Groep Nederland B.V.
- Non-executive member of the Board of Directors of Aéroports de Paris S.A.
- Non-executive member of the Board of Directors of Brisbane Airport Corporation PTY Ltd
- Member of the ACI Europe Board
- Member of the Dutch National Opera and Ballet Board of Governors
- Member of the Amsterdam Economic Board
- Co-Chair of the Schiphol Security and Public Safety Platform
- Member of the Executive Board and Governing Board of the VNO-NCW Confederation of Netherlands Industry and Employers
- Member of the Cyber Security Council

M.M. de Groof

(1957, Dutch nationality)

Member of the Management Board and CCO

since 1 February 2008

Second term expires on 31 January 2016

Extended until 1 April 2016

- Member of the Supervisory Board of Eindhoven Airport N.V.
- Member of the Supervisory Board of Vesteda (effective August 2015)



Consumer Products & Services



Real Estate

E.A. de Groot

(1965, Dutch nationality)

Member of the Management Board and CFO

since 1 May 2012

First term expires on 30 April 2016

- Member of the Supervisory Board of Beter Bed Holding N.V.
- Non-executive member of the Board of Directors of Aéroports de Paris S.A.
- Member of the Supervisory Board of Vitens N.V. (effective November 2015)



Alliances & Participations

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 Corporate Governance Code, the company's Articles of Association and various internal regulations.

Management Board

The members of the Management Board of Schiphol Group share responsibility for the management of Schiphol Group and for the general state of affairs 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. Supervisory Board members are tasked with monitoring the Management Board of Schiphol Group and the general state of affairs. The Supervisory Board also advises the Management Board.

Committees of the Supervisory Board

The Supervisory Board has four subcommittees:

- The Audit Committee has the task of monitoring the internal risk management and control systems, the annual and half-year financial reports, and financing. Matters relating to taxation, treasury policy, insurance and pensions also fall within this committee's portfolio.
- The Selection and Appointments Committee carries out 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, together with the Chairman of the Supervisory Board, carries out 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 on the communication strategy in the public domain (Public Affairs) while, on the other, it plays an important role in defining the socio-economic aspects of Schiphol Group's business.

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 committees report on the outcome of their meetings in a Supervisory Board meeting. The Supervisory Board as a whole takes decisions based on these reports.

Corporate Governance Code

In 2004, Schiphol Group began applying the principles and best practice provisions of the Corporate Governance Code wherever possible and/or appropriate. Schiphol Group has implemented these provisions in its Articles of Association and various internal regulations.

Since 2012, Schiphol has applied, in full, the Code's provisions regarding remuneration to all Management Board members. The employment contracts with each of the Management Board members contain a 'claw-back' clause (Corporate Governance Code provision II. 2.11) and the possibility for the Supervisory Board to adjust variable remuneration in retrospect in certain cases (Corporate Governance Code provision II. 2.10). An updated version of Schiphol Group's 'comply or explain' overview was approved by the Supervisory Board in 2013.

In 2014 Mr Galzy joined the Supervisory Board. He is not classified as independent within the meaning of the Corporate Governance Code (provision III.2.1). Mr Wijn currently serves on the Management Board of ABN AMRO Bank, a business relation of Schiphol Group. With the appointment of Mr Wijn and Mr Galzy as Supervisory Board members, Schiphol no longer applies the principle that no more than one member may be exempted from the independence requirement as defined in the Code. It has been agreed with Mr Wijn that he will not take part in discussions and decisions at ABN AMRO which relate to Schiphol Group and vice versa. Schiphol Group is of the opinion that this sufficiently addresses the non-independence of Mr Wijn. With Mr Galzy, too, it has been agreed that he will not take part in discussions and decisions at Schiphol Group which relate to Aéroports de Paris or be involved in other subjects that could potentially result in a conflict of interests.

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 Scheme and the rules

governing the Supervisory Board, its committees and the management.

Securities transactions

Even though 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.

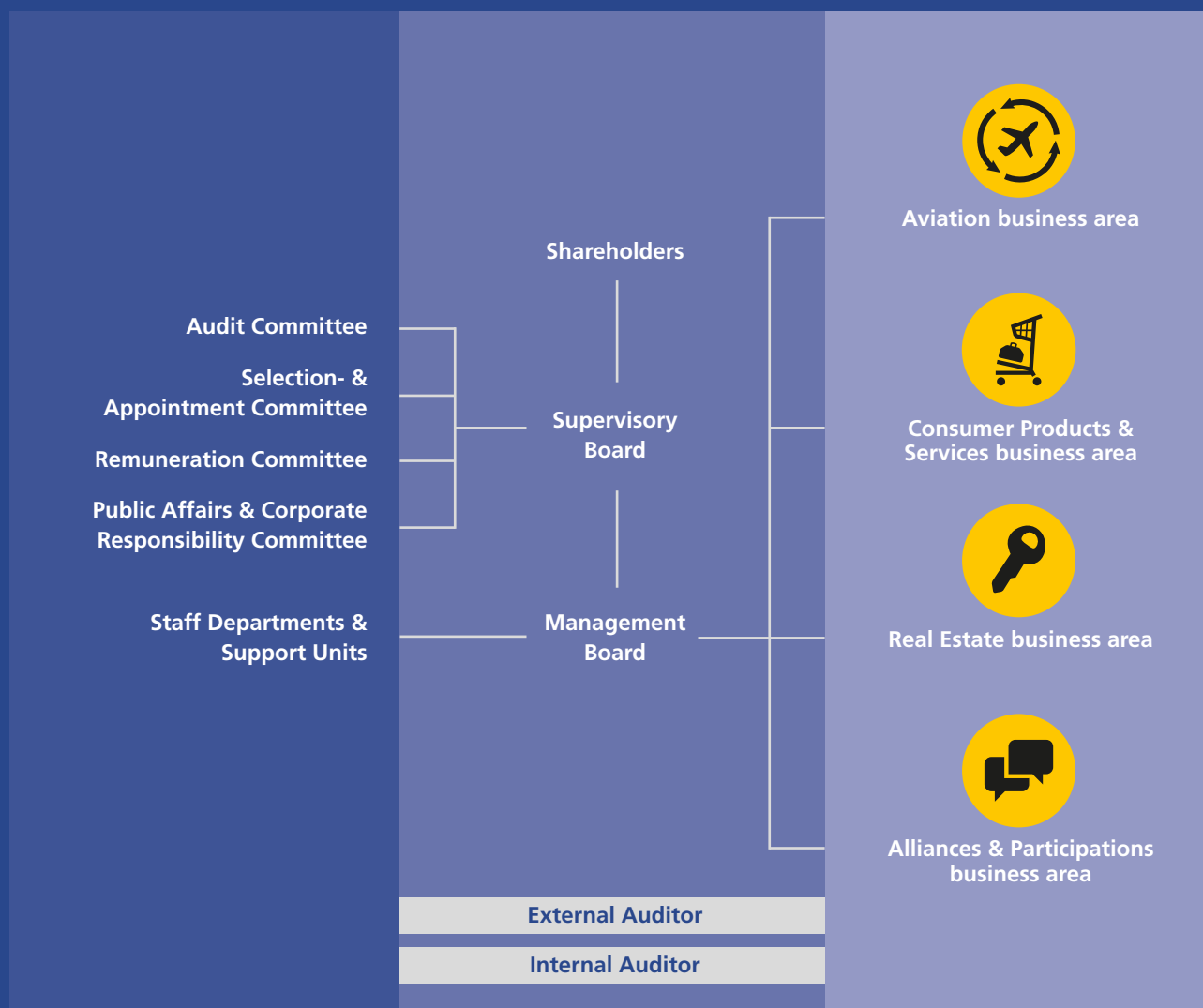
Members of the Management Board and Supervisory Board must refrain from buying and selling these bonds and/or any Aéroports de Paris S.A. shares. Mr Nijhuis and Ms De Groot both hold a board position at Aéroports de Paris S.A. In that capacity, they are under an obligation to hold at least one share in the capital of Aéroports de Paris S.A. The director of Corporate Legal is the central officer referred to in the Regulations governing Inside Information and the Holding of Securities and Securities Transactions.

Amsterdam Airport Schiphol, 18 February 2016

The Supervisory Board

The Management Board

Corporate Governance Structure



Organisation of Corporate Responsibility

The President and CEO of Schiphol Group is primarily responsible for Corporate Responsibility. The Management Board is responsible for the integrated annual report. The Management Board defines the Corporate Responsibility vision and policy. Its members are assisted by the Public Affairs & Corporate Responsibility Committee of the Supervisory Board. The achievement of CR targets is one of the elements of the remuneration policy.

The COO acts as the airport manager. The main task of the airport manager is to ensure that national and European laws and regulations, in particular those relating to safety, security and the environment, are complied with. The laws and regulations that apply at the airport are often unique. On a number of points, Schiphol itself has implemented additional rules aimed at further improving the monitoring of order and safety on the airport grounds. These are the Schiphol Rules. The airport manager exercises primary supervision of compliance with the Schiphol Rules and can, to a limited extent, impose sanctions on people and companies in the event of non-compliance with these rules.

The objectives, tasks, responsibilities, authorisations and working agreements relating to the control of safety and environmental risk are set out in the environmental management system, airside safety management system, terminal safety management system and health and safety management system.

The CR programme manager is responsible for the integration of Corporate Responsibility within Schiphol Group and is supported by external experts and controllers. They ensure that vision and focus are incorporated in the CR policy and advise on the CR ambition level. They make sure that Schiphol's activities are aligned with this vision. They stimulate the collaboration with stakeholders, ensure that awareness and action are promoted within the organisation and work on integrating CR in the thinking and behaviour of Schiphol employees. This is achieved by promoting the conscious weighing of the interests of people, planet and profit – both with regard to the choices for the future and in day-to-day operations.

In 2015, the position of CR programme manager in the organisation was transferred to the Corporate Development Department. The programme manager comes under the direct responsibility of the Corporate Development director, and reports directly to the CEO. The aim of this organisational adjustment is to integrate CR more quickly and more effectively into the strategic choices made.

The material aspects of regional significance, accessibility, noise levels, CO₂ emissions, air quality, circular economy and employment practices have been clustered in five socio-economic themes: climate-friendly aviation, sustainable employment, raw materials and waste flows, accessibility and local community, noise levels and air quality. Organisation-wide theme coordinators are linked to the themes to ensure that ambitions that transcend individual business areas are realised. Each quarter, the Management Board discusses the relevant CR developments, dilemmas and the report on non-financial objectives.

In addition to its integration with strategy, CR is a fixed component in the investment documentation. In tendering procedures potential suppliers are also asked to indicate what contributions they can make to the five themes. Workshops focusing on the five CR themes can also be arranged for projects carried out by the project department.

	Material aspect	Final responsibility	Challenges	Concrete actions see ¹
	Regional significance	CEO	Maintain Mainport position Continue our intensive dialogue with stakeholders	Regional significance
	Network of destinations	CCO	Competition from other airports	Network of destinations
	Capacity	COO	Maintain operations during renovations Development of Lelystad Airport	Capacity
	Accessibility	Director of Airport Operations	Improve accessibility by road and rail	Accessibility
	Customer appreciation	CCO	Maintain and enhance quality perception (despite renovations)	Customer appreciation
	Noise	Strategic Stakeholder Management Manager	Transfer of Alders Platform agreements to Schiphol Community Council	Noise
	Safety	Director of Safety, Security & Environment	More stringent security requirements	Safety
	CO ₂ emissions	COO	Initiatives in the chain promoting innovation and sustainability Contribute to (further) development of biofuels	Emissions
	Air quality	COO	Initiatives in the chain promoting innovation and sustainability Research/developments in fine and ultra-fine particles	Emissions
	Circular economy	Director of Asset Management	Business models must change	Circular economy
	Water	Director of Airport Operations	Effect of de-icing products on surface water quality	Circular economy
	Supply chain responsibility	Director of Corporate Procurement	Selection of suppliers	Supply chain responsibility
	Employment practices	Director of Human Resources	Diversity Internal development and mobility	Employership
	Financial solidity	CFO	Maintain good credit ratings	Financial solidity

¹ This overview is not exhaustive

Remuneration

This remuneration report sets out the remuneration policy for the Schiphol Group Management Board and Supervisory Board in 2015.

The members of the Management Board of N.V. Luchthaven Schiphol are appointed by the Supervisory Board for a term of four years, after which the members may be reappointed. All Management Board members are employed by N.V. Luchthaven Schiphol on the basis of a permanent employment contract.

In 2015, the Management Board of Schiphol Group was composed of the following persons:

	Position	Term	End of term
J.A. Nijhuis	CEO	Second	31 December 2016
E.A. de Groot	CFO	First	30 April 2016
B.I. Otto	COO	First	31 August 2018
M.M. de Groof	CCO	Second	31 January 2016

conditions. For example, the maximum variable remuneration may not be higher than 20% of the annual salary and (as also stipulated by the Corporate Governance Code) it must be possible for the Supervisory Board to retroactively adjust the variable remuneration via a claw-back scheme should the remuneration prove to have been awarded on the basis of incorrect information.

Furthermore, Schiphol observes the new government participation with regard to severance payments. Upon termination of employment of the board member, Schiphol pays a maximum of one year's salary as a severance payment, unless the board member resigns voluntarily or the termination is the result of their actions. If a board member does not work during the notice period, this period will be deducted from the payment to be made. The conditions relating to the adjustment of the variable remuneration and severance pay apply to all board members, regardless of the year of appointment or reappointment.

General

The main goal of N.V. Luchthaven Schiphol's remuneration policy is to remunerate the Management Board members at a level and with a structure which will attract and retain qualified and capable directors (including those from within the organisation). The remuneration policy – and in particular the variable remuneration – is also intended to effectively stimulate the achievement of Schiphol's objectives, as adopted each year by the Supervisory Board on the basis of the approved budget and the Management Agenda. In addition to the financial objectives, the non-financial objectives in the Management Agenda play an important role in assessing performance. In addition to financial objectives, non-financial objective are also important in evaluating performance. Most of the non-financial objectives are linked to how Schiphol seeks to fulfil its socio-economic role.

The remuneration policy of N.V. Luchthaven Schiphol meets the best-practice provisions on remuneration defined in the Corporate Governance Code. Since the majority of shares in N.V. Luchthaven Schiphol are held by the State of the Netherlands, Schiphol's remuneration policy (for board members who were subsequently newly appointed or reappointed) falls within the scope of the new '2013 Government Participation Policy' for Board members who were subsequently first appointed or reappointed. Variable remuneration, in particular, is subject to a number of strict

Remuneration package structure

A detailed summary of the employment arrangements and the amounts constituting the total remuneration of each Management Board member in 2015 are provided below. The CEO and CCO, who were appointed in 2008, come under the remuneration policy which was in effect in that time. Consequently, they are subject to other contractual arrangements, which are specified in further detail below.

Fixed salary

In 2015 the fixed gross annual salary, including holiday allowance, of the Management Board members was as follows:

	Position	Fixed salary (EUR)
J.A. Nijhuis	CEO	395,461
E.A. de Groot	CFO	349,500
B.I. Otto	COO	349,500
M.M. de Groof	CCO	308,909

As mentioned above, the current remuneration policy does not apply to the CEO and CCO. Based on the current remuneration policy, the CEO's fixed remuneration would amount to 412,902 euros. This applies in the case of new and re-appointments. Based on the remuneration policy, the fixed remuneration for the other board members is a maximum of 85% of that amount, i.e. a gross annual salary of 350,967 euros.

As of 1 April 2015, the fixed remuneration of the board members rose by 1.7%, in accordance with the general pay rise agreed by the parties to the collective labour agreement for Schiphol.

Variable remuneration

General

The remuneration structure also has a variable component. The variable remuneration is intended to increase the commitment of Management Board members in Schiphol's results, stimulate results-oriented thinking and acting and reward outstanding performance. The variable remuneration has a further goal of striking an ideal balance between sustainable financial and public performances.

According to the remuneration policy introduced in 2014, the maximum variable remuneration amounts to 20% of the total fixed income. The Supervisory Board determines the level of the variable remuneration, which depends on the extent to which the annually defined targets have been achieved. Those objectives are both (1) qualitative/substantive in nature and (2) related to the financial results achieved (quantitative).

1. Qualitative

The qualitative objectives are set each year and comprise both team-related and personal performance targets.

The team-related objectives are derived from the *Management Agenda* which is approved by the Supervisory Board at the start of each year and contains targets that contribute to:

- The progress and achievement of the long-term strategic objectives of Schiphol Group.
- The public significance of Schiphol for the Netherlands.

The objectives as included in the Management Agenda comprise the team-related objectives for the variable remuneration for the Management Board as a whole. The personal performance targets of the Management Board members are derived from the portfolio of the individual board member concerned and are also related to the objectives as formulated in the Management Agenda.

The team-related objectives and personal performance targets jointly represent 14% of the maximum 20% (of the total fixed salary) that can be paid as variable remuneration. The extent to which the qualitative objectives are deemed to have been achieved and the way they are assessed is at the discretion of the Supervisory Board.

2. Quantitative

The remaining 6% of the maximum variable remuneration available depends on the financial results. The degree to which the after-tax return on equity (ROE) approaches or exceeds the agreed objective determines (based on the table below) the level of the variable remuneration for this component.

ROE (achievement percentage)	STI percentage
Less than 80%	0%
80% - 90%	2%
90% - 95%	3%
95% - 105%	4%
105% - 110%	5%
110% or more	6%

The targets set by the Supervisory Board in advance are assessed at the end of the first quarter of the reporting year in light of the latest transport figures and special developments, and adjusted where necessary. This is to ensure that its budgetary and other objectives remain as challenging and realistic as possible.

In summary, the Supervisory Board sets the annual variable remuneration to be earned based on the following components:

1. financial targets, comprising the after-tax return on equity (ROE) in accordance with the budget approved by the Supervisory Board for that year;
2. one or more personal qualitative targets (including overall performance) derived from the portfolio of the individual member of the Management Board that bear a relationship with the targets as formulated in the Management Agenda;
3. one or more collective (team) objectives derived from the Management Agenda.

This can be summarised in figures as follows:

Target	STI percentage
Quantitative - financial	6%
Qualitative - personal/team	14%
Total maximum	20%

Non-standard arrangements

The variable remuneration system as described above applied to the CFO and COO in 2015. The CEO and CCO have a non-standard fixed salary and a non-standard variable remuneration component, based on the contractual agreements made upon their appointments (and derived from the remuneration policy in effect at the time of their appointments). Their variable component comprises a short-term incentive (STI) and a long-term incentive (LTI).

The STI consists – like the variable remuneration based on the remuneration policy adopted in 2014 – of qualitative objectives and a quantitative objective. The qualitative objectives are determined on the basis of the objectives as included in the Management Agenda and the overall performance of the Management Board member concerned. The quantitative objective is related to the financial result achieved (the result divided by the average equity (ROE)) and to the annual budget approved by the Supervisory Board for that year. Exceeding the financial targets by more than 10% can result in an increased STI (swing) percentage. This allows for the STI percentages below of the total fixed salary to be achieved:

	CEO	CCO
Financial target	20%	15%
Personal targets	7.5%	15%
Overall performance	7.5%	5%
Total (excluding swing)	35%	35%
Maximum swing percentage	12.5%	10%
Total (including maximum swing)	47.5%	45%

Mr Nijhuis (CEO) has taken the initiative to adjust his contractual STI agreements (max. 47.5%) with effect from 2015. The current remuneration policy has a maximum (total) variable remuneration component of 20%. Mr Nijhuis is voluntarily relinquishing his STI entitlements to the extent these exceed the achieved STI percentage for the year concerned, based on the current remuneration policy (maximum 20%).

The LTI is based on the multi-year Tactical Plan approved by the Supervisory Board and on the Economic Profit (EP) target laid down in this plan. Payment of the LTI depends on the extent to which the cumulative EP has been achieved over a period of three financial years. If the cumulative EP exceeds the 'budgeted' EP by more than 10%, the payment level may be raised to 52.5% of the total fixed salary. This can be summarised as follows:

	CEO and CCO
LTI target	35%
Maximum swing percentage	17.5%
Total (including maximum swing)	52.5%

Claw-back

The variable remuneration (under both the old and current remuneration policy) is subject to a claw-back clause (Corporate Governance Code provision II.2.11) and the possibility for the Supervisory Board to adjust variable pay retrospectively in certain cases (Corporate Governance Code provision II.2.10).

Pension arrangements

Schiphol Group's pension plan for all its employees, including Management Board members, is administered by the Algemeen Burgerlijk Pensioenfonds (ABP). The ABP scheme is an average earnings scheme. The premium, which the ABP calculates each year, consists of an employer's share and an employee's share. The pension base used to calculate the premium is made up of fixed pay elements only. As opposed to the arrangement for other employees, the variable portion of the income does not count toward the pension base for Management Board members.

For the CEO and CCO, the following non-standard pension agreements apply:

- A paid-up pension (at any rate the agreement that the employee's share of the pension premium is paid by the employer).
- The agreement that the employment contract will end no later than on the attainment of the age of 62. As such, it has been arranged that they will receive an annual fixed salary supplement which they can put towards a life-course savings scheme. The level of the supplement was determined through an actuarial calculation based on the assumption that the retirement age was 62 and the fact that between the ages of 62 and 65 no pension accrual will take place during active employment with N.V. Luchthaven Schiphol.

Effective 1 January 2015 no pension is accrued for the portion of the pensionable income that is in excess of 100,000 euros. In conformity with the generally applicable practice in the Netherlands, Schiphol has decided to compensate the employees concerned (including the Management Board members) for this erosion in pension entitlements. The sum total of this pension compensation scheme equals the reduction in pension contributions Schiphol pays as a result of the capping of pension accrual for tax purposes, and therefore does not affect the budget. The individual gross compensation is determined annually for each employee (and therefore also for each Management Board member) based on the employee's age and salary.

Other benefits

The secondary benefits comprise appropriate expense allowances, a company car and allowances for a chauffeur and telephone costs. The company has also taken out personal accident insurance and directors' and officers' 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. A restrictive policy applies with regard to other offices, whose acceptance requires the explicit approval of the Supervisory Board.

Retiring and new board members

Mr De Groof's term of appointment ends as of 1 February 2016. Following two four-year terms, Mr de Groof will no longer stand for reappointment. However, to ensure a smooth transfer of duties, his current appointment term has been extended to 1 April 2016. Effective 1 April 2016, Mr De Groof will be succeeded by Mr A. van den Berg. Mr Van den Berg is currently employed by Schiphol Nederland B.V. in the position of director of Schiphol Real Estate. Mr Van den Berg's remuneration package will be based on the remuneration policy that has been in effect since 2015 and will thus be identical to the packages for the CFO and COO described above.

In connection with the termination of the employment contract, Mr De Groof will receive the contractually agreed severance payment of 310,205 euros gross. This payment is equal to one year's fixed salary and will be increased by an amount of 14,246 euros gross for buy out of the salary supplement that Mr De Groof receives each year for the financing of a life-course savings scheme. Consequently, the total severance payment will amount to 324,452 euros gross.

Management Board Remuneration for 2015

Based on the 2015 financial results, the members of the Management Board are eligible for a short-term incentive (STI) relating to financial (quantitative) targets that exceeds the target but is lower than the maximum incentive:

- new policy arrangement: CEO, CFO and COO 5% of a maximum of 6%

- CCO arrangement: 18.75% of a maximum of 25% (swing factor of 1.25)

With respect to the (qualitative) personal targets, the Supervisory Board was generally positive. The management team has done a good job and has made good progress with several crucial dossiers that are of vital importance to the future of Amsterdam Airport Schiphol. Nevertheless, the Supervisory Board has determined that not all agreed qualitative targets have been achieved and, advised by the Remuneration Committee, has set the score for the entire package of qualitative targets at (approx.) 2/3.

2015 was marked by a strong focus on the transition to central security in the non-Schengen area (CSNS). The Supervisory Board was positive about the timely completion of CSNS, but less so as regards the delayed completion of Lounge 2 and Holland Boulevard and as regards project management. Good progress has been made on the five Corporate Responsibility themes, though it seems there is room for further development in this area. The Asset Wise! programme has resulted in an increased focus on costs optimisation. 2016 will see a further 11.6% reduction of the airport charges, as a result of the growth in passenger numbers in 2014 and 2015 and strict cost control. There is room for improvement however in the fields of project and contract management.

Good progress has been made in the development of the new terminal and pier. The definitive decisions on these projects will be made in the first few months of 2016. This represents a major step towards increasing the capacity and quality of Amsterdam Airport Schiphol and strengthening its competitive position.

Because of the different remuneration schemes for the CEO and the CCO, on the one hand, and the CFO and COO, on the other, a schematic overview is provided below of the STI percentages achieved. This overview includes, for each, the weighting of the extent to which he or she attained the qualitative targets.

STI in 2015

	J.A. Nijhuis		M.M. de Groof	
	Potential	Realised	Potential	Realised
Financial target	20%	n/a	15%	15%
Personal and overall performance	15%	n/a	20%	14.25%
Swing percentage	12.5%	n/a	10%	3.75%
Totaal	47.5%	n/a¹	45%	33%

¹ Not applicable because of voluntary agreement to a lower (short term) variable pay by Mr Nijhuis.

		J.A. Nijhuis	E.A. de Groot	B.I. Otto
	Potential		Realised	
Quantitative - financial	6%	5%	5%	5%
Qualitative - personal/team	14%	10%	10%	6%
Total (max. 20%)	20%	15%	15%	11%

Due to the fact that Ms Otto was not fully available, her STI has been adjusted downward.

The Supervisory Board, advised by the Remuneration Committee, has set the swing factor for the long-term remuneration (LTI) for the CEO and COO over the 2013–2015 period at 1.5, based on the 'economic profit' achieved in the period and in accordance with the contractually agreed calculation principles. The other members of the Management Board are not entitled to any LTI.

More detailed information on the remuneration of the Management Board for 2015 can be found in the financial statements section of this annual report, under '*Related parties*'.

Remuneration of the Supervisory Board

General

The remuneration of the Chair of the Supervisory Board amounts to 36,500 euros per annum. The ordinary members' remuneration is 24,000 euros per annum. All members of the Supervisory Board also receive an annual expense allowance of 1,600 euros. Members of a Supervisory Board committee are entitled to an additional fee. Each member of the Audit Committee receives 6,000 euros per annum, and each member of one of the other committees is entitled to 5,000 euros per annum.

Remuneration of the Supervisory Board for 2015

Information on the remuneration of the Supervisory Board for 2015 can be found under *Related parties* in the notes to the consolidated financial statements.

Schiphol, 18 February 2016

Risk management

As a result of its socio-economic role and its enterprising business model, Schiphol is subject to a range of strategic, operational, financial and compliance risks. Risk management is an integral part of our business processes supported by a uniform policy which has been developed to manage these risks.

Risk management in 2015

Schiphol operates in a dynamic environment which offers opportunities as well as presenting various challenges. On the one hand, the aviation industry is enjoying strong growth as the propensity to fly in, for example, China and India has increased substantially. On the other hand, geopolitical developments and concerns about security may negatively affect demand for air travel in the short term.

Although global economic development is positive, the recovery in Europe is far from robust. Europe's position relative to other parts of the world is still under pressure. The consequences of this also extend to trade routes between Asia and the United States. European network carriers are already facing stiff competition from airlines in the Middle East. Large hubs in Istanbul and the Gulf region have been developed in direct competition with European hubs. This is also affecting our home carrier. At the same time low cost carriers are developing their networks and expanding their focus to include business travellers.

On the positive side, traffic at Schiphol continues to grow despite the competitive environment. This growth is increasing pressure on existing capacity. Our non-aviation activities are also being subjected to structural shifts in market dynamics. Traditional retail concepts no longer meet the needs of the modern consumer who is spending more online and less in shops. Real estate markets are also changing and we can no longer assume that past growth will continue in the same way in the future. These developments have led to a modest deterioration of Schiphol Group's risk profile in 2015.

Key developments

Changes in market dynamics and increased competition could have significant implications for all aspects of our business including Masterplan investments such as Area-A and of course for our financial position. We regularly monitor and assess developments in the aviation sector and the position of our most important airlines and competitors. A solid financial position and modular investment plans ensure that we have the flexibility to adapt to changing market dynamics.

Sub-standard information security and cybercrime continue to pose a significant threat. In light of our strategy to further develop our digital capabilities we must pay particular attention to the risk associated with IT infrastructure and information security and now consider it one of our main risks. Becoming a more digital airport will also require more mature IT security capabilities. A programme to enhance IT security has been implemented this past year and will continue in 2016.

The strong recovery of passenger growth despite the economic crisis of recent years, highlights the risk associated with higher than expected growth and the pressure this can place on existing assets. This is particularly true for Schiphol where the lead time for developing new assets is long. This has led us to place greater emphasis on the link between fluctuations in demand and capacity development.

The refugee crisis in Europe and the terrorist attacks in Paris have led to discussions about increased border controls and the reduction or abolition of the border free Schengen area. Any new legislation from inside or outside Europe leading to increased border controls could have significant impact on our operational processes as well as potentially affecting demand for air travel and spending in the retail and food and beverage outlets if passengers are required to spend more time in border control processes. We will continue to closely monitor developments with regard to new legislation.

Schiphol Group's most important risks and control measures were discussed by the Supervisory Board at the meeting in October 2015.

Framework for risk management

Taking risks is an integral part of business. By carefully balancing our objectives against the risks we are prepared to take, we strive to conduct business operations that are both sustainable and socio-economic responsible. This approach will help us attain our strategic objectives.

Our policy is based on the following principles:

- 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 risk management and internal monitoring systems will reduce the likelihood of errors, wrong decisions and surprises due to unforeseen circumstances;
- Risk management has been integrated into line-management activities and into the planning and control cycle;
- In order to thrive, an enterprise must take risks. The Management Board is responsible for determining the limits of what is acceptable (referred to as 'risk appetite').

Risk Appetite

The extent to which Schiphol Group is prepared to take risks to achieve its objectives differs according to each objective and risk category. Risk limits are set out in various policy documents, handbooks and company regulations that define the specific limits and tolerances of the various operational activities.

Risk Category	Risk Appetite	Description
Strategic	moderate	Schiphol Group is prepared to take moderate risks to realise its ambitions. In doing so, we aim to strike a balance between our socio-economic role (low risk acceptance) and our commercial targets (higher risk acceptance).
Operational	very low	Schiphol Group focuses primarily on ensuring the continuity of aviation activities, regardless of circumstances. We aim to reduce the risks that threaten this continuity as much as possible. Our risk acceptance in this regard is therefore very low. In the area of safety and security, we do all we can to avoid risks that could put passengers, internal and external employees, visitors or local residents in danger.
Financial	low	We maintain a solid financial position in order to guarantee access to the financial markets. Schiphol is not prepared to take risks that could jeopardise its credit rating of at least 'A' (Standard & Poor's).
Compliance	zero	Schiphol Group strives to comply with all applicable laws and regulations, with a particular focus on safety and security, environmental, competition, tendering and privacy/information security laws.

Risk management and internal control

Our risk management and internal control system is based on the COSO ERM guideline and the Corporate Governance Code. The system identifies, analyses and monitors strategic, operational, financial and compliance-related risks;

Line managers are responsible for the implementation of risk management and report on their activities twice a year to their directors, who in turn report to the Risk & Compliance Committee which comprises the members of the Management Board, the Finance & Control Director, the Sr Internal Audit Manager, Corporate Compliance Officer and Risk & Insurance Manager. These reports form the basis for the In Control Statement provided by the directors of the business and support units twice a year as well as being an important element underpinning the Letter of Representation provided semi-annually by each business and support unit director and controller to the Chief Financial Officer.

The Management Board of Schiphol Group also meets four times a year to discuss the integral progress and results of the Corporate Responsibility objectives.

Risk management is a fixed aspect within our monthly planning and control cycle and is fully integrated in our strategic planning process (every three years with a five-year horizon) and tactical planning process (annually with a four-year horizon).

The Management Board reports on and accounts for the risk management and internal control system to the Supervisory Board.

We aim to reduce the likelihood of errors, wrong decisions and surprises due to unforeseen circumstances as much as possible. However, there are no absolute guarantees, and we cannot exclude the possibility of being exposed to risks of which we are currently unaware, or which may not yet be considered important at this time. No risk management or internal control system can provide an absolute safeguard against failure to achieve corporate objectives, nor fully prevent any possible loss, fraud or breach of rules and regulations. To name one example, Schiphol Group is particularly susceptible to adverse weather conditions and other natural phenomena; we simply cannot prevent or influence these. We can, however, ensure that the consequences remain as limited as possible.

In light of the above, we believe that the risk management and internal control systems provide a reasonable degree of assurance concerning financial reporting risks, and that the financial reporting does not contain any material misstatements.

The Management Board declares that, to the best of 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;
- the annual report gives a true and fair view of the situation on the balance sheet date and of developments over the course of the financial year; and
- the principal risks facing Schiphol Group are described in this annual report.

Sensitivity analysis

By making our 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.

We do this in various ways, for example by integrating sensitivity analyses for key value drivers in our *Tactical Plan for 2016-2019* and *Strategic Plan for 2016-2020*. This helps us to determine the impact of key risks.

The table below outlines the sensitivity level for Schiphol Group's key value drivers, specifying their most important risk factors.

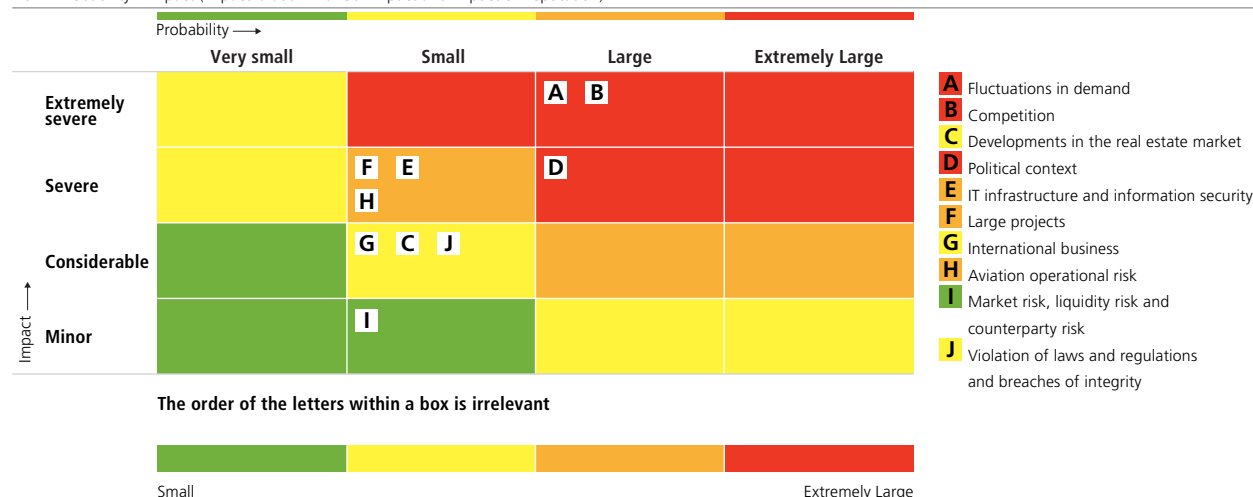
Assessment of the most important risks

We use a risk matrix to assess and compare our risks, with the risks arranged based on an estimate of the likelihood of the risk arising

and an estimate of the impact of the consequences on the achievement of our business objectives. The impact is based not just on the financial consequences but also on the impact on our reputation. We have plotted the ten most important risks, which are described below, in the risk matrix, following implementation of control measures.

Classification of Schiphol's risks following the implementation of control measures

Risk = Probability x Impact (Impact is both financial impact and impact on reputation)



Risks	Value	Baseline value for 2015	Change	Effect	Impact on:	Assumptions
A, B	Number of passengers at Schiphol	58 million	+/- 1%	11.8 million euros	Total turnover	Impact on revenues from airport charges and retail and catering sales: based on the assumption of a stable OD/transfer passenger ratio and unchanged passenger spending and costs
A, B, H	Number of flights	450,679	1 day without flights	3.2 million euros	Total turnover	Based on average airport charges and passenger spending in the terminal
A, B, D	Revenue from airport charges	869 million euros	+/- 1%	8.7 million euros	Total turnover	
A, B	Average spending per departing passenger	EUR 14.45	+/- 1%	1.0 million euros	Total turnover	Unchanged passenger numbers
D, E, H	Operating expenses	804 million euros	+/- 1%	8.0 million euros	Operating result	Baseline value is comprised of total operating expenses, not including depreciation and impairment losses
C	Net initial yield from offices and industrial buildings, not including land	1,065 million euros	-10% +10%	+118 million euros -97 million euros	Value of real estate	A 10% rise/decline (as at year-end 2015) in the net initial yield from real estate, applied to the value of the current real estate portfolio of 1,065 million euros

Most important risks

Strategic risks

⊕ Increased ⊖ Unchanged ⊖ Decreased

A > Changes in demand and capacity development

Unexpected changes in demand, in our case especially the number of air transport movements, passenger numbers and cargo volumes, can lead to a shortage or excess of capacity. Economic, geopolitical and demographic developments may result in unexpected fluctuations in passenger numbers, lower passenger spending, changes in airline capacity levels and changing dynamics in the sector. Schiphol is particularly vulnerable to this risk due to the long lead times, our fixed cost structure and the complexity associated with capacity expansion.

Our plans to embark on significant capacity expansion in the coming years have increased this risk, especially in view of the challenges posed by fierce competition from Turkey and the Middle-East.

A structural decline in demand could also affect the strength of our network of destinations.



Risk management measures

- Intensive contact and cooperation with stakeholders
- Short-term and long-term scenario planning
- Monitoring of external trends and developments
- Improved flexibility as a result of outsourcing activities and a modular investment plan
- Adjustment of commercial offering to stimulate demand for retail, catering services and parking
- Drafting of operational plan to tackle capacity issues

B > Competition

A lack of investment in quality and capacity increases our risk of being unable to maintain a healthy competitive position.

Schiphol continues to face competition from strong airline/airport alliances in Turkey and the Middle East. The airport's retail activities are under pressure as a result of changing consumer patterns driven by the possibilities offered by multimedia applications, such as omni-channel retailing.



Risk management measures

- Timely investments in infrastructure, in close consultation with airlines
- Competition analyses
- Client Relationship Management
- Expansion of retail offering, ranges and facilities and pricing policy adjustment

C > Developments in the real estate market

As market conditions change, occupancy levels in our real estate portfolio may fall, rents may drop and we may see an increase in rental incentives, all resulting in lower profits and values. This risk is increased by the high concentration of aviation-specific real estate and our dependence on a number of large customers.

Although the recovery of the real estate market continued in 2015, we are observing a dichotomy developing between high quality locations which are performing very well and lower quality locations which are performing less well.



Risk management measures

- Monitoring of market conditions and current prospects
- Perform valuations of the real estate portfolio every six months using different surveyors
- Develop projects solely on the basis of minimum pre-sale requirements
- Timely renovation and redevelopment to keep the location and portfolio attractive
- Increased focus on high quality locations

D > Political context

Political developments, policy changes and European or national laws and regulations can significantly influence our business. The current political debate and the development of long-term capacity at Schiphol and the regional airports, including Lelystad Airport, have lead to increased uncertainty regarding long-term capacity.

Border control legislation

The refugee crisis and the terrorist attacks in Paris have renewed political discussions in Europe and abroad concerning increased border controls, visa requirements and the reduction or abolition of the border-free Schengen area. Changes in border control legislation could give rise to significant operational changes as well as affecting demand and passenger spending.

Economic regulation

Our aviation activities are subject to economic regulation, which means that there is a cap on our investment returns. Regulatory changes may affect Schiphol's ability and/or flexibility to make investments in capacity and quality, which in turn could impact Schiphol's competitive position and service levels.

**Risk management measures**

- Participation in various consultation bodies
- Ongoing dialogue with all stakeholders
- Monitoring political and other decision-making processes and regulatory developments

E > IT infrastructure & information security

Our business operations are increasingly dependent on IT systems and applications. Failure of critical IT systems or unauthorised access can negatively affect our business and our reputation. This risk has become even more relevant as we are realising our ambition to expand our digital capabilities.

**Risk management measures**

- Resilient IT infrastructure
- Business continuity plans including IT disaster recovery plans
- Regular testing and audits of critical systems
- Stimulation of security awareness throughout the organisation
- Dedicated IT security team
- Information security policy, standards and baselines
- Monitoring of external cybersecurity trends and developments

F > Major projects

The simultaneous implementation of several large-scale Master Plan projects involves substantial project risks, such as delays or budget overruns. As a result, the original project objectives could potentially become obsolete, reducing the project's ability to meet our needs or pay back the investment.

**Risk management measures**

- Specialised project management department
- External benchmarks for the execution of major projects
- Development of internal cost expertise centre
- Standardised methods for the execution of major projects

G > International business

International enterprise opens up opportunities and potential benefits, but also brings specific risks that would not arise in a domestic setting.

**Risk management measures**

- Limit risks to local subsidiaries
- Bring in competent local management and expert local advisers
- Maintain good relationships with local airport authorities
- Detailed attention to financial instruments and investment valuations

Operational risks**H > Operational risks in aviation****Safety and security**

Inadequate safety and security measures increase the risk of disruptions to airport operations as well as incidents or accidents that could have serious consequences for passengers, local residents and the employees of companies located at Schiphol.

Heightened levels of geopolitical tension in the world could lead to an increased security risk.

Unexpected business interruptions

Extreme weather events or natural phenomena, fire, pandemics, aircraft accidents, technical faults or power cuts can all lead to business interruptions. These can significantly impact business processes, results and prognoses.

Dependence on third parties

As an airport, we are highly dependent on inputs and materials from third parties, such as governments, statutory bodies, the Royal Netherlands Marechaussee, Dutch Customs and sector partners such as airlines and ground handlers. Any industrial action, business interruptions or unethical behaviour on the part of these external parties can disrupt our operations, damage our reputation and negatively affect results.

**Risk management measures**

- Safety management systems including supervision
- Training and drills
- Invest in innovations, such as the security scan
- Random checks to assess the performance of security control
- Operational security training for staff
- The Schiphol Security Platform, in which all parties involved participate
- Company emergency plans and procedures
- Emergency measures Well-trained and prepared staff
- Insurance policies
- Ensure that covenants and agreements are in place, and maintain good relationships and contact with external parties
- Screening of external contract parties
- Proper coordination and contract management

Financial risks

I > Market risk, liquidity risk, counterparty risk

Schiphol Group is exposed to a variety of financial risks, such as currency, price and interest rate risks, liquidity risks and counterparty risks. Maintaining creditworthiness is also of paramount importance: the loss of the A rating can result in reduced access to financing as well as higher financing costs.

The higher than expected revenues and related cash flows as a result of the higher than expected growth in passenger numbers mitigate the need for external financing thereby mitigating the financial risk.



Risk management measures

- Retain guaranteed credit facilities
- Pursue a proactive refinancing strategy
- Balanced distribution of loans and repayments
- Monitor creditworthiness of Schiphol Group (Standard & Poor's A rating) to ensure good access to the capital market.
- Limit currency, interest-rate and counterparty risks

Compliance risks

J > Violations of laws and regulations, and integrity violations

Failure to comply with applicable laws and regulations, particularly in terms of noise, safety and security, environment, competition, tendering and privacy/information security, can damage our reputation and have negative financial and operational consequences.

Schiphol Regulations and procedures

A lack of integrity and corporate responsibility can damage our reputation and lead to regulatory violations.



Risk management measures

- Compliance policy
- Compliance awareness training for staff
- Compliance and risk management procedures, management systems and reporting structures
- Sanctions Committee, Integrity Committee
- Hotline for reporting violations of the codes of conduct

Socio-economic accountability



Reporting guidelines

Integrated annual reporting is a growing area of focus worldwide. Schiphol Group was one of over 100 international participants in a pilot programme launched by the *International Integrated Reporting Council*, which was completed in 2014. Integrated thinking continues to develop within our company, a fact that is clearly visible in the evolution of our annual reporting since 2009. In 2015, in collaboration with social enterprise True Price we took the first steps towards gaining insight into the impact of our operations on the various types of capital. Read more on this issue in *'The value of our impact'*.

This annual report was drawn up with due regard for the most relevant international guidelines and best practices, with the Global Reporting Initiative (GRI) G4 guideline being the most important guide. The *GRI reference table* has been appended, 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 has also been applied.

The Dutch ministry of Finance has determined that annual reports of state shareholdings must at least comply with GRI 3.0 level C as of 2010. With a G4, Schiphol not only satisfies this requirement but also meets its own targets in this respect. Furthermore, annual reports of state shareholdings are required to be included in a survey of the Transparency Benchmark study group. In 2015 this benchmark study, commissioned by the ministry of Economic Affairs, was conducted by EY. We have been participating in this study since 2006. A total of 485 organisations submitted their 2014 annual reports for the Transparency Benchmark, in which Schiphol Group's report ranked 7th (14th in 2014). We also won the prize for Most Innovative Annual Report. The jury awarded this prize to Schiphol for the following reasons: *'The integrated report opens with the value creation model even before presenting the key results. This forms a common thread throughout the report. In addition, the principal characteristics of the organisation, its environment and the 2014 results are presented in the first pages of the report. Schiphol Group has succeeded in concisely presenting the aspects that are truly important. This has resulted in a report which is both innovative and accessible to a wide audience.'*

Like our 2011 Annual Report, the 2014 Annual Report earned us the Henri Sijthoff Prize for best reporting in the category of non-listed enterprises. *'Schiphol tops the ranks thanks to its highly transparent and concrete style of reporting, which involves clear and comprehensive descriptions of dilemmas and choices made.'* According to the jury, the economic analysis in the company's financial reporting showed room for improvement and the Report of the Supervisory Board, while good in terms of content, was not particularly critical. We followed up on these comments in our 2015 Annual Report.

Both results demonstrate that our business activities and our pursuit of an integrated way of thinking have not gone unnoticed. This recognition has encouraged us to continue our present approach to reporting and to further increase the sustainability of our business processes.

As a participant in the UN Global Compact, we have presented a progress report on the Global Compact's ten principles. This is included in *Global Compact Communication on Progress*.

Scope of the report

Our socio-economic role is to maintain a multi-modal hub that connects the Netherlands with the world's most important cities and centres of activity. Five themes underpin our *strategy* for accomplishing this: Top Connectivity, Excellent Visit Value, Competitive Marketplace, Development of the Group and Sustainable & Safe Performance. We have recalibrated our *strategy* relative to the previous reporting period. The Corporate Responsibility themes have remained unchanged, but in 2015 we recalibrated the set of CR performance indicators. We expect to be able to further develop this set in the future into a strategic tool that will allow us to measure the material aspects.

The results with regard to our financial, operational and social performance are presented in a single annual report. Over 90% of our activities take place at Amsterdam Airport Schiphol. The national and international subsidiaries and participations (airports and other activities) carry out their own initiatives, geared towards their local environment and consistent with Schiphol Group's vision. In 2015, where possible the definitions and reporting manuals of Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport were brought into line so as to enhance their comparability. Any remaining differences are explained in the section on performance indicators. Differences in definitions have only been maintained where this was necessary in order to avoid limited measurability. This was an instructive exercise that forced us to consider how we can raise Corporate Responsibility to the next level as a group, with due regard for our mutual differences and the initiatives taken in our respective operations.

In the 2015 annual report, Schiphol Group limits its reporting to the *results* achieved for the material themes. In 2013 we drew up a materiality analysis based on information obtained through dialogues and interviews. In 2014 we subsequently assessed the material aspects with the relevant departments and with colleagues who maintain direct contact with our stakeholders. For the purpose of this assessment we also made use of media analyses and our own analyses of trends, developments and risks. We additionally looked at material aspects of fellow airports such as Aéroports de Paris, Heathrow Airport and Frankfurt Airport. The results are summarised in a materiality matrix which confirms that we have set the right priorities in our business strategy. In 2015 we recalibrated our strategy and once again tested material aspects in relevant departments, in combination with internal and external studies into trends and developments. This led to the matrix's modification. In

2016, the material aspects will be subject to a broad assessment through the use of questionnaires and interviews.

Scope

The subjects in the matrix relate to Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport alike. With the intended development of Lelystad Airport, these topics are expected to also play a role there as well. Lelystad Airport falls outside the scope of the matrix, at least until it begins operations for non-Mainport-related commercial passenger traffic.

The content of this annual report was derived from the materiality aspects outlined in the materiality matrix. This helps us interpret the available information, so that we can clarify its impact and relevance to readers.

In the chain

All aspects included in the matrix are relevant to our airports and other parties in the *Chain*. This annual report includes information on all material aspects over which Schiphol Group has full control, with the exception of the network of destinations, operating capacity, accessibility, noise and safety. Performance reported in these areas also concerns our partners in the chain.

Developments in 2015

In this report, the following material aspects are discussed as they relate to five Corporate Responsibility themes: Regional Significance, Accessibility, Noise, CO₂ Emissions, Air Quality, Circular Economy and Employment practices (see *Corporate Governance* - CR organisation). In 2015, the targets were extended to the entire organisation, where possible. This process will continue in the coming years.

As described under *Creating value*, the interrelatedness of activities within the aviation sector means the annual report also includes performance details of areas in which Schiphol Group does not exercise full control and the results of sector partners, such as the numbers of transported passengers and spending at concessionaires or the number of bird strikes.

On 30 April 2015, Schiphol Group sold 60% of its shares in Schiphol Airport Retail B.V. (SAR) to Gebr. Heinemann SE & Co. KG. Schiphol Group and Gebr. Heinemann have since set up a joint venture for the sale of alcoholic beverages, tobacco and chocolate in the shopping area beyond the security filters at Amsterdam Airport Schiphol. Gebr. Heinemann has acquired a 60% interest in SAR and Schiphol Group retains 40% of the shares. Through the sale of 60% of the shares, Schiphol Group has lost its controlling interest. From 30 April, the assets and liabilities as well as the results of SAR will

no longer be consolidated. As at 31 December 2014, the assets and liabilities of SAR were classified as 'held for sale'. Acquisitions are recognised in the consolidation of both financial and non-financial data from the date on which the company gains control. Disposals are removed from the company data from the actual date of the disposal. Deconsolidation takes place at the time control is lost through a sale.

In 2015, no special economic conditions or developments occurred within the sector or within the value chain that had any significant effect on the policy pursued.

In addition to this report, information is also available online on the following websites: schiphol.nl/en schiphol.nl/cr.

Drafting of the annual report

Schiphol Group begins drafting its annual report each autumn. Based on the internal materiality analysis and media check, the business controllers are charged with compiling draft texts or providing input for each material theme. A team of Schiphol Group employees and an external copywriter compile the text of the annual report, which is discussed several times by the annual report committee. That committee consists of the CFO and representatives from Corporate Treasury, Corporate Legal, Corporate Development, Corporate Affairs, Group Control and the controllers of the various business areas. In December a well advanced initial draft is submitted to the Management Board. Subsequently the review process by the external auditor commences. After the results adopted in January have been fed into the report, the texts and financial statements are submitted for approval to the Management Board and the Supervisory Board.

If you have any comments or questions about this report, please send an email to crhelpdesk@schiphol.nl. We look forward to hearing from you.

External auditor

KPMG is Schiphol Group's independent external auditor. The auditor has been asked to provide a limited degree of assurance regarding the reliability of the Corporate Responsibility information presented in this report. The information relates to Schiphol Group's performance, excluding noise levels or safety, that also involves supply chain partners. The auditor performed the audit in compliance with the Netherlands Institute of Chartered Accountants (NBA) N.V. COS3810N guideline 'Assurance opdrachten inzake maatschappelijke verslagen' (assurance engagements concerning CR reports). The *Assurance report* is included in this annual report.

Material aspect	Performance indicator	2015	2015	2014
		result	target	result
CO ₂ emissions	CO ₂ emissions from group activities (Kg CO ₂ /Pax)	1.65	2.01	1.72
Circular economy	Separated operational waste	28.2%	40.0%	25.9%
Employment practices	Absenteeism due to illness	3.6%	3.6%	3.6%
Safety	Work-related accidents followed by absence	LTIF: 0.3	LTIF: 3.0	LTIF: 1.6
		LTIF SNBV Fire Service: 27.1	LTIF Fire Service: 40.0	LTIF Fire Service: 22.7
Supply chain responsibility	Corporate responsibility consultation during tenders	83%	100%	N/A, new KPI
Accessibility	Public transport to airport for O&D passengers ¹	40.4%	40.0%	39.1%
Safety	Bird strikes (number per 10,000 air transport movements)	8.3	<5.8	6.1
Safety	Runway incursions ¹	41	22	17

¹ Relates only to the Schiphol location

Performance indicators

Notes to performance indicators evaluated by external parties

Reporting frequency

The performance indicators of Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport are reported as components of existing periodic management information and are discussed by the Management Board with the relevant senior managers.

Period

The information presented here concerns the 2015 calendar year. For practical reasons, the indicator for CO₂ emissions from group activities is based on the operating year.

1. CO₂ emissions from group activities

Amsterdam Airport Schiphol calculates and reports on CO₂ emissions on the basis of the Greenhouse Gas protocol. This means that it reports the CO₂ emissions in scope 1 and 2. The emission factors are based on those applied by Stichting Klimaatvriendelijk Aanbesteden & Ondernemen (SKAO). Though the absolute CO₂ emissions figure is known (2015: 98,635 tonnes, 2014: 97,616 tonnes), Schiphol aims to reduce CO₂ emissions per passenger relative to 1990 levels. The long-term target is 1.35 kg CO₂/passenger by 2020. This is therefore the only figure used as a performance indicator with effect from the 2015 reporting year.

With effect from 2015, Amsterdam Airport Schiphol's emissions from energy consumption will be reported on the basis of the Greenhouse Gas Protocol. Scope 1 for emissions from airport activities and scope 2 for indirect emissions from energy purchased together account for 95% of emissions. Scope 3, which was used

until 2014, only accounted for 5% and was not available during the year. We are now able to monitor the performance indicators more actively. Energy efficiency and the number of degree days are critical success factors in this regard; they explain any deviations. A nationally established source for the uniform determination of emission factors was used for monitoring CO₂ emissions. The emissions factor for the generation of electricity rose due to increased use of coal-fired power stations.

2. Separated operational waste

A waste processor collects waste at various locations at Schiphol. Agreements have been reached with the waste processor as to how the waste is processed and recycled after collection.

The group aims to continue raising the recycling rate of its own operational waste. At Amsterdam Airport Schiphol and Eindhoven Airport, the waste is therefore separated before it is delivered to the processors. Rotterdam The Hague Airport plans to follow suit in 2016.

The scope of this performance indicator does not correspond entirely to the Environmental permit. This is because some tenants are free select their own waste collection company. As a result, our waste collector does not collect waste at all locations within the scope of the environmental permit.

Read more about our activities in the section on *Circular economy*.

3. Absenteeism due to illness

Schiphol Nederland B.V., Rotterdam The Hague Airport and Eindhoven Airport calculate absenteeism due to illness by comparing the number of calendar days lost to illness with the number of available calendar days. Eindhoven Airport uses the net absenteeism rate, which is calculated by adjusting the absenteeism

rate for partial reintegration, FTE factor and safety net cases. The staff average is adjusted for the FTE factor. Further information on our employment policy is featured in the section on *Employment practices*.

4. Work-related accidents followed by absence

Schiphol Nederland B.V. (SNBV), Rotterdam The Hague Airport and Eindhoven Airport register the Lost Time Injury Frequency (LTIF) to determine the number of work-related accidents followed by absence per million hours worked. SNBV distinguishes between fire service staff and all other Schiphol Nederland B.V. employees. We will strive to obtain a 0 LTIF rate for Schiphol Nederland B.V., Rotterdam The Hague Airport and Eindhoven Airport and to achieve a downward trend at the fire service. Information on safe working practices is included in the section on *safety*.

5. Corporate responsibility consultation during tenders

In 2015, a performance indicator was created to monitor the degree to which Corporate Responsibility is included in the European tendering process. In 2015, Schiphol Group opted for an approach which involves the collection of information internally that is required to reach a sound decision in the selection and contract award phase. In 2016, Schiphol Group strives to provide transparency about the degree to which the recommendations received were actually considered in the tendering. Our policy on suppliers is featured in the section on *Supply chain responsibility*.

6. Public transport to airport for O&D passengers

Amsterdam Airport Schiphol strives to maintain the percentage of passengers travelling to the airport by public transport to board departing flights at at least 40%. The airport policy is aimed at raising the number of passengers parking at Schiphol (resulting in two transport movements per flight) relative to the number of passengers who are dropped off or picked up (resulting in four transport movements per flight) by someone else. Throughout the year, an external market research agency conduct surveys to determine how passengers travel to the airport before boarding their flight.

7. Bird strikes

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 airport boundaries. Bird strikes include suspected bird strikes reported by Air Traffic Control the Netherlands (LVNL) or the pilot, an incident involving the remains of a bird being found on an aircraft following a report by a pilot or a ground mechanic, or an incident involving a report by a pilot or a ground mechanic where it can reasonably be assumed that there was physical contact with the aircraft. The number of bird strikes is expressed per 10,000 air transport movements.

Each airport has supplemented the definition above to suit its own requirements.

The following altitude restrictions apply for Amsterdam Airport Schiphol: an upper limit of 200 feet for aircraft during landing and an upper limit of 500 feet for aircraft during take-off. Each month, Amsterdam Airport Schiphol compares its registered number of bird strikes with that registered by KLM. The incidents registered by the two parties are discussed every quarter by the Schiphol Bird Strike Committee, which also discusses policy and the various bird dispersal resources and their effectiveness. The average bird strike figure was calculated by dividing the total number of bird strikes reported by KLM and the number of bird strikes reported by Amsterdam Airport Schiphol involving KLM aircraft and occurring within the relevant airspace zone by the number of KLM air transport movements. The resulting average figure is thus calculated on the basis of reports covering approximately 50% of the total number of air transport movements. This approach was applied in view of the fact that the reports provided by home carrier KLM pilots are more reliable than those provided by other airlines. When it comes to the registration of bird strikes, Schiphol largely depends on KLM, which – in turn – depends on its own pilots.

In the case of Rotterdam The Hague Airport, the registration of bird strikes only counts those reported by Rotterdam The Hague Airport, regardless of the airline involved. The registration of bird strikes at Eindhoven Airport covers all air transport movements of both civilian and military traffic.

We aim to achieve a downward trend in the long term. More information on airside safety and the increase in the number of bird strikes recorded in 2015 is featured in the section on *Safety*.

8. Runway incursions

Air Traffic Control the Netherlands (LVNL), Amsterdam Airport Schiphol and Rotterdam The Hague Airport each register runway incursions. LVNL plays a leading role in this process. The airport reports on this performance indicator but relies on LVNL for compiling a complete notification and incident report.

Air traffic control at Eindhoven Airport falls under the responsibility of the ministry of Defence and is therefore outside the jurisdiction of LVNL. The number of runway incursions at Eindhoven Airport covers both civilian and military traffic.

Reporting a single group figure would be misleading, due to the different systems used. See the section on *safety* for an overview of reported runway incursions at Eindhoven Airport and Rotterdam The Hague Airport.

We aim to achieve a downward trend for this performance indicator. For more information on airside safety, see the section on *Safety*.

GRI table

GRI - G4 guidelines for sustainability reporting

Ref.	Description	Chapter	Information and reference	External assurance section
Strategy				
G4-1	Statement from most senior decision-maker of the organisation about the relevance of sustainability to the organisation and its strategy	Message from the CEO		No
G4-2	Key effects, risks and opportunities	Changing business environment		No
Corporate profile				
G4-3	Name of the organisation	Financial Statements		Yes
G4-4	Primary products, and/or services	About us		No
G4-5	Location of organisation's headquarters		Evert van de Beekstraat 202, 1118 CP Schiphol	No
G4-6	Number of countries where the organisation operates	About us		No
G4-7	Nature of ownership and legal form	Corporate Governance		No
G4-8	Markets served	About us		No
G4-9	Scale of the organisation	About us		No
G4-10	Workforce composition	Employment practices	FTEs per region & division: Business Areas: Aviation: 1.134 Consumers Products & Services: 85 Real Estate: 68 Operating Unit: ICT: 140 PLUS: 100 Staff: 216 Amsterdam Airport Schiphol (total): 1.743 Entities: Schiphol Telematics: 96 Lelystad Airport: 16 Eindhoven Airport: 40 Rotterdam - The Hague Airport: 114 Type of employment contract not available	Yes
G4-11	Percentage of employees covered by CLAs		93.3%	Yes
G4-12	Value chain description	Creating value		No
G4-13	Significant changes during the reporting period: size, structure, ownership, chain	Socio-economic accountability		Yes
G4-14	Precautionary principle	Risk management	Also see: www.schiphol.nl/SchipholGroup1/CorporateResponsibility1.htm	No
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives		Global Compact, 'Inclusive Employers' programme, Multi-Year Agreement, Diversity Charter, 'Aviation Inclusive' collaboration project, 'The Netherlands as a Circular Hotspot', Ellen MacArthur Foundation participation	No
G4-16	Membership of associations and/or national or international interest organisations	Supervisory Board Management Board Stakeholders and materiality	Industry association Airports Council International, Amsterdam Economic Board	No
				No Yes
Material aspects				
G4-17	Entities included in the consolidated financial statements	Financial Statements		Yes
G4-18	Process for defining report content and scope	Stakeholders and materiality Socio-economic accountability		Yes

Ref.	Description	Chapter	Information and reference	External assurance section
G4-19	Overview of material aspects to determine report content and scope	Stakeholders and materiality Socio-economic accountability		Yes
G4-20	Aspect boundary within the organisation for each material subject	Stakeholders and materiality Socio-economic accountability		Yes
G4-21	Aspect boundary outside the organisation for each material subject	Stakeholders and materiality Socio-economic accountability Creating value		Yes Yes No
G4-22	Re-statements of information provided in previous annual reports	Socio-economic accountability	Changes in the calculation of CO ₂ emissions at Amsterdam Airport Schiphol Recalculation of the 2014 group figure for average time of service and figure for Eindhoven bird strikes	Yes
G4-23	Significant changes in scope relative to the previous reporting period	Socio-economic accountability	In 2015, where possible the definitions of the CR KPIs and reporting manuals of Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport were brought into line so as to enhance their comparability. Any remaining differences are explained in the section on performance indicators.	Yes
Stakeholder involvement				
G4-24	List of stakeholder groups engaged by the organisation	Stakeholders and materiality Corporate Governance		Yes No
G4-25	Basis for identifying and selecting stakeholders with whom to engage	Stakeholders and materiality		Yes
G4-26	Approach taken to engaging stakeholders	Stakeholders and materiality		Yes
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Stakeholders and materiality		Yes
Reporting details				
G4-28	Reporting period	Socio-economic accountability	01/01/2015 - 31/12/2015	Yes
G4-29	Date of most recent previous report (if any)	01/03/2016	www.schiphol.nl/SchipholGroup/InvestorRelations/FinancialInformation/AnnualReports.htm	Yes
G4-30	Reporting cycle		Annual	Yes
G4-31	Contact information		www.schiphol.nl/SchipholGroup/InvestorRelations/IRServicesContact.htm www.schiphol.nl/SchipholGroup/CorporateResponsibility1/FurtherInformationAndContactInfo.htm	Yes
G4-32	GRI table of contents	Socio-economic accountability	GRI G4 Core	Yes
G4-33	Assurance report	Socio-economic accountability		Yes
Governance				
G4-34	Organisational governance structure	Supervisory Board report Corporate Governance Supervisory Board Management Board		No
G4-35	Process for delegating responsibility for economic, environmental and social aspects to the highest governing body and executive management	Corporate Governance		No
G4-36	Manager responsible for economic, environmental and social aspects and whether they report to the highest governing body	Corporate Governance		No
G4-38	Composition of highest governing body	Supervisory Board Management Board		No
G4-39	Task of the Chair of the highest governing body	Corporate Governance		No

Ref.	Description	Chapter	Information and reference	External assurance section
G4-47	Frequency of highest governance body's review of economic, environmental and social risks and opportunities	Corporate Governance		No
G4-48	Most senior committee or individual that reviews and approves the sustainability report	Corporate Governance		No
G4-51	Remuneration policy for the highest governing body	Remuneration		No
G4-52	Procedure for determining remuneration	Remuneration		No
Ethics and integrity				
G4-56	Organisational values, principles, standards and codes of conduct	Profile Employment practices	The CLA features codes of conduct, use of email and contact with external parties. In addition, the company has anti-fraud regulations and a whistleblower scheme.	No Yes
Material aspects:				
Financial solidity				
	Management approach	Stakeholders and materiality Financial performance Corporate Governance		Yes No No
G4-EC1	Direct economic values	Financial Statements		yes
G4-EC7	Development and impact of infrastructure investments and services provided primarily for public benefit	Financial performance	We invested 439 million euros in 2015. A substantial portion of this is invested in improving, maintaining and optimally deploying the airport-related infrastructure. The long-term investments contribute to the quality, accessibility and development of the airport. Additionally, regular substantial investments have been made to improve parking facilities and airport-related real estate such as hotels, offices and cargo buildings.	No
G4-EC8	Insight into and description of significant indirect economic consequences, including their scale.	Financial performance	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 new companies to the airport which project their own economic influence on the surrounding area. The aviation sector offers direct or indirect employment to 290,000 people. Altogether, this represents a total added monetary value of around €26 billion (Boston Consulting Group and McKinsey, 2011).	No
Network of destinations				
	Management approach	Stakeholders and materiality Network of destinations Corporate Governance		Yes No No
AO1	Number of passengers handled over the course of one year, categorised according to international and domestic flights and O&D and transfer passengers, including transit-direct passengers.	Network of destinations	Amsterdam Airport Schiphol <ul style="list-style-type: none"> • Passengers (incl. transit-direct): 58,284,864 • European: 40,703,958 • Intercontinental: 17,580,906 • O&D passengers (total): 35,212,953 • European O&D: 27,181,029 • Intercontinental O&D: 8,031,924 • Transfer (total): 23,032,592 • European transfer: 13,502,186 • Intercontinental transfer: 9,530,406 • Transit-direct passengers: 39,319 	No
AO2	Number of air transport movements over the course of one year, categorised into day and night-time flights, and commercial, non-commercial, cargo and military flights	Network of destinations	Amsterdam Airport Schiphol <ul style="list-style-type: none"> • Air transport movements (total): 450,679 • Cargo flights (commercial): 16,775 • Passenger flights (commercial): 433,904 • General aviation (non-commercial): 14,842 • Night-time flights (total): 22,058 	No
AO3	Cargo volume	Network of destinations	Amsterdam Airport Schiphol: 1,620,969,517 kg	No
Capacity				
	Management approach	Stakeholders and materiality Operational capacity		Yes No

Ref.	Description	Chapter	Information and reference	External assurance section
		Corporate Governance		No
Accessibility				
	Management approach	Stakeholders and materiality Accessibility Corporate Governance		Yes No No
G4-EN30	Significant environmental impact of transporting products and other goods and materials used for the organisation's operations, and for transporting members of the workforce	Accessibility CO ₂ emissions		No Yes
CO₂ emissions				
	Management approach	Stakeholders and materiality CO ₂ emissions Corporate Governance		Yes Yes No
G4-EN6	Saving energy	CO ₂ emissions		Yes
G4-EN15	Greenhouse gas emissions - scope 1	CO ₂ emissions Socio-economic accountability		Yes
G4-EN16	Greenhouse gas emissions - scope 2	CO ₂ emissions Socio-economic accountability		Yes
Water				
	Management approach	Stakeholders and materiality Circular economy Corporate Governance		Yes Yes No
A06	Amount of de-icing agent used to de-ice aircraft and remove ice from runways and taxiways	Circular economy	In 2015, Schiphol used 926,489 litres of potassium formate to remove ice from runways and taxiways. Aircraft are de-iced by handling agents, so there is no exact information available on the volumes of glycol used.	Yes
AO4	Rainwater quality	Circular economy	Rainwater is captured using the rainwater drainage system. If it is contaminated, it is purified before being added to the surface water.	Yes
Air quality				
	Management approach	Stakeholders and materiality Corporate Governance	We use leading performance indicators such as the installation of Fixed Electrical Ground Power in the aircraft stands and the electrification of the vehicle fleet.	Yes Yes No
AO5	Air quality composition	Air quality	Air quality composition is monitored by the government through the National Air Quality Cooperation Programme. We do not apply other lagging indicators, because the causal link between regional activities and air quality is not always one to one.	Yes
Circular economy				
	Management approach	Stakeholders and materiality Circular economy Corporate Governance		Yes Yes No
G4-EN23	Total weight of waste by type	Circular economy Socio-economic accountability	Percentage of waste separated for processing; other information not material	Yes
Supply chain responsibility				
	Management approach	Stakeholders and materiality Supply chain responsibility Corporate Governance		Yes Yes No
G4-EN32	Percentage of new suppliers in tenders that were screened using environmental criteria	Supply chain responsibility		Yes
Employment practices				
	Management approach	Stakeholders and materiality Employment practices Corporate Governance		Yes Yes No

Ref.	Description	Chapter	Information and reference	External assurance section
G4-LA1	Number of new employees and staff turnover	Employment practices		Yes
Safety				
	Management approach	Stakeholders and materiality Safety Corporate Governance		Yes Yes No
AO9	Number of animals involved in wildlife strikes per 10,000 air transport movements	Safety Socio-economic accountability	Bird strikes are material	Yes
G4-LA6	Lost Time Injury Frequency (LTIF)	Employment practices Socio-economic accountability	There were no work-related deaths in 2015.	Yes
Noise				
	Management approach	Stakeholders and materiality Noise Corporate Governance		Yes Yes No
AO7	Number of people living in noise-affected areas	Noise	In the 2015 Operating Forecast, it was anticipated that 139,500 people would experience severe noise disturbance at levels of 48 dB(A) Lden or higher. Ultimately, the actual number was 119,000. The operating forecast for 2015 is also available online.	Yes
Regional significance				
	Management approach	Stakeholders and materiality Significance for the region Corporate Governance		Yes No No
G4-SO1	Percentage of activities that affect the local community	Significance for the region	100%	No
G4-SO2	Operational activities with a significant (potentially) negative impact on the local environment	Significance for the region Noise	The local environment are especially likely to encounter noise disturbance See also: www.bezoekbas.nl	No Yes
AO8	(Estimated) number of people to be voluntarily or involuntarily relocated in connection with the development or expansion of an airport	Significance for the region	Expansion of the airport in 2015 did not require any relocations	No
Customer appreciation				
	Management approach	Stakeholders and materiality Customer appreciation Corporate Governance		Yes No No
G4-PR5	Customer satisfaction	Customer appreciation		No

Global Compact

Global Compact principles

Included in

Human rights

1. Schiphol supports and respects human rights	Codes of conduct Procurement regulations Integrity Committee
2. Schiphol is certain that it does not partake in any activity that violates human rights	Codes of conduct Procurement regulations Integrity Committee

Working conditions

3. Schiphol promotes the freedom of 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 who are active on behalf of the trade union and/or the Works Council receive a certain amount of free time to conduct these activities.
4. Schiphol eliminates all forms of forced labour	Type of work, working conditions and working times are set out in the CLA Procurement regulations
5. Schiphol eliminates child labour	Schiphol does not conclude employment agreements with people under the age of 18 Procurement regulations
6. Schiphol eliminates discrimination based on profession	Equal remuneration for men and women Code of Conduct on Undesirable Behaviour Integrity Committee Procurement regulations

Environment

7. Schiphol focuses on environmental challenges as a precautionary measure	Climate-friendly aviation Accessibility and air quality Commodity shortages (incl. Ellen McArthur Foundation) theGROUNDS ACI ACA benchmark Climate KIC SIM Innovative Mainport Alliance Knowledge and Development Center (KDC) Procurement regulations
8. Schiphol takes initiatives to enhance responsibility for the environment	Climate-friendly aviation Accessibility and air quality Commodity shortages (incl. Ellen McArthur Foundation) theGROUNDS ACI ACA benchmark Climate KIC SIM Innovative Mainport Alliance Knowledge and Development Center (KDC) Schiphol Quality of Life Foundation (Stichting Leefomgeving Schiphol) Local Community Contact Centre (Bas) Procurement regulations
9. Schiphol promotes the development and introduction of environmentally friendly technologies	Climate-friendly aviation Accessibility and air quality Commodity shortages theGROUNDS ACI ACA benchmark Climate KIC SIM Innovative Mainport Alliance Knowledge and Development Center (KDC)

Anticorruption

10. Schiphol combats all forms of corruption, including bribery and extortion	Code of conduct Internal reporting regulations Procurement regulations Integrity Committee
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Independent auditor's assurance report

To: the readers of the Annual Report 2015 of N.V. Luchthaven Schiphol

Conclusion

We have reviewed the socio-economic reporting in the sections Stakeholders and materiality, Community engagement (section of Regional significance), Accessibility, Noise, Safety, CO₂ emissions, Air quality, Circular economy, Supply chain responsibility, Employment practices, The value of our impact, and Socio-economic accountability of the Annual Report 2015 of N.V. Luchthaven Schiphol (further 'Schiphol Group'), which are also referred to as 'Assured by KPMG' (hereafter: 'the socio-economic reporting').

Based on our review, nothing has come to our attention to indicate that the socio-economic reporting is not presented, in all material respects, in accordance with the GRI G4 Guidelines.

Our report on consistency

We report, to the extent we can assess, that the information on socio-economic matters in the rest of the Annual Report 2015 is consistent with the information in the socio-economic reporting.

Basis for our conclusion

We conducted our engagement in accordance with the Dutch Standard 3810N: "Assurance engagements relating to sustainability reports". Our responsibilities under Standard 3810N and procedures performed have been further specified in the paragraph titled "Our responsibility for the review of the socio-economic reporting".

We do not provide any assurance on the achievability of the objectives, targets and expectations of Schiphol Group.

We are independent of N.V. Luchthaven Schiphol in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence requirements in The Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe that the assurance information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Management Board and the Supervisory Board for the socio-economic reporting

The Management Board is responsible for the preparation of the socio-economic reporting in accordance with the GRI G4 Guidelines and internally developed reporting criteria as described in the section Socio-economic accountability. The information in the socio-economic reporting should be viewed in the context of these criteria. As part of this, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the socio-economic reporting that is free from material misstatement, whether due to fraud or error. The Supervisory Board is responsible for overseeing Schiphol Group's reporting process.

Our responsibility for the review of the socio-economic reporting

Our objective is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance information for our conclusion.

We apply the "Nadere voorschriften accountantskantoren ter zake van assurance opdrachten (RA)" and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement has been performed with a limited level of assurance. Procedures performed in a limited assurance engagement are aimed at determining the plausibility of information and are different in nature and timing from - and less extensive than - a reasonable assurance engagement.



The procedures selected depend on our understanding of the socio-economic reporting and other engagement circumstances, and our consideration of areas where possible material misstatements may arise. The following procedures were performed:

- Conducting a risk analysis, including a media search, to enhance our understanding of relevant issues for Schiphol Group in the reporting period;
- Evaluating the suitability and application of the internal reporting criteria used in the preparation of the socio-economic reporting and accompanying notes;
- Evaluating the design and implementation of reporting processes and controls regarding the qualitative and quantitative information in the socio-economic reporting;
- Interviewing relevant staff responsible for strategy, policies, communication, implementation and reporting in relation to the socio-economic reporting;
- Interviewing relevant staff responsible for providing the information for the socio-economic reporting and carrying out internal control procedures on data;
- Visits to Amsterdam Airport Schiphol and Rotterdam The Hague Airport to review source data and the design and implementation of controls and validation procedures at local level;
- Analytical review of data and trend explanations submitted by Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport for consolidation at group level.

Amstelveen, 18 February 2016
KPMG Accountants N.V.

E. Eeftink RA



Financial Statements

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Consolidated statement of income for the year ended 31 December 2015

(in thousands of euros)

	Note	2015	2014
Revenue	1	1,423,152	1,438,076
Other income and results from investment property	2	66,687	-1,199
Other income	3	49,847	35,841
Other income and results from investment property		116,534	34,642
Cost of outsourced work and other external costs	4	616,233	630,138
Employee benefits	5	184,695	188,426
Depreciation, amortisation and impairment	6	230,305	232,323
Other operating expenses	7	3,507	18,735
Total operating expenses		1,034,740	1,069,622
Operating profit		504,946	403,096
Financial income		8,120	14,540
Financial expenses		-96,674	-100,131
Financial income and expenses	29	-88,554	-85,591
Results of equity-accounted associates and joint ventures	13	60,474	27,360
Profit before income tax		476,866	344,865
Income tax	12	-98,510	-71,281
Profit		378,356	273,584
Attributable to:			
Non-controlling interests		4,193	1,689
Shareholders (net result)		374,163	271,895
Earnings per share (in euros)		2,010	1,461

Consolidated statement of comprehensive income for the year ended 31 December 2015

(in thousands of euros)

	Note	2015	2014
Result		378,356	273,584
Foreign operations – foreign currency translation differences	21	3,310	7,723
Changes in fair value on hedge transactions	21	16,675	17,310
Result of equity-accounted associates after taxes	13	2,421	-15,990
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:		22,406	9,043
Remeasurements of defined benefit liability	21	963	-3,670
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:		963	-3,670
Total comprehensive income		401,725	278,957
Attributable to:			
Non-controlling interests		4,193	1,689
Shareholders (net result)		397,532	277,268

Consolidated statement of financial position as at 31 December 2015

(in thousands of euros)

	Note	31 December 2015	31 December 2014
Non-current assets			
Intangible assets	8	78,623	74,199
Assets used for operating activities	9	2,802,499	2,498,769
Assets under construction or development	10	211,425	456,224
Investment property	11	1,377,161	1,283,402
Deferred tax assets	12	193,330	198,034
Equity-accounted associates and joint ventures	13	857,814	796,922
Loans to associates	14	66,596	60,511
Other non-current receivables	15	58,608	43,705
		5,646,056	5,411,766
Current assets			
Trade and other receivables	17	225,781	202,565
Current income tax assets	12	3,293	20,749
Cash and cash equivalents	18	394,045	177,663
Assets held for sale	16	135,486	17,416
		758,605	418,393
		6,404,661	5,830,159

(in thousands of euros)

	Note	31 December 2015	31 December 2014
Equity and liabilities			
Issued share capital	19	84,511	84,511
Share premium	19	362,811	362,811
Retained profits	20	3,319,818	3,084,111
Other reserves	21	-83,032	-106,401
Equity attributable to owners of the Company		3,684,108	3,425,032
Non-controlling interests	22	31,601	27,631
Total equity		3,715,709	3,452,663
Non-current liabilities			
Loans and borrowings	23	1,847,520	1,800,360
Employee benefits	24	38,446	39,532
Other provisions	25	17,399	17,484
Deferred tax liabilities	12	22,666	16,369
Other non-current liabilities	26	150,824	170,142
		2,076,855	2,043,887
Current liabilities			
Borrowings	23	283,909	4,957
Current income tax liabilities	12	383	1,374
Trade and other payables	27	315,987	320,165
Liabilities held for sale	16	11,818	7,113
		612,097	333,609
		6,404,661	5,830,159

(in thousands of euros)

			Attributable to shareholders					
	Note	Issued share capital	Share Premium	Retained profits	Other reserves	Non-controlling interests	Total	
Balance as at 1 January 2014		84,511	362,811	2,948,497	- 111,774	25,221	3,309,266	
Profit after income tax		-	-	271,895	-	1,689	273,584	
Other comprehensive income	21	-	-	-	5,373	-	5,373	
Comprehensive income		-	-	271,895	5,373	1,689	278,957	
Acquisition of NCI without a change in control	22	-	-	- 932	-	932	-	
Dividend paid	20	-	-	- 135,349	-	- 211	- 135,560	
Balance as at 31 December 2014		84,511	362,811	3,084,111	- 106,401	27,631	3,452,663	
Profit after income tax		-	-	374,163	-	4,193	378,356	
Other comprehensive income	21	-	-	-	23,369	-	23,369	
Comprehensive income		-	-	374,163	23,369	4,193	401,725	
Dividend paid	20	-	-	- 138,456	-	- 223	- 138,679	
Balance as at 31 December 2015		84,511	362,811	3,319,818	- 83,032	31,601	3,715,709	
					dividend for 2014, paid in 2015	dividend for 2014, paid in 2015		
Dividend attributable to shareholders (in euros)					138,456,138	135,349,823		
Average number of shares in issue during the year					186,147	186,147		
Dividend per share (in euros)					744	727		

Consolidated statement of cash flow for 2015

(in thousands of euros)

	Note	2015	2014
Result		378,356	273,584
Corporate income tax expense	12	98,510	71,281
Results of equity-accounted associates and joint ventures	13	- 60,474	- 27,360
Financial income and expenses	29	88,554	85,591
		126,590	129,512
Operating result		504,946	403,096
Adjustments for:			
Depreciation and amortisation	6	222,796	228,121
Impairment	6	7,510	4,202
Result on sales of investment property	2	- 92	- 1,183
Result on sales of joint ventures	3	- 49,847	- 5,395
Fair value gains and losses on property	2	- 66,595	2,382
Other non-cash changes other receivables and liabilities		- 4,503	- 916
Proceeds from disposals of property, plant and equipment		- 181	- 105
Change in other provisions and employee benefits		- 1,276	6,095
		107,812	233,201
Operating result after adjustments		612,757	652,036
Changes in working capital		25,969	15,739
Cash flow from operations		638,727	652,036
Cash flow from operating activities			
Income tax paid		- 79,270	- 57,827
Interest paid		- 78,800	- 116,552
Interest received		1,438	3,718
Dividends received		25,646	26,889
Cash flow from operating activities		507,741	508,264
Cash flow from investing activities			
Investment in intangible assets	8	- 13,021	- 12,134
Investment in property, plant and equipment	10	- 425,623	- 383,880
Proceeds from disposals of property, plant and equipment		181	105
Acquisition of subsidiary, net of cash acquired	13	-	- 18,812
Sale of subsidiaries	3	29,226	5,932
Share capital contributions to associates	13	- 1,523	- 1,442
Repayment on other loans		134	133
Cash flow from investing activities		- 410,626	- 410,098
Free cash flow		97,115	98,166

(in thousands of euros)

	Note	2015	2014
Cash flow from financing activities			
Proceeds from borrowings	23	316,803	379,970
Repayment of borrowings	23	- 17,105	- 607,326
Settlement derivative financial instruments		- 4,167	- 32,528
Dividend paid	20	- 138,679	- 135,560
Proceeds from other non-current liabilities		1,821	-
Finance lease instalments paid		- 1,717	- 1,735
Cash flow from financing activities		156,956	- 397,179
Net cash flow			
		254,071	- 299,013
Opening balance of cash and cash equivalents	18	183,253	482,182
Net cash flow		254,071	- 299,013
Exchange and translation differences		- 16	84
Closing balance of cash and cash equivalents		437,308	183,253
Cash from continuing operations	18	394,045	177,663
Cash equivalents presented as other receivable	17	40,000	-
Cash held for sale	16	3,263	5,590
		437,308	183,253

Notes to the consolidated financial statements

General information

N.V. Luchthaven Schiphol is a public limited liability company (two-tier status company) with its registered office in the Municipality of Haarlemmermeer at Evert van de Beekstraat 202, 1118 CP, Schiphol, Netherlands. N.V. Luchthaven Schiphol trades under the name of Schiphol Group.

Schiphol Group is an airport business with Amsterdam Airport Schiphol as its main airport. Schiphol Group wants to create sustainable value for its stakeholders, taking account of the wide range of their interests. Central to how it conducts its business are the core values of reliability, efficiency, hospitality, inspiration and sustainability. Schiphol Group's mission is Connecting the Netherlands. Amsterdam Airport Schiphol aims to be and remain Europe's Preferred Airport: the airport that is valued for its quality, capacity and extensive network of destinations and aims to serve travellers, airlines and handlers as efficiently as possible, with a well-positioned airport and modern facilities.

On 18 February 2016 the Supervisory Board authorised the financial statements for issue as prepared by the Management Board. The Management Board will submit the financial statements for adoption by the General Meeting of Shareholders to be held on 12 April 2016.

This document is a translation of the Dutch original. In the event of any discrepancies between the English and the Dutch text, the latter will prevail.

Accounting policies

Schiphol Group's accounting policies on consolidation, measurement of assets and liabilities and determination of results are set out below. These policies are in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU), and are applied consistently to all the information presented. The applicable statutory provisions on annual reporting as included in Part 9, Book 2 of the Dutch Civil Code have also been applied consistently. Schiphol Group applies the historical cost convention for measurement, except for land and buildings in the investment property portfolio and derivative financial instruments, which are recognised at fair value through profit or loss.

New and amended standards that are mandatory with effect from 2015

Schiphol Group has elected to implement a change in accounting policies for the classification the components of revenue which will improve insight into the total revenue. Extraordinary income and income outside the core activities of Schiphol Group are no longer presented as part of net revenue, but rather as a separate classification entitled other income. Furthermore, investment

property under construction or development is presented under the investment property line item. Both changes have no impact on our result or equity as presented. The comparative figures have been restated. Schiphol Group has not adopted any other new standards, amendments or interpretations which have a significant influence on the disclosures or other financial data in these financial statements. Schiphol Group has not voluntarily applied any new standards, amended standards or interpretations in advance that will not be mandatory until later.

New standards and amended standards that are mandatory with effect from 2016 or later

Schiphol Group has not voluntarily applied in advance new or amended standards or interpretations that will not be mandatory until the 2016 financial year or later. Schiphol Group is currently examining the consequences of the following new standards and interpretations and amendments to existing standards, the application of which is mandatory as from the 2016 financial year or later, as stated below. The following new standards and amendments have been adopted by the European Union:

- IAS 27 Amendments: Equity method in separate financial statements (effective as of 1 January 2016)
- IAS 16 and IAS 41 Amendments: Bearer plants (effective as of 1 January 2016)
- IFRS 10 and IAS 28 Amendments: Sale or contribution of assets between an investor and its associate or joint venture (effective as of 1 January 2016)
- IAS 16 and IAS 38 Amendments: Clarification of acceptable methods of depreciation and amortisation (effective as of 1 January 2016)
- IFRS 10, IFRS 12 and IAS 28 Consolidation exemption for investment companies (effective as of 1 January 2016)
- IAS 1 Disclosures initiative (effective as of 1 January 2016)
- IFRS 11 Amendments: Accounting for acquisitions of interests in joint operations (effective as of 1 January 2016)
- Amendments within the framework of the Annual Improvements Project 2012-2014 (effective since 1 January 2016).

The following new standards and amendments have not yet been adopted by the European Union:

- IFRS 9 Financial Instruments (effective as of 1 January 2018)
- IFRS 14 Regulated activities (effective as of 1 January 2016)
- IFRS 15 Revenue from contracts with customers (effective as of 1 January 2018)
- IFRS 16 Leases (effective as of 1 January 2019)

Intangible assets

Intangible assets include the cost of goodwill, contract-related assets and software. Goodwill arising on the acquisition of subsidiaries is recognised under intangible assets. Goodwill arising on the acquisition of associates and joint ventures is recognised as part of the carrying amount of the associate and joint ventures, using the equity method. The initial carrying amount of goodwill is subsequently reduced by accumulated impairment losses. Goodwill is not amortised. Goodwill is allocated to the relevant cash-generating unit (subsidiary, joint venture or associate). This allocation is explained in detail in the note on intangible assets.

Contract-related assets concern the interest in JFKIAT acquired upon the acquisition of activities from third parties. These contracts are measured at fair value on the acquisition date less accumulated amortisation and impairment. Contracts are amortised over the remaining contract period.

Software includes software licences and internally developed ICT applications. Internally developed software is capitalised at the cost of internal and external hours spent on the development and implementation phases of ICT projects as recorded on the time sheets. Time spent in the proposal and definition phases is not capitalised. Software is amortised on a straight-line basis over its useful life.

See note 8. *Intangible assets* for a more detailed numerical explanation.

Assets used for operating activities

In accordance with IAS 16 Property, Plant and Equipment, assets used for operating activities include runways, taxiways, aprons, car parks, roads, buildings, installations and other assets. These assets are measured at historical cost less grants received, straight-line depreciation and impairments. Subsequent expenditure is capitalised to the carrying amount of these assets if it is probable that Schiphol Group will derive future economic benefits 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 asset, which depends on its nature and components. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The net result on the disposal of assets used for operating activities is recognised in the income statement as other income.

Costs of day-to-day maintenance are recognised in the income statement and cost of planned major maintenance is capitalised.

See note 9. *Assets used for operating activities* for a more detailed explanation.

Assets under construction or development

All capital expenditure is initially recognised as assets under construction or development, if it is probable that the Group will derive future economic benefits and the amount can be measured reliably. There are three categories of these assets:

- (a) software under development presented under *Intangible assets*;
- (b) assets under construction or development for operating activities presented under *Assets under construction or development*;
- (c) assets under construction or development for investment property presented under *Investment property*.

Software under development (category a) is measured at historical cost. Software under development is not amortised.

Assets under construction or development for operating activities (category b) are measured at historical cost including:

- borrowing costs during construction of all capital projects, i.e. interest payable to third parties on borrowings attributable to the project;
- time 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 except for impairments. The same applies to assets under construction or development as future investment property (category c) for as long as the fair value can be measured reliably. After that, these assets are recognised at fair value through profit or loss under 'other income and results from investment property'.

When the assets of category a are ready for use, they are transferred at historical cost to 'assets used for operating activities', which is also when the straight-line depreciation at the expense of the income statement commences. Assets of category b are transferred on completion to 'investment property' at fair value. See the accounting policies for these items for the way in which investment property is subsequently recognised.

See notes 8, 10 and 11 for a more detailed numerical explanation.

Investment property

Investment property is measured at fair value in accordance with IAS 40 Investment Property. This also applies to investment property included in the assets under construction or development, provided that the fair value can be measured reliably at that time. If this is not possible, the property is measured at historical cost. On completion, the property is transferred at fair value to 'investment property'. Any difference between the fair value and the historical cost is recognised in the income statement under 'other income and results from investment property'.

Property purchased is initially measured at cost. Cost incurred after initial recognition is capitalised if it can be measured reliably and

it is probable that future economic benefits will flow to Schiphol Group. Other expenditures are recognised immediately in the income statement.

All properties in the portfolio are appraised at least once a year by independent valuers. The fair value of investment property as presented in the balance sheet includes lease incentives. Gross rental revenues from operating leases are recognised on a straight-line basis over the period of the lease. Rent holidays, discounts on rent and other lease incentives are recognised as an integral part of the gross rental revenues. Service charges relate to the costs of energy, concierges and maintenance which may be charged to the tenant under the lease. The part of the service charged to property investments which have not been let is recognised in the income statement. These costs and cost charges are not presented separately in the income statement.

Land within the investment property portfolio is measured at fair value. Land is appraised based on internal valuations and by independent external valuers. A different part of the land positions is appraised by independent external valuers each year. The market value of long-leased land is calculated by discounting the value of the future annual ground rents and the residual value under the contracts concerned (DCF method).

Fair value gains and losses on investment property are recognised in the statement of income in the year in which they arise. Gains or losses realised on disposal of assets, i.e. differences between carrying amount and net selling price, are recognised in the income statement. Investment property is not depreciated.

See note 11. *Investment property* for a more detailed numerical explanation.

Depreciation and amortisation

Intangible assets and assets used for operating activities are amortised and depreciated on a straight-line basis according to the schedule below. Goodwill is not amortised or depreciated on investment property, assets under construction or land. The section under *Critical judgements and estimates* contains information about the adjustment to the estimated useful life.

Intangible assets

Contract-related assets	33 years
ICT hours charged to application development	3-5 years
Software licences	3-5 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	40 years
Buildings	20-60 years
Installations	5-30 years
Other assets	5-20 years

See note 6. *Depreciation, amortisation and impairment* for a more detailed explanation.

Impairments

The Group reviews the carrying amounts of non-current assets to determine whether there is any indication of impairment. If any such indication exists, then the non-current assets recoverable amount is estimated. Goodwill is tested annually for impairment. The recoverable amount is the greater of an asset's net realisable value and its value in use. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs. Value in use is based on the present value of the estimated future cash flows from continuing use of an asset and from its disposal at the end of its useful life. These tests are performed at cash-generating unit level, with Aviation and Consumer Products & Services treated as a single separate cash-generating unit. If the carrying amount exceeds the recoverable amount, the difference is recognised as an impairment loss in the statement of income and the carrying amount of the asset is reduced to the recoverable amount. Where applicable, the straight-line depreciation over the remaining useful life of the asset concerned is adjusted accordingly. If circumstances indicate the need to reverse an impairment loss, the carrying amount of the asset is increased to the recoverable amount. Impairment losses on goodwill purchased on the acquisition of subsidiaries and joint ventures are not reversed.

See note 6. *Depreciation, amortisation and impairment* for a more detailed explanation.

Subsidiaries, associates and joint arrangements

(a) General

Where necessary, the accounting policies of subsidiaries, associates and joint arrangements are adjusted to be in line with the Schiphol Group accounting policies.

See note 13. *Associates and joint ventures* for a more detailed numerical explanation.

(b) Subsidiaries

The financial information of N.V. Luchthaven Schiphol and its subsidiaries is fully consolidated. Subsidiaries are those companies that are controlled by N.V. Luchthaven Schiphol. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The other shareholders' share in consolidated equity and results is presented in the balance sheet as non-controlling interests (part of equity) and in the income statement as profit after income tax attributable to non-controlling interests. The results of subsidiaries acquired are consolidated from the date on which control commences. The financial information relating to subsidiaries disposed continues to be included up to the date on which control ceases. In the event the company loses control of a subsidiary while retaining a financial interest, all assets and liabilities are deconsolidated and the remaining interest is initially recognised at fair value. The remaining difference is recognised in the income statement.

(c) Associates

An associate is an entity over which the company has significant influence. Investments in associates are recognised using the equity method, meaning that the investment is initially recognised at cost and subsequently adjusted 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 goodwill. The company's share in the results of associates over which it has significant influence is recognised in the statement of income (share in results of associates). Cumulative movements in the net assets of associates are recognised in proportion to Schiphol Group's interest as investments in associates. The company ceases to recognise its share in the results of an associate in the income statement and its share in the net asset value of that associate immediately if this would lead to the carrying amount of the investment becoming negative and if the company has not entered into any commitments or made payments on behalf of the associate. Investments in associates are measured as other financial interests from the date on which the company ceases to have significant influence or control.

(d) Joint arrangements

The financial data of entities that qualify as a joint arrangement are recognised as either joint ventures or joint operations, depending on the statutory and contractual rights and obligations of each individual investor. All existing contractual agreements qualify as joint ventures. Joint ventures are entities over which Schiphol Group and one or more other investors have joint control, and are accounted for using the equity method.

(e) Acquisition of subsidiaries, associates and joint arrangements

An acquisition of a subsidiary, an associate or a joint arrangement is accounted for according to the purchase method, under which the cost of such an acquisition is the sum of the fair values of the assets and liabilities transferred by the acquirer on the acquisition date, the liabilities incurred by the acquirer to former owners of the

acquiree and the equity interests issued by the acquirer. For acquisitions of associates and joint ventures this also includes the related transaction costs. The identifiable assets, liabilities and contingent liabilities acquired are initially measured at their fair value 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 and liabilities is recognised as goodwill in the consolidated financial statements under intangible assets (in the case of subsidiaries) or as part of the carrying amount in the case of associates and joint ventures. If the net fair value exceeds cost, the difference is recognised immediately in the income statement. Costs relating to an acquisition of a subsidiary are recognised directly in the income statement.

If the acquisition is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if it directly disposed the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

(f) Eliminations

Transactions between the company and its subsidiaries, associates and joint arrangements are eliminated, in the case of joint arrangements and associates in proportion to the company's interest in those entities, along with any unrealised gains and assets and liabilities arising. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Loans to associates and other loans

Loans to associates and other loans recognised under non-current receivables are initially measured at cost, being the fair value of the loans less transaction costs, and subsequently measured at amortised cost, with differences between the redemption value and the carrying amount being amortised over the remaining term to maturity using the effective interest method.

See note 14. *Loans to associates* for a more detailed explanation.

Non-current receivables

In the case of prepaid ground leases, the amount paid to buy out the leasehold is measured as a lease asset in the balance sheet and

recognised as an expense in the statement of income periodically over the lease term.

See note 15. *Non-current receivables* for a more detailed explanation.

Financial instruments, including derivative financial instruments

The company classifies financial instruments in the following categories: loans and receivables, fair value through profit or loss and assets held for sale. The company uses derivative financial instruments to hedge the risk of changes in future cash flows connected with periodic interest payments and repayments or funding resulting from movements in market interest rates and exchange rates. In addition, the company uses derivative financial instruments to a limited extent to hedge exchange rate risks incurred on received dividends. The instruments used to hedge these risks are interest rate swaps and currency swaps.

Derivative financial instruments are initially recognised at fair value on the date when the derivative contract is concluded and then at fair value at each reporting date. The method for recognition of the result depends on whether hedge accounting is applied and if so, on whether the hedging relationship is effective. A hedging relationship is effective if the actual effectiveness is within a bandwidth of 80% and 125%. If the hedging relationship is effective, hedge accounting is applied to those derivatives. In such cases the effective portion of fair value changes on derivative financial instruments is recognised in the hedge reserve, which is part of the equity. The non-effective part is recognised in the result. The cumulative amounts recognised in equity are recycled to the result in the same period in which the hedged transaction is recognised in the result.

At the inception of a hedge, the hedging relationship is formally documented. The effectiveness of hedging transactions is 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, is sold or ends, is exercised or 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 for as long as the initially hedged transaction is considered to be likely to occur, and are subsequently recognised in the statement of income simultaneously with the realisation of the hedged cash flow. If the initially hedged transaction is no longer deemed likely to occur, the gain or loss is recognised in the hedging reserve via the overall result in the statement of income.

See note 29. *Management of financial risks and financial instruments* for a more detailed explanation.

Inventories

Inventories are measured at the lower of cost and net realisable value. The lower net realisable value is determined by an individual assessment of the inventories. Cost includes the purchasing costs of the product. The net realisable value is based on the expected selling price less selling costs to be incurred.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairments. In view of the generally short period to maturity, the fair value and amortised costs of these items tend to be virtually identical to the face value.

See note 17. *Trade and other receivables* for a more detailed explanation.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash. Bank overdrafts are included in the short-term payables. Cash and cash equivalents are measured at fair value, which is normally the nominal value.

See note 18. *Cash and cash equivalents* for a more detailed explanation.

Assets and liabilities held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

The sale is highly likely if, on the reporting date, management has committed to detailed sales plans, is actively looking for a buyer and has set a reasonable selling price and the sale is highly likely to occur within a year.

Such assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale the non-current assets will no longer be depreciated.

See note 16. *Assets and liabilities held for sale* for a more detailed explanation.

Shareholders' equity

(a) Issued share capital

The issued share capital is the amount paid up on the shares issued, up to their nominal value.

See note 19. *Issued share capital* for a more detailed explanation.

(b) Share premium reserve

The share premium reserve is the amount paid up on the shares issued in excess of their nominal value.

(c) Retained earnings

Retained earnings are the net results (i.e. that part of the result attributable to shareholders) accumulated in previous years minus distributed dividends.

See note 20. *Retained profits* for a more detailed numerical explanation.

(d) Other reserves

Other reserves are the foreign exchange differences reserve, the hedging transactions reserve, the other comprehensive income for associates reserve and the reserve for actuarial gains and losses.

The policies on the hedging transactions reserve are disclosed in 'derivative financial instruments'. The policies on the exchange differences reserve are disclosed under (c) in the policy on 'foreign currency'.

See note 21. *Other reserves* for a more detailed explanation.

Loans and borrowings

This item relates to bonds, private placements and amounts owed to credit institutions. Borrowings are initially measured at fair value less transaction costs, and subsequently measured at amortised cost, with differences between the redemption value and carrying amount being amortised over the remaining term to maturity using the effective interest method.

Borrowings expected to be repaid within a year of the reporting date are presented as current liabilities.

See note 23. *Borrowings* for a more detailed explanation.

Employee benefits

There are four categories of employee benefits:

- (a) short-term employee benefits;
- (b) post-employment benefits;
- (c) other long-term employee benefits;
- (d) termination benefits.

These categories are explained below, along with descriptions of the Schiphol Group employee benefits falling under them.

(a) Short-term employee benefits

Short-term employee benefits are benefits payable within a year of the end of the year in which the employee rendered the service. Within Schiphol Group, this category includes wages and salaries (including holiday pay) and fixed and variable allowances, social security contributions, paid sick leave, profit sharing and variable short-term remuneration. The costs of these employee benefits are

recognised in the income statement when the service is rendered or the rights to benefits are accrued (e.g. holiday pay).

(b) Post-employment benefits

These are employee benefits that may be due after completion of employment. They include pensions and other retirement benefits, job-related early retirement benefits, payment of healthcare insurance costs for pensioners and supplementary disability benefits. Schiphol Group's pension plan is administered by the Algemeen Burgerlijk Pensioenfonds (ABP). The pension plan is regarded as a group scheme involving more than one employer that qualifies as a defined-contribution plan because:

- the members bear the actuarial and investment risks practically in full;
- the affiliated employers have no supplementary obligation to make additional contributions in the event of a deficit at the ABP, nor are they entitled to any surpluses in addition to paying the premium set by the ABP;
- each year the premium is set by the ABP board on the basis of its own file date, with due regard for the prescribed parameters and requirements.

Accordingly, in measuring the obligations arising from the pension plan, Schiphol Group merely recognises the pension contributions payable as an expense in the income statement.

The other provisions for employee benefits covering job-related early retirement benefit, payment of healthcare insurance costs for pensioners and supplementary disability benefits are calculated according to actuarial principles and accounted for using the method described in 1, 2 and 3 below. In these cases, a net asset or liability is recognised in the balance sheet, comprising:

1. the present value of the defined-benefit obligation at the reporting date, measured using the projected unit credit method, under which the present value of the pension obligation for each member is determined on the basis of the number of active years of service prior to the reporting date, the estimated salary level at the expected date of retirement and the market interest rate;
2. less any past service cost not yet recognised. If, owing to changes in the pension plans, the expected obligation based on future salary levels with respect to prior years of service (past service costs) increase, the amount of the increase is recognised in full in the period in which the rights are granted;
3. less the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

(c) Other long-term employee benefits

These are employee benefits which do not fall wholly due within a year of the end of the period in which the employees render the related service. At Schiphol Group, this includes long-term variable remuneration for the members of the Management Board and senior executives in charge of corporate staff departments and the business areas, supplementary income for employees in receipt of

disability benefits, long-service awards, sustainable employment budget and paid sabbatical leave.

The long-term variable remuneration is performance-related remuneration which is conditional on the recipient 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 the contract of employment is ended by agreement, the award is made on a pro rata basis. An estimate is made of the variable remuneration payable at the end of the three-year period at each year-end. A proportionate part is charged each year to the result for the relevant year during the reference period.

The expected costs of income supplements for employees in receipt of disability benefits are recognised in full in the statement of income from the date on which an employee is declared disabled. A provision for paid sabbatical leave entitlements is recognised in the balance sheet. The costs are recognised in the year in which the associated sabbatical entitlement was granted.

The liabilities with respect to long-service awards and under other long-term employee benefits are measured at present value.

(d) Termination benefits

These 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. Benefits under the scheme supplementing the statutory amount of unemployment benefit are another example of termination benefits. The costs are recognised in full in the income statement as soon as such a decision is made.

Benefits are recognised at the present value of the obligation.

See note 24. *Employee benefits* for a more detailed explanation.

Other provisions

Provisions are determined by discounting the expected future cash flow that reflects current market assessments and of which the amount is reliably determined.

See note 25. *Other provisions* for a more detailed explanation.

Other non-current liabilities

In the case of surrendered ground rents, the amount paid to buy out the leasehold is included as a lease liability in the balance sheet and recognised as income in the income statement in equal instalments over the lease term. This is a deferred liability arising from Schiphol Group being a lessor.

See note 26. *Other non-current liabilities* for a more detailed explanation.

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. Leases where beneficial ownership of the asset 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 measured as either assets used for operating activities or investment property. The borrowings associated with such lease contracts are accounted for as lease liabilities. The related assets and liabilities are initially measured at the lower of 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 divided between the finance charge and the reduction of the outstanding liability to present a periodic effective rate of interest on the remaining balance.

(c) Schiphol Group as lessee in an operating lease

As regards leases where beneficial ownership is held by a third party, only the lease payments are recognised in equal instalments, allowing for lease incentives, as expenses in the income statement.

(d) Schiphol Group as lessor in a finance lease

Assets that qualify as a finance lease are measured in the balance sheet as a lease receivable 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 periodic effective rate of interest on the remaining balance.

(e) Schiphol Group as lessor in an operating lease

Assets that qualify as an operating lease are recognised in the balance sheet and measured 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 income statement.

Trade and other payables

The trade and other payables are initially measured at fair value and subsequently measured at amortised cost. In view of the generally short period to maturity, the fair value and amortised costs of these items tend to be virtually identical to the nominal value.

Liabilities from municipal taxes such as certain types of property taxes are measured at the obligating event.

See note 27. *Trade and other payables* for a more detailed explanation.

Total revenue

Many of Schiphol Group's activities generate revenue that qualifies as revenue from the provision of services (airport charges, concession fees, rents and leases and parking charges). This revenue is recognised in proportion to the service supplied at the reporting date, provided that the result can be reliably estimated. Revenue is measured at the fair value of the fees received or to be received. Revenue from retail sales is generated by the sales of goods and is recognised when these transactions take place.

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 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 which 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. Surpluses and deficits eligible for settlement under the Aviation Act are not presented as assets or liabilities, but are settled in future airport charge rates.

Total revenue represents the income from the services provided less discounts and tax (VAT and excise duty). Revenue equals total revenue less the revenue from intra-group transactions.

See note 1. *Revenue* for a more detailed explanation.

Financial income and expenses

Interest income and expense is recognised on a basis that takes into account the effective yield on the loans granted or liabilities. Royalties are recognised on an accrual basis. Dividends are recognised when Schiphol Group's right to receive payment is established.

See note 29. *Management of financial risks and financial instruments* for a more detailed explanation.

Income tax

Income tax on the result represents income tax payable and recoverable and deferred tax for the reporting period. These are computed on the basis of applicable tax rates and laws. Income taxes include all taxes based on taxable profits and losses including non-deductible taxes payable by subsidiaries, associates or joint ventures.

Income taxes are recognised in the income statement unless they relate to items credited or charged directly to equity or total revenue, in which case the tax is charged or credited directly to equity or total revenue.

Current tax payable or recoverable in respect of the reporting period is the tax that is expected to be paid on the taxable profit for the reporting period and adjustments to the tax payable for prior periods.

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 the accounting policies used in preparing these financial statements.

Deferred tax assets, including those arising from tax loss carry-forwards, are recognised if 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, associates, joint ventures and contract-related intangible assets unless 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. No deferred tax liabilities are recognised for:

1. temporary differences resulting from transactions that do not qualify as a takeover and do not influence the result for reporting purposes and for tax purposes at the time of the transaction; and
2. the initial recognition of goodwill.

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, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are netted if they relate to the same fiscal unity and the company at the head of this fiscal unity has a legally enforceable right to do so.

See note 12. *Income tax in the financial statements* for a more detailed explanation.

Foreign currency

(a) Functional currency and presentation currency

The primary economic environment of Schiphol Group is the Netherlands and so the euro is both its functional currency and presentation currency. Financial information is presented in thousands of euros except where otherwise stated.

(b) Transactions, assets and liabilities

Transactions (capital expenditure, income and expenses) denominated in foreign currencies are accounted for at the exchange rate on transaction date. Monetary assets and liabilities

(receivables, payables and cash and cash equivalents) in foreign currencies are translated at the exchange rate on the reporting date. Exchange differences arising on translation and settlement of these items are recognised in the statement of income under financial income and expenses, with the exception of exchange differences on financial instruments in foreign currencies against which derivative financial instruments are held with the object of hedging exchange risks on future cash flows. Exchange differences on these financial instruments are recognised directly in equity provided the hedge is determined to be highly effective. The ineffective portion is recognised in the income statement under financial income and expenses.

(c) Subsidiaries

Income and expenses denominated in foreign currencies are translated at the exchange rate on the transaction date, which in practice is usually approximated using an average exchange rate. Assets and liabilities are translated at the rate on the reporting date. Goodwill and changes in fair value arising on the acquisition of investments in associates are treated as assets and liabilities of the entity concerned and are similarly translated at the rate on the reporting date. Exchange differences arising on the translation of balance sheets and income statements of subsidiaries, joint ventures and associates outside the euro zone are recognised directly in equity under the exchange differences reserve. On disposal of subsidiaries, joint ventures and associates outside the euro zone, the accumulated translation differences initially recognised in the exchange differences reserve are recognised in the income statement as part of the result on disposal.

Segment information

An operating segment is a clearly identifiable part of a company that engages in business activities with associated revenues, 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 make decisions about the resources to be allocated to it. Schiphol Group identifies fourteen operating segments, which have been combined into nine segments for reporting purposes in view of the size and characteristics of the operating segments. Group overhead costs are allocated to the segments largely on the basis of their relative share in the direct costs of Schiphol Group.

See *Segment information* for a more detailed explanation.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents within the cash flow statement exist of cash and deposits freely available.

Cash flows from short-term credit facilities are classified as cash flows from financing activities. Cash flows arising from foreign currencies are translated at an estimated average rate. Differences will be separately disclosed. Income tax, interest received and interest paid and dividends received are classified as cash flows from

operating activities. Paid dividends are classified as cash flows from financing activities.

The acquisition of a group company or subsidiary is classified as cash flows from investing activities for the part that relates to a cash payment. Available cash and cash equivalents within the acquired company or subsidiary are eliminated. This also applies in the case of the sale of a group company.

Non-cash transactions are not included in the cash flow statement. Payments of lease instalments of a financial lease contract are classified as cash flows from financing activities as regards the part relating to redemption and as cash flows from operating activities as regards the part relating to interest.

See the *Consolidated statement of cash flow for 2015* for a more detailed explanation.

Company statement of income

The option of presenting the company statement of income in a form pursuant to Section 402 of Book 2 of the Dutch Civil Code has been exercised.

See the *Company financial statements* for a more detailed explanation.

Critical judgements and estimates

The assumptions and estimates made in the financial statements often concern expected future developments. Since the actual developments may deviate from the assumptions used, the actual outcomes may significantly deviate from the current measurements of a number of items in the financial statements. As a result, the assumptions and estimates used may significantly influence Schiphol Group's equity and results. Assumptions and estimates used are tested periodically and adjusted where necessary. To a significant degree, these assumptions and estimates are based on past experience and on Schiphol Group's management's best estimate of specific circumstances which – in the management's view – apply in the given context. This section discusses the principal areas where the measurement of items is strongly influenced by the assumptions and estimates used.

Useful life, residual value and impairment of property, plant and equipment

The carrying value of property, plant and equipment is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset. These factors may also give rise to the need to recognise an impairment on assets.

Determining the fair value of investment property and land positions

The fair value of buildings and land recognised under investment property is appraised each year by independent external valuers and on the basis of internal valuations. A different part of the land positions is appraised by independent external valuers each year. The best evidence of fair value are current prices in an active market for similar investment property. In the absence of such information, Schiphol Group determines the amount within a range of reasonable fair value estimates.

Impairment of goodwill and non-current assets

Goodwill is not amortised, but an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment of the goodwill. Other assets are tested in the case of any events or changes that call for an impairment test.

Capitalisation and allocation of costs to specific assets

All capital expenditures are initially recognised under assets under construction if they can be expected to generate future economic benefits. A distinction is made between operating activities and investment property. Operating activities can be subdivided into the following categories:

- Runways, taxiways and aprons
- Paved areas and roads
- Buildings
- Installations
- Other non-current assets

Taxes

When preparing the financial statements, Schiphol Group makes every effort to assess all relevant tax risks and process up-to-date tax position details in the financial statements to the best of its ability. Evolving insights, for example following final tax assessments for prior years, can result in additional tax burdens or benefits, and new tax risks may arise. In the valuation of deferred tax assets, particularly those concerning differences between the values of property, plant and equipment for reporting and tax purposes in the financial statements, assumptions are made regarding the extent to which and the period within which such assets can be realised. This is done, for instance, on the basis of business plans. In addition, when preparing the financial statements assumptions are made regarding temporary and permanent differences between the values for reporting and tax purposes. The actual situation may deviate from the assumptions used to determine deferred tax positions, due for instance to diverging insights and changes in tax laws and regulations.

The management programme for these tax risks (also known as the 'tax control framework') is part of Schiphol Group's overall risk management programme. This programme serves to identify tax risks and monitor internal control with the aim of mitigating the tax risks. Schiphol Group has also developed and implemented a tax planning framework. Tax risk management is facilitated by the central control department (Group Control) and is part of approved

Management Board policy. This policy is based on Schiphol Group's aim to be a trustworthy taxpayer through the application of professional tax compliance procedures.

Claims and litigations

Schiphol Group is subject of various claims and litigations, which are part of its business operations. The Schiphol Group management assesses the claims and litigations instituted against it on the basis of facts and seeks legal advice when required. This involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and litigations.

Estimates

Further information is presented in the notes on these items. No other critical assumptions on measurement were made in applying the accounting policies except for those disclosed in the notes to the financial statements. Estimates and the related assumptions are based on management's experience and insights and developments in external factors which can be regarded as reasonable.

Judgements and estimates are subject to change as facts and insights change and may be different in another reporting period. The differences in outcome are recognised through the balance sheet or income statement depending on the nature of the item. Actual results could differ from previously reported results based on estimates and assumptions.

Changes in the scope of consolidation

2015 - disposal of controlling interest in SAR B.V.

On 30 April 2015 Schiphol Group sold 60% of its interest in Schiphol Airport Retail B.V. (SAR) to Gebr. Heinemann SE & Co. KG. Schiphol Group and Gebr. Heinemann established a joint venture for the retail operations of liquor, tobacco and confectionary in the shopping area behind security filters at Amsterdam Airport Schiphol. Heinemann holds 60% and Schiphol Group holds 40% of the shares. Due to the sale Schiphol Group lost its controlling interest. As of from

30 April all assets and liabilities, as well as the results of SAR, are no longer consolidated. The assets and liabilities were presented as 'held for sale' in the 2014 financial statements.

As a consequence of the sale Schiphol Group realised a positive result of 50 million euros, which was included in other income. The consideration received amounts to 34 million euros. The positive result consists of the initial recognition of the 40% joint venture at fair value and the result on the sale of 60%.

(in thousands of euros)

	30 April 2015	31 December 2014
Intangible assets	57	79
Assets used for operating activities	1,349	1,591
Inventories	7,300	7,616
Cash and cash equivalents	4,330	5,590
Trade and other receivables	3,138	2,540
Assets held for sale	16,174	17,416
Provisions	157	104
Trade and other payables	9,937	7,009
Liabilities held for sale	10,094	7,113
Net assets and liabilities held for sale	6,080	10,303
Consideration received in cash	33,556	
Cash and cash equivalents disposed	-4,330	
Net cash inflow	29,226	
Other income		
Consideration received in cash (60% interest)	33,556	
Initial recognition of joint venture Schiphol Airport Retail B.V. (40% interest)	22,371	
Disposed net assets and liabilities adjusted for intercompany assets and liabilities	-6,080	
Total income on disposal of controlling interest	49,847	

2014 - acquisition of AREB C.V.

In 2014 the following acquisition lead to a change in the consolidation group of Schiphol:

On 17 March 2014, Schiphol Group acquired the remaining 38.85% of the shares in AREB C.V., thus increasing its interest to 100% and thereby obtaining control over AREB C.V. This property fund invests in 17 properties, primarily comprising offices and logistics centres at and around Amsterdam Airport Schiphol. One shareholder exchanged its shares for a profit-sharing loan of 25.6 million euros with a term of six years. Payment on this loan will depend on the development of AREB C.V.'s property portfolio.

Following the acquisition of the remaining shares, the existing interest in AREB C.V. was first restated at fair value. This resulted in a pre-tax book profit of 30.4 million euros, which was included in the other income. The acquisition implicitly included the settlement of an existing contractual agreement between AREB C.V. (lessor) and Schiphol (lessee) of the Schiphol Building. This resulted in a settlement loss of 7.9 million euros. Due to the application of hedge accounting, changes in the value of the derivatives concerned were included in the hedging transactions reserve through the other comprehensive income. Following the acquisition, the pre-tax amount of 7.1 million euros thus realised was included as an expense under financial income and expenditure.

The fair value of the investment property was determined on the basis of the fair value in leased state, taking account of the ground lease. These valuations were carried out by independent external valuers, in accordance with Schiphol Group's valuation policies. The fair value of the other assets and liabilities was determined on the basis of the market value at which these assets and liabilities were or are being settled with the contracting party concerned, including financial institutions. An amount of 7.4 million euros in transfer tax was paid as a result of the transaction, and was included in the costs of outsourced work and other external charges.

As a result of the acquisition, the following assets and liabilities were acquired:

(in thousands of euros)

Investment property	73,303
Assets used for operating activities	221,602
Other non-current assets	4,188
Current assets	2,565
Cash and cash equivalents	4,688
Total assets	306,346
Loans and borrowings	178,697
Financial instruments	9,506
Current liabilities	12,170
Total liabilities	200,373
Sum of net identified assets	105,973
Paid in cash	23,500
Loan	25,575
Consideration	49,075
Settlement loss Schiphol Building	- 7,904
Total consideration after contract settlement	41,171
Fair value of 61,15% stake held before transaction	64,802
Total	105,973
Paid in cash	23,500
Cash and cash equivalents acquired	-4,688
Total consideration, net of acquired cash	18,812

No goodwill was created upon the purchase of the remaining interest of 38.85% in AREB C.V.

(in millions of euros)

Revaluation of share before acquisition	30.4
Contractloss on Schiphol Building	-7.9
Settlement of interest rate swap	-7.1
Transfer tax	-7.4
Result on acquisition of AREB C.V.	8.0

Segment information

Schiphol Group has identified fourteen operating segments, which have been combined into nine reporting segments for reporting purposes.

The Aviation business area operates at Amsterdam Airport Schiphol and provides services and facilities to airlines, passengers and handling agents. The Aviation business area has been subdivided into two segments: Aviation and Security. Aviation generates most of its revenue from airport charges (charges related to aircraft and passengers) and concession fees (paid by oil companies for the provision of aircraft refuelling services). The source of revenue for Security consists of airport charges (security-related charges).

The activities of the Consumer Products & Services business area consist of granting and managing concessions for shops and food service outlets (Concessions segment, generating revenue from concessions and leasing retail locations), operating car parks (Parking segment, generating revenue from parking charges) and shops, marketing advertising opportunities at Amsterdam Airport Schiphol and operating management contracts at airports outside the Netherlands (Other segment, generating revenue from retail sales, leasing advertising space and management fees respectively).

The Real Estate business area, which is also a segment, develops, manages, operates and invests in property at and around domestic and foreign airports. The major part of the portfolio, comprising both airport buildings and commercial properties, is located at and around Amsterdam Airport Schiphol. Sources of revenue include income from developing and leasing out land and buildings. The business area also makes a major contribution to Schiphol Group results with other income from property (sales, fair value gains or losses on property and granting land leases).

The Alliances & Participations business area comprises the Domestic Airports, Foreign Airports and Other Subsidiaries segments. Airport charges and parking charges are the main sources of revenue of the regional airports (Rotterdam The Hague, Eindhoven and Lelystad). 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 Holdings Ltd and JFK IAT LLC (as a contract-related asset). Other subsidiaries include Schiphol Telematics and Utilities. Schiphol Telematics provides telecommunication services at and around the airport. Utilities generates revenue from the transmission 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 segments of that business area. The information relating to other alliances is presented under the reporting segments of the Alliances & Participations business area.

The Management Board and Corporate Treasury review liabilities and financial income and expenditure at group level rather than segment level. Transactions between the segments have been consistently conducted at arm's length over the years.

Since Schiphol Group's current activities are concentrated almost entirely in the Netherlands (approximately 99% of consolidated revenue in 2015), there is no geographical segmentation. Around 35% of revenue relates to one external customer and is generated primarily in the Aviation and Security segments.

2015	Aviation	Consumer Products & Services	Real Estate	Alliances & Participations	Total
(in thousands of euros)					
Airport charges	810,028	-	-	58,652	868,680
Concessions	13,680	155,411	1,613	6,021	176,725
Rent and leases	96	15,741	159,049	3,888	178,774
Parking fees	-	89,975	4,104	16,129	110,208
Retail sales	-	25,733	-	3,199	28,932
Other activities	20,448	27,081	7,816	98,899	154,244
Total revenue	844,252	313,941	172,582	186,788	1,517,563
Elimination of intercompany revenue	- 1,306	- 11,149	- 25,125	- 56,831	- 94,411
Revenue	842,946	302,792	147,457	129,957	1,423,152
Other income and results from investment property	-	49,847	66,368	319	116,534
Depreciation and amortisation	- 161,392	- 23,874	- 18,750	- 18,780	- 222,796
Impairment	-	-	- 6,660	- 850	- 7,510
Operating result	104,113	238,252	128,605	33,976	504,946
Share in results of associates ¹	1,150	- 724	3,513	62,880	66,819
Total assets	2,526,166	407,923	2,327,202	1,143,370	6,404,661
Total non-current assets (excl. income tax)	2,200,613	355,353	1,901,073	995,687	5,452,726
Investments in associates and other financial interests	3,685	21,585	106,769	725,775	857,814
Capital expenditure	131,879	65,300	212,071	29,394	438,644

¹ 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.

2014	Aviation	Consumer Products & Services	Real Estate	Alliances & Participations	Total
(in thousands of euros)					
Airport charges	807,834	-	-	56,031	863,865
Concessions	13,622	144,706	1,301	5,174	164,803
Rent and leases	97	17,874	160,447	3,729	182,147
Parking fees	-	86,284	4,079	15,282	105,645
Retail sales	-	82,246	-	3,053	85,299
Other activities	17,364	29,602	8,862	95,191	151,019
Total revenue	838,917	360,712	174,689	178,460	1,552,778
Elimination of intercompany revenue	- 1,163	- 32,366	- 25,953	- 55,220	- 114,702
Revenue	837,754	328,346	148,736	123,240	1,438,076
Other income and results from investment property	-	5,395	30,503	- 1,256	34,642
Depreciation and amortisation	- 163,322	- 26,563	- 19,649	- 18,587	- 228,121
Impairment	-	-	- 4,202	-	- 4,202
Operating result	110,365	181,479	78,580	32,672	403,096
Share in results of associates	712	465	- 11,109	42,410	32,478
Total assets	2,473,351	332,398	1,969,140	1,055,270	5,830,159
Total non-current assets (excl. income tax)	2,213,073	297,419	1,761,921	941,319	5,213,732
Investments in associates and other financial interests	2,491	- 61	102,563	691,929	796,922
Capital expenditure	292,215	25,928	58,965	18,906	396,014

Aviation	Aviation		Security		Total	
(in thousands of euros)	2015	2014	2015	2014	2015	2014
Airport charges	516,512	521,262	293,516	286,572	810,028	807,834
Concessions	13,680	13,622	-	-	13,680	13,622
Rent and leases	95	97	1	-	96	97
Other activities	18,931	16,277	1,517	1,087	20,448	17,364
Total revenue	549,218	551,258	295,034	287,659	844,252	838,917
Elimination of intercompany revenue	-941	-883	-365	-280	-1,306	-1,163
Revenue	548,277	550,375	294,669	287,379	842,946	837,754
Depreciation and amortisation	-124,473	-123,285	-36,919	-40,037	-161,392	-163,322
Operating result	83,857	105,297	20,256	5,068	104,113	110,365
Share in results of associates	1,150	712	-	-	1,150	712
Total assets	2,170,622	2,156,908	355,544	316,443	2,526,166	2,473,351
Total non-current assets (excl. income tax)	1,890,889	1,929,930	309,724	283,143	2,200,613	2,213,073
Investments in associates and other financial interests	3,685	2,491	-	-	3,685	2,491
Capital expenditure	81,660	192,058	50,219	100,157	131,879	292,215

Consumer Products & Services	Concessions		Parking		Other		Total	
(in thousands of euros)	2015	2014	2015	2014	2015	2014	2015	2014
Concessions	150,713	140,818	4,698	3,888	-	-	155,411	144,706
Rent and leases	15,234	17,392	507	482	-	-	15,741	17,874
Parking fees	-	-	89,975	86,284	-	-	89,975	86,284
Retail sales	-	-	-	-	25,733	82,246	25,733	82,246
Other activities	340	305	1,937	1,690	24,804	27,607	27,081	29,602
Total revenue	166,287	158,515	97,117	92,344	50,537	109,853	313,941	360,712
Elimination of intercompany revenue	-9,358	-30,489	-1,265	-1,199	-526	-678	-11,149	-32,366
Revenue	156,929	128,026	95,852	91,145	50,011	109,175	302,792	328,346
Other income and results from investment property	-	-	-	-	49,847	5,395	49,847	5,395
Depreciation and amortisation	-10,661	-11,645	-10,367	-10,776	-2,846	-4,142	-23,874	-26,563
Operating result	125,785	115,237	55,893	54,709	56,574	11,533	238,252	181,479
Share in results of associates	-724	-	-	-	-	465	-724	465
Total assets	213,882	136,421	176,404	180,855	17,637	15,122	407,923	332,398
Total non-current assets (excl. income tax)	186,318	122,065	153,671	161,823	15,364	13,531	355,353	297,419
Investments in associates and other financial interests	21,585	-	-	-	-	-61	21,585	-61
Capital expenditure	54,645	19,946	5,125	3,000	5,530	2,982	65,300	25,928

Real Estate

(in thousands of euros)	2015	2014
Concessions	1,613	1,301
Rent and leases	159,049	160,447
Parking fees	4,104	4,079
Other activities	7,816	8,862
Total revenue	172,582	174,689
Elimination of intercompany revenue	-25,125	-25,953

Revenue	147,457	148,736
Other income and results from investment property	66,368	30,503
Depreciation and amortisation	-18,750	-19,649
Impairment	-6,660	-4,202
Operating result	128,605	78,580
Share in results of associates	3,513	-11,109
Total assets	2,327,202	1,969,140
Total non-current assets (excl. income tax)	1,901,073	1,761,921
Investments in associates and other financial interests	106,769	102,563
Capital expenditure	212,071	58,965

Alliances & Participations	International airports		Domestic airports		Other subsidiaries		Total	
(in thousands of euros)	2015	2014	2015	2014	2015	2014	2015	2014
Airport charges	-	-	58,652	56,031	-	-	58,652	56,031
Concessions	-	-	6,021	5,174	-	-	6,021	5,174
Rent and leases	-	-	3,888	3,729	-	-	3,888	3,729
Parking fees	-	-	16,129	15,282	-	-	16,129	15,282
Retail sales	-	-	3,199	3,053	-	-	3,199	3,053
Other activities	13,430	14,503	4,297	4,238	81,172 ¹	76,450	98,899	95,191
Total revenue	13,430	14,503	92,186	87,507	81,172	76,450	186,788	178,460
Elimination of intercompany revenue	-48	-70	-1,487	-1,329	-55,296	-53,821	-56,831	-55,220
Revenue	13,382	14,433	90,699	86,178	25,876	22,629	129,957	123,240

Other income and results from investment property	-	-	319	-1,256	-	-	319	-1,256
Depreciation and amortisation	-1,372	-5,452	-7,723	-6,791	-9,685	-6,344	-18,780	-18,587
Impairment	-	-	-	-	-850	-	-850	-
Operating result	11,217	6,482	17,590	15,547	5,169	10,643	33,976	32,672
Share in results of associates	62,714	42,160	-	-	166	250	62,880	42,410
Total assets	955,344	881,625	138,723	127,291	49,303	46,354	1,143,370	1,055,270
Total non-current assets (excl. income tax)	832,226	785,824	120,511	113,896	42,950	41,599	995,687	941,319
Investments in associates and other financial interests	724,287	690,666	-	-	1,488	1,263	725,775	691,929
Capital expenditure	4,337	1	14,415	11,928	10,642	6,977	29,394	18,906

¹ The other activities include revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

Notes to the consolidated statement of income

1. Revenue

Airport charges

The activities of the Aviation business area (at Amsterdam Airport Schiphol) are regulated. This means that the annual process of setting the airport charge rates is subject to supervision by the Dutch Authority for Consumers and Markets (ACM) and that the aviation industry must be consulted as part of this process. When setting the aviation charges, the Aviation business area's profitability is also capped at an average weighted cost of capital for regulated assets; both must be determined in compliance with the Aviation Act.

Settlement

Under the Aviation Act, Schiphol Group must settle surpluses and deficits from specified income and expenses with the industry. In principle, a settlement will take place after the respective financial year and preparation of the financial statements of the Aviation and Security reporting segments, in accordance with the Aviation Act and the applicable new airport charge rates. In accordance with the accounting policies, surpluses and deficits eligible for settlement in the airport charge rates are not yet presented as assets and liabilities in the balance sheet. This procedure does not apply to the airport charges of Rotterdam, Eindhoven and Lelystad airports, which are accounted for in the Domestic Airports reporting segment. There was a surplus for the 2014 financial year of 28.3 million euros for the Aviation segment and 7.0 million euros for the Security segment. This (net) surplus of 35.3 million euros will be included in the charges as from 1 April 2016. For the 2015 financial year a surplus of 55 million euros is expected, which will be included in the charges in force from 1 April 2017.

(in thousands of euros)	2015	2014
Aircraft-related fees	201,886	206,614
Passenger-related fees	339,829	332,865
Security service charges	320,708	316,614
Aircraft parking fees	6,257	7,772
Total airport charges	868,680	863,865

Concessions

Schiphol Group's Concessions reporting segment, which is part of the Consumer Products & Services business area, has 98 concession contracts (2014: 104) for a range of commercial activities at Amsterdam Airport Schiphol.

A concession grants the holder non-exclusive rights to operate and manage a commercial activity in a specific location designated by Schiphol Group. The concession charges are calculated on a percentage scale of the sales generated by the concession holder. A separate contract is entered into with concession holders for the space, for which a fixed rent is payable. The concessions have an average duration of three to five years. At the reporting date, about 61% of the concessions had a remaining term of less than three years (2014: about 70%), about 28% had between three and five

years (2014: about 12%) and about 11% more than five years (2014: about 18%).

Revenue of 13.7 million euros from concessions included in the Aviation segment (13.6 million euros in 2014) and 4.7 million euros in the Parking segment (3.9 million euros in 2014) relates to concession agreements for the third-party supply of aviation fuel and the use of drop-off roads by taxi and car rental services respectively.

(in thousands of euros)	2015	2014
Shops Retail Airside	93,355	67,234
Shops Plaza	7,438	6,470
Oil companies	13,458	13,326
Food and beverage	32,601	29,311
Other	21,262	19,703
Intercompany revenue	8,611	28,759
Total concessions	176,725	164,803

Rents and leases

(in thousands of euros)	2015	2014
Investment property: buildings, including service charges	87,498	88,089
Investment property: land	24,367	25,347
Operating property, including service costs	43,442	43,442
Intercompany revenue	23,467	25,269
Total rent and leases	178,774	182,147

Occupancy in the Real Estate segment was 88.8% as at 31 December 2015 (88.4% as at 31 December 2014).

Approximately 14% of the leases (measured by income from rents and leases) expire within one year (5% in 2014), 45% between one and five years (49% in 2014) and 41% after more than five years (46% in 2014).

Property management expenses divided into occupied and unoccupied buildings can be analysed as follows:

(in thousands of euros)	2015	2014
Occupied buildings	37,334	34,718
Unoccupied buildings	4,922	6,377
Total property management expenses	42,256	41,095

If buildings are partially leased, the property management expenses have been apportioned based on floor area.

Parking fees

(in thousands of euros)	2015	2014
Parking at Amsterdam Airport Schiphol:		
Short-stay parking	48,738	44,061
Long-stay parking	23,496	25,700
Business parking	19,831	18,645
	92,065	88,406
Parking at other locations	16,129	15,283
Intercompany revenue	2,014	1,956
Total parking fees	110,208	105,645

Parking revenues at other locations relate to Rotterdam The Hague, Eindhoven and Lelystad airports and are included in the Domestic Airports segment.

Retail sales

Retail sales generated 28.9 million euros in 2015, of which 3.2 million was realised by Rotterdam The Hague Airport. Of this amount, 25.7 million euros (2014: 82.2 million euros) represents revenue from liquor, tobacco and chocolate sales at Schiphol. The related cost of sales of 13.5 million euros (40.4 million euros in 2014) is presented under operating expenses in 'Cost of contracted work and other external costs'. The decrease in retail sales is caused by the sale of Schiphol's controlling interest on 30 April 2015 to Gebr. Heinemann SE & Co. KG. Schiphol and Heinemann collaborate in a joint venture for the retail operations of liquor, tobacco and confectionary in the shopping behind security filters at Amsterdam Airport Schiphol.

Other activities

(in thousands of euros)	2015	2014
Advertising	16,750	19,065
Services and activities on behalf of third parties	21,716	19,248
Electricity, gas and water	6,417	6,945
Other operating income	48,383	46,387
Intercompany revenue	60,978	59,374
Total other activities	154,244	151,019

2. Other income and results from investment property

(in thousands of euros)	2015	2014
Sales of property	92	3,101
Cost of sales of property	-	-1,918
Result on sale of property	92	1,183
New long leases granted	1,662	-
Fair value adjustments for land	8,850	755
Fair value adjustments for buildings	56,083	-3,137
Total fair value gains and losses	66,595	-2,382
Total other revenues from investment property	66,687	-1,199

Fair value gains and losses

The gains from granting new ground leases were connected with the change in measurement of leasehold land from historical cost to fair value upon release. The market value is calculated by discounting the value of the future annual ground rents and the residual value under the contracts concerned (DCF method), using a discount rate based on the interest rate on Dutch government bonds plus a risk premium.

The fair value of all the investment properties is assessed each year and is adjusted when necessary. This assessment takes into account the lease incentives granted. The resulting adjustments to fair value are included in market value adjustments for land and buildings. The assumptions applied in determining the market value are explained in note 11. *Investment property*.

The fair value adjustment to buildings was 56.1 million euros in 2015. This is attributable to positive market developments and lower vacancy rates regarding logistics property and offices at A locations.

3. Other income

(in thousands of euros)	2015	2014
Result on sale of SAR	49,847	-
Revaluation of AREB	-	30,446
Result on sale of Arlanda	-	5,395
Total other revenues	49,847	35,841

The other income in 2015 includes the one-off effect from the sale of SAR of 49.9 million euros. In 2014 the other income was attributable to the acquisition of the remaining shares in AREB C.V. (30.4 million euros) and the sale of the interest in Arlanda Schiphol Development Company A.B., which generated 5.4 million euros in sales proceeds. See the section on *Changes in the scope of consolidation* for more details.

4. Outsourcing and other external costs

(in thousands of euros)	2015	2014
Cleaning	34,651	31,082
Security	182,670	196,197
Maintenance	101,838	101,696
Other subcontracted activities	108,800	99,369
Energy and water	19,613	21,885
Cost of retail sales	13,521	40,383
Hired temporary staff	31,795	20,206
Commercial expenses	23,951	25,868
Insurance	21,594	20,409
Advisory and audit fees	17,425	14,695
Costs related to investments	14,662	11,865
Other expenses (such as general expenses, rents and leasing)	45,713	46,483
Total cost of outsourced work and other external costs	616,233	630,138

Auditor's fees

(in thousands of euros)	2015	2014
Audit of the financial statements	662	662
Other audit services	531	437
Tax advisory	-	-
Other non-audit services	-	-
Total auditor's fees	1,193	1,099

The auditor's fees concerned activities carried out at Schiphol Group and the consolidated group companies by the audit firm as referred to in Section 1(1) of the Audit Firms Supervision Act and represent the fees charged by the entire network of which the audit firm is part. The fees of KPMG Accountants N.V. amounted to 1.1 million euros (2014: 1.0 million euros) while the activities performed by other members of the KPMG network amounted to 0.1 million euros (2014: 0.1 million euros).

5. Employee benefits

(in thousands of euros)	2015	2015
Short-term employee benefits	147,014	150,748
Post-retirement benefits	21,917	23,361
Other long-term employee benefits	3,553	2,447
Termination benefits	1,665	1,158
Other staff costs	10,546	10,712
Total employee benefits	184,695	188,426

(in thousands of euros) 2015 2014

Short-term employee benefits

Salaries	144,522	146,063
Social charges	14,205	14,879
Internal hours capitalised	-11,713	-10,194

Total 147,014 150,748

Post-retirement benefits

Pension charges (defined contribution plans)	19,098	22,206
Pension charges (defined benefit plans)	-	119
Early retirement benefits	2,819	1,036

Total 21,917 23,361

Other long-term employee benefits

Jubilee benefits	-167	641
Long-term management bonuses	1,180	1,196
Other employee benefits	2,540	610

Total 3,553 2,447

The average number of employees at N.V. Luchthaven Schiphol and its subsidiaries on a full-time equivalent basis was 2,000 (2014: 2,039).

The internal hours capitalised relates to time spent by employees in the development phases of investment projects. Other staff costs include training costs and travel expenses. The costs of post-employment benefits, other long-term employee benefits and redundancy payments are explained in more detail in note 24. *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 section entitled *Related Party Disclosures*.

6. Depreciation, amortisation and impairment

(in thousands of euros)

	2015	2014
Intangible assets		
Contract related assets	1,365	5,441
ICT development	5,464	6,462
Software licences	4,672	5,543
	11,501	17,446
Assets used for operating activities		
Runways, taxiways and aprons	22,588	22,555
Paved areas and roads	12,789	12,207
Buildings	41,633	42,620
Installations	101,449	100,924
Other assets	27,872	28,803
	206,331	207,109
Depreciation and amortisation in relation to disposals	4,964	3,566
Impairments	7,509	4,202
Total depreciation, amortisation and impairments	230,305	232,323

See note 8. *Intangible assets* for information on the amortisation of contract-related assets and note 11. *Investment property* for information on impairments.

7. Other operating expenses

Other operating expenses in 2015 include 2.2 million euros in relation to the pre-opening costs for the newly built Hilton hotel.

Other operating expenses in 2014 included the 7.4 million euro provision relating to an onerous contract. In addition, this item also included a settlement loss of 7.9 million euros in respect of the settlement of a lease that was not in line with current market practice; reference is made to the section on *Changes in the scope of consolidation*

Notes to the statement of financial position

8. Intangible assets

(in thousands of euros)	Goodwill	Contract related assets	ICT development	Software licences	Software under development	Total
Carrying amount as at 31 December 2013	849	-	17,174	14,199	5,817	38,039
Movements in 2014						
Additions	-	-	-	-	12,134	12,134
Completions	-	-	5,172	4,272	- 9,444	-
Amortisation	-	- 5,441	- 6,462	- 5,543	-	- 17,446
Reclassification	-	40,505	-	-	-	40,505
Disposals	-	-	- 109	- 43	-	- 152
Exchange differences	-	1,198	-	-	-	1,198
Reclassification to assets held for sale	-	-	-	- 79	-	- 79
Total movements	-	36,262	- 1,399	- 1,393	2,690	36,160
Analysis as at 31 December 2014						
Cost	849	41,703	65,889	41,380	8,821	158,642
Accumulated amortisation and impairment	-	- 5,441	- 50,114	- 28,574	- 314	- 84,443
Carrying amount as at 31 December 2014	849	36,262	15,775	12,806	8,507	74,199
Movements in 2015						
Additions	-	-	-	-	13,021	13,021
Completions	-	-	5,654	3,617	- 9,271	-
Amortisation	-	- 1,365	- 5,463	- 4,673	-	- 11,501
Impairment	- 849	-	-	-	-	- 849
Reclassification	-	-	- 74	- 506	-	- 580
Disposals	-	-	2	- 2	-	-
Exchange differences	-	4,333	-	-	-	4,333
Total movements	- 849	2,968	119	- 1,564	3,750	4,424
Analysis as at 31 December 2015						
Cost	849	46,036	71,471	44,488	12,571	175,416
Accumulated amortisation and impairment	- 849	- 6,806	- 55,577	- 33,247	- 314	- 96,793
Carrying amount as at 31 December 2015	-	39,230	15,894	11,242	12,257	78,623

The reclassification in 2014 includes the share in JFK IAT (contract-related assets).

ICT application development relates to in-house and external hours charged to ICT projects in the implementation and completion phases. Software licences and software under development relate to third-party packages.

9. Assets used for operating activities

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
Carrying amount as at 31 December 2013	347,525	448,640	776,988	780,884	95,380	2,449,417
Movements in 2014						
Completions	35,981	22,102	26,822	75,088	29,171	189,164
Depreciation	-22,555	-12,207	-42,620	-100,924	-28,803	-207,109
Impairment	-	-	-27	-975	-	-1,002
Disposals	-	-907	-271	-1,544	-691	-3,413
Reclassification	-217	1,311	-	-1,094	-	-
Acquisition AREB C.V.	-	-	54,978	18,325	-	73,303
Reclassification to assets held for sale	-	-	-93	-5	-1,493	-1,591
Total movements	13,209	10,299	38,789	- 11,129	- 1,816	49,352
Analysis as at 31 december 2014						
Cost	730,510	661,440	1,435,167	2,023,152	427,194	5,277,463
Accumulated depreciation and impairment	- 369,776	- 202,501	- 619,390	- 1,253,397	- 333,630	- 2,778,694
Carrying amount as at 31 December 2014	360,734	458,939	815,777	769,755	93,564	2,498,769
Movements in 2015						
Completions	20,805	24,220	304,823	227,408	95,574	672,830
Depreciation	- 22,588	- 12,789	- 41,633	- 101,448	- 27,873	- 206,331
Changes in the consolidation	-	4	7	2	233	246
Disposals	- 49	- 183	- 354	- 3,163	- 1,214	- 4,963
Reclassification	-	- 27,931	-	85	- 2,044	- 29,889
Costprice adjustment	-	-	- 3,265	-	-	- 3,265
Reclassification to assets held for sale	-	- 11,320	- 65,423	- 30,939	- 17,216	- 124,898
Total movements	- 1,832	- 27,999	194,155	91,945	47,460	303,730
Analysis as at 31 December 2015						
Cost	751,266	646,230	1,670,955	2,216,546	502,527	5,787,524
Accumulated depreciation and impairment	- 392,364	- 215,290	- 661,023	- 1,354,845	- 361,503	- 2,985,025
Carrying amount as at 31 December 2015	358,902	430,940	1,009,932	861,700	141,024	2,802,499
During the year, the following projects were completed:						
Central Security Non-Schengen	-	-	192,286	182,259	8,213	382,758
Hilton Hotel	-	8,297	65,423	30,939	17,216	121,875
Major maintenance Zwanenburg runway	8,973	2,180	-	1,397	-	12,550
Electric buses	-	-	-	-	8,714	8,714
Other	11,832	13,743	47,114	12,813	61,431	146,933
Total completions	20,805	24,220	304,823	227,408	95,574	672,830

10. Assets under construction or development

(in thousands of euros)		Assets under construction for operating activities
Carrying amount as at 31 December 2013		256,970
Movements in 2014		
Capital expenditure		376,723
Capitalised construction period borrowing cost		4,748
Completed assets and investment property		- 189,164
Reclassification		6,947
Total movements		199,254
Carrying amount as at 31 December 2014		456,224
Movements in 2015		
Capital expenditure		406,860
Capitalised construction period borrowing cost		5,650
Completed assets and investment property		- 672,830
Reclassification		15,521
Total movements		- 244,799
Carrying amount as at 31 December 2015		211,425
Capital expenditures relate to the following projects:		
Central security non-Schengen		195,495
Major maintenance		35,234
Construction Hilton Hotel		27,064
Redevelopment Lounge 2		18,695
Gate proces innovation		9,360
Other		121,012
Total capital expenditures in the year		406,860

The capitalisation of construction period interest is calculated by applying a percentage rate determined quarterly according based on the leverage ratio. In 2015, the rate varied between 2.0 and 2.2% per annum reflecting that ratio.

11. Investment property

(in thousands of euros)

	Buildings	Land	Assets under construction	Total
Carrying amount as at 31 December 2013	625,534	349,324	93,909	1,068,767
Movements in 2014				
Capital expenditure	-	-	7,157	7,157
Capitalised construction borrowing cost	-	-	323	323
Completions	6,546	-17	-6,529	-
Acquisition of AREB C.V.	221,602	-	-	221,602
Fair value gains and losses	-3,137	755	-	-2,382
Impairments	-	-	-3,200	-3,200
Sales	-	-	-1,918	-1,918
Reclassification	-	-	-6,947	-6,947
Total movements	225,011	738	-11,114	214,635
Carrying amount as at 31 December 2014	850,545	350,062	82,795	1,283,402
Movements in 2015				
Capital expenditure	-	-	18,763	18,763
Capitalised construction borrowing cost	-	-	18	18
Completions	4,827	-1,307	-3,520	-
Fair value gains and losses	56,083	10,512	-	66,595
Impairments	-	-	-6,660	-6,660
Reclassification	1,126	22,306	-9,064	14,368
Other	271	-	404	675
Total movements	62,307	31,511	-59	93,759
Carrying amount as at 31 December 2015	912,852	381,573	82,736	1,377,161
Measured at				
Cost model	-	-	82,736	82,736
Fair value model	912,852	381,573	-	1,294,425

Investment property under construction

Assets under construction for the development of investment properties mainly consist of land positions held for future investment property development or land with undetermined future use (operational or commercial development). The plans for development are subjected to annual changes and are therefore inadequate to determine the fair value on a continuing basis. This category is therefore measured in accordance with the cost model.

The impairment of 6.7 million euros in 2015 relates to an impairment on land positions at Schiphol-East of 3.6 million euros (2014: 3.2 million euros) and Nieuwe Meer for 3.1 million euros.

Buildings and land positions

Investment properties consist of buildings and land. All properties are measured at fair value. The fair value is based on the market value (costs payable by the buyer, so adjusted for purchase costs, such as transfer tax), that is, the estimated amount for which investment

property can be sold on the valuation date between a buyer and a seller willing to do business in an arm's length, objective transaction preceded by proper negotiations in which the parties were well informed. The calculation of the cash flows, which is a factor in determining the fair value at which investment property is stated in the balance sheet, takes into account the lease incentives given.

As at 31 December 2015, 100% of the buildings and 39% of land is appraised by independent external valuers. The remaining fair value of land is based on internal valuations with reference to externally validated input variables.

Buildings includes an amount of 107 million euro (31 December 2014: 88.4 million euros) in respect of the fair value of assets (The Base) where the company has the risks and rewards incidental to ownership but no legal title (finance lease). Land includes land leased under long-lease contracts.

Details of the result on property sales and fair value gains and losses on investment property can be found in note 2. *Other income and results from investment property*. Further information on the acquisition of the investment property in 2014 can be found in *Changes in the scope of consolidation* under the section entitled 'Acquisition of AREB C.V.'.

All investment property classifies as a level 3 valuation. The Valuers and Accountants Platform (Platform Taxateurs en Accountants (PTA)) compiled 28 recommendations to promote the quality and transparency of appraisals. Our external valuers fully complied with all the for them necessary recommendations in 2015. In October 2015 the Dutch Register of Real Estate Valuers (Nederlands Register Vastgoed Taxateurs (NRVT)) was established, with the task to increase and maintain the quality of valuers. The AFM regards the NRVT as the new market standard for valuers to comply with. These standards are based on IFRS, international valuation guidelines and best practices of PTA. All our valuers are NVRT members.

Valuation method for buildings

The valuation method used is a combination of the net initial yield (NIY) method and the discounted cash flow method (DCF). The NIY method uses a net market rent which is capitalised with a NIY and is adjusted with all elements that differ from the market assumptions. The NIY is determined on the basis of comparable market transactions supplemented with market and object-specific knowledge. Deviating assumptions include contractual rent, vacancy information, deferred maintenance and rent holidays. The DCF method estimated net cash flows are discounted at a risk-adjusted discount rate which includes specific object and location assumptions.

Significant assumptions for buildings

	Average effective contractual rental income per m2		Average market rent per m2		Average net initial yield	
	2015	2014	2015	2014	2015	2014
Schipho-Centre						
Offices	291	250	321	298	5.96%	6.50%
Business premises	n/a	n/a	n/a	n/a	n/a	n/a
Schiphol-North/East						
Offices	137	140	160	167	8.04%	8.00%
Business premises	118	114	98	100	7.20%	7.73%
Schiphol-Southeast						
Offices	112	109	167	166	9.38%	9.15%
Business premises	130	128	112	113	6.36%	7.01%
Schiphol-South						
Offices	157	160	156	156	7.00%	7.85%
Business premises	100	98	100	101	6.79%	6.97%
Rotterdam The Hague Airport						
Offices	163	155	166	159	7.82%	7.96%
Business premises	49	46	82	95	7.21%	7.91%

The significant assumptions used in the valuation model comprise:

- an inflation development between 1.40% and 1.90%;
- an average market rent development between 0% and 1.75%;
- an average period of vacancy of 11.4 months;
- an average rent holiday of 8.8 months;
- and a net initial yield between 5.45% and 11.40%.

Relationship between significant unobservable input and fair value determination

The estimated fair value will increase or decrease to the extent that the expected market rent growth is higher (lower), the periods of vacancy are longer (shorter), the occupancy rate is lower (higher), the rent holidays are shorter (longer) and the NIY is higher (lower).

Valuation method for land

For land positions that generate revenues through ground rent, the valuation technique used is the DCF method. The estimated net cash flows are discounted with a risk-adjusted rate plus risk surcharges.

Land positions that are leased out for long periods and whose instalments are prepaid are measured at:

- the prepaid instalment minus an annual redemption;
- the annual redemption is equal to the total instalment divided by the lease period plus the discounted value of the estimated instalment for the next lease period.

Significant assumptions used in the valuation model are:

	Land	
	2015	2014
Inflation rate	0.60% - 1.90%	0.90% - 2.10%
Discount rate	6.75% - 8.25%	6.85% - 8.20%

12. Income tax in the financial statements

This note contains further details on all the items of the financial statements with regard to income tax. This tax can be divided into income tax recognised in the statement of income, deferred taxes

recognised in the statement of financial position, current tax positions in the statement of financial position and income tax recognised in equity.

Reconciliation of effective tax rate

(in thousands of euros)

	2015		2014	
Profit before tax	476,866		344,865	
Income tax calculated at the domestic tax rate	119,217	25.0%	86,216	25.0%
Results of associates	- 15,118	-3.2%	- 7,205	-2.1%
Results of associates in limited partnerships that are not independently taxable	972	0.2%	- 1,926	-0.6%
Participation exemption on disposal of subsidiaries	- 12,462	-2.6%	- 1,349	-0.4%
Participation exemption on RPS dividend	-	0.0%	- 1,539	-0.4%
Different rate for foreign subsidiaries / associates	1,765	0.4%	426	0.1%
Tax losses for which no deferred tax asset has been recognised	1,838	0.4%	2,299	0.7%
Change in recognised temporary differences	2,199	0.5%	-	0.0%
Tax gain previous years	181	0.0%	- 6,607	-1.9%
Other	- 82	0.0%	966	0.3%
Income tax expense in profit or loss (effective)	98,510	20.7%	71,281	20.7%

The effective income tax rate in 2015 of 20.7% is unchanged compared to the 2014 rate. Both are lower than the standard domestic income tax rate of 25%. The lower tax burden in both years is mainly attributable to the application of the participation exemption on the results of associates. Also two one-off results contributed to a lower tax burden; the results on the sale of SAR in 2015 for 50 million euros and the sale of Arlanda in 2014 for 5 million euros are exempt. Without these participation exemptions the tax burden for 2015 amounted to 26% (2014: 24%).

The tax burden is increased due to non-offsettable income tax on impairment losses of 8 million euros (2014: 9 million euros) which originated in Italian companies, among others. The amount in offsettable losses for which no deferred tax asset is recognised is 28 million euros (2014: 21 million euros).

Income tax in the statement of income

(in thousands of euros)

	2015	2014
Current income tax		
Income tax current year	79,103	74,896
Tax gain prior year RPS case	-	-6,031
Adjustment for prior years	182	-576
Total current income tax	79,285	68,289
Deferred income tax		
Origination and reversal of temporary differences	19,225	2,992
Total deferred income tax	19,225	2,992
Total income tax	98,510	71,281

(in thousands of euros)

	The Netherlands		The United States		Italy		Total	
Profit before tax	475,709		8,459		- 7,302		476,866	
Income tax calculated at the nominal rate	118,927	25.0%	3,880	45.9%	- 2,293	31.4%	120,515	25.3%
Results of associates	- 14,146	-3.0%	-	0.0%	-	0.0%	- 14,146	-3.0%
Participation exemption on disposal of subsidiaries	- 12,462	-2.6%	-	0.0%	-	0.0%	- 12,462	-2.6%
Tax losses for which no deferred tax asset has been recognised	-	0.0%	-	0.0%	2,293	-31.4%	2,293	0.5%
Change in recognised temporary differences	-	0.0%	2,199	26.0%	-	0.0%	2,199	0.5%
Tax results from previous years	182	0.0%	-	0.0%	-	0.0%	182	0.0%
Other	474	0.1%	- 544	-6.4%	-	0.0%	- 70	0.0%
Income tax expense in profit or loss (effective)	92,975	19.5%	5,535	65.4%	-	0.0%	98,510	20.7%

(in thousands of euros)

	The Netherlands		The United States		Italy		Total	
Profit before tax	349,800		4,661		- 9,596		344,865	
Income tax calculated at the nominal rate	87,450	25.0%	2,138	45.9%	- 3,013	31.4%	86,576	25.1%
Results of associates	- 9,131	-2.6%	-	0.0%	-	0.0%	- 9,131	-2.6%
Participation exemption on disposal of subsidiaries	- 1,349	-0.4%	-	0.0%	-	0.0%	- 1,349	-0.4%
Participation exemption on RPS dividend	- 1,539	-0.4%	-	0.0%	-	0.0%	- 1,539	-0.4%
Tax losses for which no deferred tax asset has been recognised	55	0.0%	-	0.0%	3,013	-31.4%	3,068	0.9%
Tax results from previous years	- 6,607	-1.9%	- 546	-11.7%	-	0.0%	- 7,153	-2.1%
Other	810	0.2%	-	0.0%	-	0.0%	810	0.2%
Income tax expense in profit or loss (effective)	69,689	19.9%	1,592	34.2%	-	0.0%	71,281	20.7%

Deferred tax in the statement of financial position

Schiphol Group has been subject to income tax since 1 January 2002. The following differences in valuation for tax and reporting purposes can be distinguished:

- Assets used for operating activities and assets under construction are measured at cost both for reporting purposes and for tax purposes. 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.
- For tax purposes, the depreciation of both commercial buildings and operational buildings is limited 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.
- Property investments are depreciated for tax purposes (with a residual value of 25%) but not for reporting purposes.
- Borrowings in foreign currencies are measured at the closing rates on the balance sheet date for commercial purposes and at cost at the rate applicable at the time of borrowing for tax purposes.
- The valuation of employee benefits is different for tax purposes and reporting purposes because of differences in the actuarial assumptions applied.
- Property investments and derivative financial instruments are measured at fair value for reporting purposes and at cost for tax purposes.
- The valuation of the contractual interest in JFK IAT is different for tax purposes (measured at cost) and commercial purposes (revalued at the time of expansion).

Deferred tax assets and liabilities are recognised in respect of all these differences.

Under IAS 12, Income Taxes, a deferred tax asset has to be recognised if it is probable that sufficient taxable profit will be available against which the deductible temporary difference can be utilised. However, it is impossible to estimate the moment when the deferred tax assets relating to certain operating assets (83.3 million euros) will be realised because the difference in the values for reporting and tax purposes will be realised only in the event of a sale (resulting in a lower profit for tax purposes and a lower income tax liability), impairment (resulting in higher costs for tax purposes and a lower income tax liability) or termination of the aviation activities (resulting in higher costs for tax purposes because compensation will only be obtained up to the carrying amount for reporting purposes). Schiphol Group is not authorised to sell the land for operating activities, forecasts of future cash flows do not suggest that impairment losses will be necessary and it is unlikely that the activities will be terminated.

Deferred tax assets and liabilities are netted if they relate to the same fiscal unity and the company at the head of this fiscal unity has a legally enforceable right to do so.

(in thousands of euros)

2015

2014

Deferred tax assets (fiscal unity)		
Assets used for operating activities	147,660	134,861
Assets under construction or development	55,876	70,357
Derivative financial instruments and borrowings	25,013	8,906
Employee benefits	5,709	5,610
Investment property	-41,278	-21,700
	192,980	198,034
Deferred tax assets (outside fiscal unity)		
Investment property	350	-
Deferred tax liabilities (outside fiscal unity)		
Contract related assets	-20,789	-16,065
Investment property	-315	-304
Derivative financial instruments and borrowings	-1,561	-
	-22,666	-16,369
Total deferred tax	170,664	181,665
Non-current (settlement is not expected)	83,274	83,274
Non-current (expected to be recovered or settled after more than 1 year)	84,868	97,547
Current (expected to be recovered or settled within 1 year)	2,522	844
	170,664	181,665

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 activities	Assets under construction or development	Investment property	Derivative financial instruments	Employee benefits	Contract related assets	Total
Carrying amount as at 31 December 2013	143,498	66,052	- 24,234	10,572	3,944	- 14,134	185,698
Movements in 2014							
Deferred tax recognised in the income statement	- 1,067	-	- 2,226	-	393	- 92	- 2,992
Deferred tax recognised in equity	-	-	-	- 1,728	1,223	-	- 505
Reclassification	- 7,570	4,305	4,456	62	50	-	1,303
Other movements	-	-	-	-	-	- 1,839	- 1,839
Total movements	- 8,637	4,305	2,230	- 1,666	1,666	- 1,931	- 4,033
Carrying amount as at 31 December 2014	134,861	70,357	- 22,004	8,906	5,610	- 16,065	181,665
Movements in 2015							
Deferred tax recognised in the income statement	-	1,665	- 18,516	- 52	467	- 2,789	- 19,225
Deferred tax recognised in equity	-	-	-	- 6,245	- 321	-	- 6,566
Reclassification	11,826	- 16,146	- 724	20,843	- 47	-	15,752
Assets held for sale	973	-	-	-	-	-	973
Other movements	-	-	-	-	-	- 1,935	- 1,935
Total movements	12,799	- 14,481	- 19,240	14,546	99	- 4,724	- 11,001
Carrying amount as at 31 December 2015	147,660	55,876	- 41,244	23,452	5,709	- 20,789	170,664

In 2014 the tax effect on the settlement of hedge transactions was estimated as a current tax position. Based on the filed tax return over 2014 these tax effects were qualified as temporary differences and therefore reclassified from current to the deferred tax position.

Income tax recognised in equity

The tax effects of the movements in equity, via comprehensive income, are as follows:

(in thousands of euros)	Before tax	Deferred tax	Current tax	After tax
Exchange differences	3,310	-	-	3,310
Changes in fair value on hedge transactions	22,920	-6,245	-	16,675
Remeasurements of defined benefit liability	1,284	-321	-	963
Share in other comprehensive income of associates	2,421	-	-	2,421
Total unrealised 2015	29,935	-6,566	-	23,369
Exchange differences	7,723	-	-	7,723
Changes in fair value on hedge transactions	-3,314	-1,728	22,352	17,310
Remeasurements of defined benefit liability	-4,893	1,223	-	-3,670
Share in other comprehensive income of associates	-15,990	-	-	-15,990
Total unrealised 2014	-16,474	-505	22,352	5,373

Current income tax positions

(in thousands of euros)	2015	2014
Income tax receivable		
Fiscal unity	3,293	20,683
Dutch subsidiaries outside the fiscal unity	-	66
Total income tax receivable	3,293	20,749
Income tax liability		
Dutch subsidiaries outside the fiscal unity	-253	-
Income tax in foreign jurisdictions	-130	-1,374
Total income tax liability	-383	-1,374
Total income tax	2,910	19,375

The 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 income tax liability on fair value gains and losses which are not processed immediately in the income tax return is recognised in deferred tax assets and liabilities. Of the income tax receivable recognised in the balance sheet at 31 December 2015 with regard to the fiscal unity, an amount of -0.3 million euros relates to 2015 and 5.2 million euros to 2014. The 2014 income tax return for the N.V. Luchthaven Schiphol fiscal unity has been discussed with the tax inspector and recognised accordingly in these financial statements. Final tax assessments have been imposed and settled for the tax years prior to 2014. The foreign income tax payable relates to local American taxes.

Differences between the income tax paid according to the cash flow statement and the income tax recognised in the statement of income 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.

13. Associates and joint ventures

(in thousands of euros)

	2015	2014
Investments in associates	784,001	748,238
Investments in joint ventures	73,813	48,684
Balance 31 December	857,814	796,922

Associates

(in thousands of euros)

	2015	2014
Carrying amount as at 1 January	748,238	780,141
Movements in the year		
Result for the year	58,454	36,424
Dividends	- 24,815	- 18,367
Sales	-	- 448
Capital contributions	214	305
Share of OCI	2,420	- 15,990
Reclassification	-	- 40,505
Exchange differences	- 510	6,678
Total movements in the year	35,763	- 31,903
Carrying amount as at 31 December	784,001	748,238

Associates

(in millions of euros)

	Aéroports de Paris		Brisbane Airport ¹	
	2015	2014	2015	2014
Income statement				
Revenues	2,916	2,791	407	403
Interest income and expenses	106	115	88	100
Depreciation, amortisation and impairments	456	445	67	56
Result from discontinued operations	-	-	-	-
Income tax	256	210	46	25
Result from continuing operations	431	402	152	82
Other comprehensive income	30	- 43	30	-
Financial position				
Fixed assets	7,977	7,780	2,767	2,495
Current assets	729	725	55	67
Cash and cash equivalents	1,729	1,266	23	27
Non-current liabilities	5,253	4,843	2,404	2,243
Current liabilities	1,056	969	172	134
Equity	4,126	3,980	269	212
Group's share % of equity	330	318	50	40
Goodwill	244	244	34	34
Other adjustments	57	55	9	- 1
Carrying amount as at 31 December	631	617	93	73

¹ Based on the financial statements as of June 30, 2015

The carrying amount of the associates at 31 December 2015 includes 244 million euros of goodwill relating to Aéroports de Paris and 34 million euros relating to Brisbane Airports Corporation Ltd.

Schiphol has two material associates:

	2015	2014
Aéroports de Paris S.A. (ADP) Paris	8%	8%
Brisbane Airport Corporation Holdings Ltd. (BACH) Brisbane	18.72%	18.72%

Schiphol Group has significant influence over both ADP and BACH, even though its indirect interest is smaller than 20%. In Brisbane, this influence is expressed in the form of rights to appoint members of the Board of Directors, rights to block key strategic and financial decisions and cooperative and exchange arrangements. Where ADP is concerned, the parties hold shares in each other, both the CEO and the CFO of Schiphol Group are members of the Board of Directors, ADP has a representative in Schiphol Group's Supervisory Board and a long-term cooperation agreement is in place providing for cooperation in various areas. Below is a breakdown of the assets and liabilities, as well as a reconciliation with the recognition in Schiphol Group's financial statements. The accounting policies applied are based on the Schiphol Group's accounting policies, or figures have been adjusted where necessary.

The share in the results of associates in 2015 includes a contribution of 20.2 million euros from BACH (2014: 11.0 million euros). This result was affected primarily by the positive developments of 1.4 million euros in BACH's derivatives portfolio in 2015 (in 2014 this

was still a negative contribution of 7.0 million euros) caused by derivative positions relating to the funding of the investment of an additional runway. There are no early settlements or early payment obligations for these derivatives. From 1 July 2014, BACH applies hedge accounting to these derivative positions.

ADP's contribution to Schiphol Group's financial result for 2015 was an income of 36.3 million euros (income of 26.2 million euros in 2014). The other adjustments relate primarily to the differences in the accounting policies in respect of property. The fair value of ADP, derived from the market price of the share at 31 December 2015, is 10.6 billion euros (31 December 2014: 9.9 billion euros). Schiphol Group's share in this is 849 million euros (31 December 2014: 792 million euros).

Schiphol Group is not directly liable for other material obligations of associates.

Joint Ventures

(in thousands of euros)	2015	2014
Carrying amount as at 1 January	48,684	90,354
Movements in the year		
Result for the year	2,021	- 9,064
Dividends	- 831	- 1,144
Acquisition of SAR B.V.	22,370	34
Sales	-	- 89
Capital contributions	1,309	1,137
Revaluation of AREB C.V.	-	30,446
Acquisition of AREB C.V.	-	- 64,802
Exchange differences	-	-422
Other	260	1,390
Total movements in the year	25,129	- 41,670
Carrying amount as at 31 December	73,813	48,684

In 2015 Schiphol Group acquired a 40% interest in the joint-venture of Schiphol Airport Retail B.V. for 22.4 million euros. This acquisition was a result of the sale of 60% by Schiphol and the subsequent loss of control of its subsidiary. For more detailed information see *Changes in the scope of consolidation*. Schiphol Group entered into a concession agreement with SAR for a period of ten years. After this period the concession for operating these shops will return to Schiphol. The revenues for this concession agreement, after the disposal of 60% in SAR, amount to 21.1 million euros in 2015.

The interest in the joint venture with Arlanda was sold in 2014 and is therefore no longer presented under joint ventures. At year-end 2015, there are no material joint ventures that are stated separately. The outstanding loans to associates and joint ventures as at 31 December 2015 amount to 76.0 million euros. A complete list

of associates and joint ventures has been filed with the Amsterdam Chamber of Commerce.

Schiphol Group owns a 25% interest in the land development company Schiphol Area Development Company N.V. (SADC), whose object is to develop business locations and support infrastructure projects around Amsterdam Airport Schiphol. SADC owns 33.33% interests in GEM A4 Zone West C.V. and in GEM Badhoevedorp Zuid C.V. Apart from this indirect interest of 8.33%, Schiphol Group owns direct interests of 33.33% in both C.V.s. The land positions included in these C.V.s were impaired by 15.8 million euros. This negative result is recognised under 'Share in results of associates'. In 2015 no further impairments were recognised on these land positions.

Details on the acquisition of AREB C.V. in 2014 are included in *Changes in the scope of consolidation*.

14. Loans to associates

(in thousands of euros)	2015	2014
Carrying amount as at 1 January	60,511	59,543
Movements in the year		
Accrued interest	6,146	5,582
Exchange differences hedging transactions	1,816	2,623
Other exchange differences	- 1,877	141
Dividend received	-	- 7,378
Total movements in the year	6,085	968
Carrying amount as at 31 December	66,596	60,511

The loans to associates relate exclusively to the Redeemable Preference Shares in Brisbane Airport Corporation Holdings Ltd (BACH) held by Schiphol Group, which carry entitlement to a cumulative dividend. The maturity date of this loan is formally 30 June 2022. Under the contractual terms the Redeemable Preference Shares of AUD 99 million (66.6 million euros including accumulated dividend) are classified as a long-term loan to an associate and the dividend on these shares is treated as financial income. In 2015 Schiphol did not receive any proceeds on this loan. The issued debt of BACH is rated BBB.

The currency risk relating to the nominal value of this long-term loan and the accrued interest is hedged by annual forward transactions which hedge the Australian dollar position against euros. All hedging transactions are accounted for as cash flow hedges while the exchange differences relating to part of the loan and the accrued interest that is not hedged and the period between the successive annual forward transactions are recognised in the income

statement. Other exchange differences are recognised in the reserve for hedging transactions through other comprehensive income.

The fair value of the loans to associates at 31 December 2015 is 70 million euros (AUD 105 million) and the effective interest rate is 10%. 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.

15. Non-current receivables

(in thousands of euros)	2015	2014
Loans to third parties	883	1,018
Derivatives	13,895	-
Loans to associates	8,782	9,491
Purchased long leases	3,384	3,141
Lease incentives	26,204	29,842
Prepayments on fixed assets	5,460	213
Total other non-current receivables	58,608	43,705
(in thousands of euros)	2015	2014
Carrying amount as at 1 January	9,491	10,128
Movements in the year		
Redemptions	-709	-637
Total movements in the year	-709	-637
Carrying amount as at 31 December	8,782	9,491

The current portion of the loans to associates, amounting to 0.6 million euros (31 December 2014: 2.4 million euros), is presented under current assets. The loans to associates include a loan of 5.7 million euros to SRE Altaï, which is a joint venture with ADP involving collaboration in the area of property development. The remaining loans to associates were provided to Villa Carmen B.V. and EnergyGrounds B.V. for 3.3 million euros and 0.4 million euros respectively.

Purchased long leases are the rent instalments which Schiphol Group paid in advance in respect of land acquired on a long lease.

Lease incentives are the cost of benefits which Schiphol Group granted tenants at the start of their lease. These are charged to the income statement over the term of the underlying contracts. The existence of lease incentives is taken into account in establishing the cash flows underlying the determination of the fair value of property.

For information of derivatives, see note 29. *Management of financial risks and financial instruments*.

16. Assets and liabilities held for sale

In december 2015, management committed to a plan to sell the hotel activities of SHH B.V. including the related assets and liabilities. These activities are part of the Real Estate segment included in the Real Estate business area. Management has the intention to sell 100% of the shares at a short notice and expects to finalise this transaction in the first six months of 2016.

In 2014 the assets and liabilities of SAR were presented as held for sale and 60% were sold in 2015. More details on this transaction are included in the section on *Changes in the scope of consolidation*.

(in thousands of euros)	2015	2014
Intangible fixed assets	-	79
Assets used for operating activities	124,898	1,591
Inventories	-	7,616
Cash and cash equivalents	3,263	5,590
Trade and other receivables	7,325	2,540
Assets held for sale	135,486	17,416
Non-current liabilities	-	104
Deferred tax liability	973	-
Trade and other payables	10,845	7,009
Liabilities held for sale	11,818	7,113

The assets and liabilities held for sale are measured at carrying value, because the fair value less costs to sell is not lower than this carrying value.

17. Trade and other receivables

(in thousands of euros)	2015	2014
Trade receivables	92,247	98,843
Accrued income	37,291	30,315
Value-added tax	12,497	17,017
Prepayments	11,855	11,565
Inventories	2,319	2,279
Lease incentives	7,441	7,670
Receivable from associates	82	21
Cash equivalents	40,000	-
Other receivables	22,049	34,855
Total trade and other receivables	225,781	202,565

As in the previous year, other receivables include an amount of 19.0 million euros which Schiphol Group paid to Chipshol.

18. Cash and cash equivalents

Cash and cash equivalents were 394.0 million euros at 31 December 2015 (31 December 2014: 177.7 million euros), including deposits of 160 million euros with original maturities of between one and four months (31 December 2014: 90.4 million euros). The average interest rate on these deposits as at 31 December 2015 is 0.09% (31 December 2014: 0.11%). Cash and cash equivalents are freely available.

19. Issued share capital

The authorised share capital as at 31 December 2015 is 142,960,968 euros divided into 300,000 class A shares and 14,892 class B shares, with a nominal value of 454 euros each. 171,255 of the class A shares and 14,892 of the class B shares have been issued.

The class A and class B shares carry the same rights, except for the right to amend the Articles of Association. An amendment to the Articles of Association can only be adopted at a General Meeting of Shareholders at which all the class A shares in issue are represented, by a majority of at least four/fifths of all the votes cast. The General Meeting of Shareholders may resolve to withdraw all the class B shares in issue by an absolute majority of the votes cast.

The shareholders' interests are as follows:

	(number)	(in EUR 1,000)	(in %)
Shareholder:			
State of the Netherlands	129,880	58,966	69.77%
Municipality of Amsterdam	37,276	16,923	20.03%
Aéroports de Paris	14,892	6,761	8.00%
Municipality of Rotterdam	4,099	1,861	2.20%
Total	186,147	84,511	100%

There were no changes in the issued share capital in 2015.

20. Retained profits

On a resolution proposed by the Management Board and approved by the Supervisory Board, the General Meeting of Shareholders voted to declare a dividend of 138.5 million euros over 2014. This amount was deducted from retained earnings when paid in 2015. The dividend for 2013, which amounted to 135.3 million euros, was paid out and deducted from retained earnings in 2014.

The net result for 2015 was added to retained earnings, which, at 31 December 2015, therefore included the proposed dividend distribution for 2015, as detailed in the section entitled *Proposed profit appropriation*. The proposed dividend is 187 million euros or 1,006 euro per share.

21. Other reserves

(in thousands of euros)	Exchange differences reserve	Hedge reserve	Share in OCI of associates	Actuarial gains and losses	Total
Balance as at 31 December 2013	2,759	- 110,617	- 242	- 3,674	- 111,774
Movements in 2014					
Exchange differences	7,723	-	-	-	7,723
Exchange differences on hedged borrowings	-	455	-	-	455
Deferred tax on fair value changes on hedged borrowings	-	- 114	-	-	- 114
Exchange differences on hedged loans to associates	-	2,623	-	-	2,623
Fair value movements on derivative financial instruments	-	811	-	-	811
Deferred tax on fair value movements on derivative financial instruments	-	- 185	-	-	- 185
Recycling of cash flow hedges to profit and loss	-	10,747	-	-	10,747
Deferred tax on recycling of cash flow hedges	-	- 2,250	-	-	- 2,250
Settlement of hedge transactions	-	- 17,950	-	-	- 17,950
Tax effect on hedge settlement	-	23,173	-	-	23,173
Other comprehensive income associates	-	-	- 15,990	-	- 15,990
Reclassification	123	-	- 123	-	-
Actuarial gains and revaluations	-	-	-	- 4,893	- 4,893
Tax effect on actuarial results	-	-	-	1,223	1,223
Total movements in the year	7,846	17,310	- 16,113	- 3,670	5,373
Balance as at 31 December 2013	10,605	- 93,307	- 16,355	- 7,344	- 106,401
Movements in 2015					
Exchange differences	3,310	-	-	-	3,310
Exchange differences on hedged borrowings	-	- 15,628	-	-	- 15,628
Deferred tax on fair value changes on hedged borrowings	-	3,907	-	-	3,907
Exchange differences on hedged loans to associates	-	1,816	-	-	1,816
Fair value movements on derivative financial instruments	-	31,174	-	-	31,174
Deferred tax on fair value movements on derivative financial instruments	-	- 7,794	-	-	- 7,794
Recycling of cash flow hedges to profit and loss	-	9,725	-	-	9,725
Deferred tax on recycling of cash flow hedges	-	- 2,358	-	-	- 2,358
Settlement of hedge transactions	-	- 4,167	-	-	- 4,167
Other comprehensive income associates	-	-	2,421	-	2,421
Actuarial gains and revaluations	-	-	-	1,284	1,284
Tax effect on actuarial results	-	-	-	- 321	- 321
Total movements in the year	3,310	16,675	2,421	963	23,369
Balance as at 31 December 2015	13,915	- 76,632	- 13,934	- 6,381	- 83,032

Exchange differences reserve

The exchange differences reserve recognises exchange differences arising on the translation of the net investments in subsidiaries, joint ventures and associates outside the euro zone.

Hedging transactions reserve

This reserve recognises movements in the fair value of derivative financial instruments used in cash flow hedges, net of deferred tax assets and liabilities. It also includes the differences arising on the translation of loans at closing rates. In both cases, recognition in the hedging transactions reserve requires that the hedge is determined

to be highly effective. Further information on the restrictions on the distribution of reserves can be found in note 32. *Shareholders' equity* in the company balance sheet. The tax effects of the movements in equity, via other comprehensive income, are explained in note 12. *Income tax in the financial statements* in the financial statements.

In the hedging reserve the following hedging instruments and relationships are recognised. The impact on the income statement is stated in the table below.

(in EUR 1.000)	Total 2015	recycling			
		< 1 year	> 1 year	> 1 and < 5 year	> 5 year
Forward Starting Rate Swap - refinancing 2013/2014	-55,694	-7,077	-48,617	-28,307	-20,310
Lehman derivative - settlement 2008	-6,566	-291	-6,275	-1,163	-5,112
Exchange difference on hedged YEN loan	-24,846	-	-24,846	-	-24,846
CCIRS derivative hedge Yen loan	10,421	-	10,421	-	10,421
AUD derivative	124	124	-	-	-
Other	-71	-71	-	-	-
Total	-76,632	-7,315	-69,317	-29,470	-39,847

(in EUR 1.000)	Total 2014	recycling			
		< 1 year	> 1 year	> 1 and < 5 year	> 5 year
Forward Starting Rate Swap - refinancing 2013/2014	-62,770	-7,077	-55,693	-28,307	-27,387
Lehman derivative - settlement 2008	-6,856	-291	-6,566	-1,163	-5,403
Exchange difference on hedged YEN loan	-13,125	-	-13,125	-	-13,125
CCIRS derivative hedge Yen loan	-10,917	-	-10,917	-	-10,917
AUD derivative	433	433	-	-	-
Other	-71	-71	-	-	-
Total	-93,307	-7,006	-86,301	-29,470	-56,831

22. Non-controlling interests

Non-controlling interests at 31 December 2015 represent the shares of third parties in the net assets of the group company Eindhoven Airport N.V. An abridged balance sheet for this company is presented under *Subsidiaries*.

23. Borrowings

(in thousands of euros)	Carrying amount		Fair value		Year of maturity	Interest rate	
	2015	2014	2015	2014			
EMTN programme	1,249,739	932,559	1,415,395	1,114,729	2016-2038	0,31%-5,16%	
Namensschuldverschreibung	24,720	24,681	32,306	33,407	2023	5.07%	
Schuldschein	194,501	194,255	215,136	224,198	2016-2019	5,16%-5,75%	
European Investment Bank	509,500	518,500	563,305	587,545	2024-2031	2,12%-3,95%	
KfW IPEX-bank	99,697	99,659	110,727	113,319	2024	2.80%	
Other borrowings	53,272	35,663	53,272	35,663			
Total	2,131,429	1,805,317	2,390,141	2,108,861			

(in thousands of euros)	Face value	Carrying amount		Fair value		Year of maturity	Interest rate	Currency
		2015	2014	2015	2014			
XS0495479555	50,000	49,988	49,972	52,232	54,261	2016	4.46%	EUR
XS0459479472	15,000	14,993	14,979	15,642	16,224	2016	4.28%	EUR
XS0167622454	30,000	29,983	29,976	34,427	35,585	2018	5.16%	EUR
XS0459479399	50,000	49,922	49,902	58,820	60,498	2019	4.94%	EUR
XS0459442710	85,000	84,935	84,918	100,088	102,969	2019	4.97%	EUR
XS1050663506	80,000	79,991	79,979	80,424	80,511	2016	0.67%	EUR
XS0621167732	438,447	419,311	415,723	517,788	531,398	2021	4.43%	EUR
XS0378569247	20,000,000	152,881	137,242	173,742	152,458	2038	3.16%	JPY
XS0983151282	40,000	39,934	39,928	45,211	46,471	2025	3.08%	EUR
XS0997565436	30,000	29,944	29,940	33,448	34,354	2025	2.94%	EUR
XS1301052202	300,000	297,857	-	303,573	-	2026	2.00%	EUR
EMTN programme		1,249,739	932,559	1,415,395	1,114,729			

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. For loans that are actively traded in a public market the quoted prices are used to calculate the fair value.

Schiphol Group has a Euro Medium Term Note (EMTN) programme, making it possible at present to raise funds of up to 2.0 billion euros as required, provided the prospectus is updated annually. The prospectus was updated in 2015. In 2015 Schiphol substituted the EMTN programme from Schiphol Nederland B.V. to N.V. Luchthaven Schiphol. The covenants of the EMTN programme provisions that a 'change of control' in combination with a 'downgrade below investment grade' triggers early redemption.

At year-end 2015, borrowings under the programme totalled 1,250 million euros (31 December 2014: 932.6 million euros). Under the EMTN programme, Schiphol Group could be obliged to redeem the notes prematurely in the event of specific circumstances commonly stipulated for this type of instrument. There was no obligation to do so in 2015. During the year one so-called private placement was effected under the EMTN programme for 300 million euros with a maturity period of 11 years.

In addition to the existing EMTN programme, Schiphol Group has a Euro-Commercial Paper (ECP) programme with a limit of EUR 750 million. On 31 December 2015, no short-term loans were outstanding under this programme.

Schiphol Group has drawn a Namensschuldverschreibung (registered bond) that guarantees funding of 25 million euros at a fixed rate of interest (5.07%).

Schiphol Group has issued Schuldschein notes (fixed-interest loans with terms of 7 and 10 years) with a nominal value of 194.5 million euros. In principle, the Schuldschein documentation includes the same covenants as the EMTN programme.

Schiphol Group obtained two facilities from the European Investment Bank for a total of 550 million euros, which has now been drawn in full (of which 40.5 million euros has since been repaid). Schiphol Group could be obliged to redeem the loan early if (in addition to the usual circumstances) other loans are repaid early or equity declines below 30% of total assets. Additional security will be demanded if the credit rating drops to is BBB or lower (S&P) or to Baa2 or lower (Moody's). The loan agreement also contains a 'change of control' clause.

Schiphol Group also entered into an agreement with KfW IPEX-Bank for a facility of 100 million euros, which is fully drawn at year end.

Borrowings under the EMTN programme, the ECP programme, the EIB facility and the KfW facility are not subordinate to other liabilities and are eligible for voluntary early redemption.

Schiphol Group has access to a 300 million euro syndicated and committed facility with a term to June 2020. Schiphol Group also has access to a bilateral committed facility of 100 million euros with a term to 1 January 2017 agreed with Bank Nederlandse Gemeenten, and two bilateral uncommitted facilities of EUR 75 million each. During a short period in 2015 Schiphol made use of these facilities to set off the effects of a lower liquidity position as a result of seasonality. These facilities have since been redeemed. In 2015 Eindhoven Airport obtained for a facility for 26 million euros, which has been drawn for 19 million euros.

Of the total loans, an amount of 152.9 million euros has been drawn in Japanese yen (JPY 20 billion). In line with the financial risk management policy, a combined cross-currency swap has been contracted on the JPY loan to hedge the exchange rate risks relating to this loan. In principle, the transactions concerned correspond to all relevant characteristics of the respective loans, such as maturity and amount, and hedge the positions with respect to the euro and/or fixed interest rates. All hedging transactions are accounted for as cash flow hedges.

The current portion of borrowings at 31 December 2015, of 283.9 million euros (31 December 2014: 5.0 million euros), is recognised under current liabilities.

In 2015 Schiphol Group met the agreed covenants included in the various contracts.

The average interest rate of the outstanding borrowings in 2015 amounts to 5.0% (2014: 5.2%).

The remaining terms of the borrowings as at 31 December 2015 are as follows:

(in thousands of euros)	Total	<= 1 year	> 1 year	> 1 year and <= 5 years	> 5 years
EMTN programme	1,249,739	141,099	1,108,640	149,575	959,065
Namensschuldverschreibung	24,720	- 39	24,759	- 155	24,913
Schuldschein	194,501	133,835	60,666	60,666	-
European Investment Bank	509,500	9,000	500,500	36,000	464,500
KfW IPEX-bank	99,697	- 37	99,734	- 150	99,884
Other borrowings	53,272	-	53,272	19,000	34,272
Total	2,131,429	283,858	1,847,570	264,937	1,582,634

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 2013	1,401,206	420,146	1,821,352
Movements in 2014			
New borrowings	379,970	-	379,970
Transferred to current liabilities	- 9,331	9,331	-
Repayments	-	- 607,326	- 607,326
Acquired borrowings	-	178,697	178,697
Exchange differences	- 455	-	- 455
Loans as result of acquisition	25,575	-	25,575
Other movements	3,395	4,109	7,504
Total movements in the year	399,154	- 415,189	- 16,035
Carrying amount as at 31 December 2014	1,800,360	4,957	1,805,317
Movements in 2015			
New borrowings	316,803	-	316,803
Fair value movement	6,069	-	6,069
Transferred to current liabilities	- 291,340	291,340	-
Repayments	-	- 17,106	- 17,106
Exchange differences	15,628	-	15,628
Other movements	-	4,718	4,718
Total movements in the year	47,160	278,952	326,112
Carrying amount as at 31 December 2015	1,847,520	283,909	2,131,429

Further information on the acquired loans can be found in the section entitled *Changes in the scope of consolidation*, subsection 'Acquisition of AREB C.V.'

24. Employee benefits

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
Carrying amount as at 31 December 2014				
Liability defined contribution	28,511	12,366	2,856	43,733
Fair value of plan assets	- 4,201	-	-	- 4,201
Liability in the balance sheet	24,310	12,366	2,856	39,532
Carrying amount as at 31 December 2015				
Liability defined contribution	22,720	13,586	2,140	38,446
Fair value of plan assets	-	-	-	-
Liability in the balance sheet	22,720	13,586	2,140	38,446

Post-employment benefits consist of pension plans, job-related early retirement benefits, payment of healthcare insurance costs for pensioners and supplementary disability benefits. Other long-term employee benefits consist of long-service awards, long-term variable pay, paid sabbatical leave and disability benefit supplements. Termination benefits consist of redundancy pay and unemployment benefit supplements.

Schiphol Group's pension plan is administered by the Algemeen Burgerlijk Pensioenfonds (ABP). Based on the formal terms of the pension scheme, it qualifies as a defined-contribution plan. Schiphol Group recognises the pension contributions payable to ABP as an expense in the income statement. Further information on this point can be found under *Accounting policies*.

The ABP pension regulations do not contain any provisions on additional contributions to the fund and/or withdrawals from it in respect of Schiphol Group's share in surpluses or deficits of the pension fund. Consequently, any surpluses and deficits will only result in changes in the amount of the contributions payable by Schiphol Group in the future and these will depend on the actual and expected financial position of the pension fund as reflected in the funding ratio. The expected contribution payment for 2016 is 16.3 million euros. ABP's funding ratio was 98.7% as at 31 December 2015.

Effective from 2014, the abolition of the life-course savings scheme resulted in the job-related early retirement scheme being turned into a more flexible scheme allowing for the possibility of working past retirement age. The effects of this on the job-related early retirement scheme are limited.

The movements in post-employment benefit liabilities during the year were as follows:

(in thousands of euros))	2015	2014
Carrying amount as at 31 December	24,310	20,235
Movements		
Total net benefit expense for the year	1,403	1,155
Benefits paid during the year	- 1,700	- 1,653
Actuarial changes presented in other comprehensive income	- 1,284	4,893
Payment of contributions	-	- 320
Other movements	- 9	-
Total movements in the year	- 1,590	4,075
Carrying amount as at 31 December	22,720	24,310

Actuarial assumptions and estimates

	31 December 2015	31 December 2014
Discount rate	1.80%	1.50%
Return on plan assets	1.50%	1.50%
Inflation	1.50%	1.50%
General salary increase	1.50%	1.50%
Life expectancy	Forecast table 2014 with adjustment factors geared to the company's average salary level	Forecast table 2014 with adjustment factors geared to the company's average salary level
Individual pay rises, depending on age	3.00% (to age 39), 2.00% (to age 49), 1.00% (to age 59), 0.00% (to age 65)	3.00% (to age 39), 2.00% (to age 49), 1.00% (to age 59), 0.00% (to age 65)
Age difference	Men 3 years older than female partners	Men 3 years older than female partners
Incapacity risk	In and outflow of WIA, based on 2006 to 2011	In and outflow of WIA, based on 2006 to 2011
Termination probability, depending on age	4.20% (age 25) to 0.10% (age 60)	4.20% (age 25) to 0.10% (age 60)
Continued service probability (job-related early retirement scheme)	100%	100%

25. Other provisions

(in thousands of euros)

	2015	2014
Carrying amount as at 1 January	17,484	10,658
Movements in the year		
Withdrawals during the year	- 58	- 573
Addition for onerous contracts	-	7,399
Addition for claims	-	-
Release to the income statement	- 27	-
Total movements in the year	- 85	6,826
Carrying amount as at 31 December	17,399	17,484

have to pay to Chipshol with regard to the Groenenberg site or other claims will exceed the provision for this.

The 7.4 million euro provision for onerous contracts relates to a onerous contract regarding a future obligation to contribute land at a fixed price to a common land bank.

Schiphol Group faces liabilities in connection with certain other claims and disputes. The overall provision of 10.0 million euros recognised for these claims and disputes was unchanged in 2015. The most significant claims concern the consequences of the ban on the development of the Groenenberg site in place from 19 February 2003 to 28 June 2007. Proceedings against Chipshol about the consequences of the imposition and lifting of the ban on development of the Groenenberg site are still ongoing. It is not clear when the Amsterdam Court of Appeal will deliver a final judgment.

In addition, Chipshol submitted a claim to the ACM in 2012. This claim was dismissed by the ACM and also by the Court of Rotterdam. The Trade and Industry Appeals Tribunal confirmed this decision in 2015.

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 does not expect that the remaining amount of the compensation which Schiphol Group will eventually

26. Other non-current liabilities

(in thousands of euros)

	2015	2014
Purchased long leases	85,773	86,091
Lease liabilities	51,358	52,643
Derivatives	-	14,556
Unrealised profit on contribution in kind Schiphol Logistics Park C.V.	3,303	3,395
Lease incentives	3,298	2,787
Other movements	7,092	10,670
Total other non-current liabilities	150,824	170,142

Long leases received in advance are rent instalments which Schiphol Group has received in advance on land leases to third parties. This item is recognised through profit or loss over the term of the underlying contracts.

Lease liabilities includes the lease of office building The Base with ABP, which runs for 40 years with options to cancel after 25 years and 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, with the premises becoming the property of Schiphol Group. The rent is increased annually in line with the consumer price index. The leasehold of the land on which The Base stands has been granted to ABP for the duration of the lease.

(in thousands of euros)

	The Base	Vehicles	Total
Liability < 1 year	1,421	915	2,336
Liability 1 year and < 5 year	6,732	4,955	11,687
Liability > 5 year	39,671	-	39,671
Carrying amount of financial lease liabilities	47,824	5,870	53,693

In 2006, Schiphol Real Estate B.V. contributed land to Schiphol Logistics Park C.V. and acquired a 38% interest in this company. The difference between the fair value of the site at the time of its contribution of 23.7 million euros and its total historical cost of 11.7 million euros is 12 million euros. In accordance with the accounting policies, 38% of this profit, representing Schiphol Real Estate B.V.'s share in Schiphol Logistics Park C.V., or 4.6 million euros, should be treated as unrealised. Of this profit, 1.3 million euros was realised when a part of the land was sold.

Lease incentives are the cost of benefits which Schiphol Group granted to tenants at the start of their lease. These are recognised in the income statement over the term of the incentives.

27. Trade and other payables

(in thousands of euros)

	2015	2014
Trade payables	107,911	110,495
Payable in respect of wage tax and social security contributions	2,185	5,310
Payable in respect of pensions	-	27
Lease liabilities	2,336	2,768
Derivatives	654	3,377
Interest payable	37,825	36,919
Accruals	109,221	99,180
Deferred income	47,380	46,934
Purchased long leases	1,804	1,804
Lease incentives	2,575	3,163
Other payables	4,096	10,188
Total trade and other payables	315,987	320,165

Further details of the derivative financial instruments can be found in note 29. *Management of financial risks and financial instruments*.

28. Contingent assets and liabilities

Contamination by extinguishing water

In July 2008, the Rijnland Water Board collected contaminated extinguishing water released during an incident at a KLM hangar in Schiphol-Southeast and stored it in reservoirs made available by Schiphol. The Water Board had been granted a permit for this by the province of North-Holland. Although the contaminated extinguishing water was removed and decontaminated in 2009, it was later discovered that the soil and groundwater around the reservoirs had also been contaminated. As the owner of the land concerned, Schiphol Group suffered damage as a result. The Water Board removed the sludge from the reservoirs in 2011, as a result of which no further contamination could take place through that sludge. In 2012 the Water Board, KLM and Schiphol took control measures aimed at preventing the further spread of contamination through groundwater by placing a screen around the contaminated area. Monitoring has shown that the screen is effective.

The watercourses at Schiphol that were contaminated during this incident will be cleaned up within the framework of the regular dredging programme. The additional costs incurred on top of the regular dredging programme for the transport and processing of the contaminated material will be charged to KLM.

Evides, a water decontamination company, is taking measures in consultation with the municipality of Haarlemmermeer to deal with the technical facilities, soil and groundwater that were also contaminated by this incident. Evides contacted Schiphol Group and KLM to discuss further action to manage the contamination. Consultations with the competent authorities were started at the end of 2013 with the aim to check the plan against laws and regulations.

To protect the quality of the surface water in the ditch next to the waste water purification plant, the Water Board instructed Evides, KLM and Schiphol Group to take measures in 2014/2015. The impact of the plans will be evaluated.

Covenant on local environmental quality in 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) and individual measures (mitigation in individual cases of noise-related distress). Schiphol Group provided 10 million euros for the first tranche in 2006 for the near term to 2010, which amount was earmarked for the funding of individual measures in distress cases and area-specific projects. The State and the province of North-Holland also provided 10 million euros each.

A second tranche was committed in the Alders recommendations of October 2013 in connection with which Schiphol Group is again making 10 million euros available. It has been agreed that in 2016, before this second phase is implemented, the parties will discuss their experiences from the first phase to determine how to enhance the quality of life in the surrounding areas most effectively and the

programmes to be deployed. Schiphol Group's contribution in the second tranche will again focus primarily on the most distressing cases, but contributions to area-specific projects in the most affected nearby areas are not excluded in advance.

Reduction of groundnoise

The parties to the Alders platform agreed to reduce groundnoise levels by 10dB. At this stage a reduction of 7dB has been realised. Schiphol Group will implement sound ribbs to reduce the groundnoise by 1dB. The total reduction will then be 8dB. To achieve the remaining 2dB, Schiphol Group will acquire land from the Municipality of Haarlemmermeer for 2.5 million euros. The total cost of the implementation of the sound ribbs is estimated to amount to 3.8 million euros. Schiphol and the Municipality of Haarlemmermeer expect that the additional reduction of 2dB can be realised with aircraft innovations by the airlines. In that event, the purchase of the land and the implementation of the sound ribbs are conditional.

Investigation ACM

In May 2015, the Netherlands Authority for Consumers and Markets (ACM) published policies regarding the consultation and determination for the use of Schiphol. Schiphol informed the ACM that, as per 3 June 2015 (opening Central Security Non-Schengen), the so-called bus@gate procedure was introduced for the handling of incoming flights for non-EUR destinations. This new procedure has necessitated a change in the allocation rules for aircraft stands. Changes in allocation keys need to be consulted in accordance with ACM policies. Due to the inflexibility of the policies, Schiphol was not in the position to consult this change in accordance with the prescribed rules before the introduction on 3 June 2015. In November 2015 the ACM expressed its intention to issue a report against Schiphol on the possible breach of the Aviation Act. The ACM is expected to publish its judgement and possible consequences at the end of the first quarter of 2016. In the meantime Schiphol consulted its revised allocation rules for aircraft stands with a positive outcome. No complaints were filed.

Schiphol Area Development Company N.V. (SADC)

Schiphol Group participates directly, and indirectly through the collaborative venture Schiphol Area Development Company N.V. (SADC), in land holdings in the vicinity of Amsterdam Airport Schiphol. SADC's objective is to develop business locations and supporting infrastructure projects around the airport.

One of these land holdings concerns the A4 Zone West area. Schiphol Group has the future obligation to contribute 17.6 million euros as a limited partner's contribution, to be increased by financing and acquisition costs, to fund the contribution of land to GEM A4 Zone West C.V. by the Municipality of Haarlemmermeer.

Other contingent assets and liabilities

A bank guarantee amounting to 2.3 million euros relating to payment commitments connected with the '*Storage in Underground Tanks*' order has been granted to the province of North-Holland.

Commitments arising from long-term contracts

(in thousands of euros)

	Total 2015	< 1 year	> 1 year and < 5 year	> 5 year
Commitments relating to:				
Security, maintenance and cleaning	906,526	246,605	647,702	12,219
Electricity and gas	6,782	6,782	-	-
Rents and leases (operating lease)	3,213	1,593	1,620	-
Development A-Area	38,600	32,130	6,470	-
Development Lelystad Airport	25,268	3,000	-	22,268
Other capital projects	49,667	49,667	-	-
Total	1,030,056	339,777	655,792	34,487

(in thousands of euros)

	Total 2014	< 1 year	> 1 year and < 5 year	> 5 year
Commitments relating to:				
Security, maintenance and cleaning	1,175,340	443,547	672,578	59,215
Rents and leases (operating lease)	5,836	5,836	-	-
Electricity and gas	7,165	4,154	3,011	-
Other capital projects	30,400	30,400	-	-
Total	1,218,741	483,937	675,589	59,215

Various other claims against N.V. Luchthaven Schiphol and/or its subsidiaries have been filed, and there are disputes which still have to be settled. All claims and disputes are being contested and the company has taken legal advice on 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 recognised 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 the claimant. Since it is not yet clear whether these cases will be resolved in the company's favour, no related receivables have been recognised in the balance sheet.

29. Management of financial risks and financial instruments

Financial income and expenses

The table below contains a breakdown of financial income and expenses. Capitalised construction interest is interest charges incurred during the construction phase of large investment projects.

(in thousands of euros)	2015	2014
Interest and other financial income		
Receivables from associates	6,146	4,856
Interest on tax due	1,193	2,415
Cash and cash equivalents	278	1,412
Exchange differences on other assets and liabilities	195	-
Exchange differences receivables from associates	-	2,764
Other financial results	-	2,735
Exchange differences on cash and cash equivalents	-	83
Other	309	275
	8,121	14,540
Interest and other financial expenses		
Borrowings	-79,885	-87,553
Capitalised borrowing costs	5,668	5,071
Derivative financial instruments	-11,473	-10,747
Fair value movement loans	-6,069	437
Lease liabilities	-4,068	-4,229
Exchange differences on loans to associates	-61	-
Exchange differences on cash and cash equivalents	-15	-
Exchange differences on other assets and liabilities	-	-3,110
Other	-772	-
	-96,675	-100,131
Total financial income and expenses	-88,554	-85,591

Exchange differences on loans to associates concern the Redeemable Preference Shares of Brisbane Airport Corporation Holdings Ltd held by Schiphol Group. The terms and conditions require repayment of the nominal value to the shareholders within a period of ten years and therefore the shares are not considered to be part of the net investment in the associate. Consequently, exchange differences should be accounted for in the income statement rather than in the exchange differences reserve. The currency risk relating to this long-term receivable is hedged by annual forward transactions which hedge the Australian dollar position against the euro. The hedge transactions are recognised as

a cash flow hedge while the associated exchange differences are recognised in the reserve for hedging transactions. The other exchange differences are recognised in the income statement.

Financial risk factors

Due to the nature of its activities, Schiphol Group faces a variety of risks including market risk, counterparty risk and liquidity risk. The financial risk management programme (which is part of Schiphol Group's overall 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 risks. Financial risk management is carried out by the 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, credit risk, the use of derivative and non-derivative financial instruments, and the investment of temporary liquidity surpluses. The contracts relating to derivative financial instruments are shown in the table on the next page.

Market risk

Market risk comprises three types of risk: currency risk, price risk and interest-rate risk.

(a) Currency risk

Currency risk arises if future business transactions, assets and liabilities recognised in the balance sheet and net investments in activities outside the euro zone are expressed in a currency other than Schiphol Group's functional currency (the euro) and so the euro is both its functional currency and presentation currency. Schiphol Group operates internationally and faces currency risks on several currency positions, in particular in Japanese yen (borrowings) and US and Australian dollars (net investments in activities outside the euro zone).

Schiphol Group manages the currency risk on borrowings by using forward and swap contracts. The financial risk management policy is that virtually all expected cash flows are hedged. As at 31 December 2015, 7.2% of group financing had been drawn in foreign currency (one loan with a carrying amount of 152.9 million euros (JPY 20 billion nominal value)) compared with 7.6% of total borrowings (one loan with a carrying amount of 137.2 million euros (JPY 20 billion nominal value)) a year earlier. In accordance with the policy, this position is fully hedged by means of currency swaps. A movement in the exchange rate will not affect the results relating to these borrowings. The effect on equity is temporary (only for the duration of the hedging transaction) and amounts to 11.7 million euros negative in 2015 (after deferred tax).

Schiphol Group has a number of strategic investments in activities outside the euro zone and of these the net investments recognised in the balance sheet under 'associates', 'loans to associates' and

Type	Counterparty	Interest		Notional amount (x1000)	Maturity date	Fair value in thousands of euros	
		rate	Currency			31 December 2015	31 December 2014
Currency swap	JPMorgan	3.16%	JPY	20,000,000	2038	13,895	- 14,556
Forward	JPMorgan	n/a	AUD	90,500	2016	- 654	- 3,377
						13,241	- 17,933
Recognised in the balance sheet under:							
Non-current assets						13,895	-
Non-current liabilities						-	- 14,556
Current liabilities						- 654	- 3,377
						13,241	- 17,933

'contract related assets' are affected by a translation risk. In accordance with the policy, the currency position relating to Schiphol Group's net investments in activities outside the euro zone, totalling 204 million euros as at 31 December 2014 (174.5 million euros as at 31 December 2014), is not hedged, with the exception of the Redeemable Preference Shares which Schiphol Group owns in Brisbane Airport Corporation Holdings Ltd. The currency risk on this receivable and the accrued dividend, which had a carrying amount of 66.6 million euros as at 31 December 2015 (60.5 million euros as at 31 December 2014), is largely hedged with forward exchange transactions. Consequently, a movement in the exchange rate will have only a minor effect on the results relating to this receivable. Exchange differences on the unhedged position relating to investments in associates are recognised in the exchange difference reserve and do not directly affect the result. The effect on equity in 2015 is 3.3 million euros, which leads to a increase in the exchange difference reserve from 10.6 million euros as at 31 December 2013 to 13.9 million euros as at 31 December 2015.

Schiphol Group's risk in respect of the cross-currency swap is mitigated by a cash collateral agreement with JPMorgan, which results in a maximum net position for both parties that depends on the parties' credit rating. If the credit rating of either party is reduced, the maximum net position for that party will also decrease. 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 2015, the maximum net position of both parties amounted to 10 million euros (10 million euros as at 31 December 2014) while the market value of the swap was approximately 13.9 million euros negative (14.5 million euros as at 31 December 2014) at Schiphol Group's expense. As at 31 December 2015, Schiphol Group had no obligation to JPMorgan. If the EUR/JPY exchange rate decreases by 10%, Schiphol Group will receive 26 million euros from JPMorgan. If the exchange rate rises by 10%, Schiphol Group is not required to deposit any collateral.

The remaining portion of the derivative financial instrument serves to hedge the translation differences on the Redeemable Preference Shares recognised as loans to associates.

The interest rates shown against the various currency, interest-rate and cross-currency swaps 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.

(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 mainly by the price risk on property investments which it recognises at fair value. This fair value is influenced by supply and demand and movements in interest rates and the rate of inflation. An average increase of 10% in the net initial yield (NIY) on offices and commercial buildings demanded by property investors would reduce the value of those properties by a total of approximately 96 million euros. A 10% decrease of the NIY will lead to an increase of approximately 117 million euros. Under the accounting policy, in that situation profitability before tax would fall by the same amount.

Schiphol Group purchases electricity and gas for its own use by Aviation on long-term contracts.

(c) Interest-rate risk

Interest-rate risk is divided into a fair value interest-rate risk and a cash flow interest-rate risk.

Fair value interest-rate risk

Fair value interest-rate risk is the risk of fluctuations in the value of a financial instrument as a result of movements in the market interest rate. Schiphol Group has no significant financial assets that attract a cash flow interest-rate risk but is affected by fair value interest-rate risk on its fixed-interest borrowings. If market interest rates fell by an average of 0.5%, this would lead to an increase of 80.0 million euros (3.4%) in the fair value of borrowings. An average increase of 0.5% in market interest rates would lead to a fall of 62.3 million euros (2.6%) in the fair value of borrowings. Schiphol

Group's policy is to draw at least 50% of borrowings at fixed interest rates, if necessary by using derivatives. As at 31 December 2015, 96% of borrowings were fixed-interest, excluding subsidiaries and associates (31 December 2014: 96%).

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 movements in market interest rates. Except for cash and cash equivalents, Schiphol Group has no significant financial assets that attract a cash flow interest-rate risk. If the average interest received on deposits had been 0.5% lower during 2015 (and had therefore been 0%), the interest income relating to deposits would have been 0.1 million euros lower (2014: 0.5 million euros).

In addition, Schiphol Group runs a cash flow interest-rate risk in respect of group financing at a variable interest rate. This position is limited by Schiphol Group's policy of not drawing more than 50% of the funds borrowed at a variable interest rate (and at least 50% at a fixed interest rate), if necessary by using derivatives. As at 31 December 2015, the figure for variable-interest borrowings was 4% (31 December 2014: 4%).

The cash flow interest-rate risk is managed by using interest-rate swaps, under which a variable interest rate can be changed into a fixed interest rate, and interest rate caps, which limit any increase in interest rates. As part of an interest rate swap, Schiphol Group agrees with a counterparty to effect swaps, at predetermined times, of the difference between a fixed contract rate and a variable interest rate. This difference is calculated on the basis of the agreed underlying principal sum. If the average variable interest rate had been 1% higher during 2015, there would have been no interest expense effect relating to group financing (2014: no effect).

Counterparty risk

Counterparty risk is the risk that one party to a financial instrument fails to fulfil its obligations, causing the other party to suffer a financial loss. Schiphol Group's counterparties in derivative financial instruments and liquidity transactions are restricted to financial institutions with high creditworthiness (a minimum S&P credit rating of A) and the net position for each counterparty may not exceed 150.0 million euros. The maximum net position as at 31 December 2015 was 150 million euros (115 million euros as at 31 December 2014).

At 31 December 2015, trade receivables was 92.2 million euros (31 December 2014: 98.8 million euros), after a provision for doubtful debts of 2.8 million euros (3.3 million euros as at 31 December 2014) and including 2.9 million euros in security deposits received (31 December 2014: 2.7 million euros). The provision covers all receivables owed by debtors that are in bankruptcy or have applied for a moratorium on payments, receivables older than one year and larger receivables younger than one year which are expected to be uncollectible.

An amount of 12.0 million euros of the trade receivables (which amounted to 97.8 million euros before deduction of the provision for doubtful debts of 2.8 million euros and security deposits received of 2.8 million euros) was past due but not provided for. The debtors concerned have no default history and the payments were received in January 2016.

Parties using services from Schiphol Group are first assessed for creditworthiness. Depending on the outcome of this assessment, they may be required to provide security in the form of a bank guarantee or deposit to limit the credit risk. As at 31 December 2015, Schiphol Group holds 41.7 million euros in bank guarantees and security deposits (31 December 2014: 44.7 million euros). Koninklijke Luchtvaartmaatschappij N.V. (KLM) has an individual balance in excess of 10.0 million euros.

The movements in the provision for bad debts and ageing analysis are as follows:

(in millions of euros)	2015	2014
Carrying amount as at 1 January	3.3	4.1
Redemption	- 0.6	- 0.7
Withdrawal during the year	0.1	- 0.1
Carrying amount as at 31 December	2.8	3.3
Ageing analysis		
Less than 60 days	92.6	99.6
Older than 60 days	2.8	3.1
Older than 360 days	1.2	1.1
Bankruptcies	1.2	1.0
	97.8	104.8
Provision for bad debt	- 2.8	- 3.3
Security deposits received	- 2.8	- 2.7
Total trade receivables	92.2	98.8

Liquidity risk

Liquidity risk is the risk that Schiphol Group will have difficulty in raising the funding required to honour its commitments in the short term. Careful liquidity risk management means that Schiphol Group maintains sufficient liquid resources and has access to sufficient funding in the form of promised (and preferably committed) credit facilities and the EMTN programme. The financing policy is also aimed at reducing the refinancing risk. See note 23. *Borrowings* for further information on the margin and facilities. In connection with liquidity risk, Corporate Treasury manages the cash pool through which several of the subsidiaries' bank balances are managed and netted for optimum balance management.

All the items below are shown at the amounts at which they are recognised in the balance sheet and with a remaining maturity based on the date of redemption or settlement agreed with the counterparty. Schiphol Group's policy is that no more than 25% of liabilities may have a term of less than one year. As at 31 December 2015, this figure was 13.3% (31 December 2014: 0.3%).

The remaining term of the net liabilities relating to financial instruments and the composition of the expected cash flows are as follows:

(in thousands of euros)	Total 2015	Contractual cash flows	<= 1 year	> 1 year	> 1 year but <= 5 years	> 5 years
Borrowings	2,131,429	2,115,936	283,909	1,847,520	264,553	1,582,967
Finance lease liabilities	53,694	53,694	2,336	51,358	11,687	39,671
Derivative financial instruments	654	654	654	-	-	-
Trade payables	107,911	107,911	107,911	-	-	-
Interest payable	37,825	37,825	37,825	-	-	-
Total	2,331,512	2,316,019	432,634	1,898,878	276,240	1,622,638

(in thousands of euros)	Total 2014	Contractual cash flows	<= 1 year	> 1 year	> 1 year but <= 5 years	> 5 years
Borrowings	1,805,317	1,813,163	4,957	1,800,360	532,717	1,267,643
Finance lease liabilities	55,411	55,411	2,768	52,643	11,118	41,525
Derivative financial instruments	17,933	17,933	3,377	14,556	-	14,556
Trade payables	110,495	110,495	110,495	-	-	-
Interest payable	36,919	36,919	36,919	-	-	-
Total	2,026,075	2,033,921	158,516	1,867,559	543,835	1,323,724

Financial instruments can be classified, according to the measurement policy applied, as follows:

(in thousands of euros)	Level ¹	Total 2015	Amortised cost	Fair value through equity	Fair value through profit and loss	Fair value disclosure
Borrowings	2	2,096,824	2,096,824	-	-	2,355,537
Borrowings	3	34,604	-	-	34,604	-
Finance lease liabilities	2	53,694	53,694	-	-	53,694
Derivative financial instruments	2	654	-	654	-	-
Trade payables	n/a	107,911	-	-	107,911	107,911
Interest payable	n/a	37,825	-	-	37,825	37,825
Liabilities		2,331,512	2,150,518	654	180,340	2,554,966
Loans to associates	2	- 66,596	- 66,596	-	-	-70,000
Other loans	2	- 883	- 883	-	-	-883
Derivative financial instruments	2	-13,895	-	-13,895	-	-
Loans to associates	2	- 8,782	- 8,782	-	-	-8,782
Trade receivables	n/a	- 92,247	-	-	- 92,247	-92,247
Cash and cash equivalents	n/a	- 394,045	-	-	- 394,045	-394,045
Assets		- 576,448	- 76,261	-13,895	- 486,293	- 565,957
Total		1,755,064	2,074,257	-13,241	- 305,952	1,989,009

¹ If a financial instrument is not measured at fair value the level of fair hierarchy, used to determine the fair value disclosure, is disclosed.

	Level ¹	Total 2014	Amortised cost	Fair value through equity	Fair value through profit and loss	Fair value disclosure
(in thousands of euros)						
Borrowings	2	1,776,781	1,776,781	-	-	2,080,325
Borrowings	3	28,536	-	-	28,536	-
Finance lease liabilities	2	55,411	55,411	-	-	55,411
Derivative financial instruments	2	17,933	-	17,933	-	-
Trade payables	n/a	110,495	-	-	110,495	110,495
Interest payable	n/a	36,919	-	-	36,919	36,919
Liabilities		2,026,075	1,832,192	17,933	175,950	2,283,150
Loans to associates	2	- 60,511	- 60,511	-	-	-63,600
Other loans	2	- 1,018	- 1,018	-	-	-1,018
Derivative financial instruments	2	- 9,491	- 9,491	-	-	-9,491
Trade receivables	n/a	- 98,843	-	-	- 98,843	-98,843
Cash and cash equivalents	n/a	- 177,663	-	-	- 177,663	-177,663
Assets		- 347,526	- 71,020	-	- 276,506	- 350,615
Total		1,678,549	1,761,172	17,933	- 100,556	1,932,535

1 If a financial instrument is not measured at fair value the level of fair hierarchy, used to determine the fair value disclosure, is disclosed.

The tables above present the financial instruments measured at fair value by the method used. Measurement is undertaken for each reporting period.

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices for similar assets and liabilities in active markets or information based on or supported by observable market inputs;
- Level 3: Unobservable inputs used to determine the fair value of an asset or liability.

There have been no transfers between Level 1 and Level 2 measurements. Level 2 measurements are determined using various methods and assumptions based on market conditions on the reporting date. 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 at the relevant exchange rates and the market interest rate applicable to Schiphol Group on the reporting date.

The Level 3 measurement is a profit sharing loan based on fair values of a specific real estate portfolio. The cash flows are determined on the basis of the expected value on the expiration date. The expected value is based on the valuation of external appraisers. For more information see Investment property. Due to the positive movement in the fair values of the specific real estate portfolio the profit sharing loan will show a similar move in the opposite direction.

The nominal value is assumed to approximate the fair value of loans to associates, trade receivables, cash and cash equivalents and trade payables.

For information purposes, the fair value of financial assets and liabilities is estimated by discounting future contractual cash flows at the market interest rate applicable to Schiphol Group for comparable financial instruments at that time.

Capital management

Schiphol Group's long-term capital strategy and dividend policy are geared towards improving shareholder value, facilitating sustainable long-term growth and preserving an appropriate financial structure and sound creditworthiness. With its current shareholder base (public-sector shareholders), Schiphol Group only has access to the debt market and maintains a continued focus on further optimising its capital structure and cost of capital.

Schiphol Group uses certain financial ratios, including cash flow-based metrics, to capture the dynamics of capital structure, dividend policy and cash flow generation and monitors 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 Cover: the FFO plus interest charges divided by the interest charges.
- Leverage: interest-bearing debt divided by equity plus the interest-bearing debt.
- Funds From Operations (FFO)/Total Debt: the FFO divided by the total debt.

Funds From Operations

(in thousands of euros)	2015	2014
Operating result	504,946	403,096
Depreciation and amortisation	222,796	228,121
Impairment	7,510	4,202
Proceeds from disposals of property, plant and equipment	- 181	- 105
Result from the sale of joint venture	- 49,847	- 5,395
Other income, from property	- 66,687	1,199
Costs related to sales of property	-	-
Other non-cash changes in other receivables and liabilities	- 4,504	- 916
Change in other provisions and employee benefits	- 1,276	6,095
Income tax paid	- 79,270	- 57,827
Interest paid	- 78,800	- 116,552
Interest received	1,438	3,718
Dividend received	25,646	26,889
Funds From Operations	481,771	492,525

'Funds From Operations' is calculated specifically for the purpose of determining the financial ratios and differs from the cash flow from operations calculated in the consolidated cash flow statement in accordance with the reporting policies, in the *Consolidated statement of cash flow for 2015*. FFO is the cash flow from operating activities adjusted for operating capital. In 2015 FFO decreases from 493 million euros to 482 million euros.

(in thousands of euros)

	2015	2014
Non-current liabilities		
Borrowings	1,847,520	1,800,360
Lease liabilities	51,358	52,643
Current liabilities		
Borrowings	283,909	4,957
Lease liabilities	2,336	2,768
Total debt	2,185,123	1,860,728

For capital management purposes, debt consists of non-current and current liabilities as shown under 'Total debt'. For capital management purposes, equity is equal to equity in the consolidated balance sheet. At 31 December 2015, equity was 3,716 million euros (3,453 million euros at 31 December 2014).

The FFO/total debt ratio and leverage at 31 December were:

	2015	2014
FFO / Total debt	22.0%	26.5%
Leverage	37.0%	35.0%
Leverage	6.7x	6.4x

The FFO interest coverage ratio is calculated by dividing the FFO plus the interest charges relating to borrowings and lease liabilities, amounting to 83.9 million euros in 2015 (91.3 million euros in 2014), by those interest charges. The FFO interest coverage ratio for 2015 was 6.8x (compared with 6.4x for 2014). The ratios at 31 December 2015 are consistent with Schiphol Group's policy of maintaining at least a single A- credit rating (S&P).

Related Party Disclosures

Related parties

Related parties	Nature of relationship and transactions	Relevant disclosure
Management board	Directors remuneration	Remuneration for Management Board members
Supervisory board	Remuneration of committees	Remuneration for members of the Supervisory Board
Schiphol Airport Retail B.V.	Concession income	Associates and joint ventures
ABP	Pension contributions	Employee benefits
Aéroports de Paris	Associate / dividends	Associates and joint ventures
Brisbane Airport	Associate / dividends and interest on RPS receivable	Associates and joint ventures and Loans to associates
Ministry of Finance	Shareholder/ distribution of dividends	Retained profits

There are a number of subsidiaries and joint ventures in which Schiphol Group holds an interest which results in either significant influence but no decisive control or exercising joint operational and policy control. Transactions with these parties, some of which are significant, are executed at arm's length conditions and terms comparable with transactions with third parties and prices no more favourable than if they had been negotiated with independent third parties. These subsidiaries and joint ventures are designated as related parties.

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 impose 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 defines the airport zone and the restrictions governing the use of the area at and around the airport. The Aviation (Supervision) Regulations define the rules concerning safety on the airport grounds.

There are two lines of supervision of the operation of Amsterdam Airport Schiphol.

One line of supervision concerns preventing abuse, by the operator, of its position of economic strength. The body responsible for this supervision is the ACM. The supervision relates to the charges and 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 a mandatory annual consultation of users by the operator concerning the proposed charges and conditions for the forthcoming year. When making 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 other line of supervision involves the ministry of Infrastructure and the 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, with special reference to capital expenditure that is important to the development of the airport. The ability to foster the Mainport 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.

Remuneration for members of the Supervisory Board

Remuneration		Committees			Total 2015	
(x EUR 1)	Audit	Remuneration	Selection and Appointments	Public Affairs and CR		
L.J. Gunning-Schepers (chairman)	26,582	-	-	5,000	5,000	36,582
H.J. Hazewinkel CPA	30,519	6,000	5,000	3,640	-	45,159
C. Clarke ¹	17,473	-	-	3,640	-	21,113
L. Galzy	-	-	-	-	-	-
R.J. van de Kraats CPA ¹	18,000	4,500	-	-	-	22,500
A.B.M. Ohlsson ¹	17,473	-	3,640	-	3,640	24,753
M.A. Scheltema	24,000	-	5,000	-	5,000	34,000
J.G. Wijn	24,000	4,368	-	5,000	1,360	34,728
Resigned on 8 April 2015						
A. Ruys	9,927	-	-	1,360	-	11,287
F.J.G.M. Cremers	6,527	1,632	-	1,360	-	9,519
J.G.B. Brouwer	6,527	1,632	1,360	-	-	9,519
Total	181,028	18,132	15,000	20,000	15,000	249,160

¹ from 8 April 2015

Remuneration		Committees			Total 2014	
(x EUR 1)		Audit	Remuneration	Selection and Appointments	Public Affairs and CR	
A. Ruys (chairman)	36,500	-	-	5,000	-	41,500
H.J. Hazewinkel CPA	24,000	6,000	5,000	-	-	35,000
J.G.B. Brouwer	24,000	6,000	3,750	-	1,250	35,000
F.J.G.M. Cremers	24,000	6,000	-	5,000	-	35,000
L. Galzy	-	-	-	-	-	-
L.J. Gunning- Schepers	18,000	-	-	3,750	3,750	25,500
M.A. Scheltema	24,000	-	5,000	-	5,000	34,000
J.G. Wijn	24,000	-	-	5,000	5,000	34,000
Total	174,500	18,000	13,750	18,750	15,000	240,000

All members of the Supervisory Board also receive an annual expense fee of 1,600 euros on top of the remuneration for Supervisory Board members referred to above. Mr Galzy stated that he did not wish to receive any remuneration and expense fee in connection with his membership of the Supervisory Board and its committees. No shares, share options, loans, advances or guarantees were or will be granted to members of the Supervisory Board.

Remuneration for Management Board members

(x EUR 1)	Salary	Short-term incentives	Long-term incentives	Pension costs	Pension costs (supplementary)	Other payments	Total 2015
J.A. Nijhuis CPA	395,461	59,319	203,732	29,707	107,253	13,153	808,625
M.M. de Groof	308,909	101,940	158,141	26,994	88,983	337,725 ¹	1,022,692
E.A. de Groot	349,500	52,425	-	22,593	34,399	13,153	472,070
B.I. Otto	349,500	38,445	-	22,593	36,622	13,153	460,313
Total	1,403,370	252,129	361,873	101,887	267,257	377,184	2,763,700

¹ The other payments include a termination fee which will be paid at the end of the employment in April 2016.

(x EUR 1)	Salary	Short-term incentives	Long-term incentives	Pension costs	Pension costs (supplementary)	Other payments	Total 2014
J.A. Nijhuis CPA	389,039	165,342	204,404	98,634	33,068	12,979	903,466
M.M. de Groof	303,893	121,557	159,666	76,448	36,467	12,979	711,010
E.A. de Groot	343,825	65,327	-	59,061	-	12,979	481,192
B.I. Otto ¹	115,033	21,856	-	20,624	-	4,276	161,789
A.P.J.M. Rutten ²	202,220	80,888	159,665	50,965	-	8,703	502,441
Total	1,354,010	454,970	523,735	305,732	69,535	51,916	2,759,898

¹ from 1 September 2014

² till 1 September 2014

The remuneration of Management Board members is disclosed in accordance with Section 2:383c of the Dutch Civil Code. Periodic remuneration comprises the total of gross salary and holiday pay.

Based on the assessment by the Supervisory Board of the extent to which the targets were achieved, the following short-term incentives have been charged to the result for 2015. The short-term incentive for Mr De Groof is set at 33% of his fixed salary. Mrs De Groot and Mrs Otto are both covered by the new remuneration policy and are granted 15% of her fixed salary for Mrs de Groot and 11% of her fixed salary for Mrs Otto. The short-term incentive for Mr Nijhuis has likewise been set at 15% since he voluntarily renounced part of the short-term incentive to which he was entitled.

In addition, Management Board members Nijhuis, De Groof and Rutten are also eligible for a variable pay scheme relating to the operating results over a longer period (long-term incentives). The LTI is measured over a reference period of three years and has an on-target payment level of 35% of the fixed salary.

As regards the LTI, the Supervisory Board's assessment of the development of Economic Profit gives rise to the recognition of an employee benefits provision as of 31 December 2015 covering the remainder of the LTI for 2013 (reference period 2013-2015) with a swing factor of 1.5, one third of the LTI 2014 (reference period 2014-2016) with a swing factor of 1.0 and one third of the LTI 2015 (reference period 2015-2017) with a swing factor of 1.0.

The other payments concern allowances for representation expenses and the employers' share of social security contributions. Part of the other compensation of Mr de Groof includes a termination fee for the amount of 324,452 euros which is further disclosed under *Retiring and new board members*.

For further details, please read the *Management Board Remuneration for 2015* section in the annual report.

Subsidiaries

	Registered in	Direct / indirect interest in %
Schiphol Nederland B.V. ¹	Schiphol	100.00
Schiphol Australia Pty Ltd	Schiphol	100.00
Schiphol North America Holding Inc.	Delaware	100.00
Eindhoven Airport N.V.	Eindhoven	51.00
N.V. Luchthaven Lelystad ¹	Lelystad	100.00
Luchthaven Lelystad Vastgoed B.V. ¹	Lelystad	100.00
Schiphol USA Inc.	New York	100.00
Rotterdam Airport B.V. ¹	Rotterdam	100.00
Rotterdam Airport Supplies 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
Schiphol International B.V.	Schiphol	100.00
Schiphol Real Estate B.V.	Schiphol	100.00
Airport Real Estate Management B.V. ¹	Schiphol	100.00
Airport Property Management B.V. ¹	Schiphol	100.00
Avioport SpA	Lonate Pozzolo	100.00
Schiphol Telematics B.V. ¹	Schiphol	100.00
Schiphol Consumer Services Holding B.V. ¹	Schiphol	100.00

¹ Section 403, Book 2, of the Dutch Civil Code is applied to these companies

The subsidiaries are consolidated. The full list has been registered with the Chamber of Commerce.

The balance sheet for the minority interest in Eindhoven Airport N.V. exclusive of the interests of Schiphol Group. is presented below.

(in thousands of euros)	2015	2014
Assets		
Non-current assets	38,973	36,368
Current assets	6,046	5,372
	45,019	41,740
Equity and liabilities		
Total equity	31,584	27,634
Non-current liabilities	9,397	10,766
Current liabilities	4,038	3,340
	45,019	41,740

The income statement for this company:

(in thousands of euros)	2015	2014
Revenue	23,700	21,694
Other income, from property	- 86	- 2,942
	23,614	18,752
Total operating expenses	17,577	16,152
Operating result	6,037	2,600
Financial income and expenses	- 453	- 20
Result before tax	5,584	2,580
Corporate income tax	1,391	891
Result	4,193	1,689

Events after the balance sheet date

There are no events after the balance sheet date.

Company income statement for 2015

(in thousands of euros)

	2015	2014
Net income after tax	27,891	24,122
Results of subsidiaries	346,272	247,773
Result attributable to shareholders (net result)	374,163	271,895

Company balance sheet as at 31 December 2015

Assets	Note	31 December 2015	31 December 2014
(in thousands of euros)			
Non-current assets			
Subsidiaries	30	3,188,929	2,807,211
Associates	30	631,325	617,500
Derivatives		13,895	-
Deferred tax assets		8,282	-
		3,842,431	3,424,711
Current assets			
Receivables	31	1,066,948	833
Cash and cash equivalents		188,471	874
		1,255,419	1,707
		5,097,850	3,426,418
Equity and liabilities			
(in thousands of euros)			
Shareholders' equity			
Issued share capital		84,511	84,511
Share premium		362,811	362,811
Retained profits		2,497,008	2,379,826
Other reserves		- 83,032	- 106,401
Revaluation reserve		424,809	417,483
Other statutory reserves		23,838	14,907
Net result of the year		374,163	271,895
	32	3,684,108	3,425,032
Non-current liabilities			
Deferred tax liabilities		3,474	-
Employee benefits		602	646
Loans and borrowings	23	1,108,640	-
		1,112,716	646
Current liabilities			
	34	301,026	740
		5,097,850	3,426,418

Notes to the company financial statements

General

General

The company financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code, exercising the option in Section 2:362(8) of the Dutch Civil Code to apply the same accounting policies for the company financial statements as have been applied in preparing the consolidated financial statements.

The option of presenting the company statement of income in condensed form pursuant to Section 402 of Book 2 of the Dutch Civil Code has been exercised.

Accounting policies

General

The accounting policies for the company financial statements are the same as those for the consolidated financial statements. Where no specific policies are mentioned, see the accounting policies for the consolidated financial statements.

Subsidiaries

Companies over which Schiphol Group is able to exercise control or which Schiphol Group effectively manages are stated 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 equity

Various statutory reserves are maintained in the company balance sheet and form part of the retained profits in the consolidated balance sheet. These reserves restrict the ability to distribute the equity. They are the reserve for property revaluations and the reserves for intangible assets and for investments in associates. The latter two reserves have been combined under other statutory reserves.

The revaluation reserve (Section 2:390(1) of the Dutch Civil Code) is maintained for unrealised fair value gains on individual items of investment property (land and buildings) held by companies forming part of Schiphol Group. Additions to this reserve are made through

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) of the Dutch Civil Code) is maintained in connection with research and development costs (software) capitalised by companies forming part of Schiphol Group. The reserve for investments in associates (Section 2:389(6) of the Dutch Civil Code) is formed for the share in the positive results of the entities concerned and in fair value gains recognised 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 recognised directly in equity and any distributions which Schiphol Group would be able to effect without restriction.

Equity in the consolidated balance sheet includes an exchange differences reserve, an other financial interests reserve and a hedging transactions reserve. These reserves (recognised collectively in the company financial statements under the heading of 'Other reserves of Schiphol Group') are also presented as part of company equity since they similarly restrict the ability to distribute the reserves.

Notes to the company balance sheet and income statement

Where the notes to the company balance sheet and income statement are not materially different from the notes to the consolidated balance sheet and income statement, they have not been repeated. See the notes to the consolidated balance sheet and income statement for the items concerned.

30. Non-current assets

(in thousands of euros)

	Subsidiaries	Associates	Total
Carrying amount as at 31 December 2013	2,669,507	611,381	3,280,888
Movements in 2014			
Result for the year	247,773	26,265	274,039
Dividend	- 120,000	- 14,646	- 134,646
Translation differences	6,786	-	6,786
Other movements	3,144	- 5,500	- 2,356
Total movements in the year	137,704	6,119	143,823
Carrying amount as at 31 December 2014	2,807,211	617,500	3,424,711
Movements in 2015			
Result for the year	346,272	36,336	382,608
Dividend	-	- 24,859	- 24,859
Other movements	35,446	2,348	37,794
Total movements in the year	381,718	13,825	395,543
Carrying amount as at 31 December 2015	3,188,929	631,325	3,820,254

Subsidiaries are the wholly-owned subsidiaries of Schiphol Nederland B.V. or Schiphol International B.V., with the exception of Eindhoven Airport N.V. Section 2:403 of the Netherlands Civil Code applies to Schiphol Nederland B.V. Associates are the 8% interest of N.V. Luchthaven Schiphol in Aéroports de Paris S.A.

31. Current assets

Cash and cash equivalents are freely available. Receivables, cash and cash equivalents are included at fair value, which is usually face value.

(in thousands of euros)

	2015	2014
Corporate income tax	2,815	782
Intercompany receivable from subsidiaries	1,063,991	-
Other receivables	142	51
	1,066,948	833

32. Shareholders' equity

(in thousands of euros)	Issued share capital	Share premium	Retained profits	Other reserves	Revaluation reserve	Other statutory reserves	Net Result Financial Year	Total
Balance as at 31 December 2013	84,511	362,811	2,288,101	- 111,774	412,941	19,963	227,492	3,284,045
Movements in 2014								
Appropriation of result for previous year	-	-	92,657	-	4,542	- 5,056	- 92,143	-
Distribution of dividend	-	-	-	-	-	-	- 135,349	- 135,349
Transaction with minority shareholders	-	-	- 932	-	-	-	-	- 932
Exchange differences	-	-	-	7,723	-	-	-	7,723
Changes in fair value on hedging transactions	-	-	-	17,310	-	-	-	17,310
Net result	-	-	-	-	-	-	271,895	271,895
Other comprehensive income from associates	-	-	-	- 15,990	-	-	-	- 15,990
Actuarial gains and revaluations after taxation	-	-	-	- 3,670	-	-	-	- 3,670
Total movements in the year	-	-	91,725	5,373	4,542	- 5,056	44,403	140,987
Balance as at 31 December 2014	84,511	362,811	2,379,826	- 106,401	417,483	14,907	271,895	3,425,032
Movements in 2015								
Appropriation of result for previous year	-	-	133,954	-	4,542	- 5,057	- 133,439	-
Reclassification	-	-	- 16,772	-	2,784	13,988	-	-
Distribution of dividend	-	-	-	-	-	-	- 138,456	- 138,456
Exchange differences	-	-	-	3,310	-	-	-	3,310
Changes in fair value on hedging transactions	-	-	-	16,675	-	-	-	16,675
Net result	-	-	-	-	-	-	374,163	374,163
Other comprehensive income from associates	-	-	-	2,421	-	-	-	2,421
Actuarial gains and revaluations after taxation	-	-	-	963	-	-	-	963
Total movements in the year	-	-	117,182	23,369	7,326	8,931	102,268	259,076
Balance at 31 December 2015	84,511	362,811	2,497,008	- 83,032	424,809	23,838	374,163	3,684,108

The other statutory reserves comprise the reserve for intangible assets and the reserve for investments in associates.

33. Employee benefits

The liabilities for employee benefits relate to the Management Board of N.V. Luchthaven Schiphol and concern the net liabilities in respect of the long-term incentives. See the notes on employee benefits in the consolidated financial statements for further details.

34. Current liabilities

(in thousands of euros)	2015	2014
Group companies	140,011	58
Loans and borrowings	141,099	-
Accruals	19,916	-
Other liabilities	-	682
	301,026	740

See note 4. *Outsourcing and other external costs* to the consolidated financial statements for a breakdown of auditor's fees.

Schiphol, 18 February 2016

Supervisory Board

L.J. Gunning-Schepers, chair

H.J. Hazewinkel, vice-chair

C. Clarke

R.J. van de Kraats

M. Ohlsson

M.A. Scheltema

J.G. Wijn

For the company financial statements for 2015:

Management Board

J.A. Nijhuis

President & Chief Executive Officer

M.M. de Groof

Chief Commercial Officer

E.A. de Groot

Chief Financial Officer

B.I. Otto

Chief Operations Officer

Other Information

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 Netherlands 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 approved by 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 approved by the Supervisory Board.

(in thousands of euros)

Result attributable to shareholders	374,163
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 (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)	- 56,393
Addition to the statutory reserve (sum of the results of associates, less dividend distributions, and investments in research and development less amortisation)	- 2,694
Dividend distribution	- 187,236
	- 246,323
Addition to retained profits	127,840

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 199.



Independent auditor's report

To: the General Meeting and the Supervisory Board of N.V. Luchthaven Schiphol

Report on the audit of the annual financial statements 2015

Opinion

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 2015, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Netherlands Civil Code;
- the company financial statements give a true and fair view of the financial position of N.V. Luchthaven Schiphol as at 31 December 2015, and of its result for 2015 in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

What we have audited

We have audited the financial statements 2015 of N.V. Luchthaven Schiphol, Schiphol, as set out on pages 135 to 205. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of income, comprehensive income, changes in equity and cash flow for 2015 and the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise the company balance sheet as at 31 December 2015, the company income statement for 2015 and the notes, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of this report.

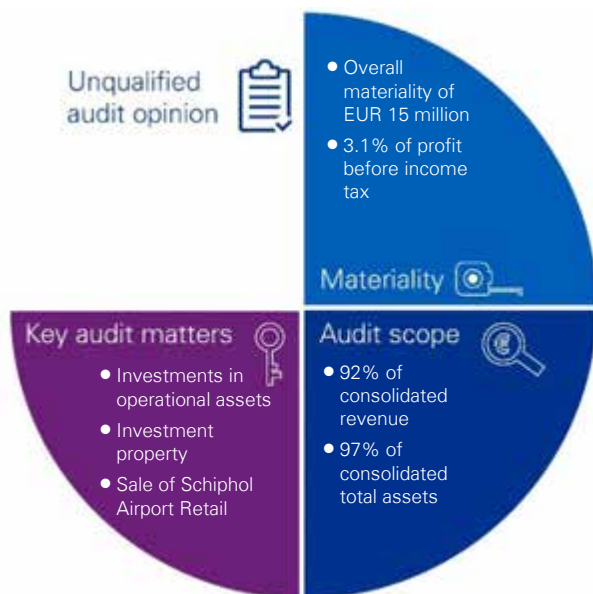
We are independent of N.V. Luchthaven Schiphol in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Audit approach

Summary



Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined materiality for the financial statements as a whole at EUR 15 million (2014: EUR 15 million). Materiality is determined with reference to profit before income tax of which it represents 3.1%. Although profit before income tax has increased compared to 2014, we have not increased the overall materiality as an absolute number. This is based on our consideration that profit before income tax includes items which are not necessarily representative of the activity level of the entity, such as revaluation of investment property and the profit with respect to the sale of Schiphol Airport Retail. We also considered misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

We agreed with the Supervisory Board that misstatements in excess of EUR 0.8 million (2014: EUR 0.8 million), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds. We have not reported any uncorrected misstatements in excess of EUR 0.8 million.

Scope of the group audit

N.V. Luchthaven Schiphol is head of a group of entities (group entities) with activities in the Business Areas Aviation, Real Estate, Consumer Products & Services and Alliances & Participations. The financial information of this group is included in the consolidated financial statements of N.V. Luchthaven Schiphol.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or on specific items therein.

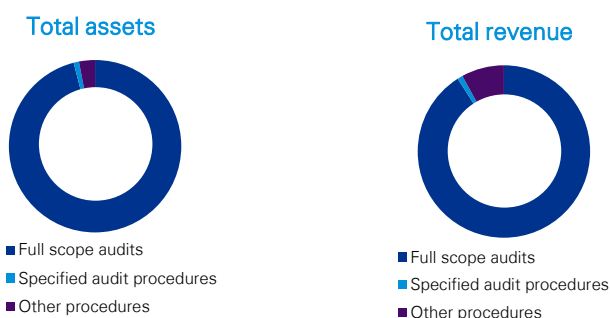
The group audit was mainly focused on the activities located at Amsterdam Airport Schiphol, including Aviation, Real Estate and Consumer Products & Services. The central audit team performed audit procedures with respect to the activities located at Amsterdam Airport Schiphol.

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Audit procedures with respect to a number of foreign activities in the Business Area Alliances & Participations were performed by local auditors. This includes procedures related to investments in and results from the equity-accounted associates Aéroports de Paris and Brisbane Airport. We have discussed the outcome of their procedures during telephone conferences. In addition, we have reviewed the findings that were reported to us, for which we specifically asked through instructions prepared for this purpose. For other group entities, including the activities at Terminal 4 of JFK IAT, the central audit team performed specified audit procedures. Our approach described above resulted in a coverage of 92 per cent of total revenue and 97 per cent of total assets.

By performing the procedures mentioned above, together with analytical review procedures for activities located outside Amsterdam Airport Schiphol, we have obtained sufficient and appropriate audit evidence to provide an opinion on the consolidated financial statements.



Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments in operational assets – appropriateness of capitalisation

Description

Assets used for operating activities (assets in use) and Assets under construction for operating activities together comprise 47% of total consolidated assets. As part of the Masterplan, Schiphol is investing in operational capacity and quality through large-scale renovations and investments. As disclosed on page 166 of the financial statements, capital expenditure in 2015 capitalised as part of Assets under construction for operating activities amounted to EUR 407 million. In our audit, the distinction between capitalised expenditure and operating expenses is important: operating expenses have an immediate effect on profit before income tax, while capitalised expenditure affect profit before income tax in the longer term, through periodic depreciation charges as from the date of transfer from assets under construction to assets in use.

Our response

We have performed audit procedures aimed at the design, implementation and operating effectiveness of internal controls within the purchase and investment process. For Assets under construction for operating activities we assessed the accuracy of new investments, including the appropriateness of capitalisation (rather than recognition as operating expenses), through sampling on capitalised expenditure and associated registered goods received and invoices received. We audited transfers from assets under construction to assets in use, through specific item testing, amongst others based on internally approved delivery protocols. In addition, we performed audit procedures that enabled us to rely on application controls embedded in relevant IT systems, such as the approval of invoices and automated matching of invoices with purchase orders and goods received (the so-called “three-way-match”). We also reviewed certain aspects of the IT general controls, including the design of user profiles in the IT environment that should ensure segregation of duties within such IT environment.

With respect to the project Central Security Non-Schengen we have given consideration to the increased intensity of project activities towards the date of transfer to assets in use, which occurred on 3 June 2015. Therefore, during our audit we have focused on internal controls around project expenditure, invoices for overruns and capitalisation of expenditure around the transfer date. Schiphol has implemented specific internal



controls aimed at controlling the total project expenditure. Based on experiences gained from the above activities, lessons learned have been identified with respect to the alignment of project accounting and financial accounting which, together with the evaluation as referred to on page 94 of the Report of the Supervisory Board, will be applied within the context of future projects.

Investment property is valued at fair value, supported amongst others by valuation reports of independent valuers

Description

Investment property comprises 22% of total consolidated assets and is measured at fair value. The result from revaluation of investment property amounts to EUR 67 million positive. The determination of fair value involves using assumptions and estimates, to which a certain degree of subjectivity is inherent. This has been acknowledged by Schiphol, as disclosed on page 151 of the financial statements as part of the section on critical judgements and estimates. As disclosed on page 145 of the financial statements, fair values are supported by valuation reports prepared by independent valuers. Fair values involve estimates of expected future cash flows and risks.



Our response

We examined the process of determining fair values and the internal controls included therein. We aimed our audit procedures, amongst others, at the engagements between Schiphol and the valuers, the methods and definitions applied and the internal analyses of the valuation results. We have audited the information provided by Schiphol to the valuers and the final results of the valuation process. We have involved our own valuation specialists to assess the models and assumptions used.



We also performed audit procedures focusing on logical access controls with respect to the investment property IT system, which supports the exploitation of the investment property portfolio. This IT system further contains underlying data, such as data with respect to lease contracts, that serve as input in the valuation process. With support of our IT auditors we have tested whether changes in the underlying data have been processed by authorised staff.

Sale of shares in Schiphol Airport Retail (SAR) resulted in a book profit which includes a revaluation profit of the interest retained

Description

In 2015, Schiphol sold 60% of the shares in SAR and continues to hold an interest of 40%. This transaction resulted in a book profit of EUR 50 million and has been disclosed on page 153 of the financial statements. From the perspective of the financial statements, this is a complex transaction since this book profit includes an amount of EUR 20 million that is the result of a revaluation to fair value of the 40% interest retained.



Our response

Based on contracts we have verified that Schiphol sold 60% of the shares and as a consequence no longer has control over SAR, but joint control. We have ascertained that Schiphol, in accordance with relevant accounting standards, has recognised the interest retained at fair value as at the transaction date, and subsequently applied equity method of accounting. We evaluated the fair value of the interest retained by comparing it with the proportionate share of the agreed price for the sale of 60% of the shares.



Finally, we ascertained that the effect of the sale, including the revaluation to fair value of the interest retained, and the resulting book profit of EUR 50 million, were accounted for in accordance with the accounting policies as disclosed on page 146 of the financial statements.



Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Netherlands Civil Code and for the preparation of the Report by the Management Board in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of financial statements

Our objective is to plan and perform the audit to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud. For a further description of our responsibilities in respect of an audit of financial statements we refer to the website of the professional body for accountants in the Netherlands (NBA) www.nba.nl/standardtexts-auditorsreport

Report on other legal and regulatory requirements

Report on the Report by the Management Board and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Netherlands Civil Code (concerning our obligation to report about the Report by the Management Board and other information):

- We have no deficiencies to report as a result of our examination whether the Report by the Management Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, and whether the information as required by Part 9 of Book 2 of the Netherlands Civil Code has been annexed.
- We report that the Report by the Management Board, to the extent we can assess, is consistent with the financial statements.

Engagement

We were appointed as auditor of N.V. Luchthaven Schiphol for the audit of the 2014, 2015 and 2016 financial statements in the Extraordinary General Meeting of Shareholders on 10 February 2014. We have been the external auditor since that date.

Amstelveen, 18 February 2016
KPMG Accountants N.V.

E. Eeftink RA

Historical summary

(in millions of euros, unless otherwise indicated)

	2015	2014	2013 ¹	2012	2011
Profit and loss account					
Revenue	1,423	1,438	1,364	1,353	1,278
Other income and results from investment property	117	35	3	- 13	-
Total operating revenue	1,540	1,473	1,367	1,340	1,278
Total operating expenses before depreciation, amortisation and impairment	- 804	- 838	- 796	- 806	- 766
EBITDA	735	635	571	534	512
Depreciation, amortisation and impairment	- 230	- 232	- 266	- 238	- 208
Operating result	505	403	305	296	304
Financial income and expenses	- 89	- 86	- 90	- 88	- 91
Taxation, share in operating result of associates and minority interests	- 38	- 43	15	- 12	- 15
Result on ordinary activities after tax	378	274	230	196	198
Minority interests	4	2	3	- 2	3
Net result	374	272	227	198	195
Balance sheet					
Non-current assets	5,646	5,413	4,929	5,108	5,106
Current assets	759	415	772	681	681
Total assets	6,405	5,829	5,701	5,789	5,787
Equity	3,716	3,453	3,309	3,203	3,175
Provisions	56	57	46	44	51
Non-current liabilities	2,021	1,987	1,576	1,980	1,980
Current liabilities	612	334	770	562	581
Total equity and liabilities	6,405	5,830	5,701	5,789	5,787
Operating cash flow²	508	508	462	399	387
Ratios					
Operating result as % of revenue	35.5	28.0	22.4	21.9	23.8
Return on average equity in % (ROE)	10.4	8.0	7.0	6.2	6.2
Return on Net Assets in % ³	11.1	8.8	7.8	7.4	7.4
Return on Average Capital Employed in % ⁴	10.1	8.4	7.2	7.4	7.5
FFO/Total debt in % ⁵	22.0	26.5	26.0	24.5	18.5
FFO interest coverage ratio ⁶	6.7	6.4	5.8	5.6	4.5
Leverage ⁷	37.0	35.0	36.2	37.8	37.9
Figures per share					
Earnings per share	2,010	1,461	1,222	1,068	1,045
Operating cash flow per share	2,728	2,730	2,446	2,143	2,081
Dividend per share	1,006	744	726	582	524
Personnel					
Average effective full-time equivalent employees	2,000	2,039	2,058	2,087	2,115

2010	2009	2008	2007	2006
1,180	1,154	1,154	1,146	1,037
22	- 40	22	114	39
1,202	1,114	1,176	1,260	1,076
- 719	- 731	- 709	- 666	- 598
483	383	467	594	478
- 186	- 196	- 172	- 175	- 162
297	187	295	419	316
- 115	- 91	- 54	- 35	- 36
- 10	37	- 54	- 68	247
172	133	187	316	527
3	-	-	-	-
169	133	187	316	527
5,000	4,798	4,754	3,945	3,681
506	729	655	342	483
5,506	5,527	5,409	4,287	4,164
3,109	2,975	2,887	2,957	2,722
65	69	50	54	63
1,762	2,061	1,747	914	865
570	422	725	362	514
5,506	5,527	5,409	4,287	4,164
351	327	421	313	362
25.1	16.2	25.5	36.6	30.5
5.6	4.5	6.4	11.1	21.2
7.9	4.9	7.5	12.3	10.1
7.3	4.5	7.3	11.7	9.8
17.0	18.5	19.3	34.3	39.0
3.8	4.4	6.5	7.7	8.3
37.2	40.5	38.6	23.5	24.8
908	710	1,083	1,844	3,077
1,883	1,756	2,439	1,830	2,114
409	347	371	543	462
2,328	2,496	2,506	2,459	2,293

1 Comparative figures before 2012 have not been restated due to adoption of IFRS 11

2 For analysis see the cash flow statement

3 As from 2006: Operating result + result and interest associates / average non-current assets less deferred taxes.

4 As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt

5 As from 2006: see calculation FFO / Total debt and FFO/ Interest coverage in the note on Financial Risk Management

6 As from 2006: see calculation FFO / Total debt and FFO/ Interest coverage in the note on Financial Risk Management Up to and including 2005: Funds from operating activities adjusted for working capital plus interest income / interest costs

7 As from 2004: Interest-bearing debt / equity plus interest-bearing debt in %

Glossary

ACI

Airports Council International – international sector association of airports

ACM

Dutch Authority for Consumers and Markets; supervises the establishment of aviation charges and conditions at Amsterdam Airport Schiphol

Air transport movements

Commercial air transport movements (not carried out by the military, police, etc.)

Airport Carbon Accreditation

Benchmark for the ACI sector association This benchmark helps provide insight into airports' efforts to reduce CO₂ emissions

Airport charges

Aircraft, passenger and security-related charges

Airport traffic ruling

The section of the Dutch Aviation Act (Wet luchtvaart) that governs the use of Amsterdam Airport Schiphol

AirportCity concept

An integrated development concept for aviation and non-aviation activities offering businesses and users a full spectrum of services and facilities. The AirportCity concept comprises the activities of the business areas of Aviation, Consumer Products & Services and Real Estate

Airside

Area where aircraft take off, land and taxi, and where ground handling activities are carried out on aircraft

Airside retail

The shops in the area behind security control, which is only accessible to travellers at Schiphol

Alders platform

Consultative body for the aviation sector and regional partners, chaired by former minister and former Queen's Commissioner Hans Alders

AREB Fonds

A real estate fund at the Schiphol location wholly owned by Schiphol Real Estate

Aviation Act (Wet luchtvaart) governing the operation of Amsterdam Airport Schiphol

Legislation laying down the terms of the operating licence and the sector-specific supervision of 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, odour and safety at Amsterdam Airport Schiphol; in force since February 2003

Aviation Policy Document

Vision of developments in, and the growth of, aviation in the Netherlands, published by the Dutch government

Bas

The Local Community Contact Centre (Bas) is the information and complaints centre to which local residents can address their questions and complaints concerning air traffic at Amsterdam Airport Schiphol. Bas is a joint initiative of Air Traffic Control the Netherlands (LVNL) and Amsterdam Airport Schiphol

Bird strike

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

BREEAM

BREEAM (Building Research Establishment Environmental Assessment Method) certification is awarded by the Dutch Green Building Council

Business area

A functional cluster of activities within the Schiphol Group organisation

Catchment area

Area from which passengers travel to and from Amsterdam Airport Schiphol by road or rail

Comprehensive testing

The comprehensive fire-safety testing, under operating conditions, of fire alarm equipment, air treatment plants, baggage systems, lift control equipment, shutters and evacuation systems in the terminal

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

Corporate Responsibility (CR)

Conducting business with respect for people, the environment and the local community

CR-conscious supplier

A supplier who is able to produce a recent Corporate Responsibility policy document, an (integrated) Corporate Responsibility Report, an ISO 14001 or equivalent specific certificate for a product or product group and an EMAS certificate

CROS

The Schiphol Regional Consultative Committee (Commissie Regionaal Overleg luchthaven Schiphol); a discussion platform connecting the aviation sector and the region

EASA

European Aviation Safety Agency

Economic profit

RONA (after tax) minus the WACC, multiplied by average fixed assets

Enforcement point

A calculation point to which a maximum permissible noise load applies as set by the central government

Environmental permit

Operating licence enabling the airport to carry out activities under the environmental conditions set out in the permit

Euro Medium Term Note (EMTN)

An umbrella programme under which investment-grade entities can issue unsecured certificates of debt ('notes')

FFO

FFO – funds from operations – is the cash flow from operating activities before changes in working capital

Fixed Electrical Ground Power

Power supply for on-board aircraft systems on the apron (airside) to replace a GPU

FTE

Full-time equivalent; a full-time job

Full-freighter

An aircraft that transports cargo only

General Aviation

The international designation for private and business flights using aircraft for no more than 20 passengers

Global Compact

A United Nations initiative in which the participating companies commit to ten ethical and environmental principles

GRI

Global Reporting Initiative – worldwide guidelines for Corporate Responsibility reporting

Ground handling

The activities required for the arrival and departure of aircraft, passengers and cargo. This includes passenger check-in, loading and unloading baggage and cargo, aircraft cleaning, and catering

Ground noise

Ground noise is low-frequency noise producing vibrations that can cause nuisance. It is perceived differently from 'regular' noise, and is more often felt than heard. Low-frequency noise is produced by aircraft taking off on the runway

Home carrier

Main network carrier at a hub airport

HPO

High Performance Organisation: an organisation that outperforms comparable organisations (financially) over a prolonged period of time.

Hub

A central airport where continental and intercontinental flights are available

ICAO

International Civil Aviation Organization, an agency of the United Nations. ICAO makes international agreements concerning safety, environmental aspects, efficiency and the continuity of the aviation sector

IFRS

International Financial Reporting Standards: a set of internationally formulated and acknowledged accounting principles applied by Schiphol Group

Industrial accident

An undesired, sudden work-related event causing almost immediate damage to an employee's health. Absenteeism due to an industrial accident takes effect when the employee does not report for work on the day or shift after the accident

IR-rate

Irrregularity Rate; the percentage of bags that do not arrive at their destination at the same time as the passenger

Ke

Unit costs: a measure used to express noise impact

Landside

The landside (publicly accessible) area of the airport or airport grounds

LEED

LEED stands for 'Leadership in Energy and Environmental Design'. It is a voluntary hallmark based on BREEAM. At Schiphol-East, the TransPort building has been awarded the highest certificate for sustainability, Platinum LEED

Lettable floor area

Number of lettable square metres (LFA)

Lost Time Injury Frequency (LTIF)

A measure of the frequency of work-related accidents that resulted in absenteeism (relative to the number of hours worked)

Low cost carrier

An airline that typically offers relatively cheap tickets in combination with the option for passengers to pay extra for certain additional services

Mainport

A Mainport is a hub of interlinked air, road and rail connections that plays a major role within, and contributes significantly to the development of a region and the national economy

Masterplan

Directional plan which, in accordance with our ambition to be Europe's Preferred Airport, lays down the spatial development of the airport infrastructure and translates that development into an investment programme in response to demand for capacity and quality, socio-economic developments and trends in the aviation industry

Material aspect

An aspect is material if it reflects the significant economic, social or environmental impact of the organisation or if it substantially influences stakeholder decisions

MTOW

Maximum Take-Off Weight of an aircraft upon which take-off and landing charges are based

NAPD2

NADP (Noise Abatement Departure Procedure). NADP2 is a take-off procedure under which departing aircraft begin their ascent at a higher speed and with retracted flaps, resulting in lower fuel consumption and with a beneficial effect on emissions

Net Promotor Score

A simple yet powerful instrument for measuring customer satisfaction, in which respondents are asked to indicate the extent to which they would recommend a company, product or service to others

Night time procedure

Period of the night (from 23:00 to 7:00) during which the use of runways is restricted and incoming aircraft must use silent approaches while departing flights must make use of special night routes

O/D passengers

Origin and destination passengers using Schiphol as their airport of departure or arrival

Operating year

The period that runs from 1 November to 31 October inclusive

Operational waste

A collective term for all types of waste, except building and demolition waste, waste products and water from de-icing activities. Regular waste includes glass, paper, organic waste and mown grass

Passenger Service Charge

A rate charged to each departing passenger for the use of airport facilities

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

Royal Netherlands Marechaussee

The Royal Netherlands Marechaussee is responsible for passport control, border control and protecting civil aviation against attacks and hijacks. It is also responsible for issues such as human trafficking

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 (ICAO)

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 Local Community Council

The Schiphol Local Community Council is a platform for stakeholders to come together to address issues relating to the development of Schiphol and the surrounding area. These stakeholders include government, residents, the aviation sector and sector organisations.

Schiphol Safety Platform (VpS)

Parties in the aviation sector work together in the Schiphol Safety Platform to guarantee and further improve aviation safety at Schiphol. All the parties that play a role in the aviation process at Schiphol are represented in the Schiphol Safety Platform. In its capacity as airport manager, Amsterdam Airport Schiphol chairs the platform and is responsible for programme management

Schiphol worker

An employee of one of the businesses operating 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

The shops where traditional tax-free items such as perfume, cosmetics, beverages and tobacco are sold

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

Socio-economic theme

Schiphol Group embraces five Corporate Responsibility themes which it implements at the strategic level. They are: noise and the local community, climate-friendly aviation, accessibility and air quality, commodity shortages and sustainable employment

Top-level positions in the organisation

All positions from scale 14 and above that exercise a certain degree of influence on strategy development, policy and/or decision-making in connection with our core activities

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

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

Published by

Schiphol Group
Postbus 7501
1118 ZG Schiphol

www.schiphol.nl
www.annualreportschiphol.com

Published on 8 March 2016

Editors

Schiphol Group, Schiphol, the Netherlands
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Metamorfose Vertalingen BV, Utrecht, the Netherlands

Design and execution

C&F Report, Amsterdam, the Netherlands

Project support

Report Company, Eemnes, the Netherlands

Creation and publication software

Tangelo Software B.V., Zeist, the Netherlands

Photography

Xander Richters, Abcoude, the Netherlands, and others