

Address by Jos Nijhuis, Schiphol Group President at the New Year's Reception of Schiphol Group on 3 January 2011

Ladies and gentlemen, let me begin by extending a warm welcome to all of you at the New Year's reception of Schiphol Group.

It is a great pleasure for me to be able to mark the beginning of this new year with you, our business partners and stakeholders. I would like to wish all of you, as well as your loved ones and your companies, a very successful and healthy New Year.

I shall now continue in Dutch, but an English version of my speech will be made available to you.

Amsterdam Airport Schiphol has a very special social and economic task. In everything we do, the interests of the mainport take pride of place. At the mainport, interaction between mutually reinforcing businesses and activities has allowed Schiphol and the surrounding area to develop into what it is today: an international hub of people, goods and services. That hub owes its existence first and foremost to the intercontinental and European network of destinations operated by KLM and its SkyTeam partners.

To serve the interests of the mainport as effectively as possible, we need to be financially fit and generate a healthy return on our investments. In line with our social function, those investments are aimed at the continuity, capacity and quality of the mainport.

Every person in this audience helps us achieve that entrepreneurial vision. Entrepreneurs want to do business. This is why we make every effort, in turn, to facilitate that entrepreneurial spirit among our partners by offering an excellent business environment. That includes attention to costs. I believe that our core values – hospitality, efficiency, reliability, inspirational leadership and sustainability – should continue to guide our actions in 2011.

But I am running ahead of things. After all, a New Year's speech traditionally starts with a retrospective of past events and developments.

One of the first things that spring to mind is the infamous ash cloud. It is curious to observe that a volcano is capable of wreaking such havoc in air traffic while the air above Schiphol itself appeared to be crystal clear.

What is also crystal clear by now is the effect the ash cloud had on the results of a great many airlines, as well as on our own figures. It has cost us an awful lot of money. It also brought home to us, however, that aviation is absolutely essential to the Dutch and the European economy. As a result of the grounding of aircraft Europe was almost completely isolated.

Neither should we forget that the passengers who were forced to stay here at the airport were positive about the hospitality we and many of you were able to offer them. That feedback has reassured us that in terms of hospitality – one of our core values and doubtlessly also one of yours – we are on the right track.

The recent snowy conditions gave us another opportunity to test our hospitality and operational flexibility. While many airports in the countries around us were closed, we managed to keep Schiphol open thanks to the concerted effort of all parties involved. That in itself is quite an achievement. It does not mean, however, that we can now afford to lean back. There are of course points for improvement to keep us occupied in the coming period.

Ladies and gentlemen, you will not have failed to notice that over the past year a difference of opinion arose between a number of airlines and Schiphol about a proposed change to the airport's rate structure. That difference of opinion received extensive media coverage and proved to be capable of undermining our mutual relationship and collaboration.

This is clearly not in the interests of the mainport. For that reason, KLM and Schiphol have decided to commission a joint study into the effects of the proposed rate change on the network of destinations and into the impact of market trends and developments on the mainport. The outcome of this study will serve as important input for our future decision-making.

In 2010 we realised a number of high-profile innovations for our customers.

In the summer we opened Holland Boulevard, a facility that provides a great opportunity especially for transfer passengers to sample Dutch culture and cuisine without actually having to enter the Netherlands. Holland Boulevard also offers the world's first AirportLibrary, which was officially opened by Her Royal Highness princess Laurentien. *Monocle*, a leading international trendsetting magazine, voted the AirportLibrary the world's best airport facility in 2010. Incidentally, Dutch national newspaper *NRC Handelsblad* proclaimed '*luchthavenbibliotheek*' (Dutch for airport library) as one of the most striking new words of

the year. We consider it quite an honour to be recognised for coining a new word in the Dutch language.

In December we put a new, ultra-modern baggage system into operation near Departure Hall 1. The new system, which forms part of a much larger €700 million system, will enable us to offer the required capacity during peak hours in a reliable and efficient manner. It is a good example of what I referred to at the beginning of my speech: an investment that contributes to the continuity, capacity and quality of the mainport. As a matter of fact, for the past ten years we have been investing on average 1 million a day – first in guilders, now in euros - in the quality of the airport.

I would now like to move on to a completely different – though no less important – subject: our environment. We have been piloting a new enforcement system since 1 November 2010. The change was urgent, as the old system with its myriad of control measures was too complicated and not really suitable for any of the parties concerned. The new enforcement system will be operated in tandem with the old system for a period of two years. We are confident about the evaluation, as the first results appear to be quite promising.

The agreement reached with local residents and public authorities within the Alders Platform is a true milestone. Under the agreement, 510,000 of the 580,000 air transport movements projected for 2020 can be handled at Schiphol, provided that the national government creates space for the other 70,000 air transport movements at Eindhoven Airport and Lelystad Airport. This means we will make timely investments in both these airports in order to ensure the required infrastructure is available when needed. And let there be no mistake about it: Schiphol honours all of its commitments.

This leads me to an ambitious target that we have set ourselves. Schiphol aims to run a completely CO₂-neutral operation by the end of this year. You will appreciate that this requires a whole series of measures, more than I can mention here. Yet there is one particular innovation that I would like to single out: the introduction of LED lighting for the TV screens and to replace ordinary lighting in the Terminal.

Of course we will need our partners' support to realise this ambition. In this context, we are proud that the airline which has received so many awards for its sustainability efforts is our premier customer, Air France-KLM.

Finally I would like to draw your attention to a few gratifying figures. Together with you, we made great steps forward in 2010. We emerged from a recession and have been successful in turning around the negative trend of 2009 into a 3.8% growth in passenger numbers (45.2 million) and an increase in cargo volumes of nearly 16% (1.5 million tonnes). The number of air transport movements has decreased by 1.3% (386,000). This reflects the trend that aircraft are getting bigger and the average number of passengers per aircraft is also increasing. This trend will contribute to the efficient and effective use of our airport. I expect the recovery to continue through 2011.

Ladies and gentlemen,

2011 looks set to become a significant year. In the coalition agreement, the Dutch government has devoted a great deal of attention to aviation. The policy framework from the Aviation Policy Document will help shape the future development of Schiphol. It will be discussed in the Lower House of Parliament in the next few months. Our aim in this connection is to strengthen the mainport by encouraging selective growth within the boundaries set by the Alders Agreement.

As I said at the beginning of my speech, Schiphol has a very special social and economic task, in the fulfilment of which the interests of the mainport are of paramount importance. Let's drink a toast to our success in this effort, and to the fact that with your help we have made Schiphol into what it is today!

To you and yours, to our companies and to a wonderful 2011. Cheers!