

Our international activities

Eyes open to the world

As an airport company, we want to create sustainable value. We do this in an innovative, reliable and efficient way. Our international activities add value to our core business operations in the Netherlands and provide meaningful opportunities to start joint initiatives, to work in an international context and to share best practices for our employees.

Our Group has been internationally active for decades. Trade and a focus towards the outside world are in our corporate DNA. In 2018, Royal Schiphol Group revitalised its international strategy. In addition to strengthening our current partnerships and participations, we will pursue new opportunities worldwide. In doing so, we are well placed to benefit from the international trade agenda of the Netherlands. The focus of our new strategy will be on developing partnerships where we can maintain a high level of involvement through participations and management contracts, and where we can offer critical knowledge and expertise on developing, improving and operating an airport.

There are two strategic reasons why international activities are relevant for our future: they provide opportunities to strengthen our position as an airport operator, on the one hand, while also contributing to our financial robustness on the other.

Entering into international ventures also challenges us to continue improving our products and services and, in this way, enhance the quality of our staff across the Group. In particular, operating internationally generates valuable learning opportunities across a wider range of airports, allowing staff to get to know different geographical and cultural settings and gain exposure to new business models. The knowledge and know-how gained across the Group serves to strengthen all of our airports.



Our international activities already account for a significant portion of Schiphol Group's revenues, while also contributing to our financial solidity and spreading business risks. As such, these activities help ensure the robustness required to finance our future ambitions and invest in Amsterdam Airport Schiphol. Our investments in Groupe ADP, Brisbane Airport Corporation and our other international activities contributed 37.0% to our net result in 2018.

Schiphol International

Schiphol Group holds board positions in all three airport companies. Schiphol has also nominated CEOs for both Brisbane and New York.

Brisbane Airport Company Holding (BACH)

Schiphol has been involved with Brisbane Airport as a minority shareholder since the privatisation of the airport in 1997, joining Australia-based financial investors, supranational fund managers and institutions. Schiphol Group has delivered knowledge as well as operational and strategic support to help transform the airport into one of the best in Australia. Today, Brisbane is the third-largest airport in Australia, facilitating the passengers and flights of 33 carriers serving 51 domestic destinations and 32 international destinations. With more than 2,700 hectares of land, Brisbane Airport is the location of more than 450 different businesses, which supported nearly 24,000 employees in 2018. Jobs at and around the airport site are expected to double over the next ten years.

At the end of 2018, the Qantas and Virgin leases and operations in the domestic terminal were transferred to Brisbane Airport Corporation. Construction of the new parallel runway is well underway, with delivery scheduled for 2020.

Read more at: <https://bne.com.au/corporate>.

Groupe ADP (Aéroports de Paris)

In 2008, Schiphol Group signed a strategic industrial alliance and entered into an 8% cross-shareholding with Groupe ADP, the main activity of which is the operation of Paris' two international airports: Charles de Gaulle and Orly. Through the alliance, we aim to optimise processes for Air France-KLM at their respective hubs, focusing on knowledge exchange, staff exchange and synergies involving joint procurement and innovation.

The French State is currently investigating options to further privatise Groupe ADP by selling part of, or its entire, majority stake in order to finance the national innovation fund announced by the Macron administration. Schiphol Group is closely following this process.

Read more at: www.adp.fr.

JFKIAT (JFK Terminal 4, John F. Kennedy Airport, New York)

JFKIAT, an affiliate of Schiphol Group, has been the operator of Terminal 4 since 1997. During this time, we have provided expertise for the development of a new terminal, which opened in 2001. Since 2010, Schiphol has been collaborating with Delta Air Lines, a member of SkyTeam and a joint-venture partner of KLM, to renovate the terminal and to develop additional gates to accommodate Delta's hub operation. Terminal 4 currently accounts for one-third of all air traffic at JFK, making it the primary international gateway to New York City and the United States as a whole. It is known for its convenience and commercial offering. The terminal has also been awarded Leadership in Energy and Environmental Design (LEED) Gold certification.

In 2018, the Governor of New York announced a transformation plan for JFK, earmarking 13 billion US dollars. JFKIAT participated in a tender to develop the south side of JFK Airport. In October 2018, it became clear that JFKIAT was not selected as the preferred party for the project. JFKIAT is currently assessing the potential extension of the A-concourse and further terminal redevelopment.

Read more at: www.jfkia.com.

Other international activities

Royal Schiphol Group also is active at Aruba Queen Beatrix International Airport. Schiphol Group nominated the CEO for Aruba Airport and delivers technical support. Furthermore, Royal Schiphol Group has a strategic partnership with Incheon Airport in South Korea.

Participations of Royal Schiphol Group

Airport	Passenger numbers	Our role
Brisbane Airport, Australia	23.6 million	Shareholding of 18.7%
Groupe ADP, Paris, France	105.3 million	Cross-shareholding of 8%
- Charles de Gaulle	72.2 million	
- Orly	33.1 million	
JFK Terminal 4, New York, USA	21.6 million	Management contract

Financial and business performance

In 2018, the number of passengers at Amsterdam Airport Schiphol increased to 71 million and the number of air transport movements reached the permitted maximum of 500,000. Additional operational measures were taken in order to streamline growing passenger flows, which resulted in an increase in operating expenses. With the longer term in mind, investments are being made across a number of major projects, including the new pier and terminal, with a view to delivering the required capacity.

In 2018, Royal Schiphol Group's net result decreased by 0.4% to 278 million euros (2017: 280 million). As in previous years, market developments in the real estate sector were highly positive, leading to positive other results from investment property of 107 million euros (compared with 42 million euros in 2017), mainly due to an increase in the value of our real estate portfolio. When adjusted for results from investment property (mainly fair value gains) and several other one-off results in both 2017 and 2018, which are explained further on this chapter, the net result increased by 3.3%, with a decrease in the operating result (11 million euros) and an increased share in the results of associates (14 million euros).

