

Mainport strategy Cargo

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Airneth 2007

Cargo strategy in a nutshell

1. priority to the development of our full pax and full freighter ICA network.

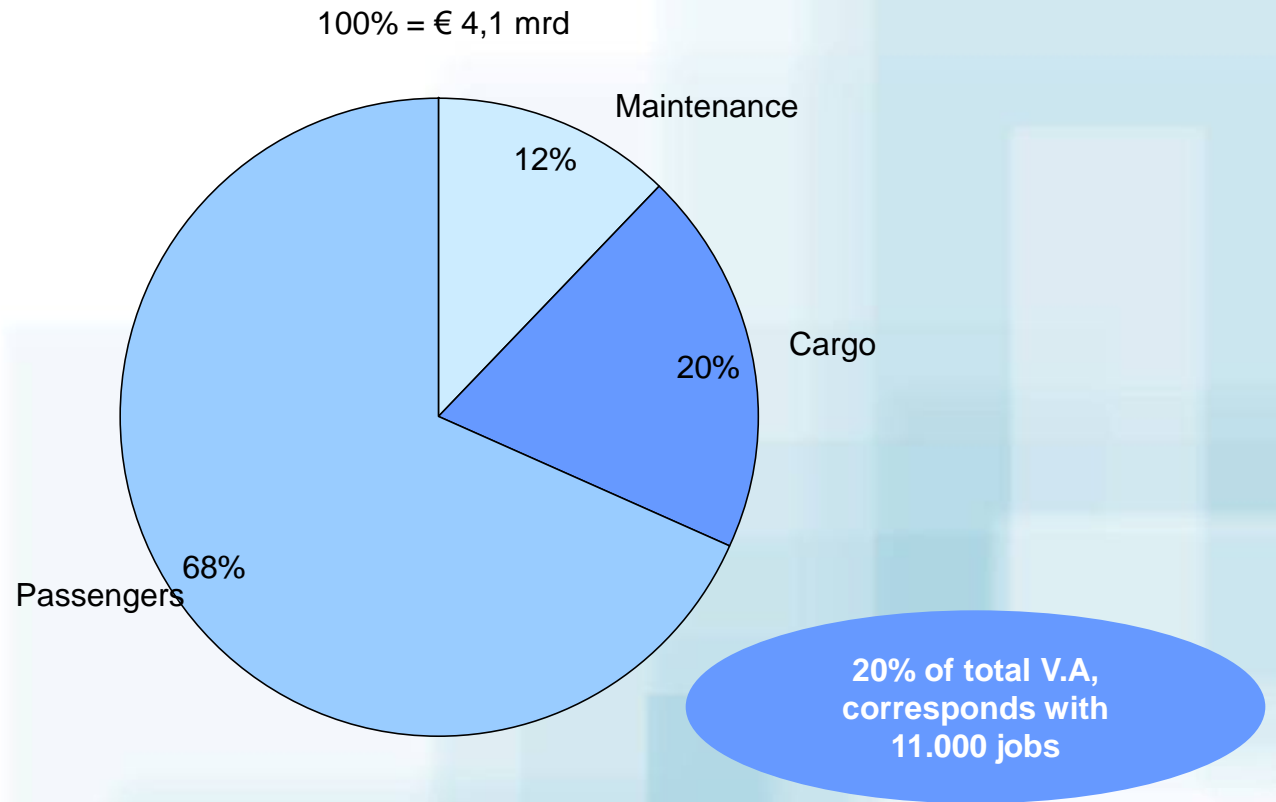
2. intensify our cargo management efforts

3. network connecting all major economic areas in the world.

4. quieter aircraft and selective use of night capacity

5. 'best in class' process quality and functionality.

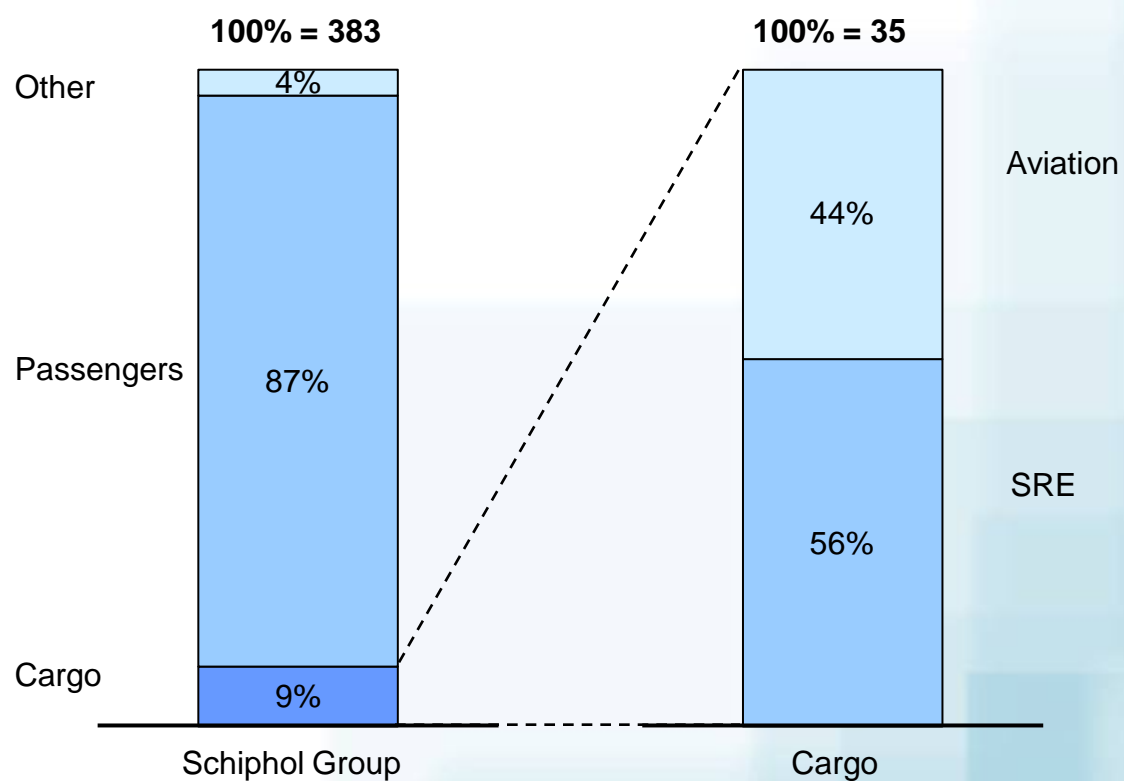
At Schiphol, Cargo is responsible for 20% of the total value added



Cargo represents 9% of the results of Schiphol Group

Results Schiphol Group – Budget 2006

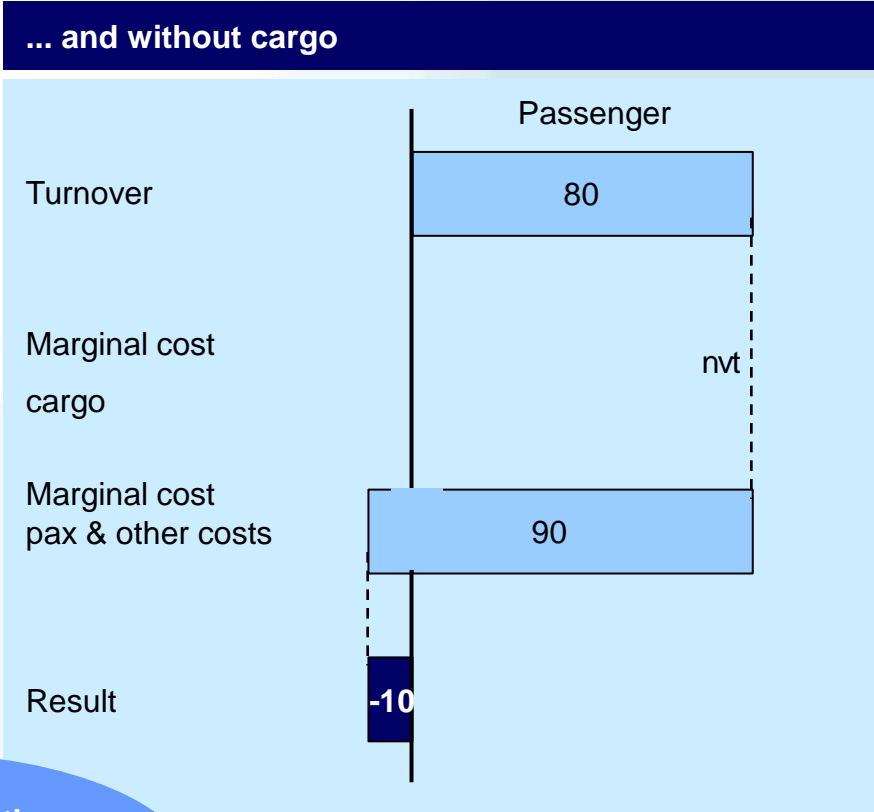
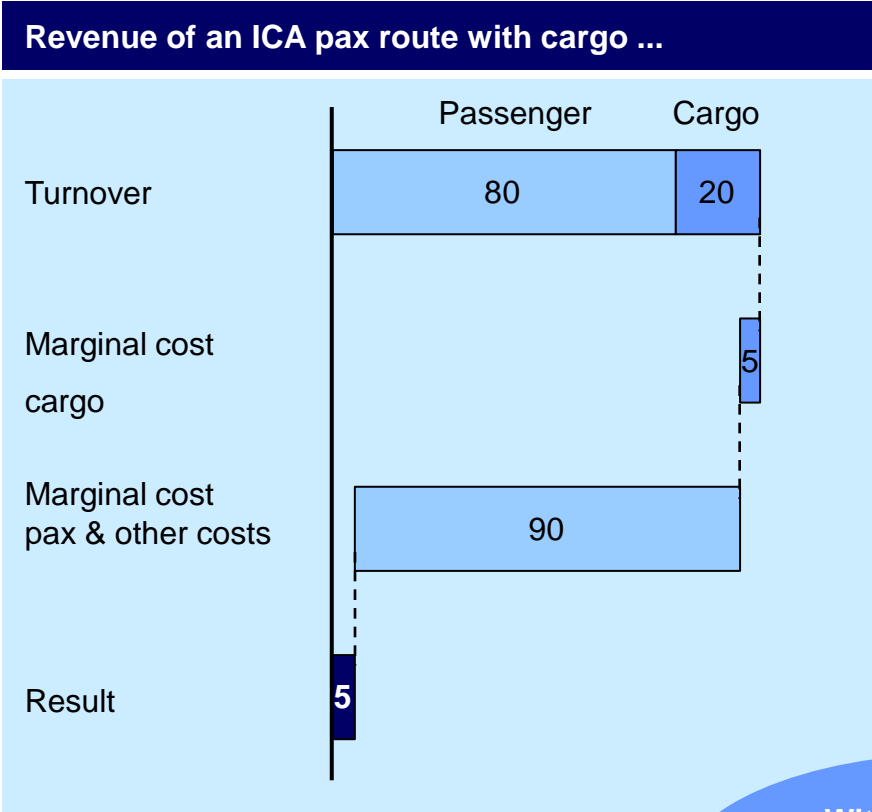
(€ mln)



Cargo and passengers are linked on the intercontinental flights

(index, turnover with cargo = 100)

Average cargo yield is €40 per passenger



Without cargo the operational margin for ICA aircraft is reduced by 15%



Trends en developments

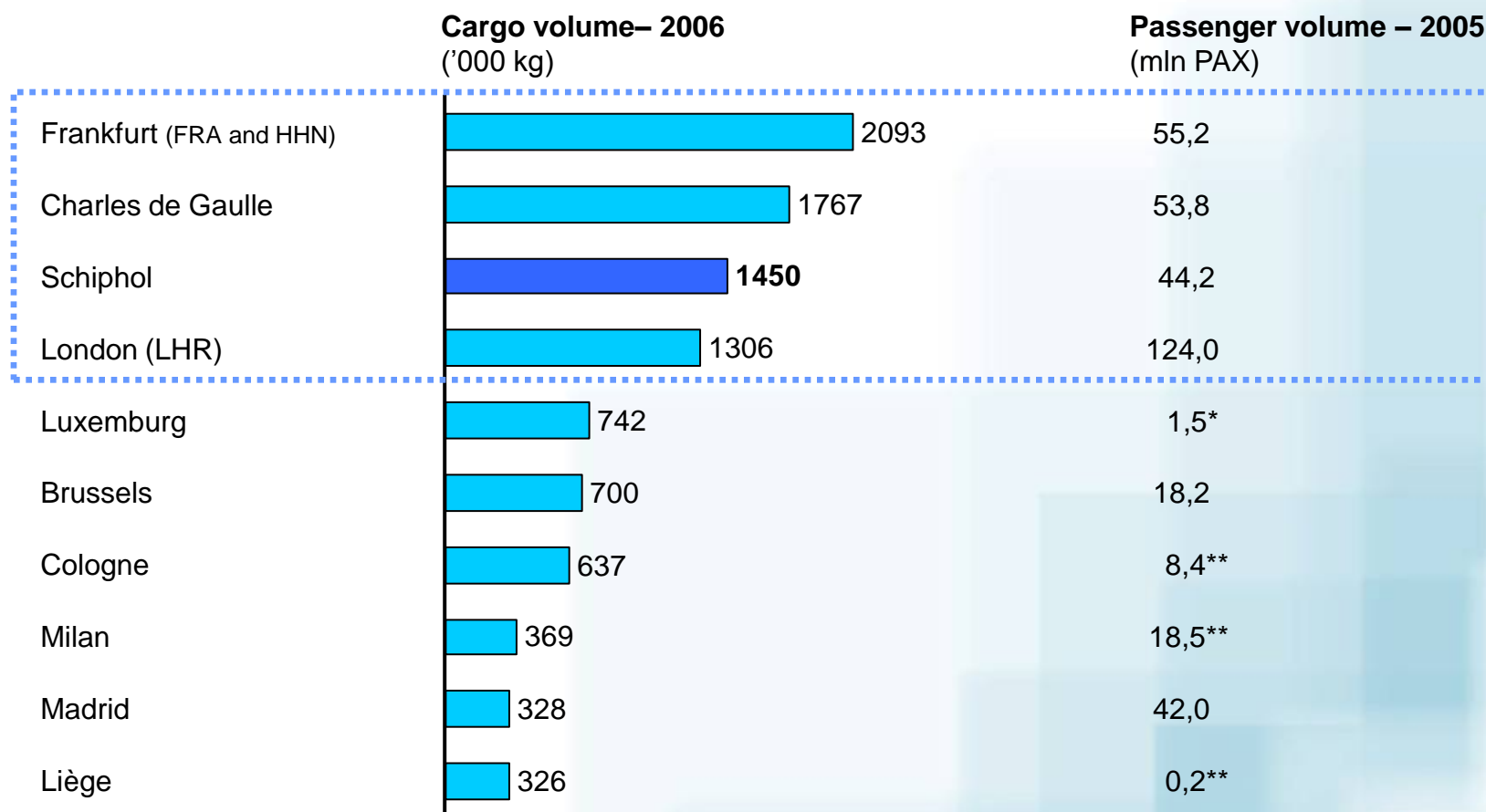
The competition has shown stronger growth during recent years.

Air cargo growth expected at average 6% per year.

All major European cargo hubs face capacity limitations (during the night)

Full freighter uplift will become increasingly important

Schiphol is the third Cargo Mainport of Europe



* 2003
**2004

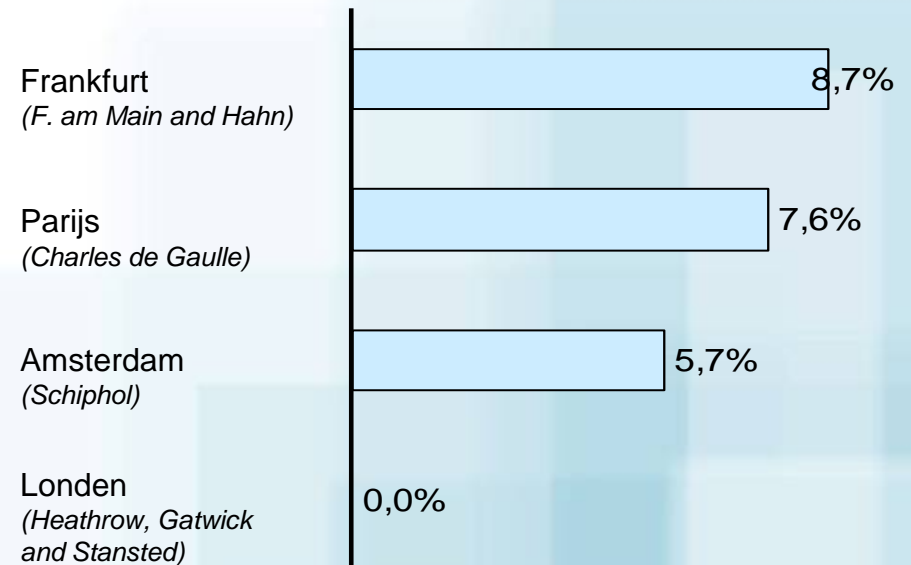
Source: Schiphol; annual reports; press

Position and growth of Schiphol in 2006

Cargo volume 2006 (Mton)



Growth 2006 - 2005



The attraction of a hub for full freighters and network forwarders is determined by the size and thus the strength of the market

Air cargo is a growing market

Antipated growth of world air cargo (% per year)

Aircargo forecasts

MIT	6,4%	2005 - 2020
FAA	6,3%	2007 - 2017
Merge Global	6,3%	2003 - 2023
Boeing	6,2%	2003 - 2023
Airbus	5,9%	2003 - 2023
IATA	5,5%	2005 - 2009

World-GDP forecasts

IMF	3,5%	2005 - 2009
OEF	3,4%	2005 - 2009
MIT	3,2%	2005 - 2020
FAA	3,1%	2007 - 2017
Global insight	3,0%	2005 - 2025
Boeing	2,9%	2003 - 2023

Other related forecasts

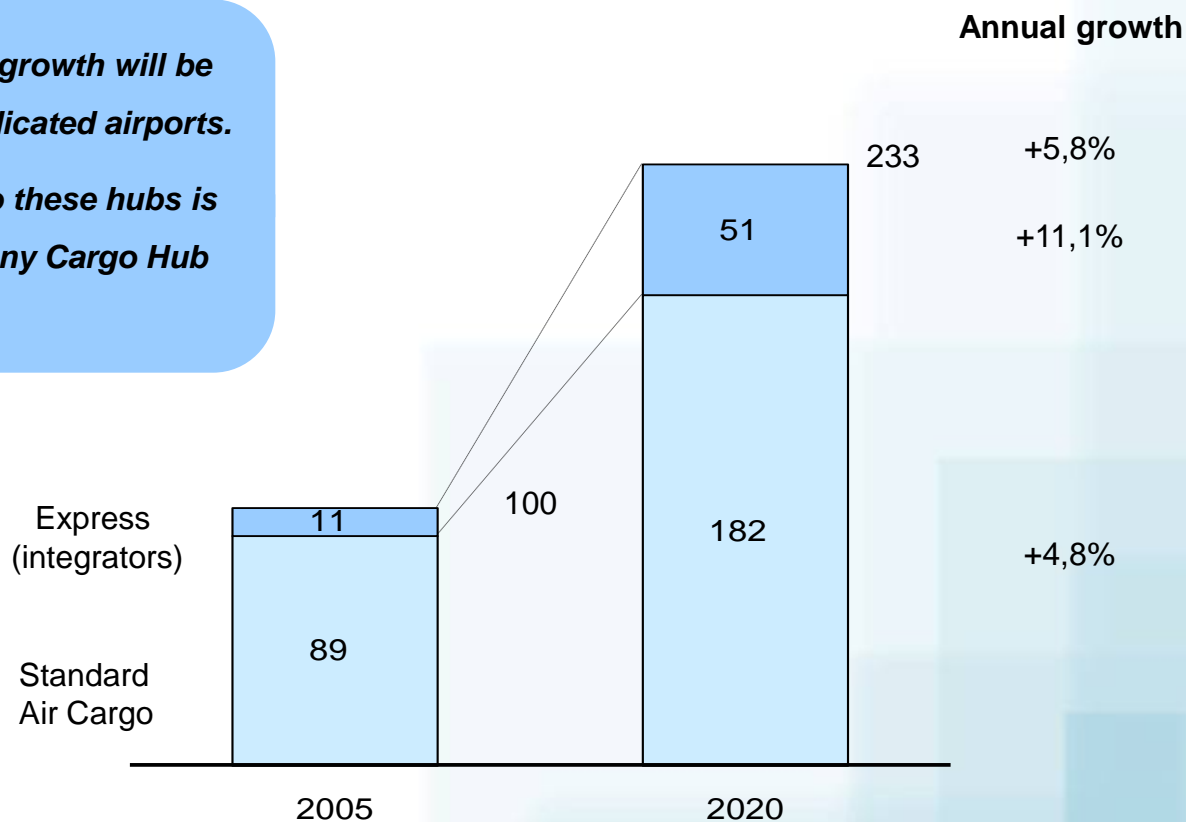
World trade (<i>zie volgende slide</i>)	OEF	6,9%	2005 - 2009
Container traffic	TDC*	7,8%	2006 - 2010
China exports	Economist	16,6%	2006 - 2010

World
Europe

We expect a very strong growth of the Express market by 2020

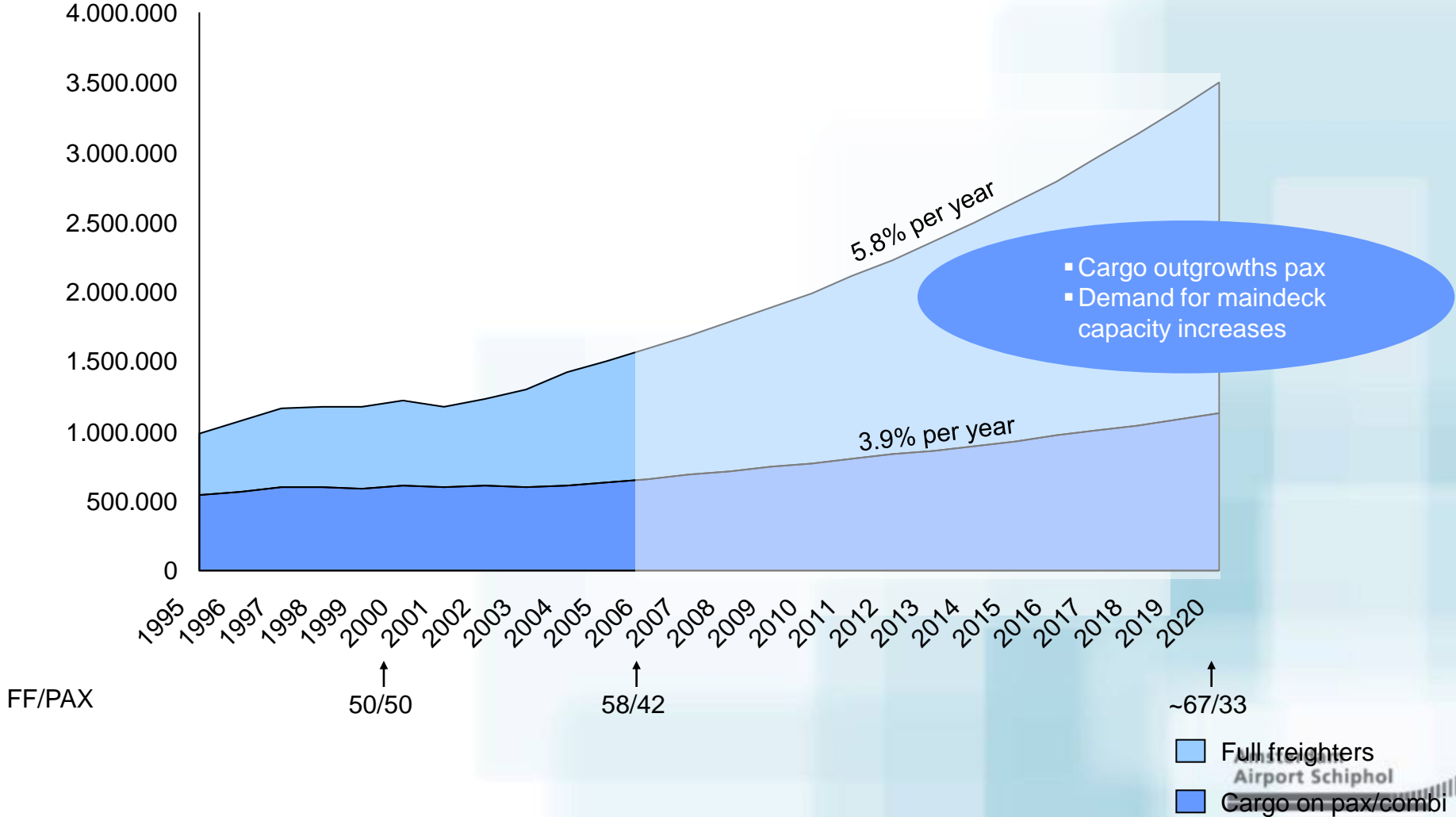
Express cargo growth will be focussed on dedicated airports.

A connection to these hubs is important for any Cargo Hub

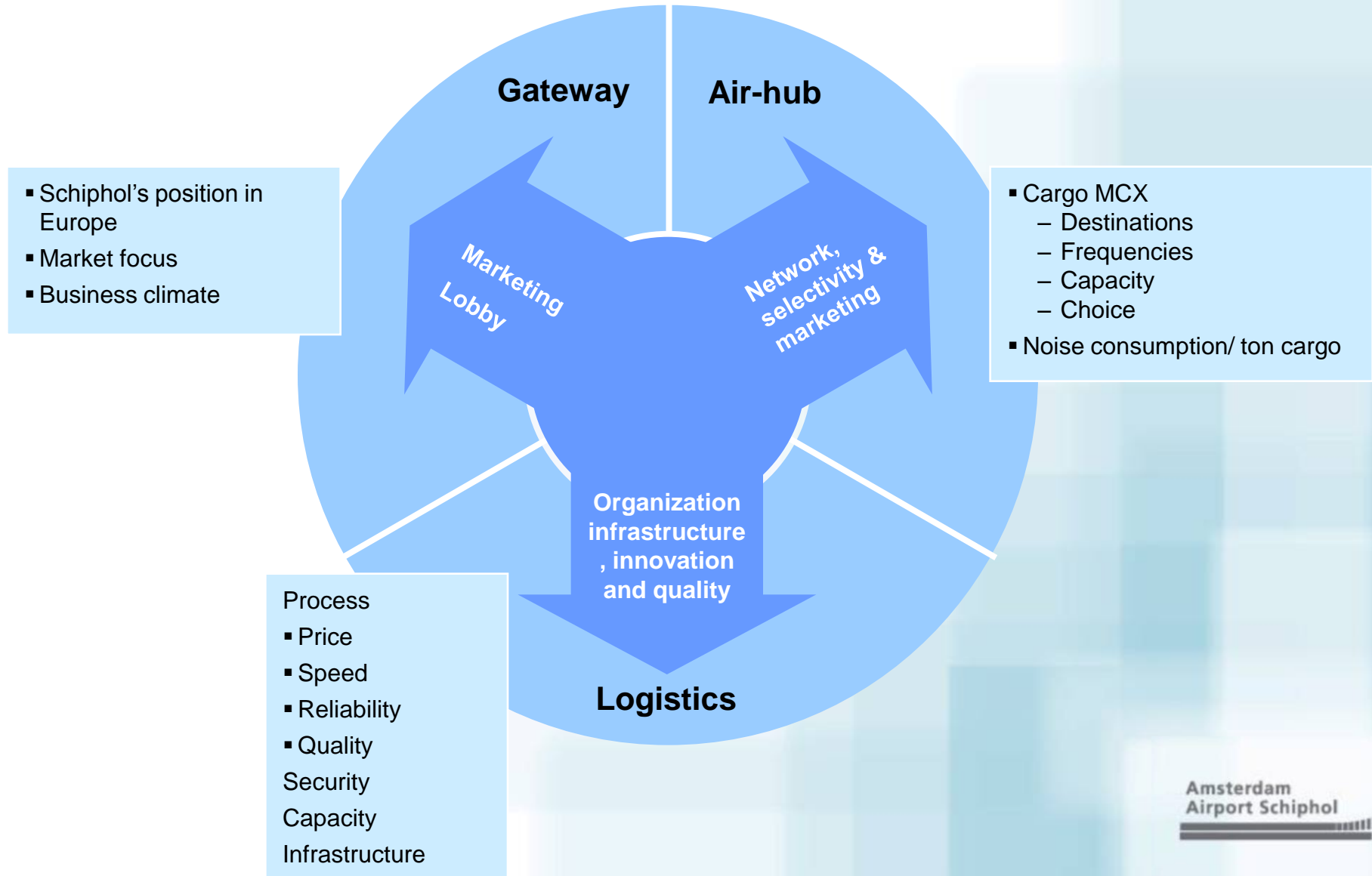


An increasing share of cargo is flown on full freighters, cargo outgrowths pax

Forecasted cargo growth Schiphol based on anticipated European growth (ton)



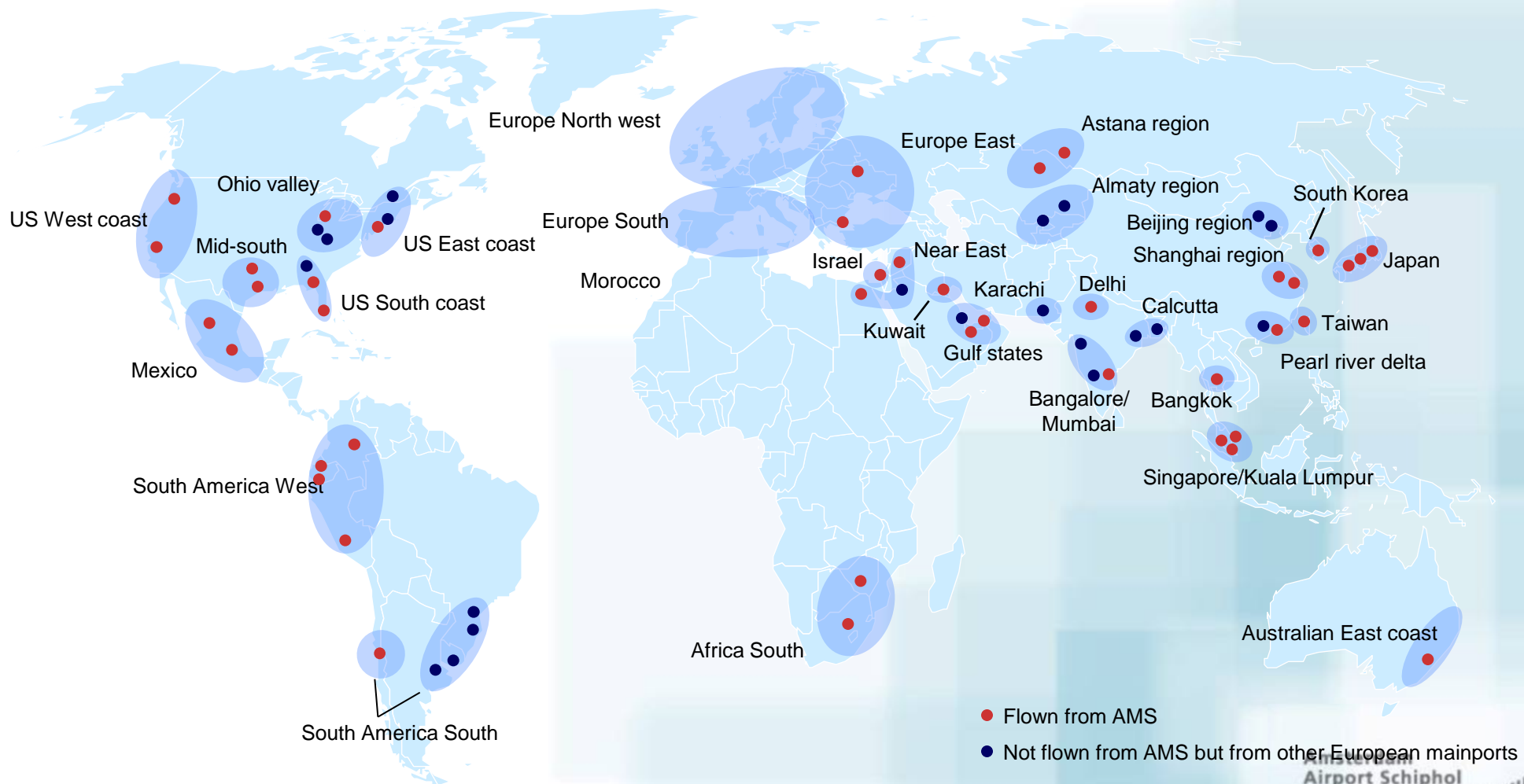
Cargo mainport strategy focuses on 3 areas



A competitive mainport must be connected with every - to Europe important - region.....

Full freighter destinations per economic region

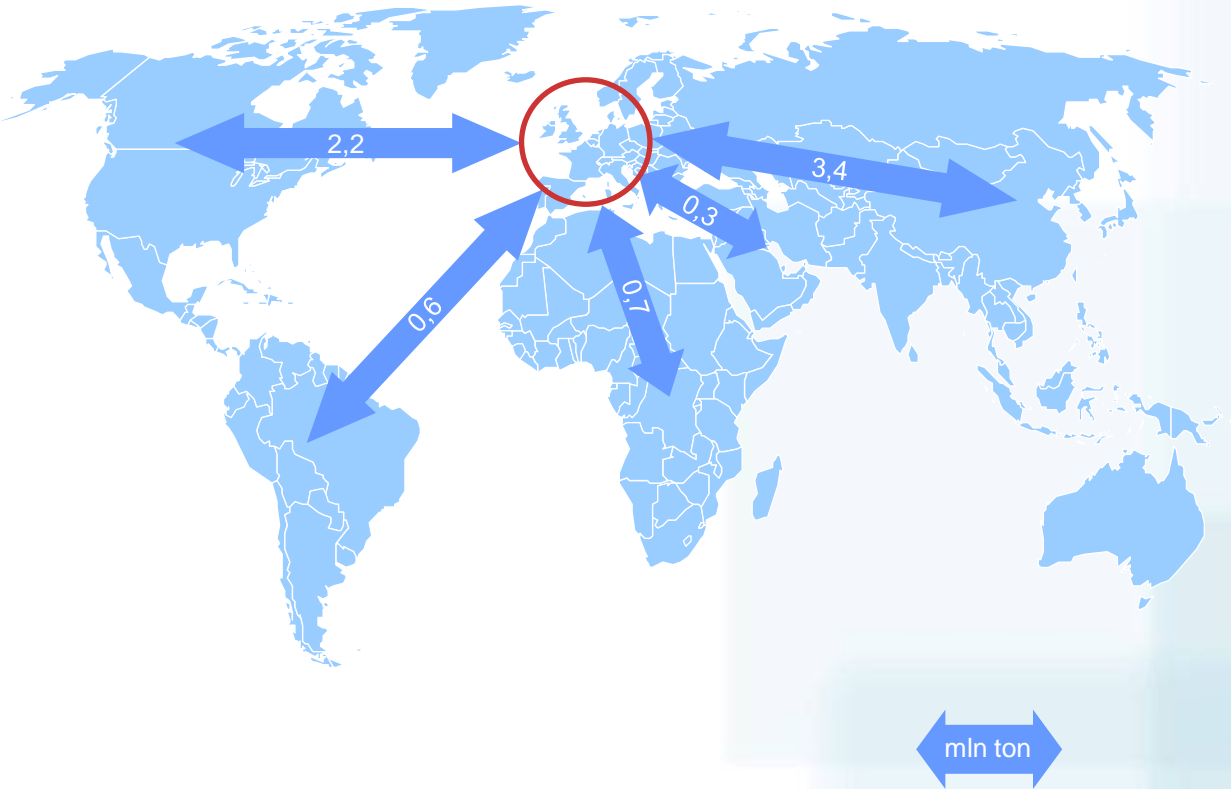
Based on incomplete OAG



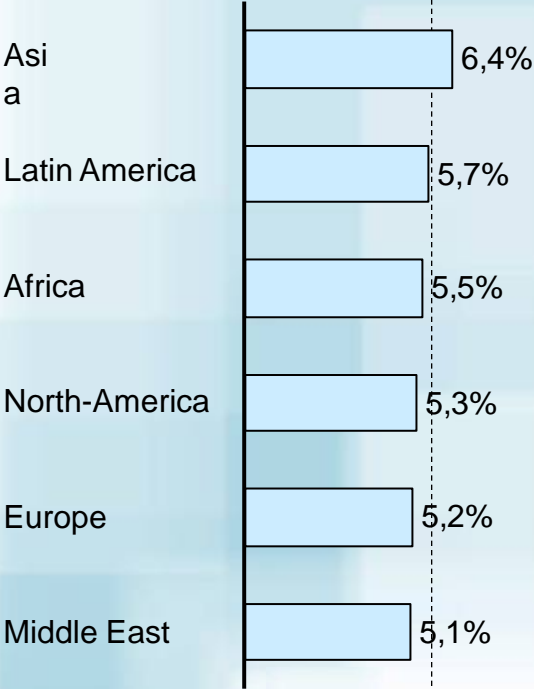
All traffic flows contribute to growth especially Asia

Expected air cargo growth between Europe and Rest of the World, 2003 – 2023
(% annual)

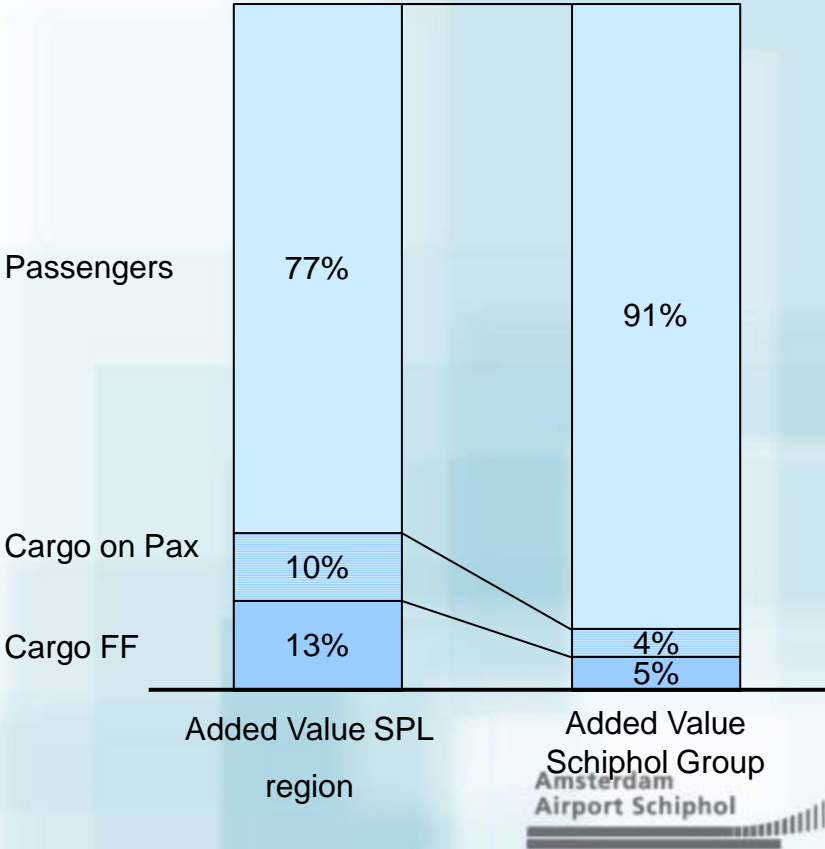
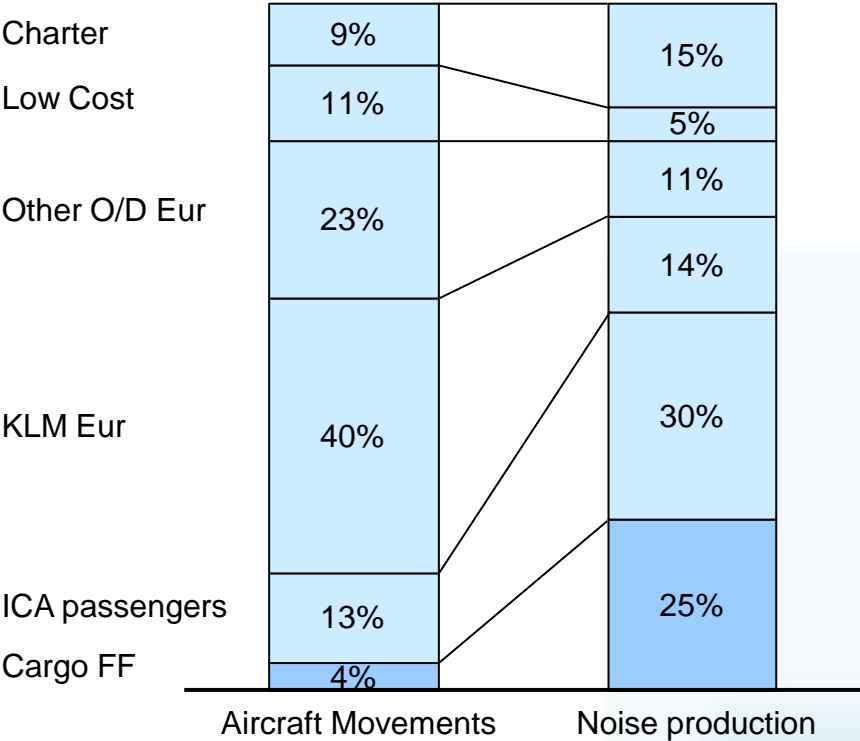
Size cargo Volumes 2004



Expected growth 2003 - 2023

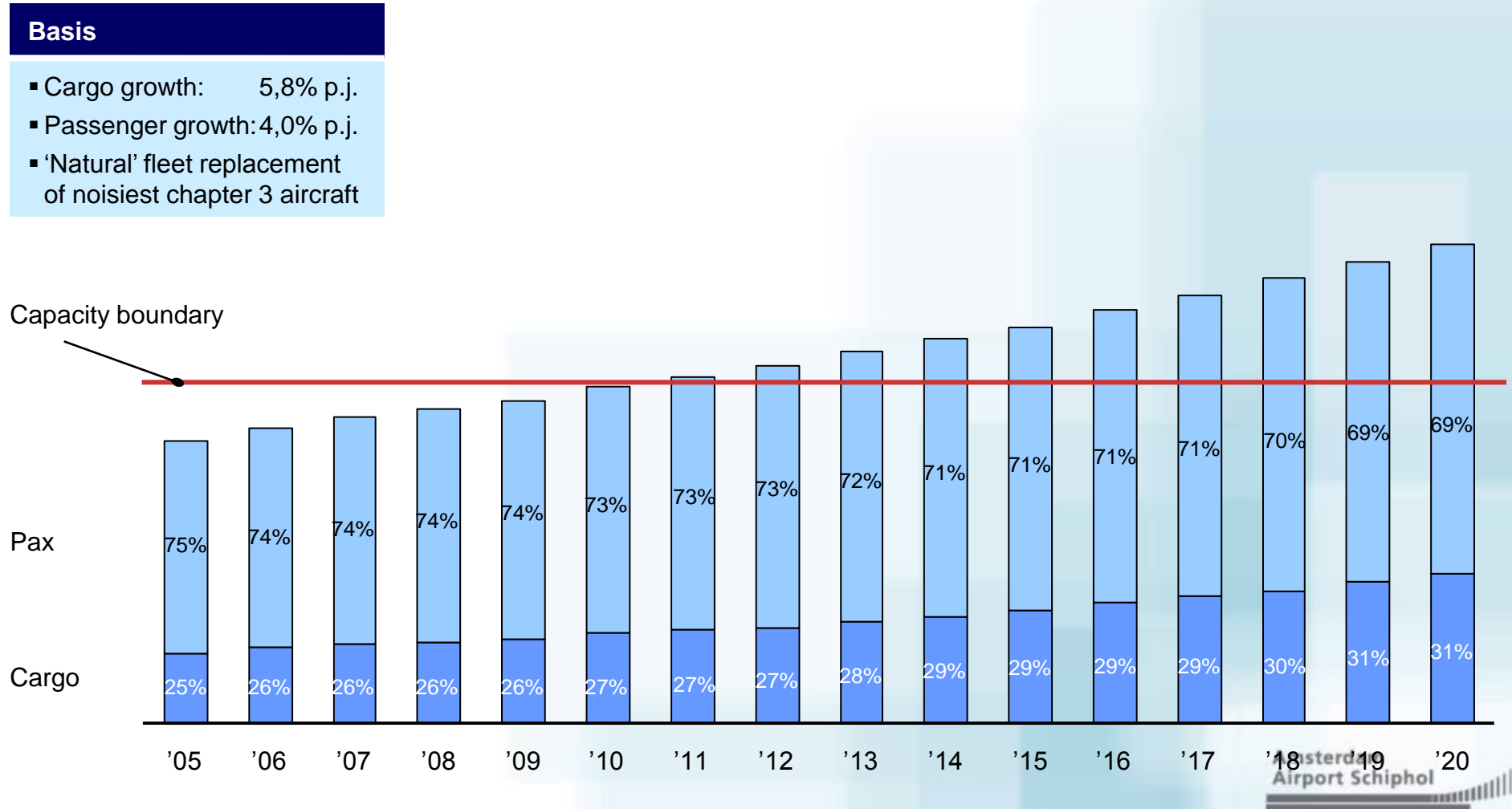


Selective measures to deal with full freighters inevitable due to the noise production of many freighters



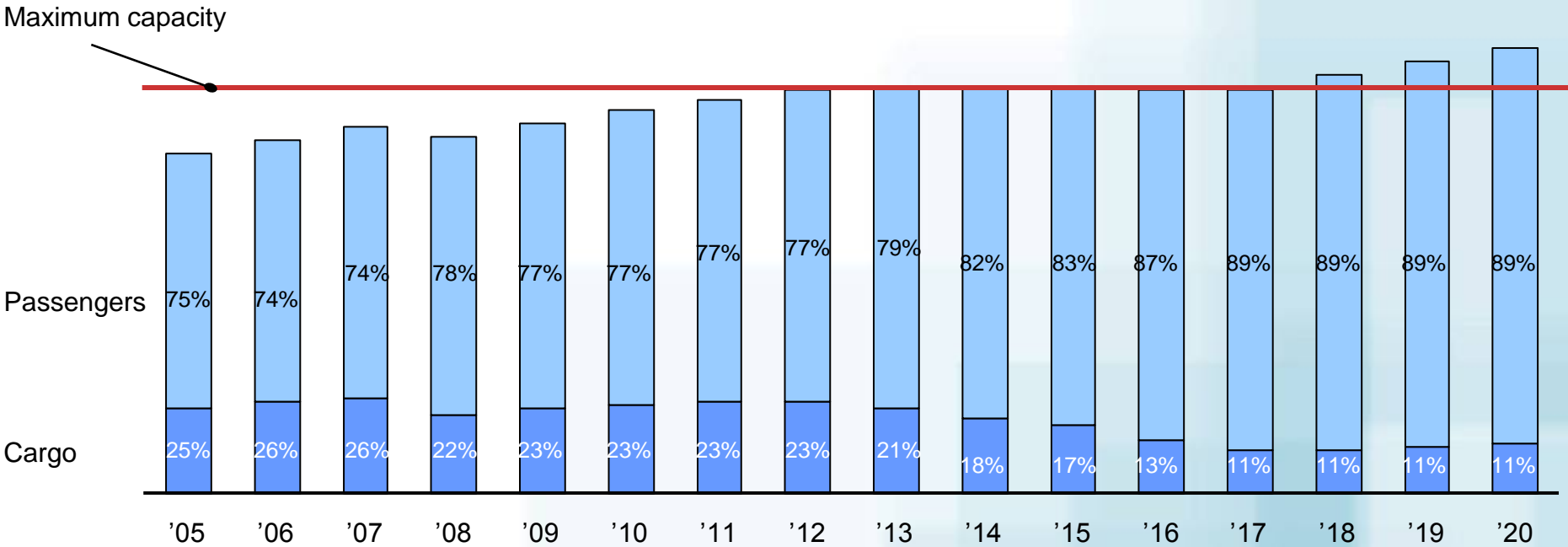
Without 'selectivity' measures Schiphol will lack sufficient (noise) capacity to accommodate the forecast growth in passenger and cargo traffic.

Development of noise production without selectivity measures



Sufficient capacity for the next 7 years provided fleet development and optimal use of night capacity

Development noise production with maximum selectivity



selectivity

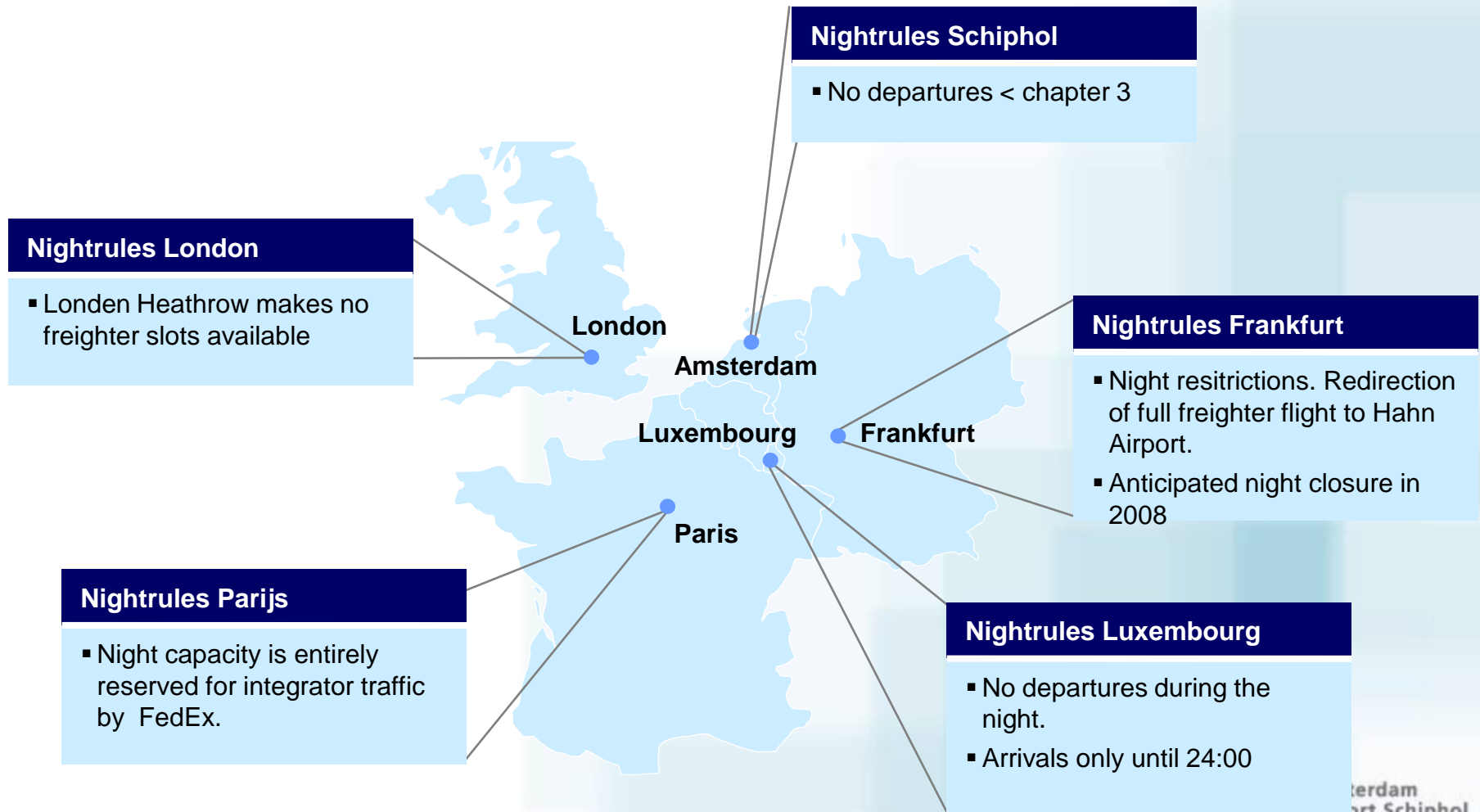
Economic replacement C3

Gradually restrict night

Closing night for C3
OH3

All major European Airports focus on limiting traffic during the night.

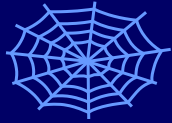
Night rules of the major European cargo airports



Night capacity is important to cargo carriers

- Fleet optimization by (home) carriers requires night flights
- Planning of certain product flows requires night flights
 - Express: 'Next day delivery'
 - Perishables: Short life cycle and delivery for next day sales
- Departure times elsewhere lead to night landings at Schiphol
 - Economic optimal departure from Asia
 - Slot restrictions at departing airports
- Night slots are occasionally required for flexibility reasons

Conclusion



Network strategy en selectivity

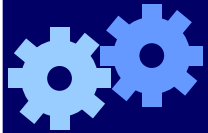
Network must provide full coverage of all major economic areas in the world.

The availability of night slots are of great value for full freighters.

Without adequate measures (selectivity) the boundaries of our noise limitations will be met by 2010.

For growth the use of quieter aircraft and selective use of night capacity is a prerequisite.

Conclusion



3-dimensional logistical concept

Schiphol strives for a “best in class” logistical concept

Innovation is essential in a concept that anticipates ICT developments and Changes in market demand by primarily forwarders and shippers.

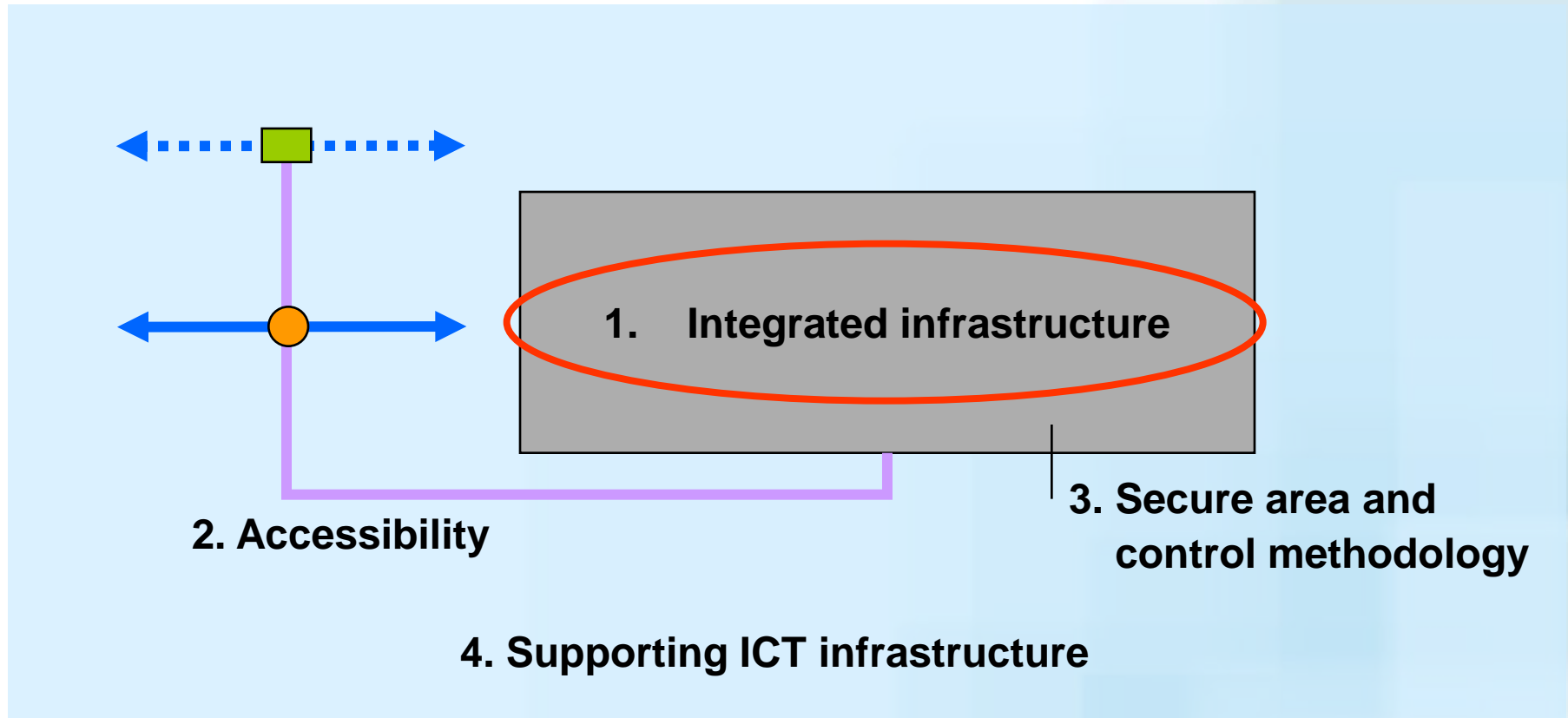
Basics for cargo process redesign : one shop/one stop, chain integration, security, speed, pre-check, pre-loading, shared information, etc.

Air cargo and the regional development are closely connected through integral Area development and high-quality connectivity.

Customer defined characteristics of a strong Air Cargo Hub

- Cost Competitive
- Minimum throughput time goods
- Growth opportunities for home carriers
- One central customs facility
- Security embedded in the process in a cost effective manner
- Strategic partnership with customs
- Implementation of latest technology
- Participation of all stakeholders
- Transparency in all airport operations (kpi's)

Elements best in class spacial logistical concept



Present capacity

South

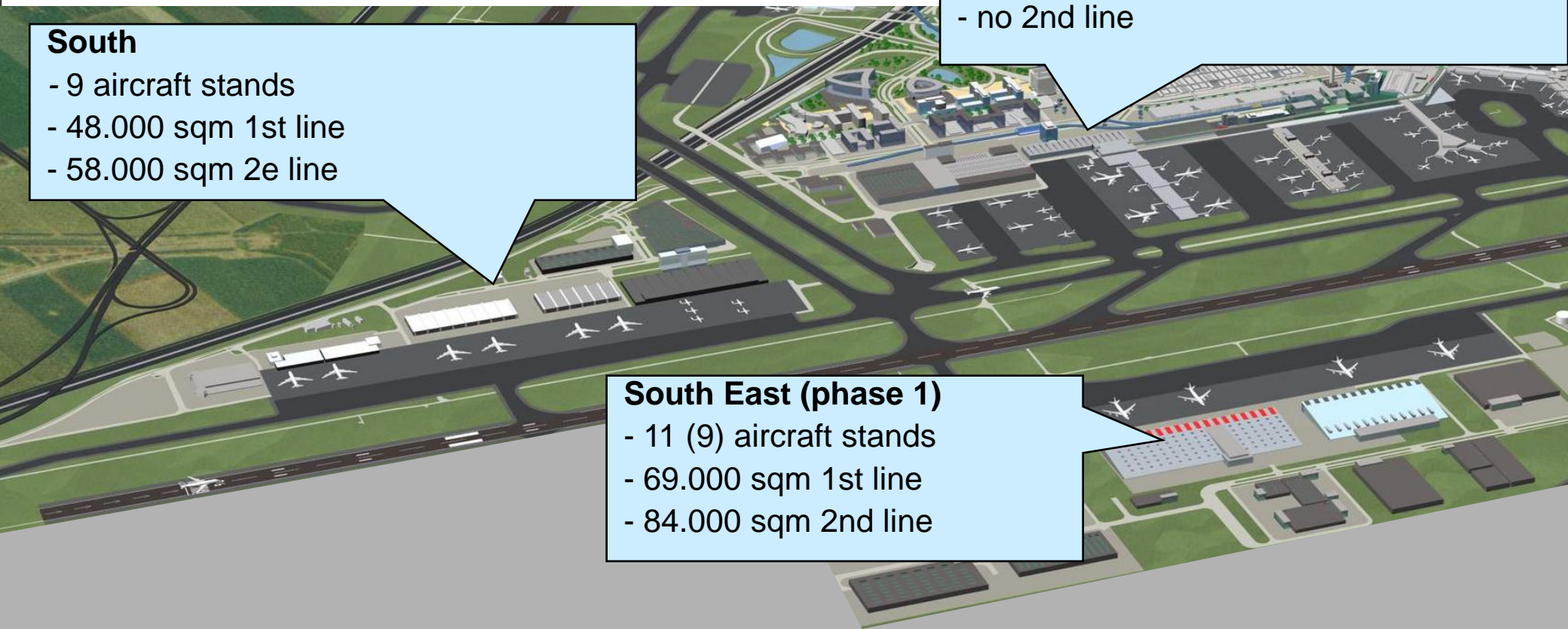
- 9 aircraft stands
- 48.000 sqm 1st line
- 58.000 sqm 2e line

Centre

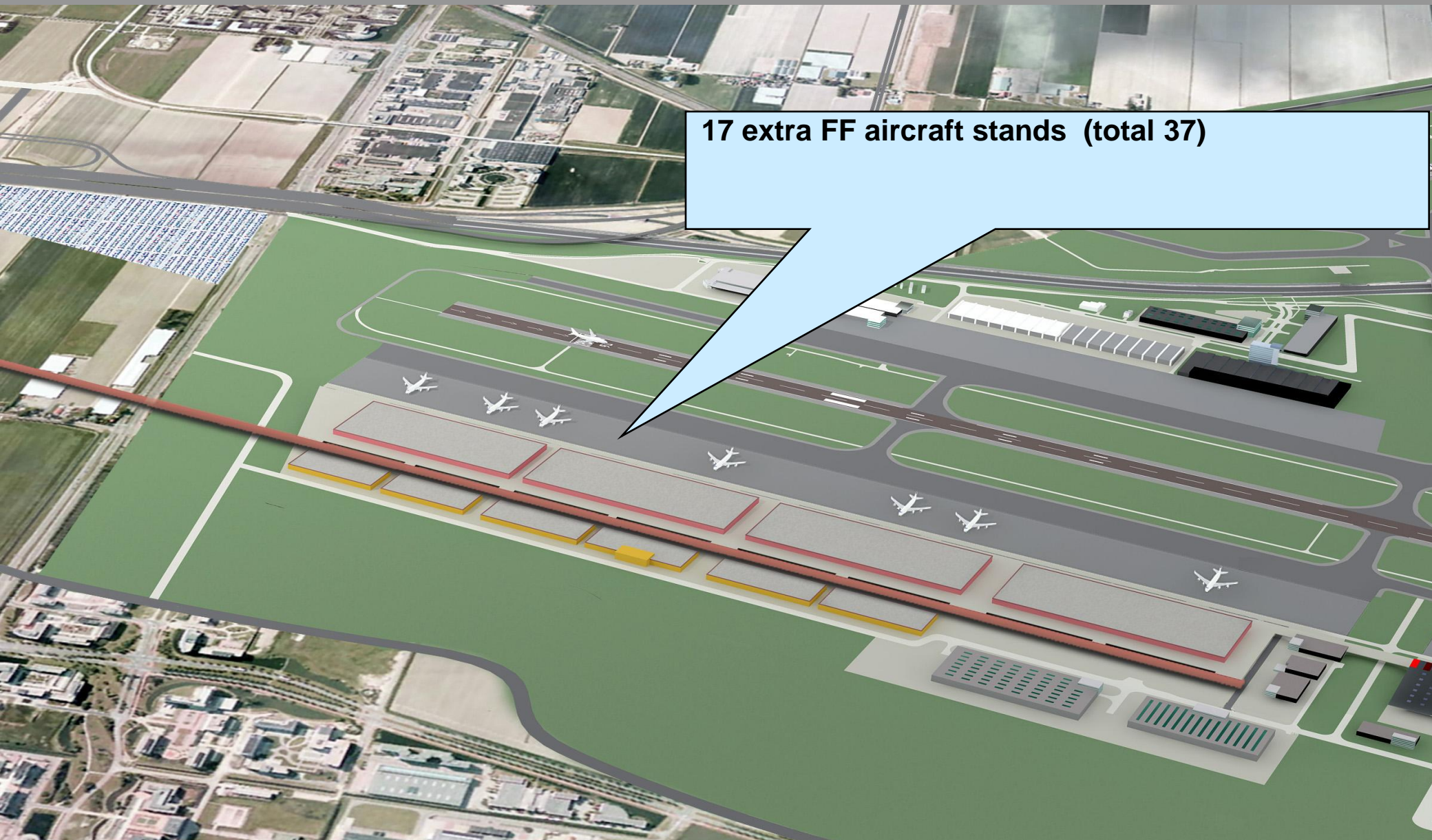
- 3 aircraft stands until 2012 (because of regionals KLM)
- 98.000 sqm 1st line
- no 2nd line

South East (phase 1)

- 11 (9) aircraft stands
- 69.000 sqm 1st line
- 84.000 sqm 2nd line



Extending capacity South East 2015 – aircraft stands



17 extra FF aircraft stands (total 37)

Extension capacity South East 2015 – 1st/2nd line

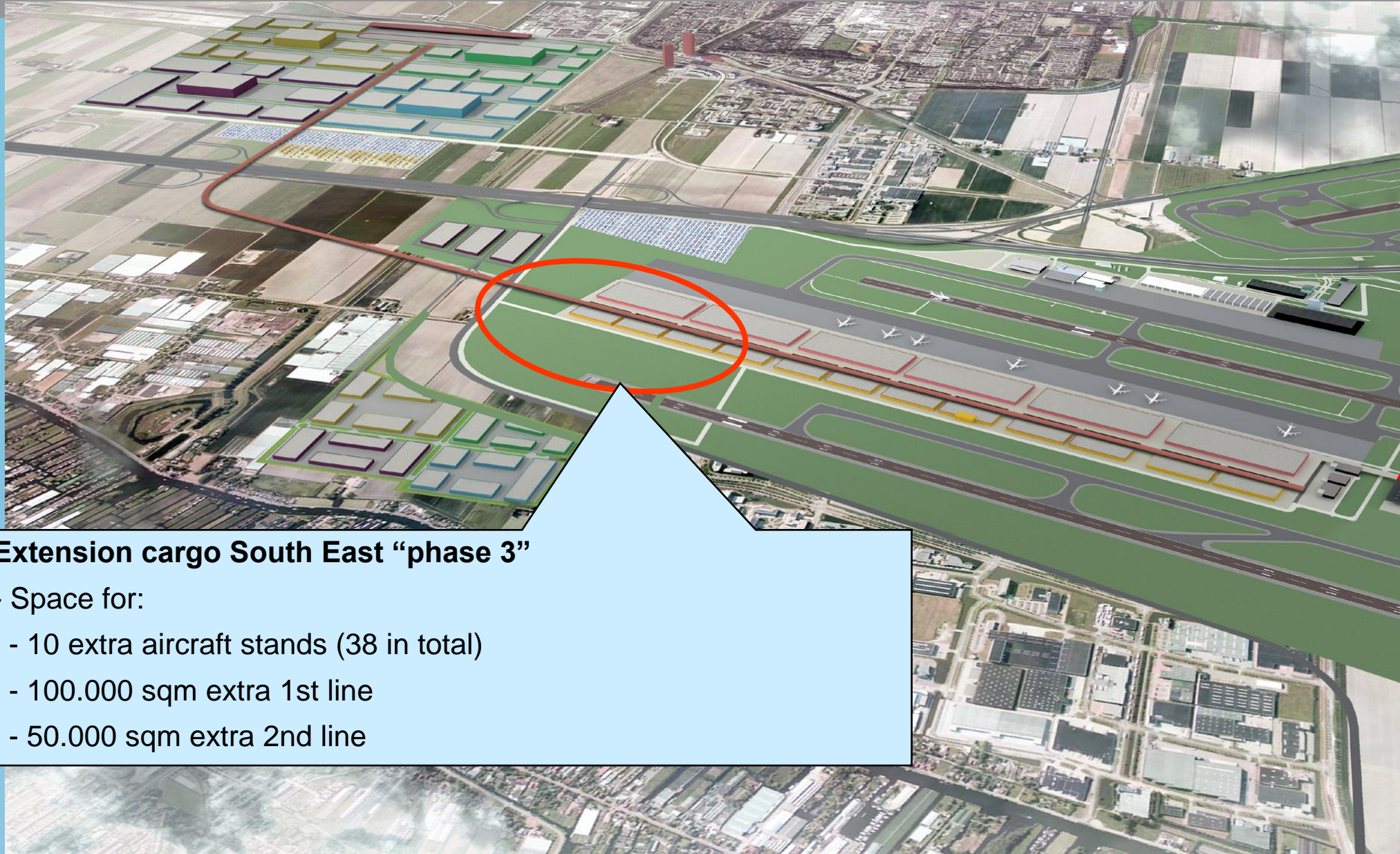
An aerial photograph of an airport area, likely Schiphol, showing existing runways, taxiways, and terminal buildings. A large blue callout box points to a specific area of the airport, indicating potential for expansion. A smaller blue callout box points to a different area, indicating further expansion potential. The image is overlaid with a semi-transparent blue box containing text.

Space for ca. 130.000 sqm extra 1st line

Space for approx. 25.000 sqm extra 2nd line

- Limited capacity for growth (until approx. 2010)
- Overflow to Schiphol Logistics Park and A4 Zone West

Uitbreiding capaciteit lange termijn



Extension cargo South East “phase 3”

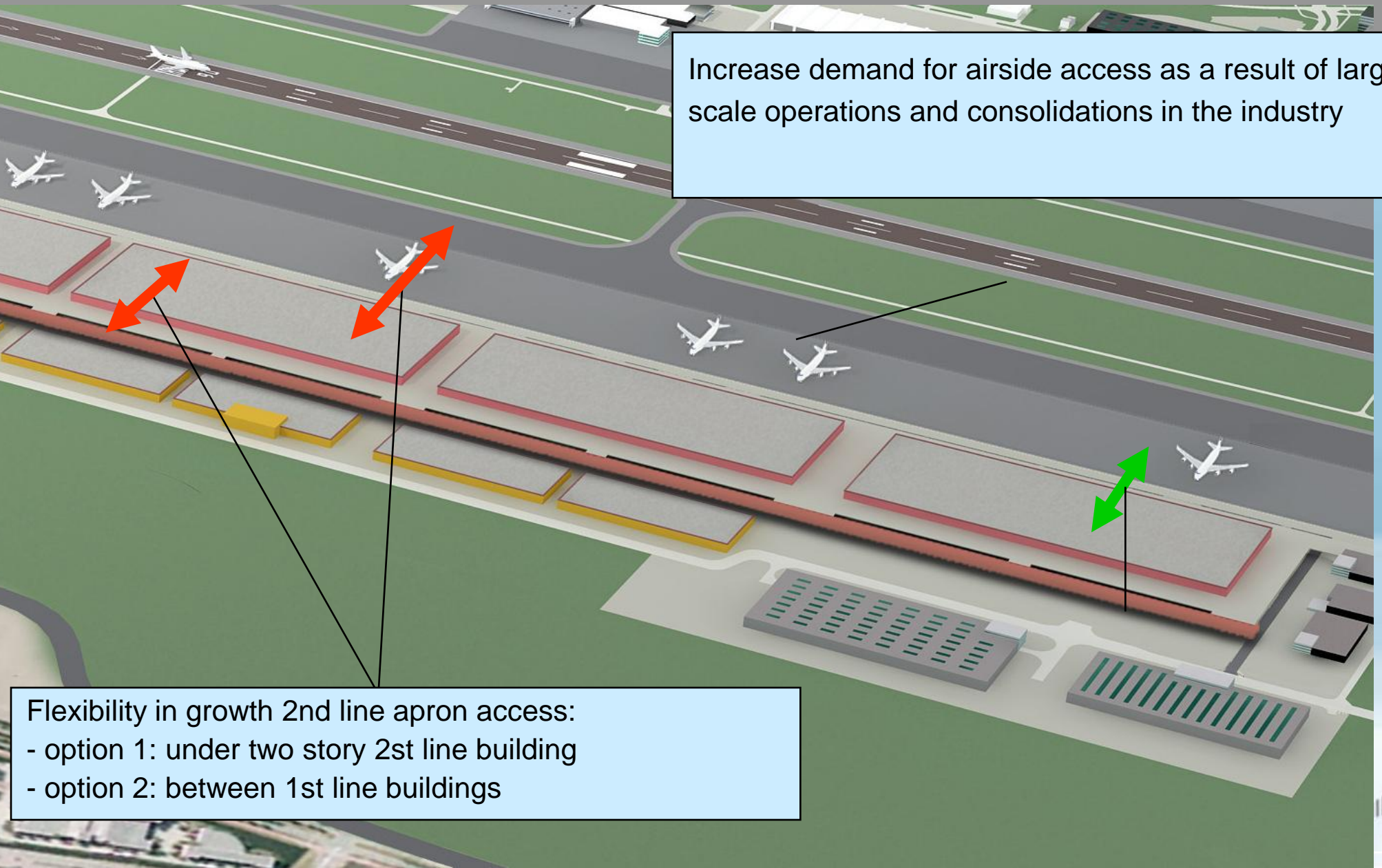
- Space for:
 - 10 extra aircraft stands (38 in total)
 - 100.000 sqm extra 1st line
 - 50.000 sqm extra 2nd line

Airside Access

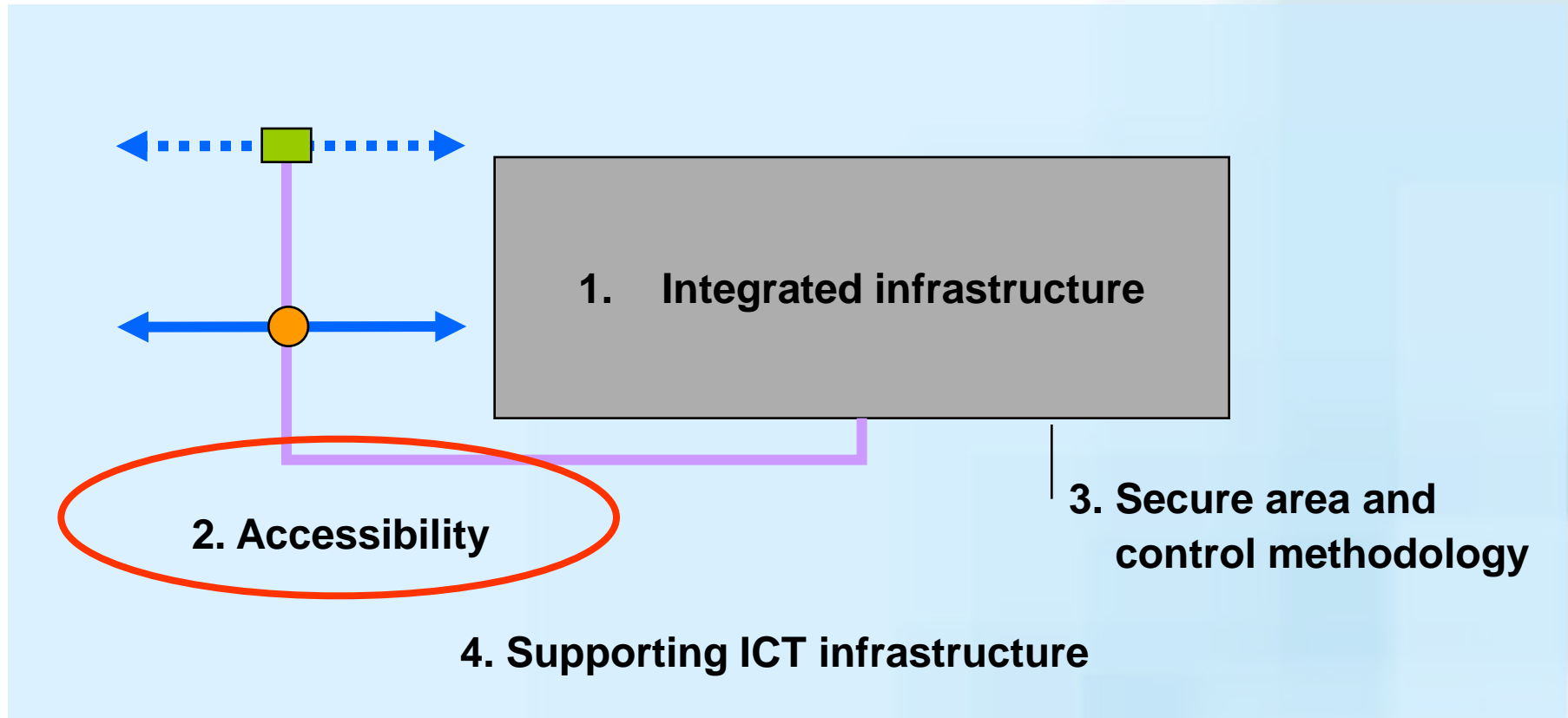
Increase demand for airside access as a result of larger scale operations and consolidations in the industry

Flexibility in growth 2nd line apron access:

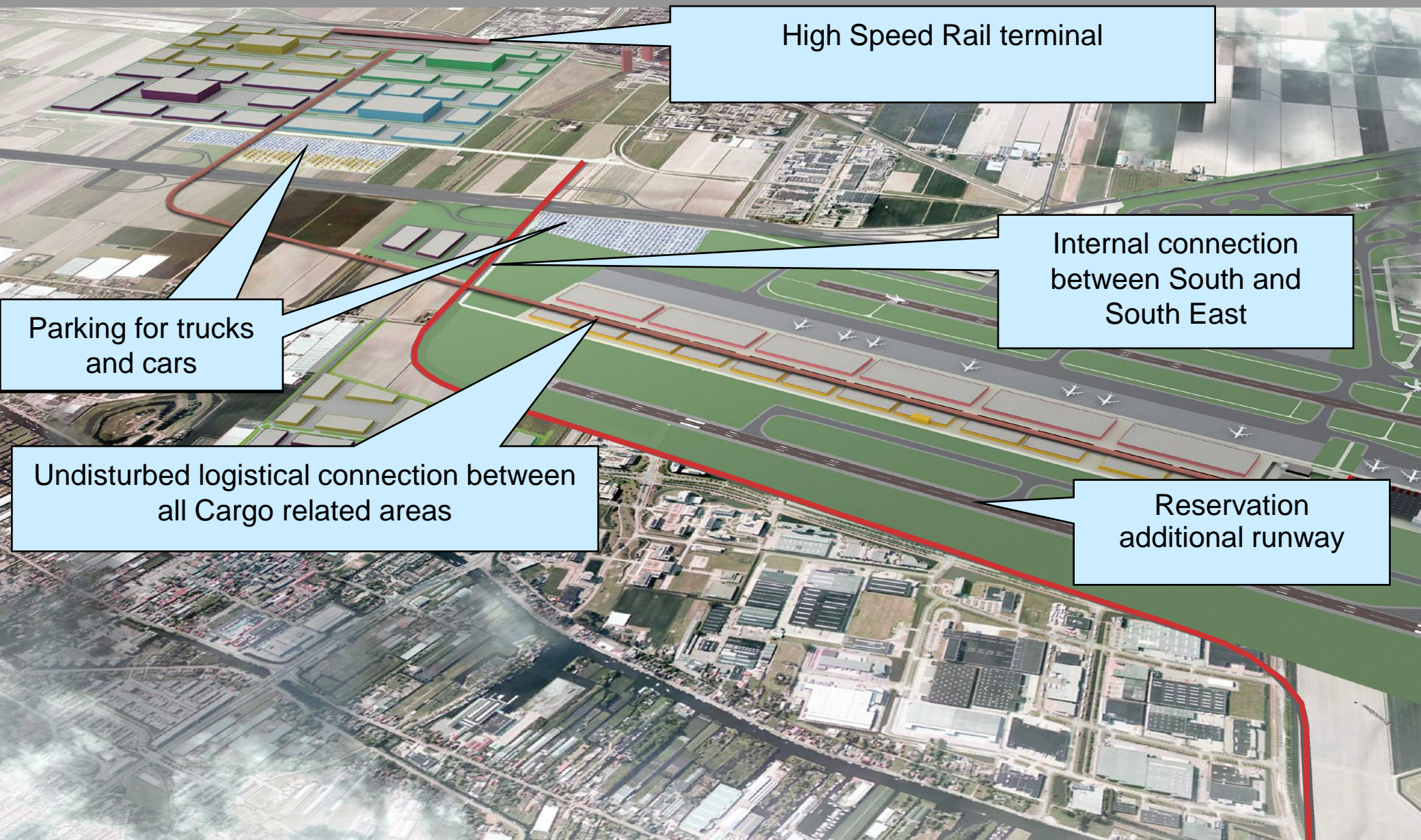
- option 1: under two story 2st line building
- option 2: between 1st line buildings



Elements best in class spacial logistical concept



Infrastructure long term



High Speed Rail terminal

Internal connection
between South and
South East

Parking for trucks
and cars

Undisturbed logistical connection between
all Cargo related areas

Reservation
additional runway

Strategic options for onward connections

Faster rail initiative

Trailer on Train concept

Conventional trains

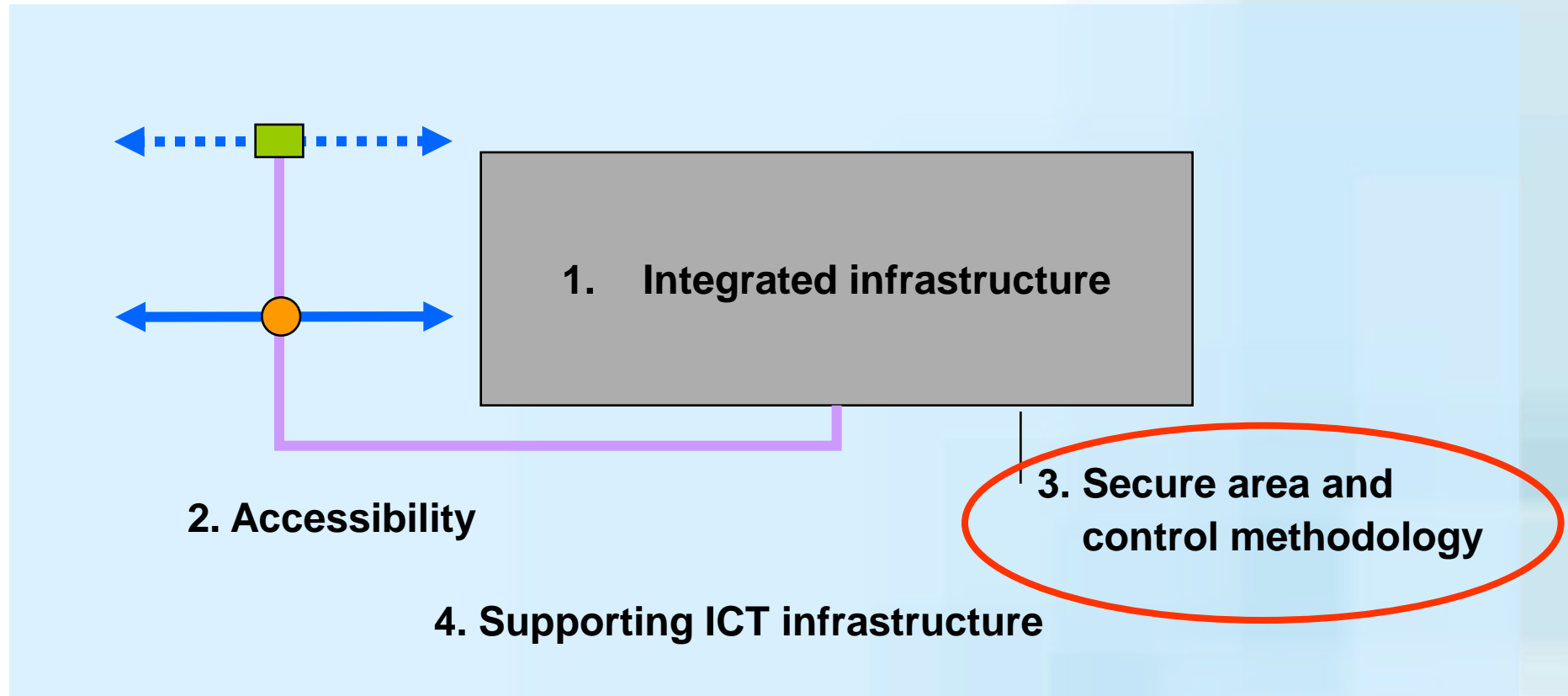


Cargo Express 2006 (Paris CDG)

High speed trains



Elements best in class spacial logistical concept

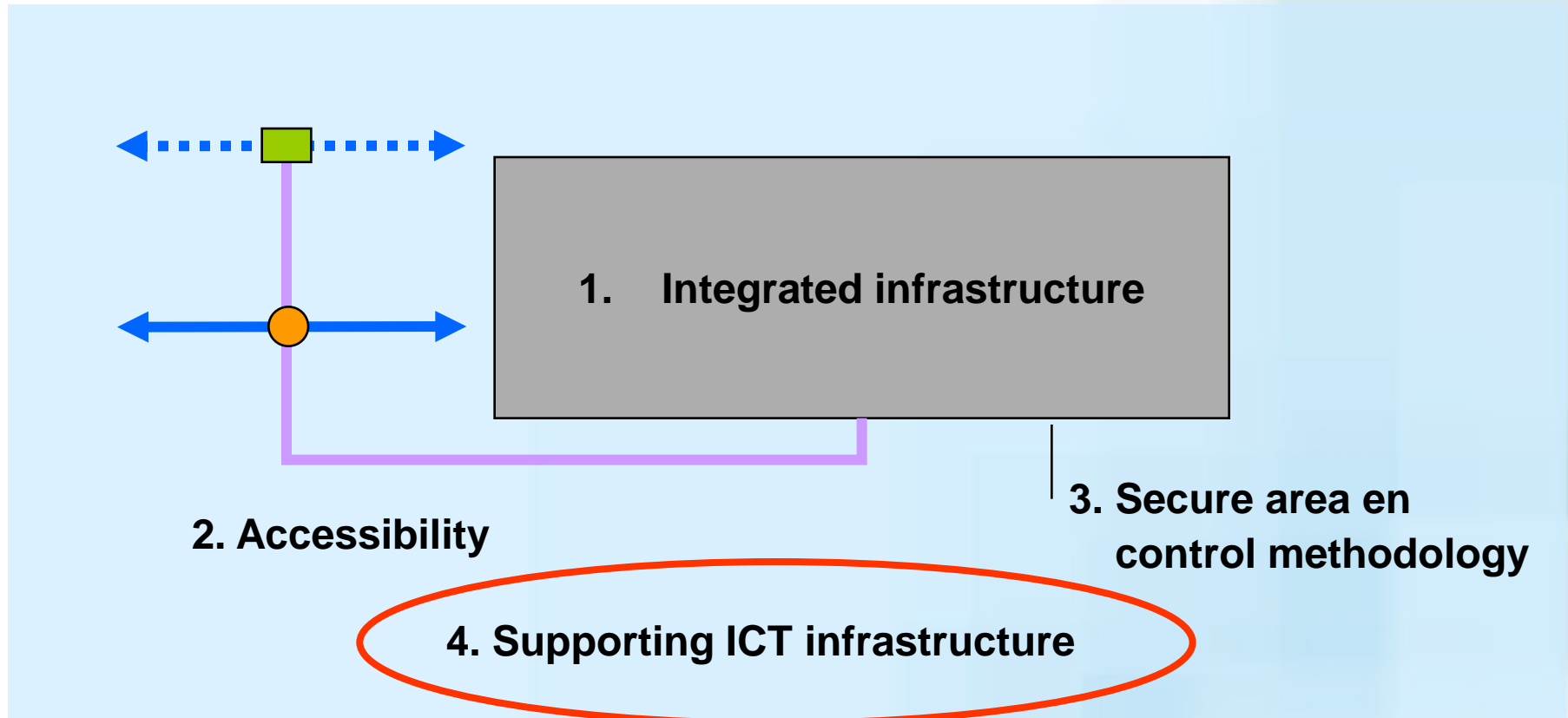


Secure area en control methodology



Concept assumes decentralized control short term
but creating opportunities for centralized control long term

Elements best in class spacial logistical concept



ICT developments – source of innovation in logistics

- Connect information flows
 - DGVS/Cargonaut
 - eFreight/MIP
 - Cargo2000
 - Pre-arrival/pre-departure information in relation to risk analysis by Customs, Security Agencies, Border Police
- Innovation in the supply chain
 - Security – integrated controls
 - from barcode to RFID...
 - Link different systems



Future impression spacial logistical concept

