



AAA reports healthy 2006 figures despite traffic decline

Results from core operations 17% up; net profit remains at AWG 8,4 million

Traffic

Similar to 2005, for Aruba Airport Authority N.V. (“AAA”) 2006 has been a year showing two distinct faces. The effects were in reversed order, however; during the first seven months of 2006 traffic growth continued its negative trend (-9.3%), whilst passenger numbers recovered in subsequent months to conclude with impressive 15.4% growth in December. Nevertheless, with 808,591 PFC-paying passengers 2006 ended with a decline of 4% compared to 2005.

Finance

Despite these disappointing traffic figures, AAA achieved increasingly positive operational figures as a consequence of continued cost efficiency measures and tangible results of the Cooperation Agreement with Schiphol International B.V., the international branch of Schiphol Group. Also, due to a pro-active management approach with regard to the opportunities embodied in the current financing structure, net financing costs decreased with 28%. As a direct consequence, AAA’s operational, commercial and financial performance continued to improve. Contrary to 2005, there are no results from (sales of) daughter companies; the 2006 net result is actually AWG 1,233,280 (+17%) better than the 2005 net result.

Key statistical figures

The Company’s performance in 2006, compared to preceding years, can be summarized as follows:

	2006	2005	2004	2003*
Operational indicators				
Total passengers (incl. transit/transfer)	1,638,126	1,714,523	1,733,739	1,545,841
PFC-eligible departing passengers	808,591	841,873	841,238	746,891
Departures commercial flights	24,748	26,639	26,797	25,359
Profit & loss account (in AWG ‘000)				
Operating revenue	69,768	72,674	70,837	62,140
Aeronautical revenue	55,501	58,451	58,095	50,797
Total EBITDA	30,493	33,466	29,638	25,486
Total net result	8,393	8,441	853	(6,040)
Ratios				
Return on net assets (RONA)	8.3%	8.6%	5.7%	2.3%
Interest coverage ratio	2.37	1.86	1.09	0.44
Debt service coverage ratio	1.93	2.00	1.71	1.45

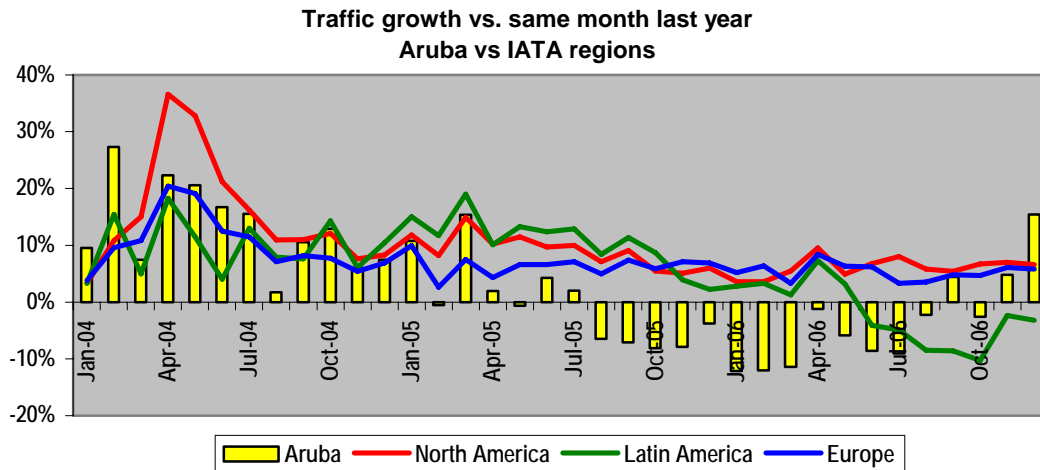
As over 2005, AAA has declared a 30% dividend over its net profit to Land Aruba.

* Reclassified for comparison purposes

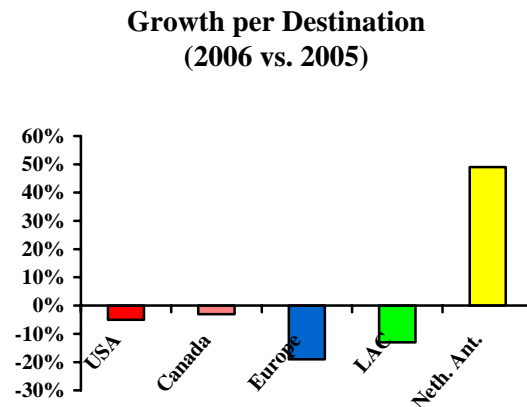
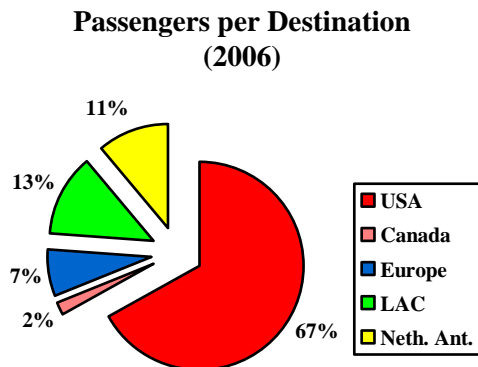
Additional Information

Traffic patterns for the most part of the year were not in sync with global and regional trends. As was the case during the latter part of 2005, unique circumstances continued to cause Aruba’s traffic to perform negatively until August 2006. In the view of the Management a number of factors contributed to this extraordinary development. These are inter alia

- the aftermath of the disappearance in Aruba of a US citizen in May 2005;
- high room rates charged by Aruban hotels (rates remain high compared to 2004);
- a reduced rooms inventory due to renovations and reconstruction of several hotels;
- fuel prices rising to unprecedented levels, in combination with a relatively long stage length from US departure airports to Aruba and other islands of the Leeward Antilles, when compared to other Caribbean destinations, making Aruba a relatively expensive destination to reach.



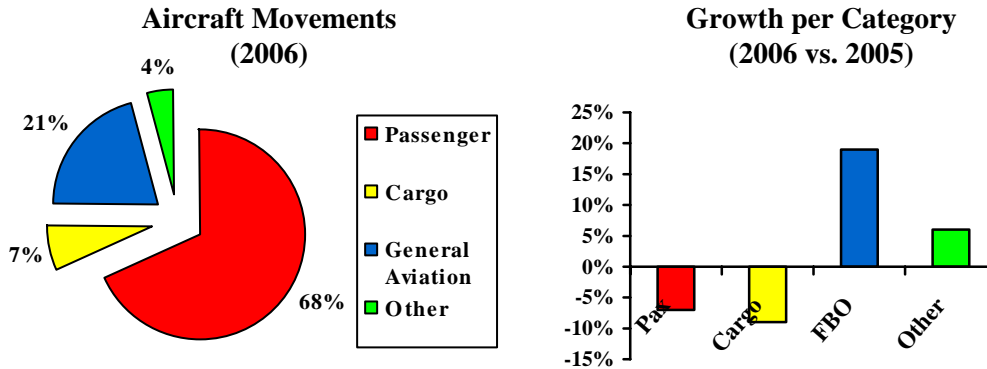
For Aeropuerto Internacional Reina Beatrix (“AIRB”), the division of countries of destination of departing passengers was as follows:





Airlines

The number of aircraft movements at AIRB declined with 2.0% compared to 2005 for a total of 33,088. The overview of passenger aircraft, full freighters and general aviation is as follows:



General Aviation

Universal Weather and Aviation Inc. from Houston, USA operates a concession for handling and servicing private and business aircraft at the south side of the airport (“Fixed Base Operator” or “FBO”). The new terminal opened early 2007. In 2006, despite the limitations of operating from a temporary facility, the number of general aviation aircraft movements was up 17% compared to 2005.

Investments

Although budgeted at a level of AWG 18.6 million, capital expenditures in 2006 reached a level of only AWG 7.8 million, slightly below that of 2005. An important reason for the much lower level of investments realized were the disappointing traffic figures during the first half of 2006, prompting Management to act reluctantly regarding new investments, especially those aimed at increasing capacity. Most 2006 investments were related to maintenance of airside infrastructure, the upgrading of the commercial retail area, the landside improvement project, the upgrading of existing terminal facilities, the construction of elevators in the terminal and various security projects.

Expectations for 2007

Revenues

Management expects the recovery in passenger numbers in the second half year of 2006 to continue in 2007, resulting in a return to 2005 passenger numbers or better. Aeronautical revenues will therefore exceed 2006 levels.

Investments

Investments in infrastructural and security upgrades and in commercial improvements will be up substantially compared to 2006 levels. The investment level for 2007 is envisaged to be approximately AWG 31.8 million.



The majority of these investments relates to three projects:

- First phase of the airside infrastructure upgrading: this entails construction of Runway End Safety Areas and Approach Lighting;
- Runway, taxiway and apron rehabilitation in accordance with the Masterplan;
- Renovation US Departures Building

Aruba, May 18, 2007