



ANNUAL REPORT 2008

*Princess Juliana International Airport
operating company N.V.*



MOVING FORWARD



PJIAE Mission Statement

"To be the regional leader in providing safe, secure, quality and profitable airport services that contribute to the general economic and tourism development of St. Maarten / St. Martin and the region we serve"



Airport Key Figures

	2008	2007	2006	2005	2004
Statistics					
Passenger Movements ¹	1,714,987	1,651,826	1,640,297	1,663,226	1,646,066
Aircraft Movements ²	71,936	74,769	80,357	78,884	73,630
Cargo & Mail Movements (in tons)	6,562	6,689	7,727	9,024	8,498
Destinations Served					
Destinations Served	31	29	29	28	26
Scheduled Airlines	20	20	19	19	18
Charters (average number per season)	13	12	14	19	18
Income Statement³					
Total Revenues	87,250,093	80,482,439	67,030,352	59,418,633	43,777,092
Total Expenses	84,040,782	78,321,407	52,623,344	40,197,646	38,866,253
Net Income	3,209,311	2,161,032	14,407,008	19,220,987	4,910,839
Balance Sheet³					
Total Assets	325,365,391	344,199,039	356,941,166	319,331,346	289,589,389
Liabilities	246,388,095	268,431,053	283,334,212	260,131,400	249,610,430
Shareholders Equity	78,977,297	75,767,986	73,606,954	59,199,9469	39,978,959
Personnel PJIAE as of Dec. 31st	270	271	269	218	213

1 Includes transit passengers

2 Excludes over flying aircraft

3 All figures in Netherlands Antillean Florins



Table of Contents

1. Presidents Message	6
2. Business Development Report	8
2.1 <i>Passenger Movements</i>	
2.2 <i>Aircraft Movements</i>	
3. Year in Review	13
4. Milestones & Achievements	20
4.1 <i>PJIA Observes 65th Anniversary</i>	
4.2 <i>AAAE Conference Successful</i>	
5. Corporate Information	24
5.1 <i>PJIAE Supervisory Board of Directors</i>	
5.2 <i>PJIAE Management</i>	
5.2.1 <i>Staff Department</i>	
5.2.2 <i>Operations Division</i>	
5.2.3 <i>Air Traffic Service Division</i>	
5.2.4 <i>Financial and Commercial Division</i>	
5.2.5 <i>Technical Division</i>	
6. Financial Statements	32
6.1 <i>Report of the Board of Supervisory Directors</i>	
6.2 <i>Independent Auditor's Report</i>	
6.3 <i>Balance Sheet</i>	
6.4 <i>Income Statement</i>	
7. Moving Forward	37
8. Airport Facts	42





1. Presidents Message



2008 marked the 65th anniversary of Princess Juliana International Airport, a milestone in the history of this St. Maarten Institution. During this milestone year we were, despite a less than favorable external operating environment, able to realize a positive net result. As a result we are pleased and proud to present you with our annual report as an account of the developments at PJIAE N.V.

Traffic Developments

Overall developments in traffic at PJIA were mixed. Passenger movements amounted to 1,714,987; that is an increase of 3.8% compared to 2007. In contrast, the number of aircraft handled declined by 3.8% to 71,936 compared to 2007.

The divergent traffic developments can be ascribed to the timing of the impact of the different global financial and economic events. The decline in aircraft movements can be explained by the effects of the surge in oil prices as of 2005 which peaked at about \$140 per barrel in 2008. This caused airlines to increase fares and fees to offset the increase in operating costs and cut capacity in an attempt to streamline operations. These developments coupled

with the global economy slipping into recession, have forced airlines to rationalize their business to ensure more cost efficient operations. In 2008, the airport handled 71,936 aircraft movements, down from 74,769 in the previous year. Passenger movements on the other hand continued to grow throughout the first three quarters of 2008 (5.6%), but declined by 2.5% in the last quarter, thus starting to show the effects of the global financial and economic crisis on global passenger demand.

Response to fuel and financial crisis

In response to the changed operating circumstances we immediately took steps to implement measures aimed at reducing expenses and at securing our revenue base. These measures included:

1. Rationalize energy costs;
2. Temporary freezing of planned increases in rates and charges for 2008 to support our airline and non airline business partners; and
3. Working with industry partners to secure existing and additional airlift.

In terms of securing airlift efforts we were successful as plans to reduce flights on the San Juan route by American Eagle were partly cancelled and discussions with Jet blue led to the decision by the carrier to introduce a new service from Boston planned for February 2009.

Corporate Governance

It is our policy to apply and encourage strict adherence to the principles of best business practices. Essential in that regard is our emphasis on compliance with pertinent legislation. As such we continuously examine our policies, procedures and execution for observance of developments in the area of corporate governance regulation. This is currently the case with respect to the recent introduction of the Corporate Governance Code. Overall we consider the introduction of the Code a positive development, one which we believe can only bring added value.

Revenues growth offset increase in expenses

A review of the financials of the company provides some insight into how the above noted developments in traffic and the accompanying management measures impacted the financial statements of the company. The balance sheet total declined by 5.5% from NAf.344.2 million (USD191.2 million) in 2007 to NAf.325.4 million (USD180.7 million) in 2008, primarily as a result of the NAf.16.3 million (USD9.1



million) decline in long term liabilities due to the repayment on the 15 year 8.25% notes issued in 2004 for funding of the airport development plan. To service the liabilities and support the costs associated with the investment in the airport development plan, revenues increased by Naf.6.8 million (USD3.8 million) to Naf.87.3 million (USD48.5 million) in 2008. This was possible mainly because of the increase in passenger movements and the implementation of measures to secure the revenue base as outlined above.

Operating expenses also increased, namely by Naf.4.6 million (USD2.6 million). The increase can mainly be ascribed to the 44.2% (Naf.1.9 million or USD1.1 million) increase in expenses for water and electricity consumption associated with the global increase in fuel prices. The increase in operating expenses can further be explained by the rise in depreciation costs with Naf.1.7 million (USD0.9 million) and in personnel costs by Naf.0.9 million (USD0.5 million).

Net Finance costs is the result of interest payments on mainly the 15 year 8.25% Notes of Naf213.5 million (USD118.6 million) issued in 2004 and interest earned on deposits. In 2008, the net finance costs amounted to Naf.17.6 million (USD9.8 million) or Naf.1.0 million (USD0.6 million) higher than in 2007. The increase in net finance costs is the product of the decrease in interest income caused by the significant decline in interest rates in 2008.

Positive Net Result and return on assets

The developments in revenues and expenses translated in an improvement in the net result to Naf.3.2 million (USD1.8 million) in 2008, up from Naf.2.2 million (USD1.2 million) in 2007. These developments translate in a return on assets of 6.3% in 2008, up 1.0 percentage points when compared with 2007.

Outlook

With continuing fragile global economic conditions, despite the economic stimuli packages in the US and Europe, the outlook remains uncertain for 2009. Current traffic forecasts point to a decline of 8% to 12% at PJIA. In fact, during the first half of 2009 passenger and aircraft movements declined by about 11% and 15% respectively. We at PJIAE, with the objective to successfully navigate through the difficult times ahead, have therefore taken and

will continue taking steps to further streamline our operational expenses and to position ourselves to offset the expected fall out in business activity.

Furthermore, in this period of declining demand, we consider it from a strategic perspective essential that St. Maarten and PJIAE do all that is necessary to stand out positively and maximize returns from the limited business opportunities. In particular PJIAE will continue to focus on ensuring safe and secure operations in keeping with international safety standards, on the one hand, and on the provision of efficient and quality services, on the other hand, with the aim of improving our competitive position. It is against this background that we have decided to among others carry through with our plans to make further preparations for the realization of the runway and safety area, to reroute the airport road in front of the terminal to improve traffic conditions, and to improve customer service.

Based on the above, it can be concluded that 2008 was a successful year for the company despite the unfavorable external environment. Looking ahead to 2009 and 2010 there is no indication that the global environment will improve and if so only marginally. Thus, in closing off the 65th anniversary of PJIA, we do so with the knowledge that while the immediate future may not look very bright we have a history of success to draw from and build on as we face the difficulties ahead. This is because I am convinced that PJIAE has the potential through its people and its aspiration and its facilities to maintain its position as a gateway for St. Maarten/St. Martin and as a regional leader. I therefore hereby on behalf of the management and staff of PJIAE N.V. express my thanks to all who have contributed - and in particular our passengers, airlines and handling companies - towards the achievements of PJIAE in 2008 and the past 65 years and look forward to your continued support in building this unique St. Maarten institution. In particular, I wish to convey my special thanks to the employees for their continued commitment to our mission and to the supervisory directors and the shareholders for their support and confidence in PJIAE.

drs. E.B. Holiday
President



2. Business Development Report

2.1 Passenger Movements

While Airports Council International (ACI) in its world traffic report for 2008 - reported a preliminary passenger growth of 0.1% compared to 2007, Princess Juliana International Airport (PJIAE) recorded an increase in passenger movements of 3.8% overall. In 2008 PJIAE registered a total of 1,714,987 compared to 1,652,332 in 2007. Table 2.1 provides an overview of the passenger movements during the period 2002 through 2008.

showing PJIAE's true potential as the preferred transit point in the northeastern Caribbean.

The increase in passenger movements occurred in spite of a troubled aviation business, caused by unprecedented high fuel prices and slowing demand for air travel in certain regions in the earlier part of 2008. Airlines were forced to match capacity to demand, to increase fares and to cut costs in order to curb huge losses. Some cost cutting measures

Table 2.1 PJIAE YEARLY PASSENGER MOVEMENTS

	2002	2003	2004	2005	2006	2007	2008
Inbound	641,343	679,363	740,760	742,972	746,003	739,617	756,560
% change	1.0%	5.9%	9.0%	0.3%	0.4%	-0.9%	2.3%
Outbound	632,146	677,741	738,433	756,077	759,465	775,618	783,178
% change	0.3%	7.2%	9.0%	2.4%	0.4%	2.1%	1.0%
Totals	1,273,489	1,357,104	1,479,193	1,499,049	1,505,468	1,515,235	1,539,738
% change	0.7%	6.6%	9.0%	1.3%	0.4%	0.6%	1.6%
Transit	166,572	147,891	167,084	168,493	137,919	137,097	175,249
% change	-35.9%	-11.2%	13.0%	0.8%	-18.1%	-0.6%	27.8%
Grand Totals	1,440,061	1,504,995	1,646,277	1,667,542	1,643,387	1,652,332	1,714,987
	-5.6%	4.5%	9.4%	1.3%	-1.4%	0.5%	3.8%

* Percentage change in comparison to the same period of the previous year.

The growth in passenger movements is a result of the 2.3% increase in arriving passengers and the 27.8% rise in transit passengers. The significant increase in transit passengers is noteworthy especially since it appeared that in the last two years, transit passengers seemed to be on the decline. The recorded amount of 175,249 shows PJIAE's highest recorded number of transit passengers in the last seven years,

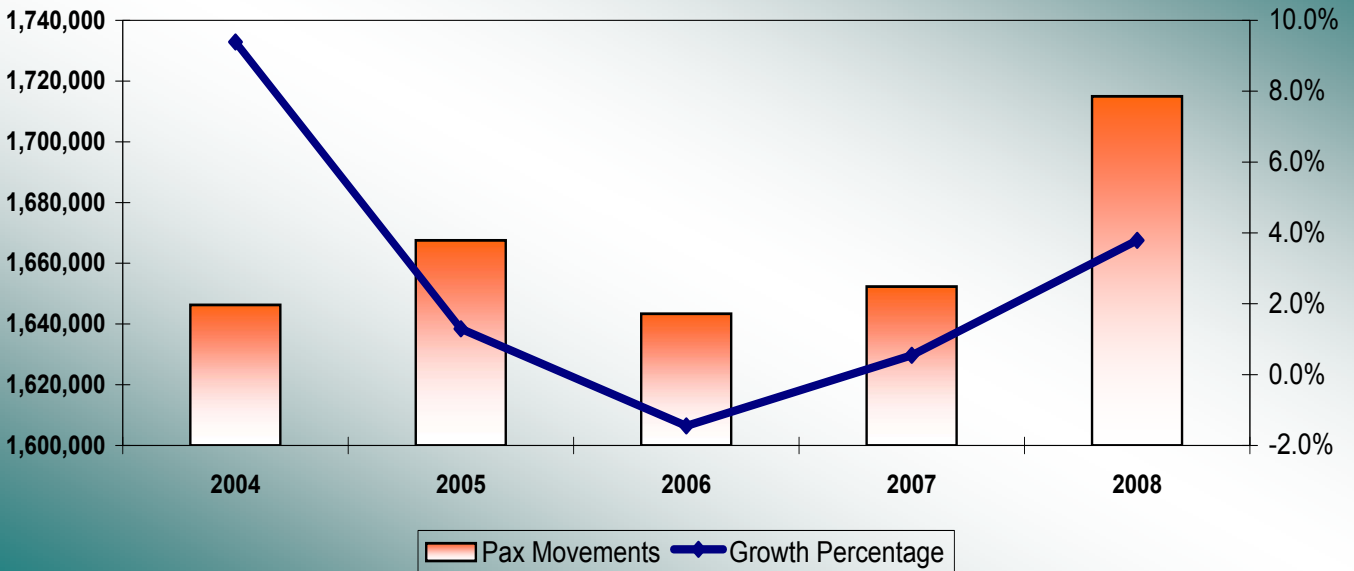
include fewer frequencies, dropping unproductive routes and operating more efficient aircraft. The impact of the high fuel prices were exacerbated by the subsequent crisis in the financial markets followed by the global economic recession by the end of 2008.



The chart below gives a graphic overview of the yearly developments of the passenger movements at PJIAE from 2004 through 2008. It shows that the growth in passenger movements at PJIA has been

positive throughout the past 5 years except for 2006. An analysis of the development in passenger movements in 2008 by quarter shows that the growth was realized during the first three quarters and particu-

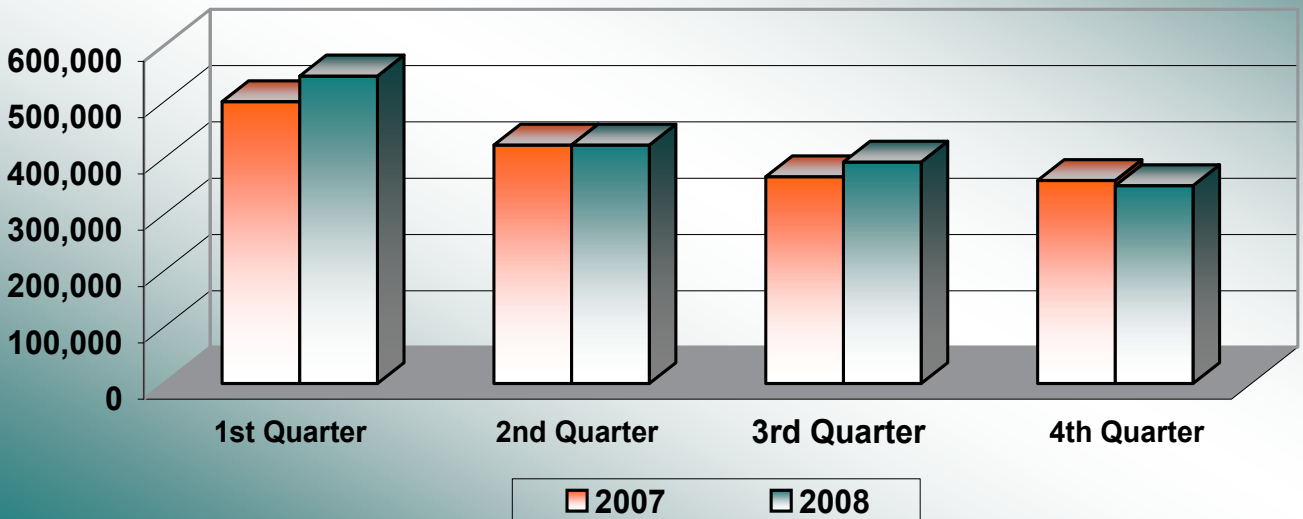
Graph 2.1 YEARLY PASSENGER MOVEMENTS & GROWTH RATES



larly in the first and third quarters. This is reflected in graph 2.2 below. The graph confirms that as the year closed the increasingly adverse global economic conditions started to impact passenger movements

at PJIA, namely the growth of 9.1% and 7.1% in the first and third quarter respectively were partly offset by the decline of 2.5% in passenger movements in the fourth quarter of 2008.

Graph 2.2 PJIAE QUARTERLY PASSENGER MOVEMENTS

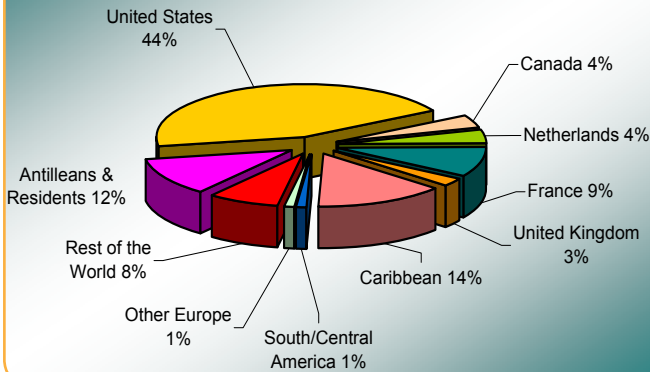




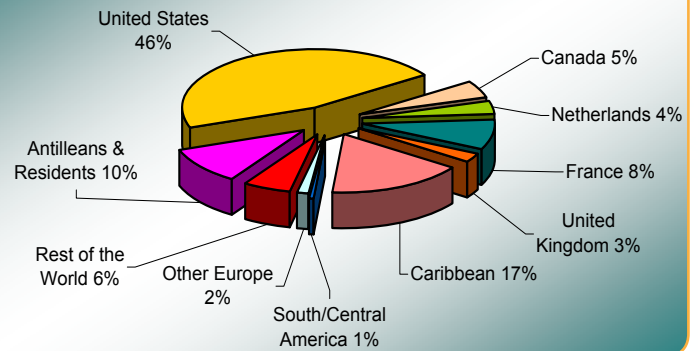
A survey of the arriving passengers by region of origin shows that the United States continue to be the primary market for St. Maarten in terms of the origin of visitors. In 2008 the US accounted for 44% of the passengers arriving at PJIAE, down 2% from 2007, when the US accounted for a 46% share of the arriv-

5% recorded in 2007. Graph 2.3 reflect these results. As reflected in the numbers above, while traffic from North America may have been directly affected by the high fuel costs and the related economic downturn, passenger traffic from the other parts of the world increased slightly. The number of passengers origi-

Graph 2.3 ARRIVALS BY REGION - 2008



ARRIVALS BY REGION - 2007



ing passengers. The same development is recorded for Canada; in 2008 passenger traffic from Canada decreased by 1 percent to a 4% share compared to

nating from Europe, particularly France increased slightly as well as passengers originating from other parts of the world, including the Netherlands Antilles.





2.2 Aircraft Movements

With world wide passenger traffic barely up by 0.1% for 2008, global aircraft movements dropped by -2.2 percent. Developments were likewise at PJIA. In 2008 PJIA recorded a drop in aircraft movements of -3.8% to 71,936 compared to 74,769 in 2007. This was in spite of the fact that one new carrier, namely JetBlue Airways, started service to PJIA in January 2008. The addition of this new service was not enough to offset the decrease in frequencies by other carriers during the course of the year. As mentioned above, the economic downturn affected air travel to the point where airlines were forced to either cut unprofitable routes or reduce capacity and/

or frequencies on certain routes. Unfortunately, PJIAE has not escaped the effects of these cost-cutting measures by airlines and suffered some reduction in flight frequencies by some carriers in 2008, resulting in fewer movements for the year as indicated in the table 2.2 below.

As outlined above, the decline in aircraft movements fortunately have not affected the overall passenger movements at PJIA in 2008. Thus while carriers were using smaller more fuel efficient aircraft or operating fewer frequencies, seat occupancy increased, resulting in a positive result in passenger movements compared to the previous year.

Table 2.2 ANNUAL AIRCRAFT MOVEMENTS

	2002	2003	2004	2005	2006	2007	2008
Aircraft Movemnts	63,512	67,638	73,500	78,553	79,014	74,769	71,936
Amt. Change*	(894)	4,126	5,862	5,053	461	(4,245)	(2,833)
% change	-1.4%	6.5%	8.7%	6.9%	0.6%	-5.4%	-3.8%
Overflights#	26,171	27,832	22,372	23,249	27,224	28,881	25,534
Amt change	(2,071)	1,661	(5,460)	877	3,975	1,657	(3,347)
% change	-7.3%	6.3%	-19.6%	3.9%	17.1%	6.1%	-11.6%
Total aircraft mov. handled by ATC	89,683	95,470	95,872	101,802	106,238	103,650	97,470
	-3.2%	6.5%	0.4%	6.2%	4.4%	-2.4%	-6.0%

* Percentage change in comparison to the same period of the previous year.

Overflights refer to aircraft that fly over St.Maarten's air space, but do not land at PJIAE.





The decrease in aircraft movements in 2008 was recorded in practically all categories of operations into PJIA. As shown in table 2.3, scheduled carri-

ers decreased by -3.5%, while the biggest drop in aircraft movements was in Charter operations, recording a total decrease of -34.8%. PJIA is served by a number of carriers including scheduled and charter companies. Table 2.4 below

Table 2.3 AIRCRAFT MOVEMENTS BY CATEGORY 2007 - 2008

OPERATIONS TYPE	2007	2008	% Chg
SCHEDULED	57,180	55,206	-3.5%
CHARTERS	644	420	-34.8%
PRIVATE/GENERAL	14,086	13,714	-2.6%
CARGO	2,808	2,525	-10.1%
OTHER	51	71	39.2%
TOTALS	74,769	71,936	-3.8%

ers decreased by -3.5%, while the biggest drop in aircraft movements was in Charter operations,

gives an overview of the carriers who have operated scheduled service into PJIA during 2008.

Table 2.4 AIRLINES SERVING ST. MAARTEN

Carrier	Country of origin	Serving PJIA since
Air Canada (Seasonal)	Canada	2004
Air France	France	1955
Air Caraibes	Guadeloupe	1973
Air Transat (Seasonal)	Canada	2000
American Airlines	USA	1979
American Eagle	USA	
Dutch Antilles Express (DAE)	Curacao N.A.	2004
Insel Air	Curacao N.A.	2007
JetBlue Airways	New York	2008
Caribbean Airline	Trinidad and Tobago	2007
Continental Airlines	USA	1988
Corsair	France	1989
Delta Airline	USA	2002
KLM	The Netherlands	1947
LIAT	Antigua	1974
Spirit Airline	USA	2007
St. Barths Commuter	St. Barths	1994
United Airlines	USA	2004
US Airways (USAIR)	USA	1996
Windward Islands Airways International N.V.	St. Maarten	1961



3. Year in Review



The late Mr. Vance James, flanked by drs. Holiday and Mr. Alexander, at the NTB opening ceremony on November 10, 2006, during which he served as the MC.



JANUARY

PJIA REMEMBERS VANCE JAMES JR.

Mr. Vance James Jr. who passed away on January 1, 2008 has been a great asset to PJIA. The contribution of this former politician, businessman and lay-preacher is invaluable," said PJIAE President drs. Eugene Holiday in his speech during the funeral for Mr. James at the Methodist Church on January 11, 2008.

JETBLUE STARTS DAILY FLIGHTS FROM NEW YORK

Excitement reigned when JetBlue's inaugural flight touched down on Thursday, January 17, 2008. Every seat of flight 787 from John F. Kennedy Airport in New York was occupied, and included JetBlue's Chief Executive Officer (CEO) Dave Barger. The first flight signaled what speakers said they hoped would become a long lasting relationship. "The marriage of JetBlue with St. Maarten and the region has just begun," said Commissioner of Tourism Mr. Roy Marlin, who came down on the first flight from New York. JetBlue will be flying the route New York JFK-St. Maarten daily, year round with a 150-seat Airbus A320.

FEBRUARY

WIFI INTERNET AT PJIA

PJIAE entered into a concession agreement with Telcell N.V. to provide WIFI internet connectivity within the terminal building. As of February 1, 2008 the implementation has reached its testing phase. Introducing WiFi within the terminal building of the Princess Juliana International Airport is part of the commercial program of PJIAE geared at meeting and exceeding the passengers' customer service expectation. Passengers making use of the Soualiga Business Class Lounge have free WIFI connectivity as this service is included within the cover charge.



PJIAE is now a WiFi facility

MARCH

FBO FACILITY ALMOST READY

Remodeling of the Fixed Based Operations (FBO) facility to serve passengers of private and corporate jets is well underway. Reconstruction of the building –which previously housed the Project Department- started in December 2007; former offices were turned into security screening, immigration and customs rooms, and lounges for passengers and crew of the corporate jets. The job was kept in-house. Customs and security screening personnel on March 10, 2008, underwent a train-the-trainers



-course on operating the new security scanning equipment in the building.

APRIL

PJIAE IS [RED] IN APRIL

Flying high the tagline “To Love is To Care; To Care is To Be Aware” Princess Juliana International Airport operating Company (PJIAE) NV is the [RED] business of April 2008. “PJIAE is supporting the efforts by the HIV/AIDS Program Management Team of the Government Health Sector, to increase awareness about the increasing threat of this disease. As such we will be conducting several activities in the month of April to do our part. We will truly be a [RED] company this month,” said Mrs. Lucrecia Lynch-Matinburgh, PJIAE’s Marketing and Customer Service Manager. HIV/AIDS pamphlets were be handed out to passengers in the Immigration Hall and in several locations throughout the terminal building, banners were placed.

someone of Bennett’s caliber assuming this important position,” said Phil Olivieri, American’s Regional Managing Director in the Caribbean.

MAY

NEW CLA SIGNED

The Princess Juliana International Airport Operating Company PJIAE management and civil servants union ABVO on May 10, 2008 signed a new Collective Labour Agreement (CLA) for the next three years. The CLA was signed after rounds of intense negotiations. The new CLA regulates the labour conditions for almost 200 of the 270 personnel at PJIAE. The signing took place in the departure hall of the airport on Saturday, where employees and members of the board of directors were invited. PJIAE president drs. Eugene Holiday said in his speech before the official signing took place that the new CLA placed complete emphasis on performance based remuneration for employees.



BENNET BELL AMERICAN AIRLINES COUNTRY MANAGER FOR ST. MAARTEN

American Airlines has appointed Mr. Bennett Bell as ist new Country Manager for St. Maarten. In his new role, Bell, a 19-year veteran at the airline, will oversee all operations, public relations and sales for American airlines on the island. Mr. Bell began his career as a passenger services agent and held positions in reservations and security, leading to his most recent assignment as International security Coordinator for St. Maarten. “We are happy to have

AVIATION STEERING GROUP MEETS IN ST. MAARTEN

Aviation officials from the Netherlands Antilles, the Netherlands and Aruba, representing their respective countries in the Steering Group for Cooperation on Aviation Matters met in St. Maarten on May 19 and 20, 2008. PJIAE was asked to host this meeting even though St. Maarten is still an observer in this Steering Group, pending attainment of our country status. The meeting was held in the Boardroom of Princess Juliana International Airport.

PJIAE SIGNS NEW ATS AGREEMENTS WITH ST. BARTHS, GRAND CASE

PJIAE on Thursday May 29, 2008 signed new Air Traffic Services Agreements with Grand Case airport and St. Jean airport of St. Barths. “Because Saint Martin and St. Barths have adopted a new status, their airports that fall within PJIA’s area of responsibility are now run on local level,” explained Mr. Jan Brown, Director of the Air Traffic Services Division. Decisions on certain levels regarding operations at Grand Case and St. Jean airport previously were made through the French Department of Civil Aviation based in Martinique. PJIAE President drs. Eu-



gene Holiday signed on behalf of PJIAE, while Grand Case Airport Manager Sabrina Charville signed on behalf of French St. Martin. For St. Barths Airport Manager Bruno Magras signed.

JUNE

US CARRIERS CUT FLIGHTS TO CARIBBEAN

American Airlines and American Eagle announced a reduction in their services to the Caribbean, even as regional tourism ministers devised a strategy to help the sector deal with flight cuts by US carriers. AA no longer serves Antigua, St. Maarten and Santo Domingo with jet service out of San Juan. It also reduced flights into San Juan from 38 to 18 from September 3, and discontinued nonstop daily service to San Juan from a number of US cities. AE reduced its Caribbean schedule from 55 to 33 daily departures out of San Juan from September 3 and eliminated daily flights from San Juan to Aruba as well as to Samana, Dominican Republic. Both destinations are served daily from Miami.



PJIA workers during the FOD walk



JUNE IS FOD MONTH AT PJIA

Workers at Princess Juliana International Airport took part in a series of exercises in June 2008, which eventually resulted in bringing about FOD (Foreign Debris/Damage) awareness at the airport. At the completion of the activities it was announced that every year in June, FOD month will be observed at PJIA. Some 100 airport employees walked alongside the ramp, removing debris that could cause damage to aircraft and equipment, and kill people. Besides the FOD walks at the beginning and the

end of June, workers also attended presentations, to better understand their responsibility regarding FOD prevention.

JULY

PJIAE HOSTED BEST AAAE MEETING EVER

Drs Eugene Holiday expressed satisfaction with the success of the Airports Conference of the Americas. With more than 100 delegates, the July 2008 conference had been the largest aviation conference to date on the island. "We got some pretty interesting insights and we will certainly see what can work for us," drs. Holiday said.



COMMISSIONER WESCOTT COMMENDS PJIAE WITH AAAE SUCCESS

Aviation Commissioner Mrs. Sarah Wescott-Williams, at the opening of the Airports Conference of the Americas, expressed words of appreciation to the Princess Juliana International Airport and the American Association of Airport Executives (AAAE) for bringing the meeting to St. Maarten. "PJIAE is the main gateway to our island for residents and the larger traveling public, and plays an important role for air traffic in the North Eastern Caribbean. For this reason, the Government of St. Maarten is thrilled to welcome so many of the region's aviation movers and shakers," Mrs. Wescott told the gathering at Sonesta Maho Beach Resort.



PJIAE workers re-marking the runway French side officials touring the PJIA Facilities



AUGUST

THREE MORE AERODROME FLIGHT INFORMATION SERVICE OFFICERS FOR SABA

PJIAE Air Traffic Services officials Mr. Jan Brown and Mr. Junior Williams were instrumental in the certification of three Aerodrome Flight Information Service Officers (AFISO) in Saba in August 2008. Saba now has six employees who are certified to take on tower duties as AFISOs. The four-day course was conducted by Air Traffic Controller Mr. Junior Williams, and Director of the Air Traffic Service Division at St. Maarten's Princess Juliana International Airport (PJIA) Jan Brown oversaw the certification exam on August 8, 2008.

AIRPORT TEMPORARILY WAIVES RENT INCREASE

Princess Juliana International Airport Operating Company (PJIAE) waived the 2008 rent increase for all tenants -airlines and concessionaries- as a relief method to combat rising airline cost and other expenses. The planned increase for fuel throughput charges that was to be effective January 1, 2009, is also temporarily

put on hold. PJIAE has also implemented measures to reduce its energy cost, and is developing plans aimed at increasing non-aeronautical revenues and increasing air service development initiatives. PJIAE recognizes the need to provide relief to aviation partners and to secure its revenue base.

SEPTEMBER

QAD RETURNS BETTER EQUIPPED FROM AUDITING COURSE

When Quality Assurance Department Manager



FRENCH SIDE OFFICIALS PROUD, IMPRESSED AFTER PJIAE TOUR

A behind the scenes tour of the facilities of Princess Juliana International Airport on Tuesday July 8, 2008 left French St. Martin Government officials impressed, proud and eager for stronger cooperation with the Dutch side. The notion at the end of the tour was that St. Maarten's southern and northern sides should work closer by using the available expertise on the island to resolve a lot of issues together.



Anastacio Baker and QAD Officer Robert Brown attended a "Lead Auditors Training Course" in Curacao they found their approach to their jobs fully validated. "The course gave us the opportunity to evaluate ourselves; how we do our job versus how it's done internationally. We came pretty close to the criteria," said Mr. Baker. The intense training was held from September 21 to 30, 2008. Instructors from SCGS Nederland BV went in depth on auditing with airport officials from Curacao, Bonaire, St. Maarten and Aruba. The course was organized through the Department of Civil Aviation in Curaçao.



Clean up after Hurricane Omar



PJIAE workers re-marking the runway

OCTOBER

PJIAE CHANGES TO RUNWAY 10/28

For over forty (40) years pilots flying into PJIAE landed and took off from runways 09 and 27. But as the world rotates, changes in the angle of the runway occur over time, to ensure compliance with ICAO (International Civil Aviation Organization) standards. One of the upgrades involves changing the runway identifier numbers from 09/27 to 10/28 effective October 23, 2008. The change will require all documented references to the runway designations to be amended, aerodrome signage to be changed, runway markings to be replaced, radar and control system maps to be updated and, not least, to encourage a rapid transition by pilots, airport and Air Traffic Control staff to using the new designations. All relevant information has been published in the pertinent publications.



AIRPORT FARES HURRICANE OMAR WELL

Hurricane Omar slammed into St. Maarten in the early morning of Thursday October 16 and PJIAE was well prepared to withstand and recover in record time. From Wednesday morning, October 15, all department managers were prepared and by 6.30pm, after all preparations had been made, the last flights had departed; the airport was closed and ready for Omar. By 4.00pm the next day, the airport was reopened; there had been some damage to the west perimeter and south fences, and at the west side of the building the hurricane blew in some debris, but besides that there was nothing to keep normal operations from resuming.



NOVEMBER

AIRPORT ST. MAARTEN DAY FAIR SUCCESSFUL

Only “successful” and ascending superlatives could serve to properly describe the St. Maarten Day Fair Princess Juliana International Airport hosted on Tuesday November 11, 2008. From when the music started, stores set up their booths and the playground for children went up, people started coming in. Hosted simultaneously with the PJIAE’s celebrations of the second anniversary of its terminal building, the event was a nice outing for residents and visitors who on the island’s national holiday were looking for something different. The event was also an opportunity for the airport’s retail section to showcase their products.



Many turned out for the St. Maarten Day fair

PJIAE HORIZONS NOW AN E-NEWSLETTER

Princess Juliana International Airport operating company is taking its press efforts digital. The company’s Horizons newsletter, which for the past four years has updated corporate affiliates about airport developments, is now being produced as an E-newsletter.

The first edition of the digital Horizons was emailed to PJIAE’s email address list last week; a small number of printed versions were distributed as well.

DECEMBER

USAIR NAMES PJIA AIRPORT OF THE MONTH

US Airways named PJIA its Airport of the Month in November 2008. The airline devoted a full page of its “STATION MANAGER UPDATE” to St. Maarten and its airport. “When I was notified that that decision was made I was proud. I wanted them to talk to the agents; place them in the spotlight because it’s about them. They deserve it. And when they learned that their hard work had been recognized they were al proud,” said Anne Beck, Station Supervisor in St. Maarten. She commended the workers at Halley Aviation, Menzies Aviation Services and the Security Officers of Checkmate for the quality service they offer as a combined team.

NETWORK-LATIN AMERICA SHOWS NEED FOR DIVERSIFICATION

PJIAE was represented at the second Network Latin America, which was hosted this year by the Aruba Airport Authority (AAA) and held in Aruba from December 7-9, 2008. The conference provided the opportunity for airports and airlines to build relationships with Latin American carriers, low-cost players, regional operators and tourism authorities, as well as

planners from US and beyond.

In attendance were approximately 200 delegates originating from the Caribbean, United States, Latin America and various other countries. Representing PJIAE were Mr. Larry Donker –Director Operations Division, Mrs. Lucrecia Lynch – Manager Marketing & Customer Services and Ms. Daphne Nicholson – Marketing Assistant.



Workers were memorialized on a plaque



PJIAE WORKERS' CONTRIBUTIONS HONOURED AT 65TH ANNIVERSARY

On December 3rd 2008, when PJIA commemorated its 65th anniversary, PJIAE paused and paid homage to the past, with a steadfast aim at future achievements. An exhibition of historic pictures was erected in the check-in hall and airport workers were eternalized in a collage of pictures on a plaque that was unveiled during a short ceremony in the departure hall. In addition, workers were treated to a wonderful luncheon. PJIAE President drs, Eugene Holiday said it was fitting to honour workers on the anniversary of the company, for their role in making St. Maarten's "premier gateway" among the best in the Caribbean.

PJIAE EXHIBITS HISTORY IN TERMINAL BUILDING AND ONLINE

To give history its rightful place in the airport's present and future, PJIAE is presenting an exhibition of historic photographs; tangible and virtually. The physical version is erected inside the check-in hall on panels placed in sequence that enables an experience of the events that lead from the airport's humble beginnings to the efficient St. Maarten aviation institution it is today. The virtual version is accessible online though the airport website www.pjiae.com.

pjiae.com. The homepage of the site has been altered to include a welcome text which links to a page with most of the pictures that are on display.

DRS. HOLIDAY CALLS FOR COLLECTIVE AND INDIVIDUAL DISCIPLINE AND PRUDENCE

Increased financial discipline and prudence. PJIAE President drs. Eugene Holiday says that these are elements of paramount importance if PJIAE is to successfully navigate its way through

the financial and economic turbulence projected for the recession projected for the coming 12 to 18 months. "The worsening global financial and economic crises, as evidenced by increasing bankruptcies and job losses in the US and Europe. These developments mean that 2009 will see reduced travel and thus less income for PJIAE and the economy of St. Maarten," he predicted. Addressing workers at the traditional Christmas party on December 20, 2008, Mr. Holiday said 2009 will be a "dauntingly challenging" year, and implored all to individually take a closer look at their personal situation and make adjustments to cope with the expected new and less favorable economic realities of 2009 and possibly part of 2010.



PJIAE showcases its history in the check-in hall



4. Milestones & Achievements

4.1 PJIA Observes 65th Anniversary

Princess Juliana International Airport on Wednesday December 3, 2008 marked its 65th anniversary, and the airport operating company (PJIAE) paused and paid homage to the past, with a steadfast aim at future achievements. "The entire world is in a recession and this is not the time for elaborate celebrations," said PJIAE President drs. Eugene Holiday. PJIAE observed the important milestone with thoughtful celebration and by giving to employees their rightful place in the airport's present and future.

The airport company launched an exhibition of historic pictures in the check-in hall and airport workers were eternalized in a collage of pictures on a plaque in the departure hall. Said PJIAE President drs Eugene Holiday: "As we mark the anniversary of St. Maarten's single most strategic asset we have to pause and give due respect," he said.

Stressing that "PJIAE is as much its employees as the employees are PJIAE," drs. Holiday said that the anniversary will be dedicated to workers. "Our employees are who –throughout our entire history- have made our airport what it is today. It is fitting to honour our workers on the anniversary of the company, for their role in making St. Maarten's premier gateway among the best in the Caribbean," he said.

He went on: "But as we pause and look ahead at our future, we also look back to our past," referring to the pictorial exhibition of PJIAE's history. Set to run for a few weeks following the anniversary, the photo exhibition related PJIAE's history; it featured panels with black & white and color photos pictures placed at intervals in the check-in hall and in the meet-and-greet area. Drs. Holiday said the exhibition was testimony of how proud PJIAE is of its history and of how far the company has come as a St. Maarten institution.

"We are proud of our history and are happy to be able to offer a glimpse of where we came from, in relation to where we are and where we are going," said drs. Eugene Holiday. The exhibition, therefore, doesn't just stop short at depicting the transformation of PJIAE's building and landscape, but also gives prime recognition to people who played a role as the airport charted its way onward. "The history of

**Excellence doesn't just
People make it happen**



PJIA is about more than buildings; it is a history of people, many people; their contributions to PJIA and St. Maarten have been invaluable and should be properly recognized." The exhibition was also accessible virtually, through the Airport Operating Company's website www.pjiae.com.

PJIA was initially constructed in 1942 as an airstrip for US military aircraft. Following its transformation into a civilian airport, it was opened for operations on December 3rd 1943; in March 1944, the new airport welcomed its first flight by KLM's "Kolibríe" from the Netherlands, on which travelled the then Princess Juliana –after whom the airport is named.



happen n!



1943 - 2008
PJIA 65 YEARS

In a wonderful repeat of history, Her Majesty Queen Beatrix of The Netherlands, daughter of Princess Juliana, opened the airport's current terminal building on November 10, 2006. Through the decades the Princess Juliana International Airport has catalyzed growth for St. Maarten and surrounding communities. Referring to his speech five years ago at the 60th anniversary, when he said that it was "our task to take this institution forward with similar vision and vigor," drs. Holiday looked at the transformation of St. Maarten's aviation landscape and concluded that "we have achieved in taking the institution forward." He said that looking back, PJIA has served

St. Maarten well, through good and difficult times; looking forward he saw a period of major uncertainties. "But if past achievements are any indication of future performance, I believe that we have a solid foundation to face the challenges ahead," he said. Aviation Affairs Commissioner Sarah Wescot-Williams applauded the workers' service-oriented attitude, commending them for going beyond their duties and telling of her mother, a former airport cleaner, and her willingness to work for PJIA. "I believe management has rightfully chosen this anniversary to recognise the employees," she said.



4.2 AAE Conference Successful

With many delegates declaring the eighth Airports conference of the Americas, hosted by Princess Juliana International Airport “the best ever”, one may safely say that objectives have been achieved. St. Maarten and its airport’s new terminal building were properly showcased; guests had a wonderful time and the conference itself was productive. Buyers and suppliers met during the table-top trade show. For host Princess Juliana International Airport operating company (PJIAE) the event was a prime opportunity to promote St. Maarten .

The Conference, which was organised by the American Association of Airport Executives, brought over 100 aviation executives from the Western Hemisphere to St. Maarten. For two days they discussed their industry. The conference itself centred on alternative ways and means for the industry to keep afloat; rising fuel costs, high energy bills, airline capacity shortages and the lingering safety concerns have left aviation no shortage of challenges; the airport and airline officials acknowledged that there is no quick fix to their problems and that going forward all players will have to use their full effort to bring about major efficiency and put to work all their creativity.



Mrs. Sarah Wescot-Williams at the AAE Conference

Aviation Commissioner Sarah Wescot-Williams said the conference was organized with good timing and in a good place to be. Reflecting on the pressure the aviation industry has found itself under, she expressed hopes that the attendees would have fruitful meetings. Safety and security of

the traveller have taken on new dimensions since the tragedy of 9/11, but the fall-out experienced by the aviation industry after that horrific event was but a dress rehearsal for the fall-out from the oil crisis of today. It has severe consequences for airports like ours that have recently invested massively in new facilities to meet the growing demands, as well as those airports that were poised to invest in their



drs. Holiday at the AAE Conference

facilities to anticipate future demands. “And so precisely at this time, amidst much insecurity, we gather on St. Maarten to examine and assess the very challenges facing aviation in general.

We can only be successful with the assistance of other stakeholders in the industry and outside of it. I think of governments, financiers, suppliers and unions to mention a few. It all ties in together. The ripples are not contained to the aviation industry only and the stakeholders mentioned are not immune. It is a delicate balancing act, with dialogue as the key and partnerships indispensable. This conference is such a partnership, between the FAA, AAE, IAAE and the co-host, our own PJIA,” said the Commissioner. “Yes, there are opportunities to be had, even now.

One opportunity is surely the interaction this conference affords us. The knowledge and experiences of others we can share. Why re-invent the wheel; why re-invent the wing? Regardless of what, this world will stay connected and people will travel and air service will remain an important means of travel.”

PJIAE President drs Eugene Holiday was pleased with the two-day conference: with more than 100 delegates, it had been the largest aviation conference ever on the island. “We got some pretty interesting insights and we will certainly see what can work for us,” he said.

The conference heard some pretty interesting presentations, among which by airport veteran Bill



Barkhauer, Chairman of the AAAE. Mr. Barkhauer said that as air service issues remain a major challenge, airlines will slash their service to smaller communities in remote areas; so destinations have to be inventive. Calling the problem an international issue, he said small rural communities in the US as well as small communities outside the US –such as the Caribbean- should advise their governments of the enormous economic impact flight cuts will have and consider offering the airlines incentives in return for maintaining flights.

Bobbi Thompson, vice president of consultants Airport Business Solutions said airports could consider applying alternative revenue earning methods, while Jawad Rachami, business development director at engineering specialists Wyle Laboratories made a case for energy cost savings methods. "There are things airports could do right now to optimize their energy use at," he said.

Most speakers advised that airports and airlines should talk cooperation a lot more, because airlines are frustrated and airports are feeling the pinch; the new reality is not what it used to be, so everybody needs to engage to continue to make money.

But while the presentations during the conference were excellent, they were not its only element that made delegates proclaim that St. Maarten hosted the best AAAE meeting ever. Delegates also got to enjoy the island's friendliness in social gatherings and sporting events; and it was the Caribbean beach-side, "sand-between-your-toes" party on the night of June 21 that blew everyone away.

The airport's marketing and customer service department set up a well appreciated event at Waikiki Beach; the beachside restaurant was turned into a marketplace where delegates were taken back to St. Maarten's olden days. They were treated to performances by some of the island's top artistes and fireworks; by the time the buses were ready to take them back to their accommodations, many clearly had not yet had enough.



Some Impressions of the Proceedings of the AAAE Meeting.



5. Corporate Information

5.1 PJIAE Supervisory Board of Directors

Princess Juliana International Airport is the airport of St. Maarten, Netherlands Antilles. It is located 15 kilometers northwest of Philipsburg and is operated by Princess Juliana International Airport Operating Company (PJIAE N.V.). PJIAE N.V. is a limited liability company, wholly owned by PJIA Holding N.V., which in turn is fully owned by the government of St. Maarten. The Operating Company was incorporated on September 13, 1996 on St. Marten, Netherlands Antilles.

The government has issued a concession to PJIAE for a period of 20 years, effective January 3, 1997, to manage, operate, maintain and develop the Princess Juliana International Airport and conduct all financial and commercial activities related to the airport business on St. Maarten. The concession was extended in 2004 and expires in 2025.

Pursuant to the articles of incorporation, PJIAE has three corporate bodies: The General Shareholder's Meeting, the Board of Supervisory Directors and the Managing Board.

The two latter corporate bodies are appointed by

the General Shareholders' Meeting. The Supervisory Board of Directors comprises six non-executive Directors, including the Chairperson, providing a wide range of skills and experience. The roles of the Supervisory Board and Management are separate and clearly defined. The Board meets regularly with management to review financial performance and strategy.

There was one change in the composition of the Board of Supervisory Directors for 2008.

Mr. Clarence Derby was appointed to the Board on August 1st, 2008 and at the end of 2008, the Board consisted of the following persons:

1. Mr. Miguel Alexander, Chairman
2. Mr. Andre Dijkhoffz, Vice Chairman
3. Mrs. Peggy Ann Dros, Secretary
4. Ms. Regina Labega, Member
5. Mr. Gary Matser, Member
6. Mr. Rolando Tobias, Member
7. Mr. Clarence Derby, Member



Mr. Gary Matser
Member

Ms. Regina Labega
Member

Mr. Andre Dijkhoffz
Vice Chairperson

Mr. Miguel Alexander
Chairperson

Ms. Peggy Ann Dros
Secretary

Mr. Rolando Tobias
Member

Mr. Clarence Derby
Member



Mr. Miguel Alexander, Chairperson

Notary, founder and partner of the civil notary firm Alexander and Simon in Curaçao



Mr. Andre Dijkhoffz, Vice Chairperson

Businessman, owner and Managing Director of Executive Business Services



Mrs. Peggy-Ann Dros, Secretary

Human Resource Manager of the RBTT Bank in St. Maarten



Ms. Regina Labega, Member

Head of Tourism Department of the Island Territory of St. Maarten



Mr. Rolando S. Tobias, Member

Manager Sales & Services Windward Islands Bank Ltd., in St. Maarten



Mr. Gary Matser, Member

Businessman, owner and Managing Director of MGM Consulting N.V.



Mr. Clarence Derby, Member

Senior Vice President and General Manager at Sun Resorts and General Manager at the Towers at Mullet Bay



5.2 PJIAE Management

The following persons make up PJIAE's senior management personnel:

1. drs. Eugene Holiday, President
2. Mr. Larry Donker, Director Operations Division
3. drs. Shirley Pantophlet-Gregoria, Director Finance & Commercial Division
4. Mr. Jan Brown, Director Air Traffic Services Division
5. Mr. Mirto Breell, Director Technical Division

Within each division there are a number of departments headed by department managers.

At the end of 2008, PJIAE's workforce consisted of 98 female and 172 male employees, for a total of 270 employees.



PJIAE's Management Team. Standing from left to right:

Mr. Raoul van Heyningen, Ms. Jean Christian, Ms. Migdala Clarinda, Mr. Franklin Watson, Mrs. Lucrecia Lynch-Matinburgh, Mr. Carl Richardson, Mr. Kendall Dupersoy, Mr. Anastatio Baker, Mr. Evans Marsham. Seated are Mr. Larry Donker, drs. Eugene Holiday, Mr. Jan Brown, Mr. Mirto Breell.

Missing are Mrs. Shirley Pantophlet-Gregoria, Mr. Vernon Rombley, Mr. Justinien Joe, Ms. Hilda Caines, Mr. Derek Hilman, Mr. Henri Laurence, Ms. Ketty Paines, Mr. Michel Hyman, Mr. Manilo Penijn, Mr. Wayne van Putten, Mr. Jerry Sprott and Ms. Michael Lake.



5.2.1 Corporate Affairs



DRS. EUGENE B. HOLIDAY, PRESIDENT

drs. Eugene B. Holiday, President

Drs. Eugene B. Holiday is the President of the Company since February 9, 1998. As such he is responsible for the general management of the airport, with the support of five staff departments and four division directors. Mr. Holiday has a doctoral degree in economics from the Catholic University of Brabant in the Netherlands. He has been engaged in aviation and airport management for over 14 years. Prior to 1998, he served for almost three years as Managing Director of Windward Islands International Airways before assuming his present position. Before that he served for eight years (1987-1995) at the Central Bank of the Netherlands Antilles, where he held various management positions and served as Deputy Director of Monetary and Economic Affairs.



SECRETARY TO THE PRESIDENT
MS. JOYCE YORK



LEGAL COUNSEL
MS. MIGDALA CLARINDA



QUALITY ASSURANCE DEPARTMENT
MR. ANASTACIO BAKER, MANAGER



HUMAN RESOURCES DEPARTMENT
MR. CARL RICHARDSON, MANAGER



INTERNAL AUDIT DEPARTMENT
MR. FRANKLIN WATSON, MANAGER





5.2.2 Operations Division



OPERATIONAL DIVISION
MR. LARRY DONKER, DIRECTOR

Mr. Larry Donker, Director Operations Division

Mr. Larry Donker is the Director of the Operations Division of the Company, a post he assumed on July 1, 2007. In that capacity he is responsible with a team of department managers for the management of airport operations, security, and rescue and fire fighting functions. Mr. Donker holds a degree in Air Traffic Control from the ATC Training Centre in Curacao. He has been engaged in aviation for over 29 years and has received his training in airport operations and management at the Aviation Development & Training Institute of IATA in Montreal, Canada. Mr. Donker started working at PJIA in 1984 as air traffic controller and has since held various functions. He was the manager of operations for 11 years and the Director of the Technical division for almost one year before assuming his current position.



OPERATIONS DEPARTMENT
MR. MICHEL HYMAN, ACTING MANAGER



SECURITY DEPARTMENT
MR. JERRY SPROTT, MANAGER



RESCUE & FIRE FIGHTING DEPARTMENT
MR. MANILO PENIJN, MANAGER



INVESTIGATION DEPARTMENT
MR. WAYNE VAN PUTTEN, MANAGER





5.2.3 Air Traffic Service Division



AIR TRAFFIC SERVICES DIVISION
MR. JAN BROWN, DIRECTOR

Mr. Jan Brown, *Director Air Traffic Services Division*

Mr. Jan Brown is the Director of the Air Traffic Services Division of the Company, a post he assumed on April 1, 1999. In his capacity as Director of the ATS Division he is responsible with a team of department managers for the management of the procedural and radar control in the Juliana area of responsibility and for Flight information services. Mr. Brown holds a degree in Air Traffic Control from the EZEIZA, an ICAO UNDP training facility in Buenos Aires, Argentina. He is also a licensed pilot. Mr. Brown has been engaged in aviation for over 36 years. He started working at PJIA in 1973 as Senior Air Traffic Controller and later became Chief ATC before assuming his current position.



APPROACH CONTROL DEPARTMENT
MR. RAOUL VAN HEYNINGEN, MANAGER



TOWER CONTROL DEPARTMENT
MRS. JEAN CHRISTIAN, MANAGER





5.2.4 Financial and Commercial Division



FINANCIAL & COMMERCIAL DIVISION
DRS. SHIRLEY PANTOPHLET, DIRECTOR

drs. Shirley Pantophlet-Gregoria, Director Financial and Commercial Division

Drs. Shirley Pantophlet-Gregoria is the Director of the Financial and Commercial Division of the Company, a post she assumed on January 1, 2005. In that capacity, she is responsible with a team of department managers for the management of Airport financial administration, marketing, customers services, purchasing and information technology. She holds a doctoral degree in business economics from the Catholic University of Brabant in the Netherlands. Prior to this position, drs. Pantophlet-Gregoria worked at RBTT bank (formerly ABN-AMRO) from 1989-2004 in various functions among which as Manager General Affairs.



FINANCIAL & ACCOUNTING DEPARTMENT
MS. MICHAEL LAKE, MANAGER



STATISTICAL DEPARTMENT
MR. HENRI LAURENCE, MANAGER



PURCHASING DEPARTMENT
MR. EVANS MARSHAM, MANAGER



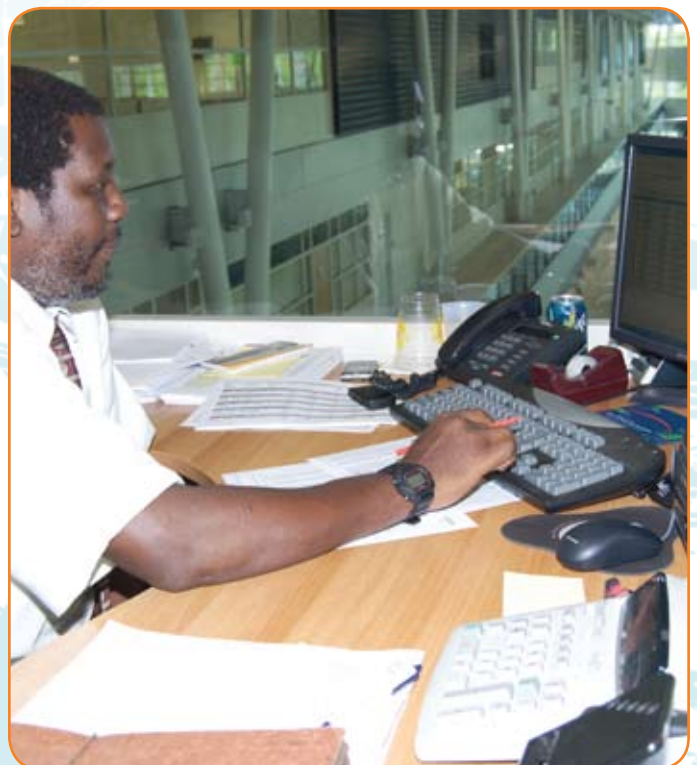
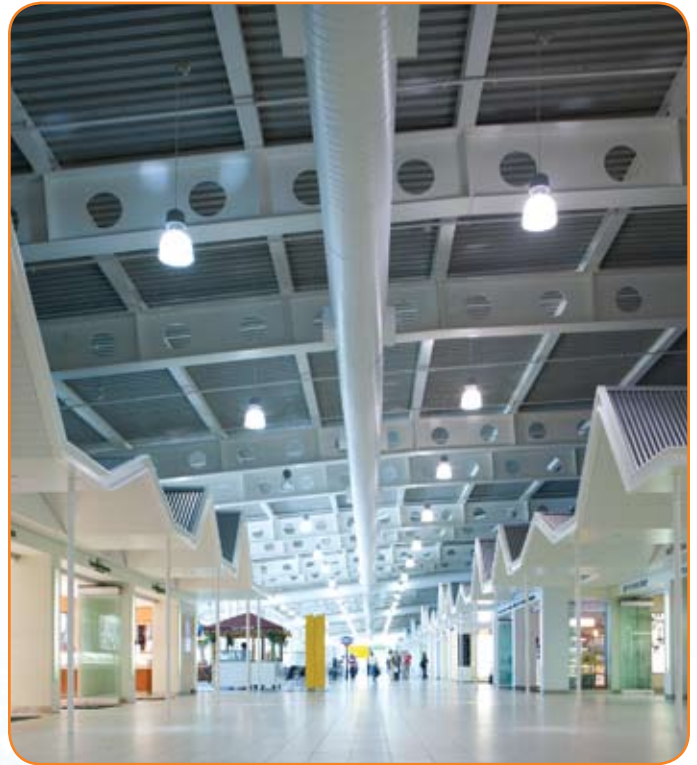
TECHNOLOGY AND TELEPHONY DEPT.
MR. KENDALL DUPERSOY, MANAGER



MARKETING AND CUST. SERVICE DEP.
MS. LUCRECIA LYNCH-MATINBURGH,
MANAGER



SOUALIGA BUSINESS CLASS LOUNGE
MS. KETTY PAINES, MANAGER





5.2.5 Technical Division



TECHNICAL DIVISION
MR. MIRTO BREELL, DIRECTOR

Mr. Mirto Breell, Director Technical Division

Mr. Mirto Breell is the Director of the Technical Division of the Company, a post he assumed on October 1, 2007. In that capacity, he is responsible with a team of department managers for the management of projects, control of systems and for the electrical, mechanical and physical maintenance of the airport facilities. Mr. Breell has a Bachelors degree in Aviation Management and Flight Technology from Florida Tech, in the USA. He is also a licensed pilot. He has been engaged in aviation for over 16 years. Mr. Breell started working at PJIAE in February of 2004 as the manager of Quality Assurance Department before assuming his current position. Prior to joining PJIAE Mr. Breell flew for Winair as a commercial pilot for 11 years.



PROJECT PLANNING AND SYSTEMS
CONTROL DEPARTMENT
MR. DEREK HILLMAN, MANAGER



ELECTRICAL DEPARTMENT
MR. VERNON ROMBLEY, MANAGER



FACILITY MAINTENANCE DEPARTMENT
MR. JUSTINIEN JOE



HOUSEKEEPING DEPARTMENT
MS. HILDA CAINES, MANAGER





6. Financial Statements

6.1 Report of the Board of Supervisory Directors

The Board of Supervisory Directors is pleased to present its report pertaining to the Princess Juliana International Airport Operating Company N.V. 2008 Financial Statements as prepared by Management. The Financial Statements have been examined by the external auditors PricewaterhouseCoopers, who gave an unqualified opinion regarding same. On June 26th, 2009 the Financial Statements were approved by the Board of Supervisory Directors.

The Board's activities in 2008

The Board met monthly and considered a broad range of policy issues relating to the activities of the Airport. In the monthly meetings, Management of Princess Juliana International Airport Operating Company N.V. (the "Company") gave a report on Operational, Air Traffic Control, Technical and Financial, Commercial, Human Resources and Legal issues.

The Board of Supervisory Directors was updated on a monthly basis by Management on the progress of the Capital Investments in terms of compliance with the budget, the quality and the planning.

Every quarter the Board received the Quarterly Management Financial Report for its perusal, comments and direction. In these reports the actual results were analyzed and compared with the 2008 budget and audited figures for 2007.

The Board had regular discussions with Management concerning the strategy of the Company. The 2008 Budget was discussed and approved and various investment decisions were approved in view of the successful operations of the New Terminal Building.

Overall the year 2008 was a good year as is reflected in the financial results of the Company, and this despite the difficult situation associated with the global financial and economic crisis.

Board's advice to the Shareholder

The Board of Supervisory Directors has the honor to submit the following proposals to the Shareholder:

- a. To approve and adopt the Financial Statements of the Company over the financial year January 1st through December 31st, 2008;
- b. To allocate the net profit of the year ad ANG3,209,311 (after tax) to the Retained Earnings;
- c. To discharge Management and Board of Supervisory Directors of any responsibility and liability in respect of their management respectively supervisory duties for the year which ended December 31st, 2008.

In conclusion, the Board would like to take this opportunity to thank all employees of the Princess Juliana International Airport Operating Company N.V. for their professionalism, dedication and contribution during the year in review and to congratulate all stakeholders on the 65th anniversary of PJIA, the airport of St. Maarten/ St. Martin.

On behalf of the Board of Supervisory Directors


Miguel L. Alexander, Chairman



6.2 Independent Auditor's Report

We have audited the consolidated financial statements of Princess Juliana International Airport operating company N.V. for the year ended December 31, 2008, from which the accompanying condensed balance sheet and condensed statement of income (as set out on pages 34 and 35) were derived, in accordance with International Standards on Auditing. In our report dated June 2, 2009, we expressed an unqualified opinion on these consolidated financial statements.

In our opinion, the accompanying condensed balance sheet as of December 31, 2008 and condensed statement of income for the year then ended are consistent, in all material respects, with the consolidated financial statements from which it has been derived. For a better understanding of the Company's financial position and the results of its operations for the period and of the scope of our audit, the condensed consolidated balance sheet and condensed consolidated statement of income should be read in conjunction with the consolidated financial statements from which the condensed consolidated balance sheet and condensed consolidated statement of income were derived and our report thereon.

Sint Maarten, October 16, 2009

PricewaterhouseCoopers, Netherlands Antilles
Cees Rokx



6.3 Balance Sheet

As of December 31 (in ANG)

	2008	2007
Assets		
Current Assets and non-liquid accounts	83,486,183	79,770,426
Financial Fixed Assets	3,631,200	3,844,800
Tangible Fixed Assets	238,248,008	260,583,813
Total Assets	325,365,391	344,199,039
Liabilities		
Current Liabilities	26,150,196	31,494,205
Long term Liabilities	216,001,873	232,343,879
Provisions	4,236,025	4,592,969
Total Liabilities and Provisions	246,388,094	268,431,053
Shareholders' Equity		
Share Capital	200,000	200,000
Contributed surplus	5,200,000	5,200,000
Retained Earnings	73,577,297	70,367,986
Total Shareholders' Equity	78,977,297	75,767,986
Total Liabilities and Shareholders' Equity	325,365,391	344,199,039



6.4 Income Statement

As of December 31 (in ANG)

	2008	2007
Revenues		
Aeronautical Revenues	72,302,030	65,992,051
Non-Aeronautical Revenues	14,948,063	14,490,388
Total Revenues	87,250,093	80,482,439
Expenses		
Operating Expenses	42,690,335	39,829,583
Depreciation	24,072,783	22,364,864
Total Operating Expenses	66,763,118	62,194,447
Operational Result	20,486,975	18,287,992
Financial Income & Expenses		
Finance Cost - net	17,634,608	16,631,324
Income before taxes	2,852,367	1,656,668
Provision for deferred taxes	(356,944)	(504,364)
Net income for the year	3,209,311	2,161,032



PJIA's first terminal building in 1943



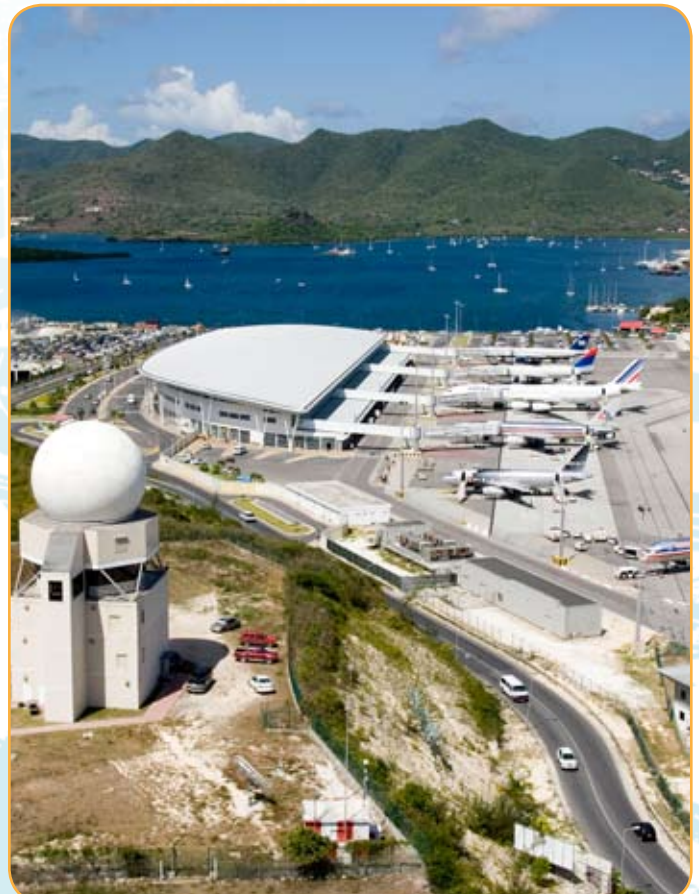
PJIA's terminal building in 2008



In 1964, the airport building was extended; new arrival and departure halls were added.



The former terminal building of PJIAE which was expanded in 1985, served our island until the new terminal building was commissioned in 2006.





7. Moving Forward

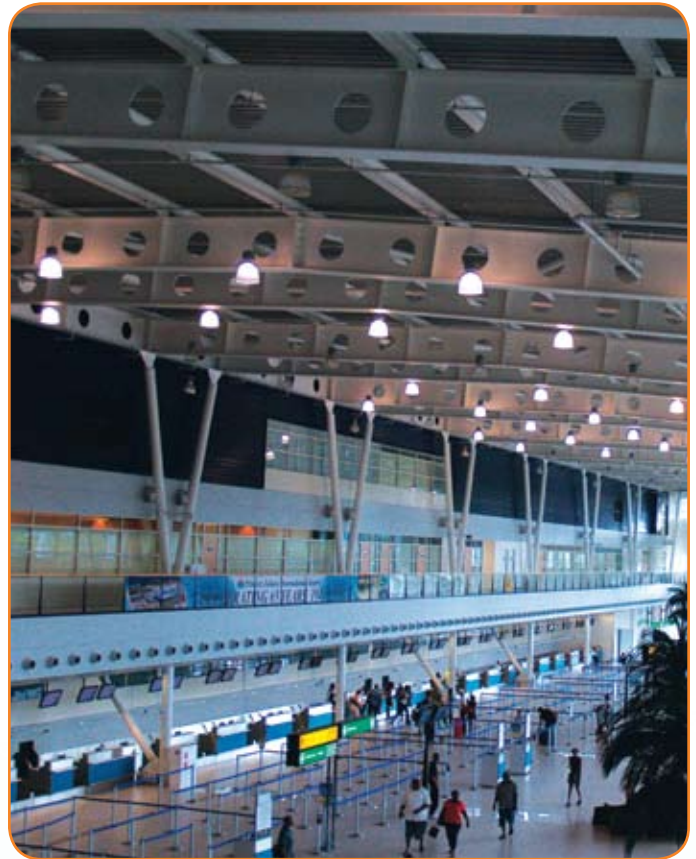
Worldwide economic challenges and uncertainties notwithstanding, St. Maarten's Princess Juliana International Airport Operating Company (PJIAE) NV moved forward in the year 2008. Attribute it to consistency in management that built upon the proud history that has anchored the airport as a dependable institution in St. Maarten.

2008 was the year Princess Juliana International Airport marked 65 years of existence. On December 3rd, 65 years ago, the then Princess Juliana of the Kingdom of The Netherlands officiated the opening of the airport, which a year earlier had been transformed from a military base into a civilian gateway. Over the years, the Princess Juliana International Airport played an integral part in shaping St. Maarten and the surrounding island nations of the North Eastern Caribbean into the much coveted tourism paradises they are today.

St. Maarten ranks among the Caribbean's top destinations to reside in, with an attractive per capita income that over the years has prompted an influx of new residents, which resulted in an unsurpassed metropolitan atmosphere, with a multi-ethnic, multi-national and multi-cultural blend of inhabitants. It makes St. Maarten unique, but also brings about expectations for a future worth looking forward to.

PJIAE has always remained cognizant of its role of catalyst for development. St. Maarten's airport has metamorphosed from a modest airport, and blossomed into a bustling aerocity with a population of some 1.7 million passengers, thousands of meeters and greeters and a workforce of over 1,000 in 2008, with many hundreds more directly and indirectly related employment, depending on it for their income.

But the airport company has not stopped short there in its influence of shaping the future. Throughout the years PJIAE has displayed outstanding corporate responsibility, supporting especially local initiatives with a development undercurrent. In 2008 PJIAE contributed to several causes; to the University of St. Martin (USM) the airport company donated towards the University's constructing more classrooms, laboratories, offices, a library, and other facilities. PJIAE also contributed to USM's Bachelor's Degree Program in International Hotel Management. The St. Dominic School was given a donation for the complete furnishing of a classroom, and monetary support was provided to the Toastmasters District Conference organized by the St. Maarten Toastmasters Organization for May 16 to 18 2008.





"PJIAE is a leader in providing airport services that contribute to the general economic and tourism development of St. Maarten / St. Martin and the region we serve. We –and by extension our nation- can only stay a leader if we are aware of our role and contribute to continued growth," PJIAE President drs. Eugene Holiday said. He said the measure of any corporate citizen lies in the degree in which it supports causes critical to the strengthening and growth of its community. "Education is a cornerstone of a nation, recognized as such by PJIAE management. We did not have to deliberate long on whether to become "partners" in any of the afore mentioned educational and developmental programs," he said. Their strength by extension is St. Maarten's strength and thus that of PJIAE." The airport also pledged a financial injection for the mangrove replanting project of the Nature Foundation.

2008 Was also the first year PJIAE participated in efforts introduced by the Island Government to increase awareness about HIV/AIDS. In April 2008, PJIAE was the [RED] business, and during that entire month, the airport company hosted awareness activities aimed at workers and passengers. HIV/AIDS pamphlets were handed out to passengers in the Immigration Hall and in several locations throughout the terminal building, banners were placed. This underscores PJIAE's awareness of its responsibility in our airport community in particular and the island in general.

One may conclude from the airport company's approach to corporate citizenship that keeping a consequent focus forward, to the future, obviously was one of the airport's main philosophies in 2008.

A philosophy PJIAE didn't deter from, not even when times got hard. The challenge of Hurricane Omar which battered down on St. Maarten in the early morning of Thursday October 16, 2008, PJIAE was met head-on. PJIAE was well prepared to withstand and recover in record time. From Wednesday morning, October 15, all department managers were prepared and by 6.30pm, after all preparations had been made, the last flights had departed; the airport was closed and ready for Omar. By 4.00pm the next day, the airport was reopened; there had been some minor damage to the south fence and at the south side of the building the hurricane blew in some debris, but besides that there was nothing to keep normal operations from resuming.

The challenge of the economic recession, that caused a 3.8% decline in aircraft movement in 2008, only prompted PJIAE to take steps to further streamline operational expenses and position itself to offset the expected fall





out in business activity, with the objective to successfully navigate through the difficult times ahead. In this period of declining demand, it is from a strategic perspective essential that St. Maarten and PJIAE do all that is necessary to stand out positively and maximize returns from the limited business opportunities. In particular PJIAE will continue to focus on ensuring safe and secure operations, on the one hand, and on the provision of efficient and quality services, on the other hand, with the aim of improving our competitive position.

That the airport company remains confident in the future, despite the challenges, was evident in November when PJIAE hosted a fair of its retail product on St. Maarten Day, and on December 3rd, when the airport's 65th anniversary was celebrated. Both events served to place the spotlight on two very important aspects of the airport's product: PJIAE's business partners, the concessionaires and PJIAE's backbone, the employees.

Drs. Holiday said the spotlight was befitting, as both parties deserved it. Every business represented in PJIAE's aerocity was carefully selected and, thus today PJIAE has a wonderful blend of retail and food & beverage outlets inside the airport terminal, some of which are one-of-a-kind in St. Maarten. These are integral parts of PJIAE's product and we appreciate them very much, which is why PJIAE hosts events to boost their business. In effect,







their business is PJIAE business and therefore crucial to PJIAE success.

To signify the importance of the employees a cross section of their faces were immortalized in a collage of pictures on a plaque that was unveiled during a short ceremony in the departure hall on December 3rd 2008, when PJIA commemorated its 65th anniversary. PJIAE paused and paid homage to the past, with a steadfast aim at future achievements. Drs Holiday explained that the anniversary of the company – which was themed “Our Excellence Didn’t Just Happen; Our Employees Made it Happen” served well to give a rightful place to the role employees played in making St. Maarten’s premier gateway among the best in the Caribbean.

At the 60th anniversary he said “our task is to take this institution forward with similar vision and vigour’.

Today, when he looks at the transformation of St. Maarten’s aviation landscape, Mr. Holiday concluded that PJIAE has achieved taking the institution forward.

PJIA has served St. Maarten well, through good and difficult times; ahead there is a period of major uncertainties. Increased operational costs have forced airlines to increase their fares and fees, and cut capacity. Coupled with the global economy slipping into recession, these developments caused an industry-wide rationalization of business to ensure more cost efficient operations and prospects are dim. But if past achievements are any indication of future performance, there is a solid foundation to face the challenges. Drs. Holiday remain realistically undeterred: “We have no other choice but to keep moving forward.”





8. Airport Facts

Princess Juliana International Airport (PJIA) is the Regional Leader in Aviation.

Our airport plays an invaluable role in the further development of the tourism industries of St. Maarten and the surrounding destinations St. Martin, Saba, St. Eustatius, Anguilla and St. Barths. In 2008 PJIAE was serviced by some 20 scheduled airlines, besides many charter airlines, cargo, corporate and private jets, and there is direct service to close to 30 major cities in the US, Europe, Canada and the Caribbean.

Geographical location: Simpson Bay, St. Maarten

Longitude 63.1 / Latitude 18.3

Airport area: 642,415 m²

Runway

Identification numbers 10/28

Length 2,180 m

Width 45 m

Capacity 36-40 movements per hour

Apron

Main 89,000 m²

General aviation 20,000 m²

General aviation cargo 7000 m²

Design capacity 9 wide body aircrafts

Parking lots

Public parking lot 355 lots

Employee parking lot 321 lots

Navigation aids NDB, VOR/DME, LOC/BCN

Terminal

PJIA commissioned an ultra-modern terminal facility in November 2006.

The new terminal building has four floors and is fully air-conditioned, with a capacity to handle 2.5 million passengers per year.

Area 30,500 m²

design capacity 2.5 mln passengers annually

Opening hours 06:00 - 23:00 hours



This Annual Report is an Agile Ventures production for PJIAE NV.





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