Schiphol satisfied with 2011
More destinations and increased market share

Press Release

Schiphol, February 17, 2012

- Net revenue grew by EUR 98 million to EUR 1,278 million (2010: EUR 1,180 million);
- EBITDA up 6.0% to EUR 512 million (2010: EUR 483 million);
- The net result is EUR 194 million (2010: EUR 169 million) and earnings per share amount to EUR 1,045 (2010: EUR 908);
- Dividend at EUR 524 per share, with total dividend distribution amounting to EUR 97 million;
- Return on equity: 6.2% (2010: 5.6%)

Key developments:
- Passenger numbers rose by 10.0% to a record 49.8 million; the network of direct connections was expanded to a total of 313, including 12 new destinations primarily thanks to AF-KLM;
- Mainport Schiphol's competitive position was visibly strengthened with a greater market share for Amsterdam Airport Schiphol, now back in place as Europe's fourth-largest airport after Heathrow, CDG-Paris and Frankfurt;
- Cargo volumes grew for the year as a whole (+0.8%), though during the last six months there was a slight decline;
- A better than expected result of approximately EUR 15 million for Aviation, mainly due to the fact that passenger numbers exceeded estimates at the time of the consultation, will be repaid to the airlines;
- Operating result from Consumer Products & Services increased by more than 10%;
- Real Estate shows a stable development and improved occupancy levels;
- Trend in results posted by regional airports and international activities is positive;
- The reorganisation initiated in 2009 has now been virtually completed. In 2011, the average workforce was reduced by 213 FTE to 2,115 FTE;
- The refinancing of a nominal EUR 403 million in bonds resulted in a significant increase in the average term to maturity.

Response from Jos Nijhuis, Schiphol Group President:
"In these economically turbulent years, it is all the more important that the Netherlands can rely on its Mainports. Amsterdam Airport Schiphol wants to help strengthen the Netherlands' competitive potential. That is why I am pleased with the developments in 2011. Together with the airlines we welcomed a record number of passengers. Our network of international connections was further expanded and we saw our European market share grow. Punctuality improved and 93% of our passengers rate our airport as 'good to excellent'.

However, our capacity is strained on peak days. In order to address this situation, we will work with our partners to expand our capacity and further improve quality. This will allow us to keep providing our customers with the level of service they expect while safeguarding our competitive position."

EUR million unless stated otherwise	2011	2010	+/-
Results			
Revenue	**1,278**	1,180	8.3%
Result on sale of investment property	**1**	0	
Fair value gains on investment property	**-1**	22	
Operating expenses	**-974**	-906	7.5%
Operating result	**304**	297	2.5%
Result before tax	**249**	239	4.3%
Results attributable to shareholders (net result)	**194**	169	15.1%
Depreciation, amortisation and impairment	**208**	186	11.4%
EBITDA 1)	**512**	483	6.0%
Capital expenditure (investments in property, plant and equipment)	**263**	248	6.2%
Cash flow from operating activities	**387**	351	10.5%
Proposed dividend	**97**	76	27.9%
Ratios			
RONA after tax 2)	**5.7%**	5.9%	
Return on equity (ROE) 3)	**6.2%**	5.6%	
Leverage 4)	**37.9%**	37.2%	
FFO / total debt 5)	**18.5%**	17.0%	
FFO interest coverage ratio 6)	**4.5**	3.8	
Earnings per share 7)	**1045**	908	
Business volume (in numbers)			
Air transport movements 8)	**453,613**	415,883	9.1%
Passenger movements (x 1,000) 8)	**53,522**	48,324	10.8%
Cargo (x 1,000 tonnes) 8)	**1,524**	1,512	0.8%
Workforce in full-time equivalents	**2,115**	2,328	-9.1%

1) Operating result plus depreciation, amortisation and impairment

2) Operating result after tax plus share in results of associates and interest income / (average non-current assets minus deferred tax assets)

3) Net result attributable to shareholders / average total equity

4) Leverage: interest-bearing debt / (total equity + interest-bearing debt)

5) Funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt

6) Funds from operations plus gross interest expense / gross interest expense

7) Based on net result attributable to shareholders.

8) Schiphol Group: Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport

Revenue

Our revenue rose by EUR 98 million from EUR 1,180 million in 2010 to EUR 1,278 million in 2011.

EUR miljoen	**2011**	2010	%
Airport charges	**745**	689	8.1%
Concessions	**127**	120	5.8%
Rents and leases	**145**	143	1.4%
Retail sales	**78**	58	34.5%
Parking fees	**92**	83	10.8%
Advertising	**19**	16	18.8%
Services and activities on behalf of third parties	**18**	23	-21.7%
Other revenues	**54**	48	12.5%
Net revenue	**1,278**	1,180	8.3%

Net revenue from airport charges increased by EUR 56 million (8.1%) from EUR 689 million in 2010 to EUR 745 million in 2011. Of this increase, EUR 50 million can be attributed to Amsterdam Airport Schiphol and results from an increase in air transport movements (+8.8%) and passengers (+10.0%). At EUR 705 million (2010: 655 million), airport charges at Schiphol accounted for the largest part of the total revenue. Over one third of these airport charges, EUR 247 million, (2010: EUR 235 million) are related to Security. The three regional airports also saw a rise in their net revenues from airport charges, which amounted to a total of EUR 6 million. In particular, the rise in both passenger numbers and air transport movements at Eindhoven Airport and Rotterdam The Hague Airport contributed to this increase.

Primarily because higher passenger numbers the Aviation results are approximately EUR 15 million higher than expected during consultation on the charges of 2011. Given the current market conditions, Schiphol has decided to pay out this amount to the airlines in the short term in proportion to their share in the revenues generated from airport charges in 2011.

The rise in net revenue from concessions by EUR 7 million (5.8%) from EUR 120 million to EUR 127 million is largely attributable to the Consumer Products & Services business area. As expected, the renovations to Departure Lounge 3 in the first half of 2011 led to a fall in the average spend per passenger in this period, but this figure largely recovered in the second half of 2011. In addition, concession income from hospitality services improved in the second half of 2011 relative to 2010. Concession fees from fuel supplies, recognised within the Aviation business area, amounted to EUR 12 million (2010: EUR 12 million).
Net revenues from rents and leases rose slightly by EUR 2 million (1.4%) from EUR 143 million to EUR 145 million. This rise can largely be attributed to the lease of space in the Amsterdam Airport Schiphol terminal by both Consumer Products & Services and Real Estate.

Thanks to the rise in the number of passengers at Amsterdam Airport Schiphol and the chocolate retail activities acquired as of 1 November 2010, net revenue from retail sales in 2011 rose sharply by EUR 20 million (34.5%), from EUR 58 million to EUR 78 million.
Net revenue from parking fees increased by EUR 9 million (10.8%) from EUR 83 million in 2010 to EUR 92 million in 2011. Of this increase, EUR 6 million can be attributed to Amsterdam Airport Schiphol and EUR 2 million to the regional airports. The 9.4% rise at Amsterdam Airport Schiphol lagged somewhat behind the rise in passenger numbers owing to increasing competition resulting in a lower average spend per passenger.
Net revenue from advertising rose by EUR 3 million (18.8%). 2011 was an excellent year for advertising and media income. Net revenue from services and activities on behalf of third parties fell by EUR 5 million (21.7%). Fewer services were provided to tenants in 2011.

Other income from property

The value of our property portfolio (property and land) fell by EUR 1 million in 2011 (+ EUR 22 million in 2010). The amount in 2010 included a non-recurring increase of EUR 26 million in the land portfolio, as a consequence of an appraisal change such that it is now more in line with methods more commonly used by independent appraisers. Despite difficult market conditions, the current buildings portfolio only saw a very small write-down. This can be attributed to higher occupancy levels and stable rental levels at the Schiphol location. Land values remained virtually unchanged. Write-downs were made in land positions, however, due to changes in revenue potential and additional infrastructure costs.

Operating expenses

EUR million	**2011**	2010	%
Outsourcing and other external costs	**580**	522	11.1%
Employee benefits	**177**	184	-3.4%
Depreciation and amortisation	**206**	186	10.9%
Impairments	**1**	1	194.4%
Reorganisation	**0**	9	-100.0%
Other operating expenses	**9**	4	117.8%
Operating expenses	**974**	906	7.6%

Operating expenses rose by 7.6% (-2.3% in 2010) from EUR 906 million in 2010 to EUR 974 million in 2011. The EUR 68 million increase (7.6%) consists of:

- EUR 18 million (2.0%) directly related to the rise in revenues: an increase in the cost price of retail sales (EUR 9 million) and commercial costs (EUR 9 million), partly in support of expansion of the number of destinations and frequencies (via the Airline Reward Programme);
- EUR 20 million (2.2%) in capacity and quality-related expenses: higher depreciation (70 MB, Lounge 3);
- EUR 13 million (1.4%) related to security (with a 10% rise in passenger numbers);
- a EUR 6 million decrease (-0.7%) associated with employee benefits. Employee benefits declined by EUR 19 million due to reduction of the number of FTEs. This development was partially offset by a CLA indexation, individual pay rises, expansion of the profit-sharing scheme and a rise in employer’s pension contributions (EUR 13 million);
- EUR 19 million (2.1%) related to the increase in the number of outsourcing contracts as part of the reorganisation that was initiated in 2009 and which also resulted in a drop in the number of FTEs;
- EUR 2 million (0.3%) spent on various studies, including a study conducted as part of the evaluation of the Aviation Act and a study conducted by international strategy consultants into the effects of a previously proposed rate structure change at the Mainport;
- EUR 2 million (0.3%) related to smaller one-off items.

Operating result

The operating result rose by 2.5% (58.6% in 2010), from EUR 297 million in 2010 to EUR 304 million in 2011. Excluding fair value gains/losses on our property portfolio, the operating result rose by 10.9% (20.8% in 2010), from EUR 275 million in 2010 to EUR 305 million in 2011. The volcanic ash cloud and extreme winter weather reduced the 2010 operating result by EUR 20 million.

EUR million	**2011**	2010	%
Aviation	**49**	45	9.1%
Consumer Products & Services	**148**	133	11.3%
Real Estate	**72**	96	-25.1%
Alliances & Participations	**35**	22	55.8%
Operating result	**304**	297	2.5%

Financial income and expenses

The net financial expense fell by EUR 24 million to EUR 91 million in 2011. This fall was largely caused by the repurchase in 2010 of bonds issued under the Euro Medium Term Note (EMTN) programme for a nominal amount of EUR 150 million, which generated a non-recurring financial expense of EUR 19 million. Without this effect there was a fall of EUR 5 million.

Share in results of associates

The share in results of associates in 2011 amounted to EUR 36 million, compared with EUR 57 million in 2010. The 2010 amount includes a one-off share in results of EUR 28 million (before tax), gained thanks to the increase of our stake in JFK IAT LLC. When adjusted to take this into account, the share in results of associates rose by EUR 7 million in 2011. This can be attributed primarily to the increase in the result from our share in Aéroports de Paris S.A. (ADP) by EUR 5 million. This result is an estimate based upon public information. Our share in the results of Brisbane Airport Corporation Holdings Limited (BACH) also rose by EUR 3 million.

Corporate income tax

Corporate income tax paid in 2011 amounted to EUR 51 million (EUR 67 million in 2010). The effective tax burden for 2011 was 21%, which is lower than the effective tax burden for 2010 (28%) and the nominal corporate income tax rate (25%). The fall in effective tax burden is partly due to a relatively low effective tax rate on the share in results of associates compared with 2010. The effective tax burden on the one-off results from our stake in JFK IAT LLC was almost 46% in 2010. In addition, there was a EUR 5 million tax charge in 2010 caused by a write-down of deferred tax liabilities in connection with the adjustment of the nominal tax rate from 25.5% to 25% as at 1 January 2011. Finally, a total non-recurring tax gain of EUR 2 million was included in 2011, due in part to the carry-over of losses, for which no deferred tax liabilities had as yet been included and in relation to the option to set off tax levied at source.

Net result

The result for 2011 attributable to the shareholders (net result) is EUR 194 million (EUR 169 million in 2010). The net result, calculated for dividend purposes and excluding fair value gains on our property portfolio, is EUR 195 million (EUR 152 million in 2010). The return on equity (ROE) amounted to 6.2% in 2011 (5.6% in 2010); RONA after tax amounted to 5.7% (5.9% in 2010). Excluding fair value gains on the property portfolio, RONA after tax amounted to 5.7% in the year under review (5.3% in 2010).

Cash flow developments

The cash flow from operating activities rose by EUR 36 million in 2011, from EUR 351 million to EUR 387 million. This is due primarily to a EUR 40 million increase in the cash flow from operations and a EUR 20 million fall in net interest paid. An additional EUR 24 million was paid in corporate income tax.

The cash flow from investment activities in 2011 (EUR 251 million) remained virtually unchanged compared with 2010 (EUR 250 million). In 2011 investments totalled EUR 263 million (2010: EUR 248 million). The main investment projects in 2011 were:

- EUR 69 million for the 70 MB baggage programme;
- EUR 45 million for major maintenance work;
- EUR 23 million for ICT;
- EUR 10 million for business continuity and fire safety;
- EUR 9 million for the renovation of Lounges 3 and 4;
- EUR 9 million for the development of office space at Rotterdam The Hague Airport;
- EUR 5 million for the GA Terminal Schiphol-East;
- EUR 5 million for cargo hangar D at Malpensa, Italy.

With EUR 182 million (EUR 164 million in 2010), the Aviation business area accounted for the largest share of overall investments in fixed assets. The Real Estate business area is the next largest investor with EUR 35 million (EUR 52 million in 2010), followed by Consumer Products & Services with EUR 29 million (EUR 26 million in 2010) and Alliances & Participations with EUR 17 million (EUR 6 million in 2010).
The net cash flow from operating and investing activities – the free cash flow – amounted to EUR 137 million in 2011, as opposed to EUR 101 million in 2010.
The cash flow from financing activities was EUR 28 million negative in 2011 (compared with EUR 321 million negative in 2010). In 2010, Schiphol repurchased EMTN bonds (with a nominal value of EUR 150 million) for an amount of EUR 169 million in total, while no new long-term loans were taken out. A dividend of EUR 76 million was distributed in 2011 (EUR 65 million in 2010).
In 2011, the net cash flow totalled EUR 109 million (EUR 220 million negative in 2010). The net amount of cash at bank/in hand rose from EUR 304 million at the end of 2010 to EUR 413 million at year-end 2011.

Ratios

The FFO/total debt ratio in 2011 was 18.5%, an increase relative to the 2010 figure of 17.0%. Total debt is the year-end balance of all interest-bearing borrowings and amounted to EUR 1,934 million as at 31 December 2011 (EUR 1,846 million as at 31 December 2010). The FFO interest coverage ratio in 2011 was 4.5x, an improvement in comparison with the 2010 figure of 3.8x.

In addition to these two ratios, Schiphol Group looks at leverage (ratio of interest-bearing debt to total equity plus interest-bearing debt). At the end of the year under review, Schiphol Group's leverage stood at 37.9% (37.2% in 2010).

FFO – funds from operations – is the cash flow from operating activities adjusted for operating capital. In 2011, FFO rose from EUR 314 million to EUR 359 million. This increase relates primarily to an increase in operating result, adjusted among other things for depreciation, amortisation and movements in provisions (EUR 48 million), and a EUR 20 million fall in net interest paid. An additional EUR 24 million was paid in corporate income tax in 2011 compared with 2010.

Rating

Standard & Poor's long-term rating is 'A flat' with a stable outlook and remained unchanged compared with 2010. Moody's long-term rating of A1 with a stable outlook was maintained as well. A good and stable rating enables us to raise debt on favourable terms even under difficult market conditions.

Financing

The total amount of outstanding loans and lease liabilities increased by EUR 89 million in 2011, from EUR 1,846 million to EUR 1,934 million.
On 28 April 2011, Schiphol Nederland B.V. successfully placed a new bond issue for a nominal amount of EUR 438 million with a maturity of 10 years. The bonds have a coupon rate of 4.43% and have been placed with a broad group of institutional investors in Europe. The proceeds from the bond issue were used to finance the purchase of EUR 403 million in existing bond loans. By repurchasing a portion of two existing bond issues with maturities up to 2013 and 2014, the term of Schiphol Group's debt has effectively been extended while taking advantage of favourable market conditions. The buybacks in 2010 and in the first half of 2011 have reduced the repayment obligations for the two bonds in 2013 and 2014 to approximately EUR 545 million. In April and May 2011, three financing instruments were acquired for approximately this amount (two forward-starting interest rate swaps and one Namensschuld-verschreibung) which principally fixed the interest rates at which the outstanding loans can be refinanced in 2013 and 2014.
In addition, Schiphol Group made a number of withdrawals from the 20-year EUR 350 million EIB facility. These withdrawals amount to a total of EUR 180 million. Schiphol Group has also extended its credit facility of EUR 175 million with its core group of bank relations until 2016. No withdrawals from this facility have yet been made. Airport Real Estate Basisfonds C.V. (61.15% ownership) also refinanced its loans by taking out a new loan of EUR 195 million for a period of 4.5 years.
A 40-year lease agreement was repaid before maturity with regard to the P1 car park and the related walkway for an amount of EUR 54 million, and other loans and lease liabilities amounting to EUR 63 million were repaid.

One of the aims of our financing policy is to reduce the refinancing risk. The remaining terms to maturity of the loans issued under the EMTN programme range from 18 months to 26 years. Our interest-rate risk management policy favours fixed-interest loans, achieved either by contracting loans at fixed interest rates or by making use of standard interest rate derivatives.

In 2011, interest costs averaged 5.6%, slightly less than the 5.8% average rate in 2010.

Developments per business area

Aviation

EUR million	2011	2010	+/-
Total revenue	**734**	685	7.2%
Operating expenses	**685**	640	7.1%
EBITDA	**202**	180	11.8%
Operating result	**49**	45	9.1%
Average fixed assets	**2,083**	2,051	1.6%
RONA after tax	**1.8%**	1.7%	
Investments in fixed assets	**183**	164	11.5%

- Total revenue rose by 7.2%, mainly as a result of an increase in passenger numbers (+10.0%), air transport movements (+8.8%) and cargo volumes (+0.8%), and an average 0.6% increase in airport charges as of 1 April 2011. The total revenue in 2011 also included a direct repayment of airport charges of EUR 15 million;
- The number of destinations rose by 12 in 2011 to a total of 313, of which 285 are passenger destinations and 28 cargo destinations;
- Operating expenses were up 7.1% (EUR 45 million), which was due to higher outsourcing costs (EUR 15 million) offset in part by a EUR 6 million fall in employee costs, higher security costs (EUR 9 million), maintenance costs (EUR 4 million), commercial costs (EUR 6 million, especially for the Airline Reward Programme) and capacity expansion (EUR 17 million, depreciations);
- The total costs of the Security reporting segment grew by EUR 10 million to EUR 247 million in 2011. This is equivalent to 36.0% of total operating expenses for the Aviation business area (37.0%).

	Aviation			Security		
EUR million	2011	2010	+/-	2011	2010	+/-
Total revenue	**487**	448	8.7%	**248**	237	4.4%
Operating expenses	**439**	403	8.8%	**247**	237	4.0%
EBITDA	**173**	153	13.0%	**29**	27	5.0%
Operating result	**48**	45	6.9%	**1**	0	-316.4%
Investments in fixed assets	**151**	155	-2.7%	**32**	9	264.6%
RONA after tax	**2.0%**	1.9%		**0.2%**	-0.1%	

Consumer Products & Services

EUR million	**2011**	2010	+/-
Total revenue	**340**	299	13.6%
Operating expenses	**192**	166	15.4%
EBITDA	**174**	155	12.1%
Operating result	**148**	133	11.3%
Average fixed assets	**247**	239	3.5%
RONA after tax	**44.9%**	41.5%	
Investments in fixed assets	**29**	26	8.7%

- Major quality improvement and better range of products and services in the renovated Departure Lounge 3;
- Time spent at at Amsterdam Airport Schiphol now more enjoyable since the opening of Airport Park;
- Perception of price/quality ratio for See Buy Fly products was further improved;
- Average spend per passenger in See Buy Fly shops down by 1.8% to EUR 15.55, partly as a result of renovation works in Departure Lounge 3;
- Revenue up by 13.6% while passenger numbers rose by 10.0%;
- When adjusted for the costs of increased retail sales, operating expenses for Consumer Products & Services rose by 12.1%. Much of this rise was due to the increase in depreciation and amortisation following completion of a number of major projects, such as Excellence Parking and Departure Lounge 3.

Real Estate

EUR million	**2011**	2010	+/-
Total revenue	**172**	173	-1.0%
Result on sale of investment property	**1**	0	
Fair value gains on property	**-2**	21	-108.0%
Operating expenses	**98**	98	0.4%
EBITDA	**90**	113	-20.0%
Operating result	**72**	97	-25.2%
Average fixed assets	**1,555**	1,524	2.1%
RONA after tax	**3.5%**	4.8%	
Investments in fixed assets	**35**	52	-31.8%

- Occupancy up from 86.5% to 88.5%;
- General Aviation Terminal at Amsterdam Airport Schiphol completed and projects started at Rotterdam The Hague Airport;
- Real Estate saw a small decline in revenue by 1.0% in 2011; Rental income rose from EUR 156 million in 2010 to EUR 157 million in 2011, thanks to higher occupancy levels (up 2 percentage points), the completion of the GA Terminal and stable rent levels. The combined income from concessions, tenant parking fees and other operating income fell slightly, mainly due to the decrease in services provided to tenants;
- The value of our property portfolio (property and land) fell by EUR 2 million in 2011 (+ EUR 21 million in 2010). The 2010 amount included a one-off increase of EUR 26 million in the value of the land portfolio caused by a further refinement of our methodology;

- For Real Estate, maintenance costs for buildings, costs of gas and electricity and the costs associated with tenant services were lower than in 2010, while the costs of external consultancy services were higher.

Alliances & Participations

EUR million	**2011**	2010	+/-
Total revenue	**164**	147	116%
Fair value gains and losses on property	**1**	1	-7.2%
Operating expenses	**130**	125	3.5%
EBITDA	**46**	35	316%
Operating result	**35**	22	55.8%
Share in result of associates including interest	**42**	63	-32.8%
Average fixed assets	**861**	844	2.0%
RONA after tax	**8.0%**	8.0%	
Investments in fixed assets	**17**	6	166.0%

- In 2011, total revenue from Alliances & Participations rose by 11.6% (+2.9% in 2010) from EUR 147 million to EUR 164 million. Eindhoven Airport, Rotterdam The Hague Airport and JFK IAT in particular saw an increase in revenue in 2011 compared with 2010. Both regional airports saw a rise in passenger numbers (23.3% in Eindhoven and 15.9% in Rotterdam). JFK IAT contributed towards the rise in total revenue in the form of higher management fees;
- Operating expenses at Alliances & Participations rose by 3.5%. Operating expenses rose notably at Rotterdam The Hague Airport and Eindhoven Airport, due to the rise in passenger numbers.
- The share in results of associates fell from EUR 63 million in 2010 to EUR 42 million in 2011. In 2010 a one-off share in results was included relating to the expansion of our stake in JFK IAT (EUR 28 million).

Dividend proposal

The proposed dividend equals the (maximum) payout of 50% of the financial result attributable to shareholders (net result), excluding the changes in value of investment property (after tax). This result stood at EUR 195 million in 2011. Based on this figure, we propose – in accordance with company policy – the disbursement of EUR 97 million (a dividend per share of EUR 524).

Outlook

Given the uncertain economic developments, we expect the number of passengers at Amsterdam Airport Schiphol to grow slightly in 2012. Moreover, we expect cargo volumes to fall.

The growth in passenger spending at the airport looks set to continue in 2012. We anticipate a stabilization in the value of our property portfolio and improved occupancy levels. In addition, we expect that our regional airports and international activities will again contribute positively to our results.

We expect, barring unforeseen circumstances, that our net result in 2012 will at least match our net result in 2011 of EUR 194 million.

2011 Annual Report

The 2011 Annual Report will be made available at the beginning of April via www.annualreportschiphol.com

Press information:

Press conference on 17 February 2012: starts 10:00 (CET)

The following pages present the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Statement of Changes in Shareholders' Equity and Consolidated Cash Flow Statement for 2011.

Consolidated profit and loss account for 2011

(in thousands of euros)	2011	2010
Revenue	1,278,300	1,180,148
Sales of property	23,336	2,715
Cost of sales of property	22,760	2,866
Result on sales of property	576	– 151
Fair value gains and losses on property	– 664	22,180
Other income, from property	– 88	22,029
Costs of outsourced work and other external charges	579,834	522,072
Employee benefits	177,470	183,737
Depreciation and amortisation	206,134	185,829
Impairment	1,473	467
Restructuring	-	9,135
Other operating expenses	9,114	4,229
Total operating expenses	– 974,025	– 905,469
Operating result	304,187	296,708
Financial income and expenses	– 91,252	– 115,181
Share in results of associates	35,889	57,076
	-	
Result before tax	248,824	238,603
Corporate income tax	– 51,314	– 66,889
Result	197,510	171,714
Attributable to:		
Minority interests	3,025	2,754
Shareholders (net result)	194,485	168,960
Earnings per share (in euros)	1,045	908
Diluted earnings per share (in euros)	1,045	908

Consolidated statement of comprehensive income

(in thousands of euros)	2011	2010
Result	197,510	171,714
Translation differences	3,795	9,697
Changes in fair value on hedge transactions	– 55,318	13,790
Changes in fair value on other financial interests	– 4,617	3,450
Total other income and expenses	– 56,140	26,937
Total comprehensive income	141,370	198,651
Attributable to:		
Minority interests	3,150	2,773
Shareholders (net result)	138,220	195,878

Consolidated balance sheet as at 31 December 2011

Assets (in thousands of euros)	**31 December 2011**	**31 December 2010**
Non-current assets		
Intangible assets	**41,395**	43,200
Assets used for operating activities	**2,402,813**	2,376,031
Assets under construction or development	**397,032**	390,695
Investment property	**1,068,872**	1,053,313
Deferred tax	**243,352**	228,647
Investments in associates	**725,048**	689,413
Loans to associates	**92,141**	88,221
Other financial interests	**6,141**	10,758
Lease receivables	**-**	3,300
Other loans	**1,561**	4,260
Derivative financial instruments	**89,565**	89,415
Other non-current receivables	**34,381**	23,170
	5,102,301	**5,000,423**
Current assets		
Lease receivables	**3,299**	2,223
Other loans	**30**	84
Assets held for sale	**23,577**	38,242
Trade and other receivables	**177,881**	161,004
Corporate income tax	**3,116**	-
Cash and cash equivalents	**413,287**	304,202
	621,190	**505,755**
	5,723,491	**5,506,178**

Equity and liabilities (in thousands of euros)	**31 December 2011**	**31 December 2010**
Share capital and reserves attributable to shareholders		
Issued share capital	**84,511**	84,511
Share premium	**362,811**	362,811
Retained profits	**2,728,149**	2,609,827
Other reserves	**– 25,292**	30,973
	3,150,179	**3,088,122**
Minority interests	**24,334**	21,295
Total equity	**3,174,513**	**3,109,417**
Non-current liabilities		
Borrowings	**1,773,877**	1,609,317
Lease liabilities	**52,597**	57,917
Employee benefits	**33,227**	35,525
Other provisions	**17,927**	29,573
Derivative financial instruments	**63,000**	1,464
Other non-current liabilities	**89,834**	93,786
	2,030,462	**1,827,582**
Current liabilities		
Borrowings	**101,834**	122,756
Lease liabilities	**5,914**	55,731
Derivative financial instruments	**6,311**	16,413
Corporate income tax	**-**	11,582
Trade and other payables	**404,457**	362,697
	518,516	**569,179**
	5,723,491	**5,506,178**

Consolidated cash flow statement for 2011

(in thousands of euros)	2011	2010
Cash flow from operating activities:		
Cash flow from operations	526,670	486,538
Corporate income tax paid	– 60,164	– 35,595
Interest paid	– 103,481	– 114,651
Interest received	11,347	2,544
Dividend received	12,991	11,753
	– 139,307	– 135,949
Cash flow from operating activities	387,363	350,589
Cash flow from investing activities:		
Investment in intangible assets	– 11,133	– 11,628
Investment in property, plant and equipment	– 252,148	– 236,316
Proceeds from disposals of investment property	17,059	2,715
Proceeds from disposals of property, plant and equipment	558	41
Acquisitions	– 3,550	– 9,708
Sale of subsidiary	362	2,157
Share capital contributions to associates	– 9,419	-
Repayment on other loans	2,808	85
Finance lease instalments received	3,079	3,025
Other non-current receivables received	1,594	-
Cash flow from investing activities	– 250,790	– 249,629
Free cash flow	136,573	100,960
Cash flow from financing activities:		
New borrowings	583,034	116
Repayment of borrowings	– 460,770	– 211,942
Interest difference buy-back of EMTN bonds	-	– 19,328
Settlement derivative financial instruments	– 15,076	– 11,723
Dividend paid	– 76,274	– 64,666
Finance lease property, plant and equipment	689	-
Other non-current liabilities paid	2,136	-
Finance lease instalments paid	– 61,377	– 13,644
Cash flow from financing activities	– 27,638	– 321,187
Net cash flow	108,935	– 220,227
Opening balance of cash and cash equivalents	304,202	524,403
Net cash flow	108,935	– 220,227
Exchange differences	150	26
Closing balance of cash and cash equivalents	413,287	304,202

Consolidated statement of changes in shareholders' equity

(in EUR 1,000)		Attributable to shareholders					
	Note	Issued share capital	Share premium	Retained profits	Other reserves	Minority interests	Total
Balance as at 31 December 2009		**84,511**	**362,811**	**2,505,423**	**4,054**	**18,633**	**2,975,432**
Result		-	-	168,960	-	2,754	**171,714**
Other comprehensive income	**31,32**	-	-	-	26,919	18	**26,937**
Comprehensive income		-	-	168,960	26,919	2,772	**198,651**
Dividend paid	**30**	-	-	– 64,556	-	– 110	**– 64,666**
Balance as at 31 December 2010		**84,511**	**362,811**	**2,609,827**	**30,973**	**21,295**	**3,109,417**
Result		-	-	194,485	-	3,025	**197,510**
Other comprehensive income	**31,32**	-	-	-	– 56,265	125	**– 56,140**
Comprehensive income		**-**	**-**	**194,485**	**– 56,265**	**3.150**	**141,370**
Dividend paid	**30**	-	-	– 76,163	-	– 111	**– 76,274**
Balance as at 31 December 2011		**84,511**	**362,811**	**2,728,149**	**– 25,292**	**24,334**	**3,174,513**