Schiphol Group

Annual results 2017

Schiphol reaches the limit of air transport movements

Today, 16 February 2018, Royal Schiphol Group publishes its results for 2017. The net result, in line with the previous forecast, is 8.7% lower than in 2016 and amounts to 280 million euros (2016: 306 million euros).

Royal Schiphol Group President & CEO Jos Nijhuis: 'The aviation sector performs a pivotal role in society. The surge in air traffic at our airports continued in 2017. Indeed, Amsterdam Airport Schiphol has now nearly reached the maximum number of air transport movements permitted. This calls for new agreements on the long-term safe, smart and sustainable development of aviation beyond 2020 to enable us to continue fulfilling our socio-economic role – connecting the Netherlands to the rest of the world. We are continuously investing in our airport infrastructure, such as the new pier and terminal, to ensure a high level of quality for travellers and airlines. Until this extra capacity becomes available, we will continue to take further operational measures to avoid bottlenecks at peak times. Today we are working hard to provide quality and are laying a solid foundation for tomorrow's operations: Perform Today, Create Tomorrow.'

The main reason for the lower net result are the operational measures required to accomodate the growth in passenger numbers and to maintain the same level of quality. The existing infrastructural capacity has been fully utilised. This required relatively costly operational measures leads to an increase in operating expenses and puts pressure on the Aviation results. Revenue increased by 2.4% to 1,458 million euros. The effect of the 7.1% fall in airport charges at Schiphol as at 1 April 2017 was compensated to a considerable extent by the 7.7% rise in passenger numbers. The market developments in the real estate sector were positive leading to an increase in the value of our real estate portfolio, despite a fair value loss on two cargo buildings. The result includes an amount of approximately 25 million euros to be settled with the airport charges for the 2019-2021 period (2016: 52 million euros).

Key developments

- Amsterdam Airport Schiphol saw the passenger volume rise by 7.7% to 68.5 million. The number of air transport movements at Amsterdam Airport Schiphol, at 496,748, has practically reached the annual limit of 500,000 set for the period up to and including 2020. Cargo volumes increased to 1,752 million tonnes (+5.4%).
- Following successive reductions (totalling 23% over the past three years), the airport charges will see a 5.4% increase effective 1 April 2018.
- Total revenue from concessions and parking is up. Average retail spending per departing passenger in the shops behind the security checks at Schiphol fell from 13.65 euros to 13.35 euros (-2.2%). At the same time, average spending per departing passenger in catering facilities rose from 4.32 euros to 4.68 euros (8.4%).
- The result on the sale of the Hilton Hotel was 26 million euros (18 million euros net).
- The contribution of international activities to the net result amounts to 100 million, in particular by Groupe ADP and Brisbane Airport Corporation. This is 36% of the total net result.
- The development of Lelystad Airport is proceeding according to plan. This development is desperately needed to be able to fulfill the selectivity policy.
- Eindhoven Airport saw a 19.5% increase in passenger volume to 5.7 million passengers.
- Effective 1 January 2018, the Schiphol Group airports meet all their energy requirements with energy from Dutch wind farms.

Key figures

EUR million unless stated otherwise	2017	2016	%
Results			
Revenue	**1.458**	1.423	2,4
Other income and results from investment property	**42**	71	-40,5
Other income	**38**	0	100,0
Operating expenses (excluding depreciation, amortisation and impairment)	**916**	836	9,5
EBITDA[1]	**622**	658	-5,5
Depreciation and amortisation	**264**	237	11,5
Impairment	**0**	2	-100,0
Operating result	**359**	420	-14,7
Financial income and expenses	**-86**	-91	-5,5
Share in results of associates	**73**	67	7,8
Result before tax	**346**	397	-12,9
Corporate income tax	**-60**	-86	-29,9
Result after tax	**286**	311	-8,3
Net result	**280**	306	-8,7
Total equity	**3.978**	3.860	3,1
Investments in intangible assets and property, plant & equipment	**490**	303	61,5
Cash flow from operating activities	**267**	438	-39,0
Proposed dividend	**150**	148	1,2
Ratios			
RONA after tax [2]	**6,1%**	7,1%	
Return on equity (ROE)[3]	**7,2%**	8,2%	
Leverage[4]	**35,2%**	34,9%	
FFO / total debt[5]	**21,6%**	22,8%	
FFO interest coverage ratio[6]	**6,9**	6,8	
Earnings per share (in 1,000 EUR)[7]	**1.503**	1.645	
Dividend per share (in 1,000 EUR)	**807**	797	
Business volume (in numbers)			
Air transport movements[8]	**547.604**	527.285	3,9
Passenger movements (x 1,000)[8]	**75.902**	70.001	8,4
Cargo (x 1,000 tonnes)[8]	**1.752**	1.662	5,4
Workforce in full-time equivalents	**2.177**	2.063	5,5

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

Revenue increased by 35 million euros (2.4%) in 2017, from 1,423 million euros in 2016 to 1,458 million euros.

EUR million	2017	2016	%
Airport charges	**832**	837	-0,5
Concessions	**206**	187	10,0
Rent and leases	**160**	157	1,9
Parking fees	**123**	116	6,5
Advertising	**18**	18	2,4
Services and activities on behalf of third parties	**23**	23	1,4
Hotelactivities	**33**	29	14,9
Other	**62**	57	8,9
Net Revenue	**1.458**	**1.423**	**2,4**

The total revenue from airport charges generated by Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport fell by 0.5% to 832 million euros in 2017. This is mainly attributable to the 7.1% decrease in airport charges at Amsterdam Airport Schiphol as of 1 April 2017. However, the fall in airport charges is largely offset by the rise in passenger numbers. Passenger numbers at Amsterdam Airport Schiphol rose by 7.7% to 68.5 million, while the number of air transport movements rose by 3.7% to 496,748 – almost reaching the 2020 limit of 500,000 movements. Cargo volumes were up 5.4% to 1,752 million tonnes.

Eindhoven Airport also experienced a substantial increase in passenger numbers, which rose by 19.5% to 5.7 million. The number of air transport movements rose by 18.0% to 36,470. This increase has resulted in a 22.0% rise in total revenue from airport charges at Eindhoven Airport to 37.9 million euros.

Total revenue from airport charges at Rotterdam The Hague Airport rose by 3.7% in 2017. At this airport the number of passengers increased by 5.4% to 1.7 million. However, the number of air transport movements fell by 17.8% to 14,386 as a result of several airlines having cancelled a number of destinations. However, the number of passengers increased due to use of larger aircraft.

The total revenue generated by concessions increased by 10.0% in 2017 to 206 million euros, due to the growth in passenger numbers and completion of the renovation of Lounge 2 in 2016. The average retail spend per departing passenger at Amsterdam Airport Schiphol decreased from 13.65 euros in 2016 to 13.35 euros in 2017. This is a result of changed consumer behaviour and overcrowding in the terminal. However, average spend per departing passenger in food and beverages rose from 4.32 euros to 4.68 euros (+8.3%).

Total revenue from rents and leases increased by 1.9% to 160 million euros, which can be attributed mainly to a positive trend in the lease of office buildings at Schiphol-Centre. The occupancy rate of commercial real estate was 89.6% (2016: 88.7%).

Total revenue from parking rose by 6.5% to 123 million euros. The 5.5 million euro increase at Amsterdam Airport Schiphol is due to the rise in the number of passengers departing from Schiphol. As of 1 October, the parking garage P2 is closed for the construction of the new pier and terminal. In order to keep the parking facilities up to standard, new parking products have been developed, so that the closure of parking garage P2 has had a minimal effect on the number of times parked. The growth in passenger numbers at Eindhoven

Airport caused parking revenues at this airport to rise by 11.8%.The collapse of the parking garage did not affect this growth.

The revenue from hotel activities was 33 million euros in 2017 (2016: 29 million euros), generated primarily by the Hilton Hotel at Schiphol-Centre. The Hilton hotel was sold at the end of 2017; as a result, this revenue stream will cease in 2018.

Other revenues and other results from investment property

In 2017, the one-off result on the sale of the Hilton Hotel was recognised under this item, as was the valuation of the performance shares in the associate Brisbane Airport Corporation Holdings. These two transactions contributed 26 million euros and 12 million euros respectively to other revenues in 2017, with an effect on Schiphol's net result of 30.4 million euros.

Other results from investment property amounted to 42 million euros (2016: 71 million euros). This can be attributed to favourable market developments and lower vacancy rates in the offices at Schiphol-Centre and the logistics buildings. The results from investment property also include a 42 million euro loss on the value of two cargo buildings that will lose direct access to the apron in the future. This apron will be used to provide passenger aircraft stands in the future, resulting in extra capacity. Adjusted for this loss, the total result from investment property amounts to 84 million euros.

Operating expenses

Total operating expenses increased with 9.8%, from 1,074 million to 1,179 million euros. Because of the growth in the number of passengers with 8.4% for Schiphol Group the infrastructural capacity is now fully utilized. As a result of this additional operational measures were required in order to facilitate this growth and to prevent operational bottlenecks. The operational measures that were taken existed of for example extra floor management and security staff and other internal and external employees.

EUR million	**2017**	**2016**	**%**
Outsourcing and other external costs	**509**	470	8,1
Depreciation and amortisation	**264**	237	11,5
Employee benefits	**213**	185	15,2
Security	**193**	179	7,7
Impairments	**-**	2	-100,0
Other operating expenses	**2**	3	-28,8
Operating expenses	**1.179**	**1.074**	**9,8**

In addition, there is a 13 million euro increase in the operating expenses compared to 2016 which is related to our 'Digital Airport Programme' (programme structure for digital initiatives) and other IT expenses, such as cyber security.

Depreciation charges increased with 11.5%, from 237 million euros to 264 million euros, as a result of new assets being taken into operation. These include the temporary departure hall and major maintenance work on the Kaagbaan (runway) for the amounts of 6 and 2 million euros respectively. In addition, change to the useful life of existing assets in the terminal increased the depreciation charges by 4 million euros.

Schiphol Group

Employee benefits increased with 28 million euros, due in part to the 5.5% increase in the number of employees (+10 million euros). The new employees are required for the additional capacity measures in operations, the Digital Airport Programme and the Capital Programme, among other things. Variable remuneration increased by 10 million euros in 2017 due to the relatively low payout in 2016, when many of the targets were not reached. The increase in staff costs also reflects an increase in pension contributions and the development of CLA negotiated wages.

Operating result

The operating result decreased with 61 million euros, from 420 million euros in 2016 to 359 million euros in 2017.

This is attributable to a negative operating result at Aviation due to the increased costs as a result of the additional operational measures that were required to facilitate the passenger growth with 7.7% at Amsterdam Airport. This has reduced the operating result for Aviation by 76 million euros to an operating loss of 39 million euros.

EUR million	2017	2016	%
Aviation	**-39**	37	>-100
Consumer Products & Services	**216**	197	9,6
Real Estate	**138**	148	-6,4
Alliances & Participations	**43**	38	13,5
Operating result	**359**	**420**	**-14,7**

Consumer Products & Services had a positive operating result, largely as a result of an increase of revenue due to the passenger growth. The operating result for Real Estate includes a 42 million euros unrealized gain on changes in the fair value of investment property (2016: 71 million euros). The sale of the Hilton Hotel contributed another 22 million euros to the operating result for this business area. The development of the operating result for Alliances & Participations benefited from the valuation of performance shares held in Brisbane Airport Corporation Holdings totalling to 12 million euros.

The operating result adjusted for the unrealised fair value gains on the real estate portfolio and the one-off items in other income amounts to 278 million euros for 2017 (2016: 349 million euros).

Financial income and expenses

The net financial expenses declined with 5 million euros to 86 million euros in 2017. This is attributable in particular to the decreased interest rates on current loans compared with the previous year. As a result of the lower market interest rates new loans have lower interest rates, which has a positive effect on the interest burden.

Share in results of associates

The share in results of associates increased from 67 million euros to 73 million euros, representing 26% of the total net result (2016: 22%).

Corporate income tax
Corporate income tax amounted to 60 million euros in 2017 compared with 86 million euros in 2016. The effective tax burden in 2017 was 17.4%, down 4.2 percentage points from 2016 (21.6%). The lower than nominal tax burden in both 2017 and 2016 is mainly attributable to the application of the participation exemption to the results of associates. In addition, in 2017 the tax burden was favourably influenced by the participation exemption on the disposal of subsidiaries (0.5%) and a change in the corporate income tax rate in the United States (1.4%).

Of the tax burden totalling 60 million euros, 61 million euros comprises Dutch corporate income tax (2016: 82 million euros) and -1 million euros US corporate income tax (2016: 4 million euros).

Net result
As a result of the beforementioned developments the net result recorded for 2017 has declined with 27 million euros to 280 million euros (2016: 306 million euros). Pursuant to the Aviation Act, approximately 25 million euros will be passed on in the airport charges, on a pro rata basis, for the 2019-2021 period. The return on equity (ROE) amounted to 7.2% in 2017 (2016: 8.2%) and RONA after tax to 6.1% (2016: 7.1%). When taking out the one-off other income items, the fair value gains on investment property and the 25 million euros that will be passed in the airport charges in the period 2019-2021, the return on equity amounts to approximately 5.2%.

Movement in the consolidated statement of financial position
Schiphol Group's balance sheet total rose by 3.6% to 6,655 million euros (2016: 6,426 million euros). Shareholders' equity increased by 119 million euros to 3,978 million euros, largely on account of the addition of the 2017 net result of 280 million euros, after payment of the 148 million euro dividend for 2016.

Associates and joint ventures posted an increase of 26 million euros arising from the favourable development in the results of Brisbane Airport Corporation Holdings and Groupe ADP. Investment property rose by 50 million euros, which is largely due to the unrealised fair value gain on buildings.

Assets and liabilities held for sale concerned the Hilton Hotel and were sold at the end of 2017. Cash and cash equivalents fell by 68 million euros to 170 million euros, largely as a result of deposits with a duration between 3 and 4.5 month totalling 190 million euros, recognised under short-term receivables.

At year-end 2017 the current liabilities for borrowings amounted to 35 million euros (2016: 5 million euros). In 2017 a private placement of 100 million euros was issued under the EMTN programme with a 9-year maturity period.

Cash flow developments
The cash flow from operating activities fell by 171 million euros to 267 million euros as a result of the lower operating result and negative development of the derived working capital. The negative movement of working capital is the result of entering into deposits for 190 million euros, with a term of 3 to 4.5 months, which are not part of the cash and presented under the other receivables. The cash flow from investing activities amounted to 292 million euros negative compared with 301 million euros negative in 2016. In 2017, this cash flow experienced a positive effect from the sale of the Hilton Hotel for 144 million euros. Without this one-off income item, the cash flow from investing activities amounted to 436 million euros due to the higher level of investments in 2017.

The net cash flow from operating and investing activities – the free cash flow – amounted to 25 million euros in 2017 compared with 137 million euros positive in 2016. The cash flow from financing activities was 55 million euros negative (2016: 323 million euros negative) as a result of a 100 million new financing (netted from rapayments and new borrowings) and a total dividend payment of 148 million euros. The net cash flow in 2017 amounted to 80 million euros negative (2016: 187 million euros negative). Consequently, the net amount of cash balances declined from 250 million euros at the end of 2016 to 170 million euros at the end of 2017.

Investments
In 2017, Schiphol invested 490 million euros in property, plant and equipment, up 62% compared with 2016 (303 million euros). Of the total investment in 2017, 99 million euros relate to the development of the new pier and terminal and the associated infrastructure, 43 million euros to major maintenance of Runway 06-24 and 32 million euros to the development of Lelystad Airport.

Financing
The total amount of outstanding loans and lease liabilities rose by 92 million euros in 2017 to 2,159 million euros. In 2017 a private placement of 100 million euros was issued under the EMTN programme with a 9-year maturity period. Royal Schiphol Group can also draw on a total sum of 575 million euros in committed bank facilities and 150 million euros in uncommitted bank facilities, which had not been used as at 31 December 2017. Schiphol Group has extended the term of an existing committed bank facility of 300 million euros by two years, until June 2022. In addition, in the first half of 2017 Schiphol Group took out a new committed bank facility with the European Investment Bank worth 175 million euros. This strong liquidity position is important in the light of the larger financing requirements in the coming years as a result of the substantial investments.

Ratios
The most important financing ratios set out in our financing policy are the 'FFO/total debt' and 'FFO/interest coverage ratio'. Funds from operations (FFO) is the cash flow from operating activities adjusted for operating capital. In 2017 FFO slightly decreased from 471 million euros to 467 million euros.

The FFO/total debt ratio amounted to 21.6% in 2017 (2016: 22.8%). The FFO/interest coverage ratio in 2017 was 6.9x, a slight improvement over the 6.8x recorded in 2016. In addition to these two ratios, we apply the leverage ratio (ratio of interest-bearing debt to total equity plus interest-bearing debt). At the end of the financial year Schiphol Group's leverage ratio stood at 35.2% (2016: 34.9%).

This means that the financial ratios satisfy the minimum requirements from Schiphol Group's financing policy, which prescribes an FFO/total debt ratio of at least 18.0% and a leverage ratio of between 30.0% and 50.0%.

Other developments

Airport charges

Following successive reductions (totalling 23% over the past three years), the airport charges will see a 5.4% increase effective 1 April 2018. This increase relates to the extra operational measures for the coming year. Substantial investments will cause the airport charges to rise further in the years to come.

Effective since 1 July 2017, the new Aviation Act has introduced changes to the procedure for consultation on and the calculation of airport charges. For example, in 2018 Schiphol will, for the first time, set the airport charges rate for a period of three years (2019-2021). This will take place after careful consultation of the airlines.

Promoting sustainable aviation

Schiphol Group aims to continue to lead by example when it comes to sustainability in the aviation sector. We strive for three objectives: a clean future for the aviation sector, future-proof airports and a healthy and safe environment for workers and residents. In line with these objectives, two associated long-term targets have been set: Amsterdam Airport Schiphol is to be a climate-neutral airport by 2040 and a zero-waste airport by 2030. A good example of how we work on our climate-neutral airports is the contract we have signed in 2017 with Eneco for purchasing 100 percent renewable electricity generated in the Netherlands.

Appointments and reappointments

On March 31, 2018, Jos Nijhuis will step down as President and CEO of Royal Schiphol Group. He will remain available in the second quarter of the year to ensure a smooth transfer of duties.

Without holding a meeting, the General Meeting of Shareholders resolved to appoint Mr Declan Collier to succeed Mr Herman Hazewinkel as a member of the Supervisory Board. The appointment will take effect at the annual General Meeting of Shareholders in April 2018. At that same General Meeting of Shareholders, Ms Louise Gunning will be nominated for a second term as Chair of the Supervisory Board and Ms Simone Brummelhuis will be nominated to succeed Ms Margot Scheltema as a member of the Supervisory Board.

Most important risks

Royal Schiphol Group is exposed to various risks associated with its business activities. These risks can be of a strategic nature but also include operational, financial and compliance risks. Risk management is an integral part of our business operations. The risks also differ depending on the type of business activity. In 2017 the risk profile remained unchanged relative to 2016, with the following main risks receiving special attention:

- Fluctuation in demand for air transport: consistent growth in passenger numbers in 2017 has increased the pressure on the existing capacity and infrastructure.
- Political context: due to its rapid growth, Schiphol has practically reached the limit of 500,000 air transport movements as laid down in the Alders Agreement.
- Major projects: The Capital Programme involves the simultaneous realization of several large and complex projects over the coming years in addition to normal maintenance investments.
- IT infrastructure & information security: Our business operations are increasingly dependent on IT systems and applications. That dependence will increase as we reach our ambition for our to realize digital capabilities.

Dividend proposal

The proposed dividend is up 1.2% to 150 million euros (2016: 148 million euros), which works out at 807 euros per share (2016: 797 euros per share).

Outlook for 2018

The number of air transport movements at Amsterdam Airport Schiphol is capped at 500,000 up to and including the 2020 operational year (until 1 November 2020), as laid down in the Alders Platform agreements. The limit of 500,000 movements was very nearly reached in the 2017 operational year, and no further growth in air transport movements is possible over the next three years. Schiphol will abide by the agreements made. This means that capacity for growth in passenger numbers will have to be found in the use of larger aircraft by the airlines and/or a higher load factor in existing aircraft.

Barring unforeseen circumstances, in 2018 we expect to see approximately 3 to 4% growth in passenger volume and a substantially lower net result compared with 2017 assuming no real estate fair value changes in 2018 and excluding the one-off results in 2017.

Royal Schiphol Group's annual report is expected to be published in early March 2018. The General Meeting of Shareholders, which is not open to the public, will be held on 17 April 2018.

This press release may contain information that qualifies as inside information about Royal Schiphol Group within the meaning of Article 7(1) of the de Market Abuse Regulation (596/2014/EU).

S. Theeuwes MSc RC
Investor Relations Manager

Royal Schiphol Group 2017 condensed consolidated financial statements

(in thousands of euros)	2017	2016
Revenue	**1.457.542**	1.423.379
Other income and results from investment property	**42.477**	71.390
Other income	**37.957**	-
Other income and results from investment property	**80.434**	71.390
Cost of outsourced work and other external costs	**701.236**	649.235
Employee benefits	**212.528**	184.523
Depreciation, amortisation and impairment	**263.715**	238.115
Other operating expenses	**1.836**	2.579
Total operating expenses	**1.179.315**	1.074.452
Operating profit	**358.661**	420.317
Financial income	**10.686**	8.931
Financial expenses	**-96.297**	-99.536
Financial income and expenses	**-85.611**	-90.605
Share of profit of associates and joint ventures	**72.767**	67.485
Profit before income tax	**345.817**	397.197
Income tax	**-60.277**	-85.962
Profit	**285.540**	311.235
Attributable to:		
Non-controlling interests	**5.837**	4.979
Shareholders (net result)	**279.703**	306.256
Earnings per share (in euros)	**1.503**	1.645

Schiphol Group

Consolidated statement of comprehensive income for the year ended 31 December 2017

(in thousands of euros)	2017	2016
Result	**285.540**	311.235
Foreign operations – foreign currency translation differences	**-12.278**	4.286
Changes in fair value on hedge transactions	**1.110**	19.629
Share of OCI of associates after taxes	**-7.226**	-943
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:	**-18.394**	22.972
Remeasurements of defined benefit liability	**-528**	-970
Share of OCI of associates after taxes	**640**	-800
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:	**112**	-1.770
Other comprehensive income for the year	**-18.282**	21.202
Total comprehensive income for the year	**267.258**	332.437
Attributable to:		
Non-controlling interests	**5.837**	4.979
Shareholders (net result)	**261.421**	327.458

Consolidated statement of financial position as at 31 December 2017

(in thousands of euros)	31 december 2017	31 december 2016
Non-current assets		
Intangible assets	**88.091**	80.274
Assets used for operating activities	**2.864.347**	2.828.246
Assets under construction or development	**418.130**	244.419
Investment property	**1.503.744**	1.453.482
Deferred tax assets	**144.813**	165.219
Equity-accounted associates and joint ventures	**921.317**	895.345
Loans to associates	**53.436**	74.200
Other non-current receivables	**46.420**	76.875
	6.040.298	**5.818.060**
Current assets		
Trade and other receivables	**426.678**	224.476
Current income tax assets	**17.646**	6.179
Cash and cash equivalents	**170.370**	238.691
Assets held for sale	**-**	138.956
	614.694	**608.302**
	6.654.992	**6.426.362**

(in thousands of euros)	31 december 2017	31 december 2016
Equity and liabilities		
Issued share capital	**84.511**	84.511
Share premium	**362.811**	362.811
Retained profits	**3.570.069**	3.438.838
Other reserves	**-81.178**	-62.930
Equity attributable to owners of the Company	**3.936.212**	**3.823.230**
Non-controlling interests	**41.972**	36.357
Total equity	**3.978.184**	**3.859.587**
Non-current liabilities		
Loans and borrowings	**2.074.627**	2.010.773
Employee benefits	**42.137**	39.655
Other provisions	**36.912**	17.679
Deferred tax liabilities	**16.651**	22.924
Other non-current liabilities	**133.406**	138.671
	2.303.733	**2.229.702**
Current liabilities		
Borrowings	**35.220**	4.927
Current income tax liabilities	**780**	423
Trade and other payables	**337.073**	324.971
Liabilities held for sale	**-**	6.752
	373.073	**337.073**
	6.654.991	**6.426.362**

Condensed consolidated statement of changes in equity

(in thousands of euros)	Issued share capital	Share Premium	Retained profits	Other reserves	Non controlling interests	Total
	Attributable to shareholders					
Balance as at 1 January 2016	**84.511**	**362.811**	**3.319.818**	**-83.032**	**31.601**	**3.715.709**
Profit after income tax	-	-	306.256	**-**	4.979	**311.235**
Other comprehensive income	**-**	**-**	**-**	21.202	-	**21.202**
Comprehensive income	-	-	306.256	21.202	4.979	**332.437**
Dividend paid	-	-	-187.236	-	-223	**-187.459**
Other	-	-	-	-1.100	-	**-1.100**
Balance as at 31 December 2016	**84.511**	**362.811**	**3.438.838**	**-62.930**	**36.357**	**3.859.587**
Profit after income tax	-	-	279.703	-	5.838	**285.540**
Other comprehensive income	-	-	-	-18.282	-	**-18.282**
Comprehensive income	**-**	**-**	279.703	-18.282	5.838	**267.259**
Dividend paid	-	-	-148.439	-	-222	**-148.662**
Other	-	-	-33	33	-	**-**
Balance as at 31 December 2017	**84.511**	**362.811**	**3.570.069**	**-81.178**	**41.972**	**3.978.184**

	dividend for 2016, paid in 2017	dividend for 2015, paid in 2016
Dividend attributable to shareholders (in euros)	**148.439.000**	187.236.000
Average number of shares in issue during the year	**186.147**	186.147
Dividend per share (in euros)	**797**	1.006

The dividend was approved at the General Meeting of Shareholders of 18 April 2017 and a gross dividend totalling 148.4 million euros (797 euros per share) was paid on 4 May 2017.

Condensed consolidated statement of cash flow for 2017

(in thousands of euros)	2017	2016
Cash flow from operating activities		
Cash flow from operations	**365.150**	**555.544**
Paid income tax, interest and dividends received	**-98.038**	-117.349
Cash flow from operating activities	**267.112**	**438.195**
Cash flow from investing activities	**-291.962**	-301.367
Free cash flow	**-24.850**	**136.828**
Cash flow from financing activities	**-55.333**	-323.399
Net cash flow	**-80.183**	**-186.571**
Opening balance of cash and cash equivalents	**250.767**	437.308
Net cash flow	**-80.183**	-186.571
Exchange and translation differences	**-214**	30
Closing balance of cash and cash equivalents	**170.370**	**250.767**
Cash and cash equivalents from continuing operations	**170.370**	238.691
Cash and cash equivalents held for sale	**-**	12.076
	170.370	**250.767**

The cash flow from operating activities fell by 171 million euros to 267 million euros as a result of the lower operating result and negative development of the derived working capital. The negative movement of working capital is the result of entering into deposits for 190 million euros, with a term of 3 to 4.5 months, which are not part of the cash and presented under the other receivables.