Annual Results 2018

Focus on quality and a solid performance

Today, 15 February 2019, Royal Schiphol Group publishes its results for 2018. The net result is 0.4% lower than in 2017 and amounts to 278 million euros (2017: 280 million euros). Revenue increased by 3.5% to 1,509 million euros. The slight decrease in the net result can be attributed mainly to higher operating expenses to maintain our desired level of quality for growing passenger numbers, as well as to digitisation and costs related to major investments.

Royal Schiphol Group President & CEO Dick Benschop: 'Schiphol performed solidly in 2018. It was a year that brought a record number of travellers, punctuality improvements and solid financial results. It is an enormous achievement to be the world's second-best connected airport hub, especially for a small country like the Netherlands. It's a position that we have achieved together with our airlines and that we value. We want to maintain that position through a safe, moderate and controlled increase in the number of air transport movements from our airport, while noise disturbance will decrease. Our new charges encourage the use of cleaner and quieter aircraft.
We are committed to becoming the world's most sustainable airport. The future development of Schiphol will be centred around quality of life, the quality of our network and the quality of our services. To provide comfortable and efficient services for travellers and airlines alike, we will continue to invest in additional space, innovations and accessibility.'

Key developments

- In 2018, the Integral Safety Management System (ISMS) was launched and a roadmap with measures was developed and published.
- Amsterdam Airport Schiphol saw passenger volumes rise by 3.7% to 71.1 million. The number of air transport movements at Amsterdam Airport Schiphol, at 499,444, reached the annual limit of 500,000 set for the period up to and including 2020. Cargo volumes fell by 2.5% to 1.7 million tonnes.
- Concession income was up 3.1%, despite average retail spending per passenger at Amsterdam Airport Schiphol decreasing 1.6% to 13.13 euros; average spending per passenger in food and beverage facilities was up 2.7% to 4.81 euros.
- Positive market developments and high occupancy rates of our commercial real estate resulted in significant fair value gains driving the results from investment property up to an amount of 107 milion euros (2017: 42 million euros).
- The regional airports also saw significant growth in passenger volumes and revenue.
- The contribution from international activities was strong, mainly driven by our participations in Groupe ADP and Brisbane Airport Corporation, with the results from international activities increasing from 97 million euros in 2017 to 102 million euros in 2018, which is equal to 37% of the net result of the group.
- In March 100 electrical buses were added to the Connexxion public transport network linking Schiphol to the surrounding region, creating the largest zero-emissions bus fleet in Europe.
- In October the Dutch aviation sector presented its 'Smart and Sustainable' action plan to the Ministry of Infrastructure and Water Management.
- Investments amounted to 581 million euros, up 18.5% compared with 2017 (490 million euros).
- The proposed dividend to shareholders is 117 million euros (2017: 150 million euros).

Key figures

EUR million unless stated otherwise	2018	2017	%
Results			
Revenue	**1,509**	1,458	3.5
Other results from investment property	**107**	42	151.8
Other income	**-**	38	-100.0
Operating expenses (excluding depreciation, amortisation and impairment)	**981**	916	7.2
EBITDA[1]	**635**	**622**	**2.1**
Depreciation, amortisation and impairment	**267**	264	1.1
Operating result	**368**	**359**	**2.6**
Financial income and expenses	**-90**	-86	5.3
Share in results of associates	**97**	73	33.9
Profit before tax	**375**	**346**	**8.5**
Corporate income tax	**-90**	-60	49.3
Profit for the year	**285**	**286**	**-0.1**
Profit for the year attributable to shareholders	**278**	**280**	**-0.4**
Total equity	**4,117**	3,978	3.5
Investments in intangible and tangible assets	**581**	490	18.5
Cash flow from operating activities	**526**	457	15.1
Proposed dividend	**117**	150	-21.9
Ratios			
Return on equity (ROE)[2]	**7.0%**	7.2%	
Leverage[3]	**38.9%**	35.2%	
FFO / total debt[4]	**18.7%**	21.6%	
FFO interest coverage ratio[5]	**6.6**	6.9	
Earnings per share (in EUR 1)[6]	**1,496**	1,503	
Dividend per share (in EUR 1)	**631**	807	
Business volume (in numbers)			
Air transport movements[7]	**553,735**	547,604	
Passenger movements (x 1,000)[7]	**79,181**	75,902	
Cargo (x 1,000 tonnes)[7]	**1,716**	1,761	
Workforce in full-time equivalents[7]	**2,324**	2,180	

1) EBITDA: Operating result plus depreciation, amortisation and impairment
2) Net result attributable to shareholders / average total equity
3) Leverage: interest-bearing debt / (total equity + interest-bearing debt)
4) Funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt
5) Funds from operations plus gross interest expense / gross interest expense
6) Based on net result attributable to shareholders
7) Schiphol Group: Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport

Revenue

Revenue increased by 51 million euros (3.5%), from 1,458 million euros in 2017 to 1,509 million euros in 2018. Higher revenue, mainly from airport charges, concessions, and rents and leases, was partially offset by the loss of revenue from hotel activities due to the sale of the Hilton Hotel in December 2017.

EUR million	**2018**	**2017**	**%**
Airport charges	**890**	832	7.0
Concessions	**212**	206	3.1
Rent and leases	**168**	160	5.1
Parking fees	**125**	123	1.0
Advertising	**19**	18	4.0
Services and activities on behalf of third parties	**23**	23	-2.7
Hotel activities	**4**	33	-88.8
Other	**69**	62	10.1
Net Revenue	**1,509**	**1,458**	**3.5**

Revenue from airport charges is generated by Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport. Revenue from airport charges at Amsterdam Airport Schiphol increased by 6.8% to 821 million euros in 2018. This can be attributed to a 5.4% increase in airport charges as of 1 April 2018 and a 3.7% increase in passenger numbers compared to 2017. Pursuant to the Aviation Act, Schiphol Group must settle surplus income or deficits with the industry. To this end, an amount to the value of approximately plus or minus 2 million euros will be reflected within the airport charges set for the 2020-2022 period. The number of air transport movements increased from 496,748 in 2017 to 499,444 in 2018, having reached its permitted maximum of 500,000. Cargo volumes fell 2.5% to 1.7 million tonnes.

Passenger numbers at Eindhoven Airport continued to develop positively in 2018 with an increase of 9.4% to 6.2 million. The number of air transport movements rose by 6.0% to 38,642. The rise in both passenger numbers and air transport movements contributed to an 8.9% increase in revenue from airport charges generated by Eindhoven Airport, to 41.3 million euros.

The number of passengers served by Rotterdam The Hague Airport rose by 12.2% to 1.9 million, and the number of air transport movements increased by 8.8% to 15,649. These positive developments caused revenue from airport charges at Rotterdam The Hague Airport to increase by 10.3% to 26.8 million euros.

The total revenue generated by concessions increased by 3.1% in 2018 to 212 million euros, mainly due to the growth in passenger numbers at Amsterdam Airport Schiphol and the regional airports. Average retail spending per departing passenger at Amsterdam Airport Schiphol fell by 1.6% from 13.35 euros in 2017 to 13.13 euros in 2018. Average spending per departing passenger on food and beverage rose from 4.68 euros to 4.81 euros (2.7%).

Total revenue from rents and leases rose by 5.1% to 168 million euros. This increase is mainly attributable to a positive trend in the lease of office buildings at Schiphol-Centre. The commercial real estate occupancy rate in 2018 was 91.7% (2017: 89.6%).

Total parking revenue increased by 1.0% to 125 million euros in 2018. Amsterdam Airport Schiphol saw a small decrease of 1.2 million euros despite the increased real estate occupancy level and the rise in the number of passengers. The decrease was mainly attributable to less parking capacity being available at Schiphol-Centre due to demolition of a large parking facility to make room for the construction of the new pier and terminal. The growth in passenger numbers at Eindhoven Airport and Rotterdam The Hague Airport caused parking revenues outside Amsterdam Airport Schiphol to increase by 2.1 million euros.

Revenues from hotel activities decreased compared to 2017 following the sale of the Hilton Hotel at the end of 2017.

Other results from investment property

Other results from investment property (mainly fair value gains) amounted to 107 million euros (2017: 42 million euros). The large increase in the value of our investment property from 2015 onwards can be attributed to ongoing favourable market developments and higher occupancy rates, especially for the offices at Schiphol-Centre.

In 2017, the results from investment property included a loss of 42 million euros in the value of two cargo buildings. These buildings will have no direct apron access in the future as the apron will be used to provide additional aircraft so as to provide the extra capacity required. Adjusted for this loss, the total fair value gains amounted to 84 million euros in 2017.

Other income

In 2017, the one-off result of 26 million euros 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 (BACH) amounting to 12 million euros.

Operating expenses

Total operating expenses rose by 69 million euros (5.8%), from 1,179 million to 1,248 million euros. When adjusted for the sale of the Hilton Hotel in December 2017, which caused costs from hotel activities to decrease by 23 million euros, the increase in operating expenses amounted to 92 million euros. This increase was mainly due to continued growth in the number of passengers while the existing infrastructure is operating at full capacity. To ensure the quality and safety of operations, relatively costly operational measures are being implemented. These include the deployment of extra floor management, security and other staff. In order to ensure the operational availability of intensively used assets, higher costs are incurred with regard to maintenance, cleaning and utilities. Finally, digitisation causes IT costs to increase.

EUR million	**2018**	**2017**	**%**
Outsourcing and other external costs	**546**	509	7.3
Depreciation, amortisation and impairment	**267**	264	1.1
Employee benefits	**229**	213	7.8
Security	**205**	193	6.4
Other operating expenses	**1**	2	-26.8
Operating expenses	**1,248**	**1,179**	**5.8**

Depreciation, amortisation and impairment increased by 3 million euros to 267 million euros in 2018. The major increase in capital expenditure continued during 2018. However, most of the new, large assets that will provide additional capacity will be taken into operation in the next few years. Project related costs (included under outsourcing and other external costs) increased from 15 milion euros in 2017 to 19 million euros in 2018.

Employee benefits rose by 16 million euros due to a 6.7% increase in the number of employees, costs of restructurings in several departments, an increase in pension premiums (increase in 2018 by 1.4% to 22.9%) and the movement in negotiated wages (increase by 2.5% per 1 April 2018).

Operating result
The operating result increased by 9 million euros, from 359 million euros in 2017 to 368 million euros in 2018. The operating result in 2018 was positively influenced by increased other results from investment property (mainly fair value gains, 107 million euros in 2018, compared with 42 million euros in 2017). The operating result in 2017 included one-off other income of 38 million euros (on the sale of the Hilton Hotel and the valuation of the performance shares in BACH) and operating results from the Hilton Hotel of 6 million euros. When adjusted for these items, the operating result decreased by 11 million euros to 261 million euros in 2018 (2017: 272 million euros).

The operating result from Aviation stabilised at a loss of 39 million euros. An increase in revenues of 57 million euros (mainly due to the increase in airport charges as of 1 April 2018 and the increase in passenger numbers) was offset by increased expenses, which were mainly attributable to operational measures to facilitate passenger growth and fleet development within capacity constraints (costs of security, workforce and outsourced activities), digitisation (IT costs), project related costs and restructurings.

The operating result posted by Consumer Products & Services fell by 7 million euros in 2018. The decrease in revenue from parking fees at Schiphol, as a consequence of the demolition of P2 in the final quarter of 2017, was offset by increased revenue from commercial services, the leasing of advertising locations, car rental and Premium Services. Operating costs increased mainly due to higher costs for the new Parking products (P6 Valet, P4 Basic Parking), as well as higher costs of employee benefits and depreciation.

EUR million	**2018**	**2017**	**%**
Aviation	**-39**	-39	0.7
Consumer Products & Services	**209**	216	-3.2
Real Estate	**172**	138	24.6
Alliances & Participations	**26**	43	-40.5
Operating result	**368**	**359**	**2.6**

The operating result from Real Estate increased by 34 million euros (24.6%). When adjusted for other results from investment property (mainly fair value gains) and income from both operations and sale of the Hilton Hotel in 2017, the operating result from Real Estate increased by 4 million euros in 2018, due to higher revenues from rents and leases. The higher rental income is mainly attributable to improved occupancy in standing buildings and new issued leaseholds on land.

The operating result for Alliances & Participations in 2017 included a one-off result from the valuation of performance shares held in Brisbane Airport Corporation Holdings of 12 million euros. When adjusted for this, as well as for the higher other results of investment property of 2 million euros, the operating result attributable to Alliances & Participations decreased by 8 million euros in 2018. This was largely due to a higher operating result of Eindhoven Airport N.V. being more than offset by lower operating results from other activities and higher allocated costs.

Financial income and expenses
The net financial expense increased by 4 million euros to 90 million euros in 2018. This increase is mainly attributable to a loss of 9 million euros from the recalculation of the financial lease obligation with respect to The Base office building. The recalculation was triggered by the decision in 2018 to opt for a contractual early repayment option in 2019. At early repayment penalty interest is due, which is recognised as a 2018 expense. The aforementioned loss is partly off set by an increase in capitalisation of borrowing costs of 3 million euros.

Share in results of associates
The share in the results of associates increased from 73 million euros to 97 million euros. Results from Schiphol's largest two associates, Groupe ADP and BACH, both improved considerably, by 15 million euros and 4 million euros, respectively. Furthermore, Schiphol Logistic Park C.V. issued land in long leases during 2018, contributing an additional 6 million euros to the share in the results of associates.

Corporate income tax
Corporate income tax amounted to 90 million euros in 2018, compared with 60 million euros in 2017. The effective tax rate in 2018 was 24.0%, up 6.6 percentage points from 2017 (17.4%). The increase in the effective tax rate in 2018 is caused by the one-off tax expense triggered by the step-by-step reduction in the nominal income tax rate from 25% in 2019 to 20.5% in 2021, which is part of the Belastingplan 2019 and the underlying legislation which was approved by the House of Representatives and the Senate in December 2018. The reduction in the nominal income tax rate caused a revaluation of deferred tax assets and liabilities, which resulted in a one-off tax charge of 17 million euros (compared to a one-off tax gain due to changing tax rates of 5 million euros in 2017). As was the case in prior years, the application of the participation exemption to the results of associates results in a reduction of the effective tax rate.

Net result
As a result of the developments mentioned above, the net result for 2018 decreased by 2 million euros to 278 million euros (2017: 280 million euros). The return on equity (ROE) amounted to 7.0% in 2018 (2017: 7.2%).

When adjusted for results from investment property (mainly fair value gains) and several other one-off results in both 2017 as 2018, the net result increased by 3.3% with a decrease in the operating result (11 million euros) and an increased share in the results of associates (14 million euros).

Movement in the consolidated statement of financial position
Schiphol Group's balance sheet total increased by 10.5% to 7,354 million euros (2017: 6,655 million euros). Shareholders' equity increased by 139 million euros to 4,117 million euros, largely on account of the addition of the 2018 net result of 278 million euros, after payment of the 150-million-euro dividend for 2017.

Non-current assets increased by 453 million euros, mainly within assets under construction or development (282 million euros due to high capital expenditure), investment property (139 million euros due to an increase in fair values) and investments in associates (36 million euros due to the high share in result of associates less dividends received). This was partly offset by a decrease in net deferred tax assets as a consequence of higher deferred tax liabilities (due to the high increase in fair values of investment property) and lower deferred tax assets (due to the reduction in the income tax rate from 25% to (ultimately) 20.5% in 2021).

Current assets increased by 246 million euros, largely as a result of deposits totalling 455 million euros compared to 290 million euros in 2017. The higher balance is the result of 500 million euros in green bonds issued by Schiphol Group in November 2018. The deposits are reported in part under trade and other receivables and under cash and cash equivalents, depending on their initial term.

The 500-million-euro green bond issuance is also the main reason for the increase in non-current and current liabilities by 569 million euros. The decision in 2018 to opt for contractual early repayment in 2019 caused the financial lease obligation with respect to the office building The Base to move from non-current to current liabilities.

Cash flow developments
Cash flow from operating activities increased by 69 million euros to 526 million euros largely as a result of the development in working capital of 35 million euros positive in 2018 compared with 9 million euros negative in 2017 and interest received on BACH redeemable preference shares of 23 million euros.

Cash flow from investing activities was positively influenced in 2017 by the sale of the Hilton Hotel for 144 million euros. Excluding this one-off income item, cash flow from investing activities amounted to 626 million euros negative in 2017, compared to 620 million euros negative in 2018. The increase in 2018 by 6 million euros was caused mainly by higher investments in fixed assets of 118 million euros and lower investments in deposits of 115 million euros.

Net cash flow from operating and investing activities - free cash flow - amounted to 94 million euros negative in 2018 compared with 25 million euros negative in 2017. Cash flow from financing activities was 311 million positive (2017: 55 million euros negative) mainly as a result of 440 million euros in net new financing (balance of repayments and borrowings) and a total dividend payment of 150 million euros. Net cash flow in 2018 amounted to 217 million euros positive (2017: 80 million euros negative). Consequently, the net amount of cash balances increased from 170 million euros at the end of 2017 to 387 million euros at the end of 2018.

Investments
In 2018, Schiphol invested 581 million euros in property, plant and equipment, up 18.5% compared with 2017 (490 million euros).

Financing
The total amount of outstanding loans and lease liabilities rose by 463 million euros in 2018 to 2,622 million euros. The increase was mainly the result of 500 million euros in green bonds launched by Schiphol Group in 2018 to invest in the sustainability of its airports. These senior unsecured bonds are due 5 November 2030 and carry an annual coupon of 1.5%.

Schiphol Group has a Euro Medium Term Note (EMTN) programme, making it possible at present to raise funds of up to 3.0 billion euros, of which 1,839 million euros was outstanding at 31 December 2018. In addition, Schiphol Group has a Euro-Commercial Paper (ECP) programme with a limit of 750 million euros and committed undrawn facilities of 400 million euros. This solid financing position is an important asset in view of Schiphol's increased financing needs in the years ahead as a result of the current and envisaged high level of investment.

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 working capital. In 2018, FFO increased from 467 million euros to 491 million euros.

As a consequence of the green bonds issued in November 2018 the FFO/total debt ratio decreased to 18.7% at the end of 2018 compared to 21.6% at end-2017.

The FFO/interest coverage ratio in 2018 was 6.6x, a slight deterioration relative to the 6.9x recorded in 2017. 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 38.9% (2017: 35.2%). Both FFO/interest coverage ratio as well as leverage satisfy the internal requirements of a value higher than 4.0x and between 30.0% and 50.0% respectively.

Other developments

Airport charges

Following an extensive consultation with the airlines, on 31 October 2018, the charges for the first three-year period 2019-2021, which will come into effect as of 1 April 2019, were set according to the terms of the new Dutch Aviation Act. The new charges will result in in an average annual rise in charges of 7.9% over the following three years. This increase is a consequence of necessary investments and operating costs to accommodate current and envisaged passenger growth, while the rise in charges for 2019 also incorporates non-operational factors related to a change in regulation including the treatment of airport charges settlements and the increase of the WACC (which together represent a 10% increase in airport charges).

Sustainability

In March 2018, 100 electric buses were put into service at and around Schiphol Airport as part of the Amstelland-Meerland public transport concession, representing the largest electric bus fleet in the Netherlands. By 2021 this number will have risen to around 250.

In October 2018, Schiphol, along with other Dutch aviation parties, presented the Ministry of Infrastructure and Water Management (I&W) with their 'Smart and Sustainable' action plan. The action plan is a multi-year strategy aimed at reducing carbon emissions generated from international aviation activities in the Netherlands to 2005 levels by 2030. This effective 35% reduction will form an important milestone in reaching the International Civil Aviation Organization (ICAO) target of a 50% decrease in aviation emissions by 2050.

Risk management

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 2018, the key risk were assessed, resulting in the following key risks:

- Airport accessibility (landside): accessibility by rail and road are under pressure and not meeting the desired level of quality
- Airport capacity (airside and terminal): limited capacity to achieve qualitative objectives
- Business continuity management: disruption of critical processes or functions due to a long-term or permanent loss of key facilities, utilities, IT infrastructure or key suppliers
- Connectivity performance: connectivity performance under pressure
- Environmental regulatory changes: impact of new/increased environmental regulation
- Information security: failure to implement or update technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorised access
- Project execution: failure to deliver project benefits on time, within budget and required quality
- Regulation and compliance: violation of laws, internal policies or Code of Conduct
- Safety and security: risk of a serious safety or security incident
- Workforce: inability to attract and retain personnel

More information on the key risks can be found in the Annual Report 2018, which will be published in March 2018 .

Dividend proposal

The proposed dividend is 117 million euros (2017: 150 million euros), which works out at 631 euros per share (2017: 807 euros per share).

Outlook

Barring unforeseen circumstances, in 2019 we expect to see approximately 2% to 3% growth in passenger volume, due to the use of larger aircraft and higher load factors, and a substantially lower net result compared with 2018 assuming no real estate fair value changes in 2019.

Royal Schiphol Group's annual report is expected to be published in March 2019. The General Meeting of Shareholders, which is not open to the public, will be held on 16 April 2019.

This press release contains parts of the financial statements 2018. These financial statements have been authorized for issue. The financial statements have not yet been published by law and still have to be adopted by the Annual General Meeting of shareholders. In accordance with Article 393 of Book 2 of the Dutch Civil Code, KPMG Accountants N.V. has issued an unqualified auditor's opinion on these financial statements.

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).

This press release may contain certain forward-looking statements that are subject to risk in connection with financial factors and results of Schiphol Group's operations, and in connection with certain plans and objectives of Schiphol Group in this context. By their nature, forward-looking statements involve risk and uncertainty because they relate to or depend on future events and/or circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements and forecasts are based on current data and historical experience which are not necessarily indicative of future outcomes or the financial performance of Royal Schiphol Group and should therefore not be considered in isolation.

S. Theeuwes MSc RC - Manager Investor Relations

Royal Schiphol Group 2018 condensed consolidated financial statements

(in thousands of euros)	2018	2017
Revenue	**1,508,988**	1,457,542
Other income and results from investment property	**106,964**	42,477
Other income	**-**	37,957
Other income and results from investment property	**106,964**	80,434
Cost of outsourced work and other external costs	**750,783**	701,236
Employee benefits	**229,041**	212,528
Depreciation, amortisation and impairment	**266,660**	263,715
Other operating expenses	**1,343**	1,836
Total operating expenses	**1,247,827**	1,179,315
Operating profit	**368,125**	358,661
Financial income	**10,303**	10,686
Financial expenses	**-100,467**	-96,297
Financial income and expenses	**-90,164**	-85,611
Share of profit of associates and joint ventures	**97,412**	72,767
Profit before income tax	**375,373**	345,817
Income tax	**-89,999**	-60,277
Profit	**285,374**	285,540
Attributable to:		
Non-controlling interests	**6,923**	5,837
Shareholders (net result)	**278,451**	279,703
Earnings per share (in euros)	**1,496**	**1,503**

Schiphol Group

Consolidated statement of comprehensive income for the year ended 31 December 2018

(in thousands of euros)	2018	2017
Result	**285,374**	**285,540**
Foreign currency translation differences	**-5,928**	-12,278
Changes in fair value on hedge transactions	**14,934**	1,110
Share of OCI of associates after taxes	**-399**	-7,226
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:	**8,607**	**-18,394**
Remeasurements of defined benefit liability	**-1,938**	-528
Share of OCI of associates after taxes	**-1,616**	640
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:	**-3,554**	**112**
Other comprehensive income for the year	**5,053**	**-18,282**
Total comprehensive income for the year	**290,427**	**267,258**
Attributable to:		
Non-controlling interests	**6,923**	5,837
Shareholders (net result)	**283,504**	261,421

Consolidated statement of financial position as at 31 December 2018

(in thousands of euros)	31 December 2018	31 December 2017
Assets		
Intangible assets	**101,376**	88,091
Assets used for operating activities	**2,855,652**	2,864,347
Assets under construction or development	**700,043**	418,130
Investment property	**1,642,285**	1,503,744
Deferred tax assets	**95,989**	144,813
Equity-accounted associates and joint ventures	**957,395**	921,317
Loans to associates	**50,678**	53,436
Other non-current receivables	**89,427**	46,420
Non-current assets	**6,492,845**	**6,040,298**
Current assets		
Trade and other receivables	**460,573**	426,678
Current income tax assets	**13,983**	17,646
Cash and cash equivalents	**386,556**	170,370
Current assets	**861,112**	**614,694**
Total assets	**7,353,957**	**6,654,992**

(in thousands of euros)	31 December 2018	31 December 2017
Equity and liabilities		
Issued share capital	**84,511**	84,511
Share premium	**362,811**	362,811
Retained profits	**3,697,968**	3,570,069
Other reserves	**-76,606**	-81,179
Equity attributable to owners of the Company	**4,068,684**	**3,936,212**
Non-controlling interests	**48,673**	41,972
Total equity	**4,117,357**	**3,978,184**
Loans and borrowings	**2,366,235**	2,074,627
Employee benefits	**50,465**	42,137
Other provisions	**55,900**	36,912
Deferred tax liabilities	**14,977**	16,651
Other non-current liabilities	**92,683**	133,407
Non-current liabilities	**2,580,260**	**2,303,734**
Borrowings	**200,655**	35,220
Current income tax liabilities	**155**	780
Trade and other payables	**455,530**	337,074
Current liabilities	**656,340**	**373,074**
Total liabilities	**3,236,600**	**2,676,808**
Total equity and liabilities	**7,353,957**	**6,654,992**

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 2017	**84,511**	**362,811**	**3,438,838**	**-62,930**	**36,357**	**3,859,587**
Profit after income tax	-	-	279,703	**-**	5,837	**285,540**
Other comprehensive income	**-**	**-**	**-**	-18,282	-	**-18,282**
Comprehensive income	**-**	**-**	**279,703**	**-18,282**	**5,837**	**267,258**
Dividend paid	-	-	-148,439	-	-222	**-148,661**
Other	-	-	-33	33	-	**-**
Balance as at 31 December 2017	**84,511**	**362,811**	**3,570,069**	**-81,179**	**41,972**	**3,978,184**
IFRS 9 adjustment	-	-	-296	-	-	**-296**
Balance as at 1 January 2018	**84,511**	**362,811**	**3,569,773**	**-81,179**	**41,972**	**3,977,888**
Profit after income tax	-	-	278,451	-	6,923	**285,374**
Other comprehensive income	-	-	-	5,053	-	**5,053**
Comprehensive income	**-**	**-**	**278,451**	**5,053**	**6,923**	**290,427**
Dividend paid	-	-	-150,256	-	-222	**-150,478**
Other	-	-	-	-480	-	**-480**
Balance as at 31 December 2018	**84,511**	**362,811**	**3,697,968**	**-76,606**	**48,673**	**4,117,357**

	dividend for 2017, paid in 2018	dividend for 2016, paid in 2017
Dividend attributable to shareholders (in euros)	**150,256,000**	148,439,000
Average number of shares in issue during the year	**186,147**	186,147
Dividend per share (in euros)	**807**	797

The dividend was approved at the General Meeting of Shareholders of 17 April 2018 and a gross dividend totalling 150.3 million euros (807 euros per share) was paid on 7 May 2018.

Condensed consolidated statement of cash flow for 2018

(in thousands of euros)	2018	2017
Cash flow from operating activities		
Cash flow from operations	**573,676**	**555,150**
Paid income tax, interest and dividends received	**-47,390**	-98,038
Cash flow from operating activities	**526,286**	**457,112**
Cash flow from investing activities	**-620,264**	-481,962
Free cash flow	**-93,978**	**-24,850**
Cash flow from financing activities	**311,149**	-55,333
Net cash flow	**217,171**	**-80,183**
Opening balance of cash and cash equivalents	**170,370**	250,767
Net cash flow	**217,171**	-80,183
Exchange and translation differences	**-985**	-214
Closing balance of cash and cash equivalents	**386,556**	**170,370**