

## Slowing passenger growth and solid financial result

### Interim results Royal Schiphol Group

Today, 30 August 2019, Royal Schiphol Group publishes solid interim figures for the first six months of 2019. The net result for the first half of 2019 amounts to 133 million euros compared to a net result of 115 million euros for the first half of 2018.

Relative to comparable European hubs the growth in the number of passengers at Amsterdam Airport Schiphol is slowing. There was a slight growth of 1.4% to 34.5 million (HY 2018: 34.0 million, 5.5%). The number of air transport movements at Schiphol edged down by 0.1% to 242,107. Cargo volumes showed a decline of 9.1% to 767 thousand tonnes. This was driven by fewer cargo flights because of slot scarcity at Schiphol as well as a result of a weakening of the global air cargo market.

In the first six months of 2019, Schiphol invested 336 million euros to improve customer experience and operational efficiency (HY 2018: 232 million euros). Among other things, Schiphol invests in the development of a new pier, the redevelopment of Departure Hall 1, a seamless flow for passengers, and new equipment for scanning hold and hand baggage. Despite these investments, on a number of occasions, we failed to deliver the level of customer service we aspire to and which our passengers expect.

At Amsterdam Airport Schiphol and Eindhoven Airport passengers suffered from a malfunction in the baggage system. There were also disruptions in the kerosene supply system at Schiphol that caused substantial inconveniences for passengers and airlines. An independent review has been commissioned by Schiphol and AFS, to investigate the cause. Schiphol and its aviation partners are committed to learn from these incidents and improve performance .

Despite these issues, overall, in the first half-year passenger appreciation increased. The Net Promotor Score, which measures the appreciation of passengers, rose from 32 to 35 at Amsterdam Airport Schiphol.

#### Other key developments in the first half of 2019

- In July the government decided that moderate and controlled growth of Schiphol is possible after 2020 under the condition that the number of severely hindered local residents decreases.
- The opening of Lelystad Airport on April 1, 2020 is postponed due to legal issues with nitrogen deposition which affects all major infrastructural and agricultural activities in the Netherlands. The minister of Infrastructure and Water Management declared to aim for the fastest possible opening.
- The total number of passengers at all the airports of Royal Schiphol Group grew by 2.2% to 38.7 million (HY 2018: 37.8 million). Passenger volumes increased further by 8.9% to 3.2 million at Eindhoven Airport and by 8.2% to 954 thousand at Rotterdam The Hague Airport.
- Although Schiphol continues to be Europe's second-best connected airport in the direct connectivity ranking, it has dropped from second to third place in the ranking of transfer airports with the best worldwide connectivity. This drop was caused by the cap of 500,000 flight movements per year, which has now been reached.
- Royal Schiphol Group announced investment in the construction of Europe's first sustainable kerosene plant and in a study of the production of sustainable kerosene based on solar electricity and CO<sub>2</sub> obtained from the air.
- Amsterdam Airport Schiphol and Eindhoven Airport achieved 3+ status in the ACI's Airport Carbon Accreditation benchmark for the sixth consecutive year. The airports of Schiphol Group are carbon neutral and, together with their sector partners, are committed to operating zero-emission airports by 2030. The

energy used by Schiphol Group is fully generated by Dutch wind. In addition, Schiphol invests in electric bus transport, electrical equipment such as e-GPUs and solar panels.

- Royal Schiphol Group received several awards in the first half of 2019: Diversity in Business award (awarded by the labour foundation "Stichting van de Arbeid"), Award for Best Sustainable Finance Solution (awarded by Treasury Management International), two travel retail awards for social, digital media and marketing (awarded by Moodie International) and the Travel Retail Award (awarded by TR Business in the category Best Airport for Customer Service).

## Key figures

EUR million unless stated otherwise	HY 2019	HY 2018	%
<b>Results</b>			
Revenue	<b>766</b>	714	7.3
Other results from investment property	<b>49</b>	44	11.2
Operating expenses (excluding depreciation, amortisation and impairment)	<b>516</b>	473	9.2
<b>EBITDA<sup>1</sup></b>	<b>299</b>	285	4.7
Depreciation, amortisation and impairment	<b>134</b>	135	-0.6
<b>Operating result</b>	<b>164</b>	150	9.5
Financial income and expenses	<b>-42</b>	-44	-3.4
Share of results of associates and joint ventures	<b>43</b>	41	5.2
<b>Profit before tax</b>	<b>165</b>	147	12.1
Corporate income tax	<b>-30</b>	-30	1.8
<b>Profit for the year</b>	<b>135</b>	118	14.7
<b>Profit for the year attributable to shareholders</b>			
	<b>133</b>	115	15.3
<b>Total equity</b>			
	<b>4,120</b>	3,953	4.2
Investments in intangible assets and property, plant & equipment	<b>336</b>	232	44.9
Cash flow from operating activities	<b>137</b>	214	-35.8
<b>Ratios</b>			
Leverage <sup>2</sup>	<b>38.5%</b>	35.1%	
Earnings per share (in EUR 1) <sup>3</sup>	<b>712</b>	618	
<b>Business volume (in numbers)</b>			
Air transport movements <sup>4</sup>	<b>269,873</b>	268,461	0.5
Passenger movements (x 1,000) <sup>4</sup>	<b>38,676</b>	37,806	2.2
Cargo (x 1,000 tonnes) <sup>4</sup>	<b>767</b>	844	-9.1
Workforce in full-time equivalents <sup>4</sup>	<b>2,454</b>	2,290	7.1

1) Operating result plus depreciation, amortisation and impairment

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

3) Based on net result attributable to shareholders

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

*This press release may contain certain forward-looking statements that are subject to risk in connection with financial factors and results of Royal Schiphol Group's operations, and in connection with certain plans and objectives of Royal 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.*

## Revenue

EUR million	HY 2019	HY 2018	%
Airport charges	<b>459</b>	420	9.2
Concessions	<b>100</b>	99	1.7
Rent and leases	<b>87</b>	84	3.7
Parking fees	<b>63</b>	60	4.3
Other activities	<b>57</b>	51	11.5
<b>Total revenue</b>	<b>766</b>	<b>714</b>	<b>7.3</b>

Revenue from airport charges at Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport rose by 9.2% in the first half of 2019 to 459 million euros. This was driven mainly by an increase in airport charges at Amsterdam Airport Schiphol as of 1 April 2019. The increase in airport charges is a consequence of the necessary investments in capacity, quality and accessibility and additional operational measures in order to streamline the growing passenger flows.

At Amsterdam Airport Schiphol, passenger numbers were up by 1.4% to 34.5 million while the number of air transport movements slightly decreased by 0.1% to 242,107. Cargo volumes fell by 9.1% to 767,491 tonnes. Revenue from airport charges at Schiphol rose by 40 million euros to 428 million euros.

At Eindhoven Airport, passenger numbers were up by 8.9% to 3.2 million and the number of air transport movements increased by 6.9% to 19,864. Despite the increase in the number of passengers and air transport movements, total revenue from airport charges generated by Eindhoven Airport decreased in the first half of 2019 by 2 million euros, as the airport is no longer involved in airport handling activities as from 1 April 2019.

Total revenue from airport charges at Rotterdam The Hague Airport rose by 6.3% or 1 million euros compared with the first half of 2018. The number of passengers served by Rotterdam The Hague Airport rose by 8.2% to 954 thousand. The number of air transport movements increased by 4.9% to 7,902.

Compared with the first half of 2018, total revenue generated by concessions for Schiphol Group increased by 1.7%, in line with the growth in passenger numbers. At Amsterdam Airport Schiphol, average retail spending per departing passenger in the shops behind the security checks fell (by 1.8% from 13.16 euros in the first half of 2018 to 12.92 euros in the first half of 2019) while food & beverage spend per departing passenger rose (by 3.4% from 4.74 euros to 4.90 euros).

Revenue from rents and leases increased by 3.7% from 84 million euros to 87 million euros. This is attributable to an increase in service charges and new leases in recently acquired buildings. The average occupancy rate of Schiphol's total real estate portfolio in the first half of 2019 was 90.8%, which is slightly below the average occupancy rate of 91.1% during the same period last year.

Total parking revenue increased by 4.3%. Parking revenue at Amsterdam Airport Schiphol increased by 2 million euros, driven by the commissioning in March 2019 of the enlarged parking garage at P3 and the introduction of new parking products at P1.

Revenue from other activities increased by 11.5% to 57 million euros.

### Other income and changes in the value of investment property

As in previous years, favourable market conditions for investment property were reflected in an increase in the value of the real estate portfolio by 48 million euros in the first half of 2019 (44 million euros in the first half of 2018). This increase in value is seen in respect of office buildings, mainly at Amsterdam Airport Schiphol, with 35 million euros due to a decrease in net initial yields and an increase in rental rates. Favourable developments in market conditions also boosted the value of sites by 11 million euros. With an increase of 2 million euros, the value of the cargo buildings at Amsterdam Airport Schiphol remained roughly at the level of the previous year.

### Operating expenses

EUR million	HY 2019	HY 2018	%
Costs of outsourced work and other external charges	<b>397</b>	366	8.5
Depreciation and amortisation	<b>134</b>	135	-0.6
Employee benefits	<b>119</b>	107	10.9
<b>Total operating expenses</b>	<b>650</b>	<b>608</b>	<b>7.0</b>

Costs of outsourced work and other external charges rose from 366 million to 397 million euros, mainly caused by increased costs of maintenance and hired employees.

Costs of maintenance were higher in the first half of 2019 (68 million euros compared to 52 million euros the year before) as a consequence of the new maintenance contracts taking effect as from 1 April 2019 at higher rates and because more activities were transferred from Amsterdam Airport Schiphol to the contracting parties.

Costs of hired employees increased by 7 million euros (43 million euros in the first half of 2019 compared to 36 million euros the year before). This increase is largely related to additional capacity committed to further digitization at Amsterdam Airport Schiphol combined with a higher project workload and additional measures related to operational capacity.

Employee benefits rose by 12 million euros, due to a 2.75% general wage increase as from 1 April 2019, a 2 percentage point increase in pension contributions from 1 January 2019 (of which two thirds is funded by the employer) and an increase in the number of employees.

## Operating result and net result

EUR million	HY 2019	HY 2018	%
Aviation	-24	-32	26.4
Consumer Products & Services	95	98	-3.2
Real Estate	84	76	11.2
Alliances & Participations	8	8	9.5
<b>Total operating result</b>	<b>164</b>	<b>150</b>	<b>9.7</b>

Relative to the same period in the preceding year, the operating result for the first half of 2019 increased by 9.7% to 164 million euros (HY 2018: 150 million euros).

The operating result of Aviation improved from 32 million euros negative to 24 million euros negative, as the increase in costs (by 7.9%) was lower than the increase in revenue. The increase in revenue was mainly driven by an increase in airport charges at Amsterdam Airport Schiphol as of 1 April 2019. The increase in airport charges is a consequence of the necessary investments in capacity, quality and accessibility and additional operational measures in order to streamline the growing passenger flows.

The operating result of Consumer Products & Services decreased, from 98 million euros to 95 million euros. An increase in revenue by 4 million euros (2.7%), mainly due to higher income from parking, was outpaced by an increase in operating expenses by 7 million euros (12.9%). The increase in costs can be attributed to higher costs of security, maintenance, commercial expenses, hired employees and employee benefits.

The operating result of Real Estate rose by 8 million euros from 76 million euros to 84 million euros. Excluding the results from property sales and fair value gains, the operating result increased by 4 million euros. This increase is mainly attributable to the increase in revenue by 4 million euros, which resulted from an increase in service charges and new leases in recently acquired buildings.

The contribution of Alliances & Participations to the operating result is 8 million euros.

### Financial income and expenses

The net financial expense for the first half of 2019 was 42 million euros (2018: 44 million euros). This decrease is mainly the consequence of a larger amount of construction period interest added to the carrying amount of operating assets under construction, in particular the new pier.

## Share in results of associates and joint ventures

EUR million	HY 2019	HY 2018	%
Brisbane Airport Corporation Holdings (BACH)	17	16	5.9
Groupe ADP	19	17	16.8
Other investments	7	8	-21.6
<b>Share in results of associates and joint ventures</b>	<b>43</b>	<b>41</b>	<b>5.2</b>

The share in results of associates and joint ventures increased by 2 million euros to 43 million euros in the first half of 2019 (HY 2018: 41 million euros).

### Corporate income tax

At 18.2%, the tax burden in the first half of 2019 was slightly lower than in the first half of 2018 (20.0%). In both periods, the tax burden was lower than the domestic income tax rate of 25%. The lower tax burden is mainly attributable to the application of the participation exemption to the results of associates and joint ventures. The effective tax burden for the 2019 financial year is expected to be in line with the tax burden in the first half of 2019.

### Net result

Due to the developments outlined above, the net result for the first half of 2019 increased by 15.3% to 133 million euros (HY 2018: 115 million euros). This is in line with the forecast for 2019.

### Balance sheet and cash flow development

The balance sheet total as at 30 June 2019 amounted to 7,273 million euros, slightly down compared with 31 December 2018 (7,354 million euros). Non-current assets increased by 281 million euros, including Assets under construction or development (which increased by 202 million euros, mainly in respect of the investments listed below, offset by assets which were commissioned during the first half of 2019) and Investments in associates and joint ventures (which increased by 31 million euros, mainly due to the acquisition of an additional 0.89% share in BACH). Current assets decreased by 362 million euros, in particular due to a decrease in bank deposits by 405 million euros. The proceeds from these deposits were used for various purposes, including the above-mentioned acquisition and investments, a dividend distribution (117 million euros) and the repayment of borrowings (66 million euros).

In the first six months of 2019, Schiphol invested 336 million euros in fixed assets (HY 2018: 232 million euros). The most significant investments in the first half of 2019 are listed below:

- development of the new pier and terminal;
- redevelopment of Departure Hall 1 and Departure Lounge 1;
- development of Lelystad Airport;
- expansion of The Base and P3;
- new equipment for scanning hold and hand baggage;
- expansion of aprons;
- major maintenance on existing assets.

With shareholders' equity of 4,120 million euros and interest-bearing debts of 2,577 million euros, the leverage is 38.5% (compared with 38.9% as at 31 December 2018).

Cash flow from operating activities amounted to 137 million euros in the first half of 2019, compared with 214 million euros in the first half of 2018. This decrease was mainly attributable to a negative movement in working capital.

Cash flow from investing activities amounted to 123 million euros negative against 8 million euros negative over the same period last year. Capital expenditures up to 336 million euros and the acquisition of an additional 0.89% share in BACH for 59 million euros were partially financed with proceeds from deposits up to 265 million euros.

Mainly as a consequence of the above-mentioned developments in working capital and cash flow from investing activities, the net cash flow in the first half of 2019 amounted to 165 million euros negative (HY 2018: 20 million euros positive). As a result, the net amount of cash balances, taking account of exchange and translation differences, decreased from 387 million euros as at 31 December 2018 to 222 million euros as at 30 June 2019.

In addition to these cash balances, Royal Schiphol Group has access to 750 million euros in committed and 150 million euros in uncommitted undrawn bank facilities. In the first half of 2019 Schiphol Group extended a committed facility with BNG to 1 January 2023. In addition Schiphol Group entered into a EUR 175 million euros committed facility with the European Investment Bank.

## **Other developments**

### *Sustainable development beyond 2020*

On 5 July, the government decided that the number of air transport movements at Schiphol should be allowed to rise moderately from 2021 onwards to 540,000 movements, provided that this can be done demonstrably safely and with less disturbance. There will be scope for moderate growth, which is important for the network and for connectivity. At the same time, total noise impact will be reduced. This is important for the quality of the living environment. With a view to further increasing the sustainability of aviation, Schiphol is investing in cleaner fuels and is stimulating airlines to fly with their cleanest and quietest aircrafts. In 2019, Royal Schiphol Group contributed on the draft agreement sustainable aviation and all airports of Royal Schiphol Group will have zero-emission status by 2030.

### *Lelystad Airport*

The finishing and fitting of the new passenger terminal at Lelystad Airport were officially completed on Wednesday, 3 April. On 2 July, Minister Van Nieuwenhuizen announced that the opening of Lelystad Airport in April 2020 is no longer realistic. This is because, on the one hand, the Council of State recently decided to declare the Dutch nitrogen policy invalid, and, on the other, the European Commission has not yet taken a decision on the air traffic distribution rules. The Dutch House of Representatives has postponed the debate on the opening of Lelystad Airport until after the summer. The aim is for Lelystad Airport to be operational before the start of the winter season, on 1 November 2020.

### *Investments in capacity, quality and accessibility*

Substantial investments are being made in capacity, quality and accessibility in order to ensure continued optimal service to passengers and airlines going forward. As a result, the level of investments will continue



to increase in the years ahead. The construction of the new pier and the redevelopment of Departure Hall 1 and Departure Lounge 1 are in full swing. The pier will be the most sustainable of all piers at Schiphol. To improve Schiphol's landside accessibility, the capacity of the transport junction – which comprises the drop-off roads and the train and bus stations – at Schiphol-Centre will have to be expanded. The exploratory study of the redevelopment of the bus and train stations is expected to be completed at the end of 2019.

#### *Major maintenance*

Runway 18C-36C was closed between 10 March and 21 April in connection with major maintenance. On 6 and 7 April, Schiphol's 2,000 closest neighbours were given an opportunity to take a look at the work being done on the runway. Runway 06-24 was closed between 24 February and 4 March for maintenance. As this is one of the most preferred runways, overall runway use needed to be modified. The work on lane Alfa 8 also entailed modified runway use. Runway 09-27 was closed between 14 and 21 July for scheduled maintenance. In addition, use of Runway 06-24 was temporarily limited between 24 and 26 July due to emergency repairs of unforeseen damage to the asphalt at an entry and exit. The abovementioned maintenance works resulted in less preferential runway usage, causing more hindrance to local residents and impacting on-time performance. It was decided to postpone the maintenance on Runway 18R-36L, which had been scheduled for the summer period, until later in the year to avoid further nuisance for local residents.

#### *National public transport strike*

The trade unions called for a 24-hour strike of all public transport throughout the Netherlands on Tuesday, 28 May. To safeguard travellers' safety and the accessibility of the airport, Schiphol instituted interlocutory proceedings, which were heard on Sunday, 26 May. The court decided that the trade unions were required to cooperate on a limited train shuttle service on the Hoofddorp-Schiphol-Amsterdam route. Thanks to extensive communication to travellers and businesses and staff at Schiphol, the day of the strike proceeded smoothly and in an orderly manner.

#### *Promoting sustainable aviation*

Schiphol Group has committed itself to net zero emission on its airports by 2030. Schiphol and Eindhoven Airport both obtained the ACA 3+ certificate for CO<sub>2</sub> neutrality for the sixth consecutive year and the emissions of Rotterdam The Hague Airport and Lelystad Airport have been offset.

Schiphol Group is committed to increasing the sustainability of aviation and its airports and, jointly with its sector partners, presented the 'Smart & Sustainable' action plan in 2018. In May, Schiphol signed an agreement to invest in Europe's first sustainable kerosene plant. Located in Delfzijl, the plant will produce propane and naphtha from mainly regional waste and residue streams. SkyNRG will build the plant and KLM has committed itself for a 10-year period to the development and purchase of 75,000 tonnes bio kerosene.

On 24 May, Rotterdam The Hague Airport and a European consortium led by EDL Anlagenbau Gesellschaft mbH signed a cooperation agreement to launch a study into the possibilities for the production of sustainable kerosene from air at the airport.

Schiphol Real Estate has engaged Lek Sloopwerken BV for the disassembly of cargo building 18. As the materials in the building have a high reuse value, a symbolic amount for the disassembly has been determined. Schiphol's real estate management practices hereby directly contribute to our 2030 zero waste goal.

### *Passenger experience*

The passenger experience is the main focus at Schiphol. Accordingly, Schiphol keeps investing in capacity and innovative applications. The expansion of the P3 long-term parking garage provides additional parking capacity. In May, Schiphol received the Travel Retail Award for 'Best Airport for Customer Service 2019'. Also in May, Schiphol launched a partnership with WeChat in order to enhance its services for the growing numbers of Chinese travellers. WeChat is a multifunctional app with applications such as chat, social media and a mobile payment option (WeChat Pay). The app has more than a billion active users.

In February, Schiphol started a trial for boarding based on facial recognition. At present, participation in the trial is open to passengers of Cathay Pacific. Part of the Seamless Flow programme, the trial marks the first phase of a project aimed at facilitating the entire passenger process, from arrival at the airport to boarding, by facial recognition and thus making it simpler and more efficient.

New self-service information points were taken into use at Schiphol in June. They allow passengers to look up their flight information, check maps of the airport with facilities and services, and view frequently asked questions and answers. If they have complex queries, passengers can contact a member of staff via video call and assistance will be provided on site if necessary.

Schiphol launched a partnership with Delft University of Technology in June to accelerate the airport's innovative potential. Schiphol Group and the university have joined forces to accelerate the development of new innovative products and services to improve the passenger experience and the process at the airport. The Faculty of Industrial Design at Delft University of Technology provides and develops knowledge on strategic design, while Schiphol offers a live laboratory environment at its airports.

### *International*

Royal Schiphol Group expanded its share in Brisbane Airport (BACH) by 0.89% to 19.61%. The shares were acquired from one of the other shareholders of BACH. On 1 July 2019 Schiphol Group issued AUD 100 million in notes under its EMTN programme to finance the acquisition.

### *Appointments*

Robert Jan van de Kraats and Mikael Olsson have been reappointed as Supervisory Board members during the General Meeting of Shareholders on 16 April 2019 for a period of four years.

Roel Hellemons was appointed as CEO of Eindhoven Airport on 1 July. Roel was Director of Schiphol International and previously held various management positions for Schiphol in the Netherlands and for Brisbane Airport in Australia. He succeeded Joost Meijs who, with effect from 1 September, will take up the position of CEO of Queen Beatrix International Airport Aruba, with which Schiphol Group has an agreement for technical cooperation.

### *Principal risks*

As a result of its socio-economic role and its enterprising business model, Royal Schiphol Group is subject to a range of strategic, operational, financial and compliance risks. Risk management is an integral part of our business operations. The 2018 Annual Report describes the most important risks and threats facing Schiphol Group at this time, as well as Schiphol Group's risk management policy. The priorities for our risk management policy for 2019 are as follows:

- Airport Accessibility (Landside)
- Airport Capacity (Airsides & Terminal)
- Business Continuity Management
- Connectivity Performance
- Environmental Regulatory Changes
- Information Security (including cyber security)
- Project Execution
- Regulation & Compliance
- Safety & Security
- Workforce

### *Outlook 2019*

Up to and including the 2020 operational year (until 1 November 2020) the number of commercial air transport movements at Schiphol is limited to 500,000 per year, as laid down in the Alders agreements. Save for unforeseen circumstances, we expect growth of 1-2% in the number of passengers in 2019 and a net result that will be comparable to that of previous year assuming no other (extraordinary) income and results from real estate in the second half of 2019.

The Management Board declares that to its knowledge:

- the condensed consolidated interim financial statements give a true and fair view of the financial assets, liabilities, financial position and profits of Schiphol Group as well as the combined consolidated enterprises, and
- the interim report gives a true and fair view of the situation on the balance sheet date, developments over the course of the first half of Schiphol Group's financial year and of the associated enterprises whose data is included in the interim report.

The risks associated with business operations could result in discrepancies between actual results and the results described in forward-looking statements in this document.

Schiphol, 29 August 2019

The Management Board

### **Note for editors and investors:**

- Royal Schiphol Group also provides access to the 2019 Interim Report via <https://www.schiphol.nl/en/schiphol-group/page/financial-information/>

## Royal Schiphol Group 2019 condensed consolidated interim financial statements

### Condensed consolidated statement of income for the first half of 2019

(in thousands of euros)	HY 2019	HY 2018
<b>Revenue</b>	<b>765,837</b>	<b>713,929</b>
Other results from investment property	<b>48,944</b>	44,027
Cost of contracted work and other external costs	<b>396,961</b>	365,178
Employee benefits	<b>119,113</b>	107,400
Depreciation, amortisation and impairment	<b>134,411</b>	135,167
Other operating expenses	-	177
<b>Total operating expenses</b>	<b>650,485</b>	<b>607,922</b>
<b>Operating profit</b>	<b>164,296</b>	<b>150,034</b>
Financial income	<b>4,038</b>	4,799
Financial expenses	<b>-46,375</b>	-48,623
<b>Financial income and expenses</b>	<b>-42,337</b>	<b>-43,824</b>
Share of results of associates and joint ventures	<b>43,236</b>	41,106
<b>Profit before income tax</b>	<b>165,195</b>	<b>147,316</b>
Income tax	<b>-30,054</b>	-29,514
<b>Profit</b>	<b>135,141</b>	<b>117,802</b>
Attributable to:		
Non-controlling interests	<b>2,638</b>	<b>2,837</b>
Shareholders (Net result)	<b>132,503</b>	<b>114,965</b>
<b>Earnings per share (in euros)</b>	<b>712</b>	<b>618</b>

## Consolidated statement of comprehensive income for the first half of 2019

(in thousands of euros)

	HY 2019	HY 2018
<b>Result</b>	<b>135,141</b>	<b>117,802</b>
Currency translation reserve foreign operations	774	-2,311
Changes in fair value on hedge transactions	-2,982	10,498
Share of OCI of associates after taxes	-12,212	424
<b>Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods</b>	<b>-14,420</b>	<b>8,611</b>
Share of OCI of associates after taxes	-	160
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>	<b>-</b>	<b>160</b>
<b>Other comprehensive income</b>	<b>-14,420</b>	<b>8,771</b>
<b>Total comprehensive income</b>	<b>120,721</b>	<b>126,573</b>
Attributable to:		
Non-controlling interests	2,638	2,837
Shareholders (net result)	118,082	123,736

## Consolidated statement of financial position as at 30 June 2019

### Assets

(in thousands of euros)	30 June 2019	31 December 2018
Intangible assets	<b>116,581</b>	101,376
Assets used for operating activities	<b>2,882,152</b>	2,855,652
Assets under construction or development	<b>885,746</b>	700,043
Investment property	<b>1,675,683</b>	1,642,285
Deferred tax assets	<b>83,633</b>	95,989
Equity-accounted associates and joint ventures	<b>987,984</b>	957,395
Loans to associates	<b>56,870</b>	50,678
Other non-current receivables	<b>85,137</b>	89,427
<b>Non-current assets</b>	<b>6,773,786</b>	<b>6,492,845</b>
Trade and other receivables	<b>218,120</b>	460,573
Current income tax assets	<b>51,863</b>	13,983
Cash and cash equivalents	<b>221,708</b>	386,556
Assets held for sale	<b>7,159</b>	-
<b>Current assets</b>	<b>498,850</b>	<b>861,112</b>
<b>Total assets</b>	<b>7,272,636</b>	<b>7,353,957</b>

**Liabilities**

(in thousands of euros)

	30 June 2019	31 December 2018
Issued share capital	<b>84,511</b>	84,511
Share premium	<b>362,811</b>	362,811
Retained profits	<b>3,713,090</b>	3,697,968
Other reserves	<b>-91,726</b>	-76,606
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<b>Equity attributable to owners of the Company</b>	<b>4,068,686</b>	<b>4,068,684</b>
Non-controlling interests	<b>51,089</b>	48,673
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<b>Total equity</b>	<b>4,119,775</b>	<b>4,117,357</b>
Loans and borrowings	<b>2,373,370</b>	2,366,235
Employee benefits	<b>50,047</b>	50,465
Other provisions	<b>60,518</b>	55,900
Deferred tax liabilities	<b>12,448</b>	14,977
Other non-current liabilities	<b>96,037</b>	92,683
	<hr/>	<hr/>
<b>Non-current liabilities</b>	<b>2,592,420</b>	<b>2,580,260</b>
Loans and borrowings	<b>139,694</b>	200,655
Current income tax liabilities	<b>1,550</b>	155
Trade and other payables	<b>419,197</b>	455,530
	<hr/>	<hr/>
<b>Current liabilities</b>	<b>560,441</b>	<b>656,340</b>
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>3,152,861</b>	<b>3,236,600</b>
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>7,272,636</b>	<b>7,353,957</b>

## Condensed consolidated statement of changes in equity for the first half of 2019

(in thousands of euros)

	Attributable to shareholders					Non-controlling interests	Total
	Issued share capital	Share Premium	Retained profits	Other reserves			
<b>Balance at 31 December 2017</b>	<b>84,511</b>	<b>362,811</b>	<b>3,570,069</b>	<b>-81,179</b>	<b>41,972</b>	<b>3,978,184</b>	
IFRS 9 adjustment	-	-	-281	-	-	<b>-281</b>	
<b>Balance at 1 January 2018</b>	<b>84,511</b>	<b>362,811</b>	<b>3,569,788</b>	<b>-81,179</b>	<b>41,972</b>	<b>3,977,903</b>	
Comprehensive income	-	-	114,965	8,771	2,837	<b>126,573</b>	
Dividend paid	-	-	-150,256	-	-222	<b>-150,478</b>	
Other	-	-	-	-805	-	<b>-805</b>	
<b>Balance at 30 June 2018</b>	<b>84,511</b>	<b>362,811</b>	<b>3,534,497</b>	<b>-73,213</b>	<b>44,587</b>	<b>3,953,193</b>	
Comprehensive income	-	-	163,485	-3,718	4,087	<b>163,854</b>	
Other	-	-	-	325	-	<b>325</b>	
<b>Balance at 31 December 2018</b>	<b>84,511</b>	<b>362,811</b>	<b>3,697,968</b>	<b>-76,606</b>	<b>48,673</b>	<b>4,117,357</b>	
Comprehensive income	-	-	132,503	-14,420	2,638	<b>120,721</b>	
Dividend paid	-	-	-117,381	-	-222	<b>-117,603</b>	
Other	-	-	-	-700	-	<b>-700</b>	
<b>Balance at 30 June 2019</b>	<b>84,511</b>	<b>362,811</b>	<b>3,713,090</b>	<b>-91,726</b>	<b>51,089</b>	<b>4,119,775</b>	



	<b>Dividend for 2018, paid in 2019</b>	<b>Dividend for 2017, paid in 2018</b>
Dividend attributable to shareholders (in euros)	<b>117,381,000</b>	150,256,000
Average number of shares in issue during the year	<b>186,147</b>	186,147
Dividend per share (in euros)	<b>631</b>	807

The dividend was approved at the General Meeting of Shareholders of 16 April 2019 and a gross dividend totalling 117.4 million euros (631 euros per share) was paid on 23 April 2019.

## Consolidated statement of cash flows for the first half of 2019

(in thousands of euros)	HY 2019	HY 2018 <sup>1</sup>
<b>Result</b>	<b>135,141</b>	<b>117,802</b>
Income tax expense recognised in the profit or loss	30,054	29,514
Share of results of associates and joint ventures	-43,236	-41,106
Financial income and expenses	<u>42,337</u>	<u>43,824</u>
	<b>29,155</b>	<b>32,232</b>
<b>Operating result</b>	<b>164,296</b>	<b>150,034</b>
Adjustments for:		
Depreciation and amortisation expenses	134,411	135,167
Result on disposal of investment property	-811	-
Fair value changes of investment property	-48,133	-44,027
Other non cash changes other receivables and liabilities	-556	5,798
Result on disposal of property, plant and equipment	70	-55
Change in employee benefits and other provisions	<u>1,683</u>	<u>1,719</u>
	<b>86,664</b>	<b>98,602</b>
<b>Operating result after adjustments</b>	<b>250,960</b>	<b>248,636</b>
Changes in working capital	-74,551	-17,851
<b>Cash flow from operations</b>	<b>176,409</b>	<b>230,785</b>
Income tax paid	-55,197	-38,216
Interest paid	-40,547	-41,735
Interest received	854	743
RPS receipts	2,773	17,910
Dividends received	<u>52,851</u>	<u>44,275</u>
<b>Cash flow from operating activities</b>	<b>137,143</b>	<b>213,762</b>
Payments for intangible assets	-24,540	-10,076
Payments for property, plant and equipment	-308,506	-201,331
Proceeds from disposals of investment property	813	55
Proceeds from disposals of property, plant and equipment	-70	-
Acquisitions of associates	-59,459	-
Share capital withdrawals (contributions) to associates	3,359	905
Receipts from cancellation performance share	-	12,360
Repayment on other loans	53	67
Investments in deposits	-40,000	-
Proceeds from deposits	<u>305,000</u>	<u>190,000</u>
<b>Cash flow from investing activities</b>	<b>-123,350</b>	<b>-8,020</b>
<b>Free cash flow</b>	<b>13,793</b>	<b>205,742</b>

1) The comparative figures have been adjusted in line with the accounting policy change recorded in the Schiphol Group 2018 financial statements.

(in thousands of euros)	HY 2019	HY 2018 <sup>1</sup>
Proceeds from borrowings	<b>5,485</b>	-
Repayment of borrowings	<b>-65,500</b>	-34,500
Settlement derivative financial instruments	<b>1,345</b>	2,167
Dividend paid	<b>-117,603</b>	-150,478
Other non-current liabilities paid	<b>-28</b>	-28
Finance lease instalments paid	<b>-47</b>	-3,237
Cash flows from collaterals	<b>-2,090</b>	-
<b>Cash flow from financing activities</b>	<b>-178,438</b>	<b>-186,076</b>
<b>Net cash flow</b>	<b>-164,645</b>	<b>19,666</b>
Opening balance of cash and cash equivalents	<b>386,556</b>	170,371
Net cash flow	<b>-164,645</b>	19,666
Exchange and translation differences	<b>-203</b>	-1,176
<b>Closing balance of cash and cash equivalents</b>	<b>221,708</b>	<b>188,861</b>

1) The comparative figures have been adjusted in line with the accounting policy change recorded in the Schiphol Group 2018 financial statements.

## **Notes to the condensed consolidated interim financial statements**

### **General information**

Royal Schiphol Group N.V. is a public limited liability company (two-tier status company) with its registered office in the municipality of Haarlemmermeer. The address of the company's registered office is Evert van de Beekstraat 202, 1118 CP Schiphol, the Netherlands. Royal Schiphol Group N.V. trades under the names of Schiphol Group, Luchthaven Schiphol and Royal Schiphol Group N.V.

Royal Schiphol Group is an airport business with Amsterdam Airport Schiphol as its main airport. Airports in the group create value for society and for the economy. Central to how Schiphol Group conducts its business are the core values of reliability, efficiency, hospitality, inspiration and sustainability.

Schiphol Group's mission is Connecting the Netherlands; facilitating optimal links with the rest of the world so as to contribute to prosperity and well-being in the Netherlands and elsewhere - connecting to compete and to complete. It is Schiphol Group's ambition to develop Amsterdam Airport Schiphol into Europe's Preferred Airport for travellers, airlines and logistics service providers alike. We wish to serve them as efficiently as possible, with a well-positioned airport and modern facilities.

### **Accounting policies**

These condensed consolidated interim financial statements (hereinafter: 'interim financial statements') have been prepared in accordance with IAS 34, Interim Financial Reporting and have not been audited but have been reviewed. These interim financial statements should be read in conjunction with the Schiphol Group financial statements for the financial year ended 31 December 2018.

Full details of the accounting policies for consolidation, measurements, assumptions and estimates used in these interim financial statements can be found in Schiphol Group's 2018 financial statements. These accounting policies are in accordance with IFRS and have been consistently applied to all the information presented in these interim financial statements.

The corporate income tax in the interim financial statements is based on the expected average tax rate for 2019 and was adjusted for untaxed and non-deductible items in line with the preceding year.

### **New standards and amended standards that are mandatory with effect from 2019 or later**

Schiphol Group applies one new standard with effect from 1 January 2019: IFRS 16, Leases.

#### ***IFRS 16***

From 1 January 2019, Schiphol Group has initially adopted IFRS 16, Leases, which replaces IAS 17, Leases and related interpretations. Under IAS 17, a lease was classified as operating or financial lease based on an assessment of whether the lease transferred substantially all of the risks and rewards of ownership. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. Under IFRS 16, a contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Lessor accounting remains similar to previous accounting policies.

### *Transition*

Schiphol Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 was not restated, though included as previously reported under IAS 17 and related interpretations. On transition to IFRS 16, Schiphol group elected not to apply the practical expedient to grandfather the assessment of which transactions are leases. Consequently, IFRS 16 is applied to all current contracts.

However, Schiphol Group did elect not to apply the lessee accounting model to short-term leases (a term shorter than 12 months) and leases of low-value items (an individual value below 5,000 euros). In addition, Schiphol Group elected to apply the practical expedient to account for leases whose term ends within 12 months of the date of initial application as short-term leases. Lease payments associated with these leases, as well as with short-term and low-value leases, are recognised as an expense on a straight-line basis over the lease term.

### *Schiphol Group as lessee*

Two leases were previously classified as finance leases under IAS 17 and related interpretations, comprising assets used for operating activities (operational vehicles) and investment property (one office building, The Base). These leases were determined to be leases under IFRS 16 as well. As a result of the adoption of IFRS 16, Schiphol Group, as a lessee, recognised several additional leases of assets used for operating activities (employee vehicles, office space, a warehouse and multifunctional office equipment).

In respect of all leases of assets used for operating activities, right-of-use assets were recognised representing the right to use the underlying asset as well as lease liabilities representing the obligation to make lease payments. The right-of-use asset is initially measured at cost being an amount equal to the lease liability, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use assets are presented in the same line items as underlying assets of the same nature owned by Schiphol Group. The lease liability is initially measured at the present value of the lease payments. To determine the present value, the interest rate implicit in the IFRS 16 lease is used. If that rate can not be readily determined, the incremental borrowing rate is used. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Lease liabilities are presented in Other non-current and current liabilities in the statement of financial position.

The adjustment to the opening balance of 2019 and the movements in the carrying amount and lease liability in respect of the right-of-use assets used for operating activities during the first half of 2019 are summarised in the table on the following page.

(in thousands of euros)	Right of use assets	Lease liabilities
<b>Carrying amount as at 31 December 2018</b>	<b>4,373</b>	<b>5,238</b>
IFRS 16 adjustment	5,541	5,541
<b>Carrying amount as at 1 January 2019</b>	<b>9,914</b>	<b>10,779</b>
<b>Movements first half year 2019</b>		
Additions	3,403	3,403
Depreciation	-2,172	-
Repayments	-	-2,408
Interest cost	-	143
Recalculation of IAS 17 finance leases	1,362	497
<b>Total movements</b>	<b>2,593</b>	<b>1,635</b>
<b>Carrying amount as at 30 June 2019</b>	<b>12,507</b>	<b>12,414</b>

The IFRS 16 opening balance adjustment comprises the recognition of right-of-use assets and lease liabilities to the amount of 5.5 million euros. There is no cumulative effect of initial application of IFRS 16 to retained earnings at 1 January 2019 given the decision to initially measure the right-of-use assets at an amount equal to the lease liability. To determine the lease liability, the interest rate implicit in the IFRS 16 lease was used. If that rate could not be readily determined, the incremental borrowing rate was used. As such, the weighted average rate applied is 2.1%.

As part of the implementation of IFRS 16, both the book values of assets and liabilities as well as the disclosures in respect of existing IAS 17 finance leases and operating leases were reviewed. For the finance leases, this led to an adjustment of the carrying amounts of right-of-use assets and lease obligations of 1.4 million euros and 0.5 million euros respectively. In addition, with regard to the operating leases, it was concluded that the commitments as disclosed in the consolidated financial statements amount to 5.9 million euros instead of the 1.4 million euros actually disclosed. The discounted value of these IAS 17 operating lease commitments of 5.5 million, together with the existing IAS 17 finance lease liabilities of 5.2 million euros, add up to a total of 10.8 million euros of lease commitments at 1 January 2019.

During the first half of 2019, additional right-of-use assets and lease liabilities were recognised to the amount of 3.4 million euros. The above table excludes the lease of investment property and related lease liability consisting exclusively of the office building The Base. In August 2019 this lease will be redeemed in full, at which moment the building will become the property of Royal Schiphol Group.

#### *Schiphol Group as a lessor*

Leases in which Schiphol Group acts as a lessor only relate to investment property. The accounting policies applicable to Schiphol Group as a lessor are not different from those under IAS 17. As a consequence, Schiphol Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor.

### **Other standards**

There are a number of other standards besides IFRS16 that apply as from 1 January 2019:

- Amendments to IFRS 9, Prepayment Features with Negative Compensation (endorsed 22 March 2018);
- Amendments to IAS 19, Plan Amendment, Curtailment or Settlement (endorsed 13 March 2019);
- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures (endorsed 8 February 2019);
- IFRIC 23, Uncertainty over Income Tax Treatments (endorsed 23 October 2018);
- Annual Improvements to IFRS Standards 2015-2017 Cycle (endorsed 14 March 2019).

These standards have been determined to have no impact on the financial reporting of Schiphol Group. Schiphol Group has not voluntarily applied in advance any new or amended standards or interpretations that will not be mandatory until the 2020 financial year or later.

### **Management of financial risks and financial instruments**

Due to the nature of its activities, Schiphol Group faces a variety of financial risks, including market risks, counterparty risks, liquidity risks and tax risks. These interim financial statements must be read in conjunction with the Schiphol Group 2018 financial statements, which include comprehensive descriptions of these risks. There have been no significant changes to these financial risks and other circumstances which, other than described, have an effect on the value of the assets and liabilities.

#### *Fair value of financial instruments*

No shifts have occurred between the different levels of valuation at fair value. The level 1 fair value of financial instruments is based upon unadjusted quoted prices in active markets for identical assets or liabilities. The level 2 fair value of financial instruments is estimated by discounting the future contractual cash flows translated into euros at current market interest rates available to the borrower for similar financial instruments. One loan is measured at fair value (level 3) in the statement of financial position, to prevent an inconsistency in the accounting for changes in the value of the loan on the one hand and the related real estate portfolio on the other. Fair value is based on the valuation reports for the real estate concerned. Derivatives are measured at fair value (level 2). Fair value is based on quoted prices for similar assets and liabilities in active markets or inputs that are derived from or corroborated by observable market data. This valuation is updated in each reporting period. With regard to trade receivables, cash and cash equivalents, debts to suppliers and interest payable, it is assumed that the carrying amount approximates the fair value.

#### *Fair value of investment property*

Investment property is stated at fair value. All buildings are appraised at least twice a year by independent external valuers. The fair value at which investment property is stated in the balance sheet takes account of lease incentives granted. Land pertaining to investment property is also stated at fair value. This is done on the basis of internal valuations and valuations by independent external valuers, who each year value a different portion of our total land holdings. Investment property is classified as level 3 valuations.

Properties (mainly offices and logistics buildings) are valued on the basis of the discounted cash flow (DCF) method, in combination with a calculation based on capitalised rental value. The returns used for the valuations are specific to the type of real estate concerned and its location, condition and letting potential. The basis for determining the returns is derived from similar transactions, supplemented with market and property-specific knowledge. The fair value of the land holdings designated as investment property is calculated using the DCF method, combined with residual land value calculations.

### **Information on seasonal effects**

Operating airports is subject to seasonal effects. The income and expenditure included in these interim financial statements for the first six months of 2019 relate to approximately 49% (first six months of 2018: 49%) of the expected number of air transport movements for the full year and approximately 49% (first six months of 2018: 49%) of the expected number of passenger movements for the full year.

### **Other information**

In June 2019 Royal Schiphol Group expanded its share in Brisbane Airport (BACH), of which it has been a shareholder since 1997, by 0.89% to 19.61%. The 0.89% extension involves an amount of 59 million euros and concerns both the investment held in BACH (56 million euros) and the loans to associates (3 million euros). The shares are acquired from one of the other shareholders.



## Other notes

### Segment information

		Consumer Products & Services	Real Estate	Alliances & Participations	Total
<b>HY 2019</b>	<b>Aviation</b>				
(in thousands of euros)					
Airport charges	427,541	-	-	31,576	<b>459,117</b>
Concessions	7,598	86,822	571	5,164	<b>100,155</b>
Rent and leases	103	9,187	88,594	2,191	<b>100,076</b>
Parking fees	-	50,845	2,490	10,278	<b>63,613</b>
Other activities	20,168	16,106	2,649	48,741	<b>87,664</b>
<b>Total revenue</b>	<b>455,409</b>	<b>162,960</b>	<b>94,304</b>	<b>97,951</b>	<b>810,624</b>
Elimination of intercompany revenue	-1,322	-879	-13,896	-28,690	<b>-44,787</b>
<b>Revenue</b>	<b>454,087</b>	<b>162,081</b>	<b>80,408</b>	<b>69,261</b>	<b>765,837</b>
Other income and results from investment property	-	-	48,944	-	<b>48,944</b>
Operating result	-23,505	95,328	83,994	8,479	<b>164,296</b>
Total assets	2,967,345	471,642	2,392,862	1,440,786	<b>7,272,636</b>
		Consumer Products & Services	Real Estate	Alliances & Participations	Total
<b>HY 2018</b>	<b>Aviation</b>				
(in thousands of euros)					
Airport charges	387,774	-	-	32,647	<b>420,421</b>
Concessions	7,508	86,269	484	4,244	<b>98,505</b>
Rent and leases	-	8,767	84,746	2,118	<b>95,631</b>
Parking fees	-	48,979	2,310	9,675	<b>60,964</b>
Other activities	16,372	14,474	1,430	46,052	<b>78,328</b>
<b>Total revenue</b>	<b>411,654</b>	<b>158,489</b>	<b>88,970</b>	<b>94,736</b>	<b>753,849</b>
Elimination of intercompany revenue	-1,016	-703	-12,317	-25,884	<b>-39,920</b>
<b>Revenue</b>	<b>410,638</b>	<b>157,786</b>	<b>76,653</b>	<b>68,852</b>	<b>713,929</b>
Other income and results from investment property	-	-	44,027	-	<b>44,027</b>
Operating result	-31,915	98,686	75,520	7,743	<b>150,034</b>
Total assets	2,693,619	437,381	2,188,465	1,310,710	<b>6,630,175</b>

<b>Aviation</b> (in thousands of euros)	<b>Aviation</b>		<b>Security</b>		<b>Total</b>	
	<b>HY 2019</b>	HY 2018	<b>HY 2019</b>	HY 2018	<b>HY 2019</b>	HY 2018
Airport charges	264,962	238,946	162,579	148,828	<b>427,541</b>	387,774
Concessions	7,598	7,508	-	-	<b>7,598</b>	7,508
Rent and leases	-	-	103	-	<b>103</b>	-
Other activities	16,496	13,466	3,672	2,906	<b>20,168</b>	16,372
<b>Total revenue</b>	<b>289,056</b>	<b>259,920</b>	<b>166,353</b>	<b>151,734</b>	<b>455,409</b>	<b>411,654</b>
Elimination of intercompany revenue	-827	-600	-495	-416	<b>-1,322</b>	-1,016
<b>Revenue</b>	<b>288,229</b>	<b>259,320</b>	<b>165,859</b>	<b>151,318</b>	<b>454,087</b>	<b>410,638</b>
Operating result	-23,513	-16,445	8	-15,470	<b>-23,505</b>	-31,915
Total assets	2,606,936	2,340,794	360,409	352,825	<b>2,967,345</b>	2,693,619

<b>Consumer Products &amp; Services</b> (in thousands of euros)	<b>Concessions</b>		<b>Parking</b>		<b>Other</b>		<b>Total</b>	
	<b>HY 2019</b>	HY 2018	<b>HY 2019</b>	HY 2018	<b>HY 2019</b>	HY 2018	<b>HY 2019</b>	HY 2018
Concessions	83,346	83,184	3,476	3,085	-	-	<b>86,822</b>	86,269
Rent and leases	8,962	8,503	225	264	-	-	<b>9,187</b>	8,767
Parking fees	-	-	50,845	48,979	-	-	<b>50,845</b>	48,979
Other activities	-471	-778	859	692	15,718	14,560	<b>16,106</b>	14,474
<b>Total revenue</b>	<b>91,837</b>	<b>90,909</b>	<b>55,405</b>	<b>53,020</b>	<b>15,718</b>	<b>14,560</b>	<b>162,960</b>	<b>158,489</b>
Elimination of intercompany revenue	-65	-46	-784	-600	-31	-57	<b>-879</b>	-703
<b>Revenue</b>	<b>91,772</b>	<b>90,863</b>	<b>54,622</b>	<b>52,420</b>	<b>15,687</b>	<b>14,503</b>	<b>162,081</b>	<b>157,786</b>
Operating result	65,302	68,594	25,166	25,652	4,860	4,440	<b>95,328</b>	98,686
Total assets	203,204	190,593	247,828	228,731	20,610	18,058	<b>471,642</b>	437,381

### Real Estate

(in thousands of euros)

	Total	
	HY 2019	HY 2018
Concessions	571	484
Rent and leases	88,594	84,746
Parking fees	2,490	2,310
Other activities	2,649	1,430
<b>Total revenue</b>	<b>94,304</b>	<b>88,970</b>
Elimination of intercompany revenue	-13,896	-12,317
<b>Revenue</b>	<b>80,408</b>	<b>76,653</b>
Other income and results from investment property	48,944	44,027
Operating result	83,994	75,520
Total assets	2,392,862	2,188,465

### Alliances & Participations

(in thousands of euros)

	International airports		Domestic airports		Other subsidiaries		Total	
	HY 2019	HY 2018	HY 2019	HY 2018	HY 2019	HY 2018	HY 2019	HY 2018
Airport charges	-	-	31,576	32,647	-	-	31,576	32,647
Concessions	-	-	5,164	4,244	-	-	5,164	4,244
Rent and leases	-	-	2,191	2,118	-	-	2,191	2,118
Parking fees	-	-	10,278	9,675	-	-	10,278	9,675
Other activities	5,768	4,795	2,644	2,992	40,329 <sup>1</sup>	38,265	48,741	46,052
<b>Total revenue</b>	<b>5,768</b>	<b>4,795</b>	<b>51,854</b>	<b>51,676</b>	<b>40,329</b>	<b>38,265</b>	<b>97,951</b>	<b>94,736</b>
Elimination of intercompany revenue	-2	-2	-714	-563	-27,974	-25,319	-28,690	-25,884
<b>Revenue</b>	<b>5,765</b>	<b>4,793</b>	<b>51,140</b>	<b>51,113</b>	<b>12,355</b>	<b>12,946</b>	<b>69,261</b>	<b>68,852</b>
Operating result	3,034	2,996	4,390	4,956	1,055	-209	8,479	7,743
Total assets	1,052,050	977,998	308,030	274,987	80,707	57,725	1,440,786	1,310,710

1) The other activities includes revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

## Assets used for operating activities

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
<b>Carrying amount as at 1 January 2018</b>	<b>382,792</b>	<b>482,584</b>	<b>1,034,466</b>	<b>799,104</b>	<b>165,401</b>	<b>2,864,347</b>
<b>Movements first half year 2018</b>						
Completions	9,943	16,050	19,649	41,125	8,779	<b>95,546</b>
Depreciation	-14,536	-7,664	-30,837	-55,334	-18,569	<b>-126,940</b>
Disposals	-	-	-	-31	-8	<b>-39</b>
Reclassifications	-531	4,288	1,885	-	-	<b>5,642</b>
<b>Total movements</b>	<b>-5,124</b>	<b>12,674</b>	<b>-9,303</b>	<b>-14,240</b>	<b>-9,798</b>	<b>-25,791</b>
<b>Carrying amount as at 30 June 2018</b>	<b>377,668</b>	<b>495,258</b>	<b>1,025,163</b>	<b>784,864</b>	<b>155,603</b>	<b>2,838,556</b>
<b>Movements second half year 2018</b>						
Completions	31,108	4,977	36,730	35,925	31,801	<b>140,540</b>
Depreciation	-14,318	-5,495	-29,621	-52,521	-20,909	<b>-122,864</b>
Disposals	-	2	-65	-166	-407	<b>-636</b>
Reclassifications	-	-	-	-	55	<b>55</b>
<b>Total movements</b>	<b>16,790</b>	<b>-517</b>	<b>7,044</b>	<b>-16,762</b>	<b>10,540</b>	<b>17,096</b>
<b>Carrying amount as at 31 December 2018</b>	<b>394,457</b>	<b>494,743</b>	<b>1,032,209</b>	<b>768,102</b>	<b>166,142</b>	<b>2,855,652</b>
IFRS 16 adjustment	-	-	3,638	-	1,903	<b>5,541</b>
<b>Carrying amount as at 1 January 2019</b>	<b>394,457</b>	<b>494,743</b>	<b>1,035,847</b>	<b>768,102</b>	<b>168,045</b>	<b>2,861,193</b>
<b>Movements first half year 2019</b>						
Completions	8,045	7,362	30,766	98,109	16,345	<b>160,627</b>
Depreciation	-14,676	-6,754	-30,335	-53,169	-19,861	<b>-124,795</b>
Disposals	-	-	-76	-	-	<b>-76</b>
Reclassifications	5	-3,366	-6,507	58	-6,348	<b>-16,159</b>
Other	-	-	-	-	1,362	<b>1,362</b>
<b>Total movements</b>	<b>-6,626</b>	<b>-2,758</b>	<b>-6,152</b>	<b>44,998</b>	<b>-8,502</b>	<b>20,959</b>
<b>Carrying amount as at 30 June 2019</b>	<b>387,831</b>	<b>491,985</b>	<b>1,029,695</b>	<b>813,100</b>	<b>159,543</b>	<b>2,882,152</b>

**Assets under construction or development**

(in thousands of euros)

**Assets under construction  
for operating activities**

<b>Carrying amount as at 1 January 2018</b>	<b>418,130</b>
<b>Movements first half year 2018</b>	
Capital expenditure	196,384
Construction period borrowing cost capitalised	1,024
Completed assets	-95,534
<b>Total movements</b>	<b>101,874</b>
<b>Carrying amount as at 30 June 2018</b>	<b>520,004</b>
<b>Movements second half year 2018</b>	
Capital expenditure	320,440
Construction period borrowing cost capitalised	2,212
Completed assets	-140,552
Reclassifications	-2,094
Other	33
<b>Total movements</b>	<b>180,039</b>
<b>Carrying amount as at 31 December 2018</b>	<b>700,043</b>
<b>Movements first half year 2019</b>	
Capital expenditure	286,974
Construction period borrowing cost capitalised	3,069
Completed assets	-158,980
Reclassifications	54,640
<b>Total movements</b>	<b>185,703</b>
<b>Carrying amount as at 30 June 2019</b>	<b>885,746</b>

## Investment property

(in thousands of euros)	Buildings	Sites	Assets under construction	Total
<b>Carrying amount as at 1 January 2018</b>	<b>1,009,121</b>	<b>400,886</b>	<b>93,737</b>	<b>1,503,744</b>
<b>Movements first half year 2018</b>				
Capital expenditure	-	-	25,174	<b>25,174</b>
Construction period borrowing cost capitalised	-	-	128	<b>128</b>
Completions	4,211	220	-4,443	<b>-12</b>
Fair value gains and losses	41,495	2,520	12	<b>44,027</b>
Reclassifications	3,065	-3,347	-5,360	<b>-5,642</b>
<b>Total movements</b>	<b>48,771</b>	<b>-607</b>	<b>15,511</b>	<b>63,675</b>
<b>Carrying amount as at 30 June 2018</b>	<b>1,057,892</b>	<b>400,279</b>	<b>109,248</b>	<b>1,567,419</b>
<b>Movements second half year 2018</b>				
Capital expenditure	-	-	8,603	<b>8,603</b>
Construction period borrowing cost capitalised	-	-	329	<b>329</b>
Completions	10,651	5,111	-15,750	<b>12</b>
Fair value gains and losses	22,894	35,009	3,654	<b>61,556</b>
Impairments	-	-	-1,000	<b>-1,000</b>
Impairment reversal	-	-	3,300	<b>3,300</b>
Reclassifications	6,176	-4,295	158	<b>2,039</b>
Other	-	-	27	<b>27</b>
<b>Total movements</b>	<b>39,720</b>	<b>35,825</b>	<b>-679</b>	<b>74,866</b>
<b>Carrying amount as at 31 December 2018</b>	<b>1,097,612</b>	<b>436,104</b>	<b>108,569</b>	<b>1,642,285</b>
<b>Movements first half year 2019</b>				
Capital expenditure	-	-	24,049	<b>24,049</b>
Construction period borrowing cost capitalised	-	-	192	<b>192</b>
Completions	11,632	-	-12,124	<b>-492</b>
Fair value gains and losses	32,665	11,054	4,414	<b>48,133</b>
Reclassifications	-40,197	1,713	-	<b>-38,484</b>
<b>Total movements</b>	<b>4,100</b>	<b>12,767</b>	<b>16,531</b>	<b>33,398</b>
<b>Carrying amount as at 30 June 2019</b>	<b>1,101,712</b>	<b>448,871</b>	<b>125,100</b>	<b>1,675,683</b>

### **Events after the balance sheet date**

In July 2019 we issued a private placement, under our EMTN programme, of AUD 100 million in order to finance the acquisition of shares in Brisbane Airport.

Schiphol, 29 August 2019

For the 2019 interim financial statements:

#### *Management Board*

D.A. Benschop, President and CEO  
A. van den Berg, Chief Commercial Officer  
J.T.M. van der Meijs, Chief Financial Officer  
B.I. Otto, Chief Operations Officer

#### *Supervisory Board*

L.J. Gunning-Schepers, Chair  
J.G. Wijn, Vice-Chair  
E. Arkwright  
S.G. Brummelhuis  
D. Collier  
R.J. van de Kraats  
A.B.M. Olsson

## **Review report**

To: the Supervisory Board and Management Board of Royal Schiphol Group N.V.

### *Introduction*

We have reviewed the 2019 condensed consolidated interim financial statements as set out on page 12 to 31 of the Interim result Report of Royal Schiphol Group N.V., Schiphol, which comprises the consolidated statement of financial position as at 30 June 2019, the condensed consolidated statement of income, the consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, and the consolidated statement of cash flows for the first half of 2019, and the notes, comprising a summary of the significant accounting policies and other explanatory information.

The Management Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope*

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 2019 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The Hague, 29 August 2019

KPMG Accountants N.V.

R.R.J. Smeets RA