Schiphol Group: Net result down 40.8% to EUR 187 million

Expected significant decline in traffic and worsening competitive position necessitate sharpened strategic focus in 2009

Press Release

Amsterdam Airport Schiphol, 19 February 2009

- Net result attributable to shareholders (including fair value gains on property) down 40.8% to EUR 187 million (2007: EUR 316 million)
- Net result, excluding fair value gains on property, down 25.8% to EUR 173 million (2007: EUR 233 million)
- Revenue up 0.7% at EUR 1,154 million (2007: EUR 1,146 million)
- Operating result down 29.9% to EUR 294 million (2007: EUR 420 million)
- EBITDA down 21.5% to EUR 466 million (2007: EUR 594 million)
- Proposed dividend of EUR 371 per share (2007: EUR 543)

Main activities:

- Capital expenditure declined to EUR 350 million (2007: EUR 375 million)
- Agreement on the expansion of Amsterdam Airport Schiphol up to 2020
- Link-up with Aéroports de Paris to form important airport alliance
- Passenger numbers at Amsterdam Airport Schiphol, Rotterdam Airport and Eindhoven Airport dropped by 0.7% to 50.1 million, of which Amsterdam Airport Schiphol accounted for 47.4 million (-0.8%)
- Operating result of Aviation business area was 46.4% lower, mainly due to higher costs and settlement of airport charges for the financial years 2005 and 2006
- Operating result of Consumers business area dropped by 4.0% due to higher costs and a fall in revenues from retail sales and concession fees
- Operating result of Real Estate business area fell by 45.8% owing to declining value of existing property portfolio and despite higher rental incomes

A word from CEO Jos Nijhuis:
"We are moderately pleased with the results achieved in 2008. The outlook for 2009, however, is bleak. We expect passenger numbers and air transport movements to decline by 6% to 10% respectively and cargo transport to drop by 15%. These developments, combined with a number of other factors, such as the introduction of the Air Passenger Tax, have led us to adapt our strategy in order to place more emphasis on our public function: managing, maintaining and expanding an unique and essential infrastructure. A financially sound and entreprising business is a prerequisit for this undertaking."

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This press release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Schiphol Group and certain of its plans and objectives with respect to these items. 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 Schiphol Group and should therefore not be considered in isolation.

This press release is based on the financial statements prepared by the Board of Management and concerns part of the financial statements. The complete financial statements will be put before the General Meeting of Shareholders for adoption on 16 April 2009. It follows that the publication of the company's accounts required by law has not yet occurred. The auditors have issued an unqualified report on the financial statements as prepared.

Key figures

EUR million unless stated otherwise	2008	2007	+/-
Results			
Revenue	**1,154**	1,146	0.7%
Result on sale of investment property	**2**	3	-11.7%
Fair value gains and losses on property	**19**	112	-82.9%
Operating expenses	**881**	841	4.8%
Operating result	**294**	420	-29.9%
Result before tax	**251**	395	-36.6%
Net result excluding fair value gains on investment property	**173**	233	-25.8%
Result attributable to shareholders (net result)	**187**	316	-40.8%
Depreciation, amortisation and impairment	**172**	175	-1.4%
EBITDA [1)]	**466**	594	-21.5%
Investments in fixed assets	**350**	375	-6.7%
Cash flow from operating activities	**421**	313	34.2%
Ratios			
RONA after tax [2)]	**5.60%**	9.20%	
Return on equity (ROE) [3)]	**6.40%**	11.10%	
Leverage [4)]	**38.60%**	23.50%	
FFO / total debt [5)]	**19.30%**	34.30%	
FFO interest coverage ratio [6)]	**6,5x**	7,7 x	
Earnings per share [7)]	**1,083**	1,844	-41.2%
Business volume (in numbers)			
Air transport movements [8)]	**457,074**	465,686	-1.8%
Passenger movements (x 1,000) [8)]	**50,073**	50,432	-0.7%
Cargo (x 1,000 tonnes) [8)]	**1,568**	1,610	-2.6%
Average effective workforce in full-time equivalents	**2,506**	2,459	1.9%

[1)] EBITDA: operating result plus depreciation, amortisation and impairment
[2)] RONA after tax: operating result after tax plus share in results of associates and interest income / (average non-current assets minus deferred tax assets)
[3)] ROE: net result attributable to shareholders / average total equity
[4)] Leverage: interest-bearing debt / (total equity + interest-bearing debt)
[5)] Funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt
[6)] Funds from operations plus gross interest expense / gross interest expense
[7)] Based on net result attributable to shareholders. The net result is adjusted to establish the dividend per share
[8)] Schiphol Group: Amsterdam Airport Schiphol, Rotterdam Airport and Eindhoven Airport

Revenue

Revenue reported by Schiphol Group in 2008 amounted to EUR 1,154 million, representing an increase of 0.7% compared with the 2007 figure of EUR 1,146 million.

Aviation, with EUR 640 million (2007: EUR 650 million), represented the largest contribution to revenue. However, with a decrease of 1.6% (compared with a 3.1% growth in 2007) Aviation lagged behind the non-aviation business areas, which saw revenue growth. In addition to a 0.8% decline in numbers of passengers travelling via Amsterdam Airport Schiphol and a fall in air transport movements of 1.8%, this drop in Aviation is mainly due to the obligation to settle airport charges for the financial years 2005 and 2006. On the positive side there were extra revenues from the increase in Aviation charges on 1 November 2008 and from the introduction of the PRM (People with Reduced Mobility) charge.

At EUR 302 million, Consumers revenue barely changed compared with 2007 (EUR 301 million). A slight fall in revenues from concession fees and retail sales was compensated by a small rise in parking revenues. Revenues of the Real Estate business area increased by 8.7% (14% in 2007) to EUR 135 million, due in part to additional rental revenues generated by buildings purchased or completed in 2007 and 2008. Revenues of Alliances & Participations increased by 8.7% to EUR 77 million (2007: EUR 71 million).

Operating expenses

Operating expenses rose by 4.8% (EUR 40 million), from EUR 841 million in 2007 to EUR 881 million in 2008. The increase is largely attributable to:

- EUR 17 million rise in security costs at Amsterdam Airport Schiphol million owing to additional security measures and increased rates for hiring external security personnel.
- A rise in maintenance costs (EUR 8 million), hiring external personnel (EUR 5 million), energy and water (EUR 3 million) and other expenses (EUR 5 million), which were partially compensated by lower external consultancy costs (EUR 7 million);
- A rise in personnel costs of EUR 14 million, in part due to an increase in the number of FTEs (EUR 3.2 million), an overall salary increase of 2.75% effective 1 April 2008 (EUR 3.5 million) and the release in 2007 of the healthcare costs provision for retired members for an amount of EUR 6.5 million;
- A drop of EUR 4 million in the costs of impairments due to the fact that EUR 3.9 million was written down on the investment in Villa Carmen at Malpensa Airport, Italy in 2007.

Operating result and net result

The operating result for 2008 amounted to EUR 294 million (EUR 420 million in 2007); a drop of 29.9% compared with the previous year. EUR 93 million of this fall was the result of lower fair value gains on investment property, which amounted to EUR 19 million in 2008 compared with EUR 112 million in 2007.

The net result dropped by 25.8% to EUR 173 million (EUR 233 million in 2007) if the effect of fair value gains on our investment property is not included. If this effect is taken into account, our net result fell by 40.8% to EUR 187 million (EUR 316 million in 2007).

The return on equity (ROE) amounted to 6.4% (11.1% in 2007). If the changes in the value of investment property are not included, the ROE for 2008 amounts to 5.9% (8.2% in 2007).

Aviation business area

The Aviation business area operates at Amsterdam Airport Schiphol. Aviation provides services and facilities to airlines, passengers and handling agents. The Netherlands Competition Authority (NMa) regulates the charges levied.
Sources of revenue include airport charges (aircraft, passenger and security charges) and concession fees (paid by oil companies for the right to provide aircraft refuelling services). In 2008, the business area accounted for 55% of Schiphol Group's revenues and 17% of the operating result.

EUR million	**2008**	2007	+/-
Revenue	**640**	650	-1.6%
Operating expenses	**589**	555	6.0%
EBITDA	**170**	216	-21.4%
Operating result	**51**	95	-46.4%
Investments in fixed assets	**216**	208	3.8%
RONA after tax	**2.0%**	3.9%	

Amsterdam Airport Schiphol was able to maintain its position as Europe's fifth-largest passenger airport in 2008, despite a decrease in passenger numbers of 0.8%. Likewise, Amsterdam Airport Schiphol was able to maintain its position as Europe's third-largest cargo airport, despite a decrease of 2.6% in cargo volumes. The number of air transport movements decreased by 1.8%. The average takeoff weight per air transport movement increased by 1.2%, from 98.7 to 99.9 tonnes.

Revenues generated by the business area were down 1.6% at EUR 640 million. The most important reasons for this drop were the 8.7% reduction in airport charges imposed by the NMa on 1 November 2007 and the volume changes mentioned above. Security costs increased by EUR 17 million and now account for 25.1% of Schiphol Group's overall cost base (2007: 24.2%). This increase is the result of higher costs for additional security measures and increased rates for hiring external security personnel. Total operating expenses rose by 6%, leading to a fall in the operating result of 46.4% and a drop in the return generated (RONA after tax) to 2%.

The business area saw costs per Work Load Unit (WLU), an efficiency measure, increase by 7.4% to EUR 9.33 in 2008 (2007: EUR 8.69). WLU-related security and other costs increased while depreciation decreased slightly. One WLU is equal to 1 passenger or 100 kilograms of cargo.

In 2008, the Aviation business area invested EUR 216 million at the Schiphol location, in the 70 MB baggage programme (EUR 91 million), security (EUR 39 million) and baggage screening (EUR 22 million), among others.

An agreement was reached in the Alders Platform, the consultative body for the aviation sector and regional partners chaired by Hans Alders, on the selective growth of Amsterdam Airport Schiphol to 580,000 air transport movements in 2020, of which 70,000 are to be routed via Eindhoven Airport and Lelystad Airport.

Consumers business area

The activities of the Consumers business area encompass operation of shops and car parks, the granting and management of concessions for shops and food service outlets, and the marketing of advertising opportunities at Amsterdam Airport Schiphol. The Consumers business area also has activities outside the Netherlands, including the operation of retail outlets via management contracts.
Sources of revenue include retail sales, car parking charges, concession fees, advertising and management fees. In 2008, the business area accounted for 26% of Schiphol Group's revenues and 47% of the operating result.

EUR million	**2008**	2007	+/-
Revenue	**302**	301	0.1%
Operating expenses	**164**	157	4.5%
EBITDA	**163**	166	-1.8%
Operating result	**138**	144	-4.0%
Investments in fixed assets	**22**	48	-54.5%
RONA after tax	**41.7%**	45.9%	

The Consumers business area revenue rose by 0.1% in 2008 to EUR 302 million. Concession fee revenues formed the largest element of this revenue, followed by car parking charges and liquor and tobacco retail sales in the See Buy Fly area. Revenues from concession fees and retail sales decreased by 0.5% to EUR 112.3 million and by 0.4% to EUR 64.2 million respectively. Revenues from parking charges rose by 2.2% to EUR 81.6 million. Advertising and media revenues increased by 12.7% to EUR 17.4 million, while revenues from other activities fell by 3.4% to EUR 12.8 million.
The drop in revenue from concession fees is due, on the one hand, to the 0.8% decline in passenger numbers and, on the other, to the unfavourable rate of the US dollar and the British pound relative to the euro.
The rise in revenues from parking charges was mainly due to increased rates. However, 2008 also saw more business travellers using the Schiphol Valet Parking service and more long-term parkers using the Schiphol Smart Parking service. Schiphol Smart Parking allows customers to pre-book parking spaces in P3 via the Internet at reduced rates. In 2008, 155,000 travellers (2007: 125,000) used this service, accounting for nearly 50% of all users of this (long-stay) car park.

Total concession-fee revenues per departing international passenger fell from EUR 5.41 to EUR 5.32. Parking revenues per departing Dutch passenger decreased by 0.8% to EUR 8.57 (2007: EUR 8.63).

Capital expenditure by the Consumers business area in 2008 totalled EUR 22 million. A portion of this amount (EUR 4.2 million) was used to complete renovation work on Schiphol Plaza, the landside shopping centre. There was additional capital expenditure in the Privium ClubLounge, a special lounge for Privium members. Schiphol's Privium loyalty scheme had 46,464 members at the end of 2008, representing a rise of 10.4% compared with the previous year.

Real Estate business area

The Real Estate business area develops, manages, operates and invests in property at and around airports at home and abroad. The greater part of the portfolio, comprising both airport buildings and commercial properties, is located at and around Amsterdam Airport Schiphol.
Sources of revenue include income from the development and lease of land and buildings. The business area also makes a significant contribution to Schiphol Group results via other property results (result on sales, fair value gains or losses on property and the lease of land). In 2008, the business area accounted for 12% of Schiphol Group's revenues and 32% of its operating result.

EUR million	**2008**	2007	+/-
Revenue	**135**	124	8.7%
Result on sale of investment property	**2**	3	-11.7%
Fair value gains on property	**19**	112	-82.8%
Operating expenses	**64**	68	-5.8%
EBITDA	**111**	192	-42.4%
Operating result	**93**	171	-45.8%
Investments in fixed assets	**93**	109	-14.7%
RONA after tax	**4.9%**	10.0%	

As a consequence of the worldwide financial and economic crisis, the value of our existing property portfolio fell by 3.8% in 2008. Through higher rental incomes, the completion of the second phase of The Outlook office building and the lease of land to the Government Buildings Department (*Rijksgebouwendienst*), the fair value of all our property investments still rose by EUR 19 million in 2008 (EUR 112 million in 2007). Operating result of the business area, however,dropped EUR 78 million. Not including the fair value gains or losses on property and the yields of property sales, the operating result in 2008 amounted to EUR 72 million (EUR 56 million in 2007). This was mainly due to higher rental income from newly completed buildings and buildings purchased , a higher overall occupancy level and an increased stake in the ACRE Fund from 50% to 60.25%.

The sale of an office building in MXP Business Park, Malpensa, Italy in 2008 generated a result of EUR 2 million.

In 2008, the size of the property portfolio increased by 6.2% to 526,166 m^2. The occupancy level of the portfolio rose from 88.1% to 91.4%.

In 2008, the Real Estate business area invested EUR 93 million as follows: EUR 13 million in the second phase of the multi-tenant office building The Outlook at Schiphol-Centre, EUR 18 million in the development of cargo building 18 for Panalpina at Schiphol-Southeast, EUR 12 million in property projects at Malpensa airport in Italy and EUR 15 million in land purchases.

Alliances & Participations business area

One of the tasks of the Alliances & Participations business area is to roll out the AirportCity formula internationally. This business area includes Schiphol Group's interests in the domestic airports, interests in airports abroad, other investments and Utilities.
Sources of revenue mainly include airport charges and parking fees. The foreign airports contribute to the group result through performance fees and dividends recognised as income from investments, interest income on loans and through intellectual property fees. The Utility activities generate revenue from the transport of electricity and gas and from the supply of water. In 2008, the business area accounted for 7% of Schiphol Group's revenues and 4% of the operating result. The Equity method accounting means that changes in the current value of the investments are not reflected in the results.

EUR million	**2008**	2007	+/-
Revenu	**77**	71	8.7%
Fair value gains on property	**-0.2**	-0.4	-48.7%
Operating expenses	**65**	61	6.2%
EBITDA	**23**	20	13.6%
Operating result	**12**	10	28.0%
Investments in fixed assets	**19**	10	84.0%
RONA after tax	**4.1%**	9.8%	

The operating result reported by the Alliances & Participations business area rose by EUR 2 million in 2008. The share in results, interest income and results on other financial interests dropped from EUR 13.8 million in 2007 to EUR 11.4 million in 2008. These results are not included in the operating result. The largest portion is generated by the Brisbane and JFK New York airports.

Domestic airports
The operating result of Rotterdam Airport fell by 45.6% to EUR 2.2 million, caused by a decrease in net revenue of EUR 0.2 million and a rise in operating expenses of EUR 1.6. The number of passengers using Rotterdam Airport fell by 7.3% to 1,013,671.
The operating result of Eindhoven Airport rose by 32.8% to EUR 4.5 million due to a 45.6% increase in income from airport charges. Passenger numbers increased by 5.6% to 1.63 million.

Airports in other countries
In 2008 Schiphol Group entered into a strategic partnership with Aéroports de Paris that will deliver important benefits for all our business areas and customers and will boost the competitive position of Amsterdam Airport Schiphol. As part of this partnership, both parties have taken an 8% stake in each other.
In 2008 we received EUR 7.8 million as our share in the results and as interest income from our associate Brisbane Airport Corporation Holdings, in which Schiphol Australia expanded its interest from 15.6% to 18.7%. A further EUR 1.8 million was received in respect of intellectual property. The total of EUR 9.6 million excludes the increase in the fair value of our interest in Brisbane. The number of passengers using Brisbane Airport rose by 4.2% in 2008, from 18.0 million to 18.8 million.
JFK IAT, in which Schiphol USA has an interest of 40%, saw the number of passengers using Terminal 4 at New York's JFK Airport rise from 8.9 million to 9.3 million, an increase of 4%. The base fee and the performance fee together amounted to EUR 2.4 million (EUR 2.0 million in 2007) for our share in the result of this associate.
Taking cost allocations into account, the foreign airports contributed a net amount of EUR 10.9 million to the pre-tax result (2007: EUR 13.5 million).

Other investments
The operating result for Utilities rose to EUR 4.5 million (2007: EUR 3.2 million) in 2008. The operating result for Schiphol Telematics rose to EUR 6.2 million (2007: EUR 4.4 million), while Dartagnan booked a negative operating result of EUR -0.5 million (2007: EUR -0.4 million).

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Cash flow development, investments and finance

The cash flow from operating activities rose from EUR 313 million in 2007 to EUR 421 million in 2008. The main reason for this was the payment of additional corporate income tax of EUR 74 million in 2007 (of a total of EUR 125 million in 2007 compared with EUR 51 million in 2008).
With investments in fixed assets of EUR 350 million, the acquisition of an 8% stake in Aéroport de Paris S.A. valued at EUR 538 million and an increased stake in both Airport Real Estate Basisfonds CV (ACRE Fund) and Brisbane Airport Corporation Holdings Ltd, together EUR 46 million, the cash flow from investment activities reached EUR 935 million (EUR 364 million in 2007).
The net cash flow from operating and investment activities – the so-called free cash flow – amounted to EUR 514 million negative in 2008 compared to EUR 50 million negative in 2007.

The 2008 cash flow from financing activities included long-term loans of EUR 938 million and income from share capital issued in connection with the 8% stake by Aéroport de Paris SA in NV Luchthaven Schiphol of EUR 370 million. In 2008 a regular dividend of EUR 93 million and a super dividend of EUR 500 million were paid. Loan repayments and lease liabilities totalled EUR 105 million. Total cash flows from financing activities amounted to EUR 610 million positive compared with EUR 107 million negative in 2007. The net amount of cash balances and current bank overdrafts rose by EUR 95 million, from EUR 142 million in 2007 to EUR 237 million in 2008.

Investments in fixed assets during the year under review amounted to EUR 350 million, compared with EUR 375 million in 2007.

The total amount of outstanding loans and lease liabilities as at year-end 2008 was EUR 1,817 million, which is double the EUR 907 million as at year-end 2007. In 2008, new loans totalling EUR 938 million (after deduction of costs) were contracted. Of this amount, EUR 917 million was attracted under the Euro Medium Term Note (EMTN) programme. The remaining amount was contracted by Airport Real Estate Basisfonds CV (ACRE Fund), Avioport SpA and Villa Carmen BV. EUR 48 million of the increase in outstanding loans and lease liabilities is the result of translation differences, while EUR 18 million of the increase is due to our expanded interest in the Airport Real Estate Basisfonds CV (ACRE Fund), which rose from 50% to 60.25%. In 2008, loans were repaid either partly or in full to an amount of EUR 91 million and lease liabilities were reduced by EUR 3 million.

In accordance with our financing policy we aim to reduce the refinancing risk. The remaining terms to maturity of the loans issued under the EMTN programme range from 0 to 30 years.

The average interest expense fell from 5.5% in 2007 to 5.3% in 2008.

Dividend proposal

In 2006, it was agreed with the shareholders that the dividend should be 40% (this had been 30% since 2003) of the net result (attributable to shareholders), excluding the fair value gains on investment property after tax. The result of EUR 187 million yields per-share earnings of EUR 1,083 (2007: EUR 1,844). The adjusted net result for the purposes of the dividend calculation is EUR 173 million and the proposal is to declare a total dividend of EUR 69,072,000 (2007: EUR 93,036,000), which represents EUR 371 (2007: EUR 543) per share.
In 2008, a super dividend of EUR 500 million was paid to shareholders. The Management Board will not propose the payment of a second super dividend, as the prerequisite conditions agreed upon with the shareholders for a second super dividend have not been met.

Prospects

The Management Board expects a drop in passenger numbers and air transport movements at Amsterdam Airport Schiphol of between 6% and 10% in 2009, as a result of the worldwide financial and economic crisis and the introduction of the Air Passenger Tax in 2008. Likewise, it expects cargo transport to fall by approximately 15%

Schiphol Group's capital expenditure in 2009 will be around EUR 285 million, approximately half of which will concern aviation facilities at Amsterdam Airport Schiphol. As a result of these additional investments, Schiphol Group will require additional financing in 2009, most of which has already been realised by debt financing in the capital market. The sharp increase in the group's debt position in 2008 and the further increase in 2009 will contribute to the increase in financing charges in 2009.

Staff numbers are expected to decline as at year-end 2009 relative to year-end 2008 as a result of the reorganisation announced in January 2009. The reorganisation is expected to result in a decrease in the number of staff of Schiphol Nederland BV by 10% to 25% by year-end 2010.

The Management Board expects that the net result for 2009 will be at least 50% lower than the 2008 net result, due to the lower demand for air transport and decreasing income from the non-aviation activities.

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Annual Report 2008
From mid-March, the Annual Report 2008 can be viewed and downloaded from the corporate website www.schipholgroup.nl

Press information:
Press conference at 09:30:00 CET

Appended are the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Cash Flow Statement for 2008

Consolidated profit and loss account for 2008

(in thousands of euros)	2008	2007
Revenue	**1,153,951**	**1,146,219**
Sales of property	**10,330**	8,942
Cost of sales of property	**7,849**	6,132
Result on sales of property	**2,481**	**2,810**
Fair value gains and losses on property	**19,056**	111,673
Other income, from property	**21,537**	**114,483**
Costs of outsourced work and other external charges	**515,236**	486,511
Employee benefits	**182,393**	167,960
Depreciation and amortisation	**172,022**	170,763
Impairment	**298**	3,935
Other operating expenses	**11,398**	11,846
Total operating expenses	**– 881,347**	**– 841,015**
Operating result	**294,141**	**419,687**
Financial income and expenses	**– 53,682**	– 35,413
Share in results of associates	**10,187**	10,896
Result before tax	**250,646**	**395,170**
Corporate income tax	**– 63,768**	– 79,146
Result	**186,878**	**316,024**
Attributable to:		
Minority interests	**2**	**238**
Shareholders (net result)	**186,876**	**315,786**
Earnings per share (in euros)	**1,083**	1,844
Diluted earnings per share (in euros)	**1,083**	1,844

Consolidated Balance Sheet

Assets (in thousands of euros)	**31 December 2008**	**31 December 2007**
Non-current assets		
Intangible assets	**46,995**	41,722
Assets used for operating activities	**2,092,957**	2,085,464
Assets under construction or development	**677,963**	537,079
Investment property	**988,324**	911,361
Deferred tax	**210,376**	234,267
Investments in associates	**615,193**	46,626
Loans to associates	**46,053**	46,180
Other financial interests	**6,668**	16,590
Lease receivables	**7,489**	9,230
Other loans	**3,994**	3,400
Derivative financial instruments	**42,290**	1,071
Other non-current receivables	**15,628**	12,131
	4,753,930	**3,945,121**
Current assets		
Lease receivables	**1,741**	1,540
Other loans	**105**	41
Assets held for sale	**15,851**	15,851
Derivative financial instruments	**7,155**	-
Trade and other receivables	**232,127**	182,827
Cash and cash equivalents	**398,429**	141,786
	655,408	**342,045**
	5,409,338	**4,287,166**

Equity and liabilities (in thousands of euros)	**31 December 2008**	**31 December 2007**
Share capital and reserves attributable to shareholders		
Issued share capital	**84,511**	77,712
Share premium	**362,811**	-
Retained profits	**2,442,372**	2,848,570
Other reserves	**– 21,404**	11,667
	2,868,290	**2,937,949**
Minority interests	**18,305**	18,644
Total equity	**2,886,595**	**2,956,593**
Non-current liabilities		
Borrowings	**1,528,512**	699,270
Lease liabilities	**117,454**	121,465
Employee benefits	**40,474**	43,794
Other provisions	**10,000**	10,000
Derivative financial instruments	**3,546**	15,558
Other non-current liabilities	**97,978**	78,186
	1,797,964	**968,273**
Current liabilities		
Borrowings	**167,431**	83,103
Lease liabilities	**4,110**	3,463
Derivative financial instruments	**7,474**	129
Corporate income tax	**8,655**	8,617
Trade and other payables	**537,109**	266,988
	724,779	**362,300**
	5,409,338	**4,287,166**

Consolidated Statement of Changes in Shareholders' Equity

(in thousands of euros)	Attributable to shareholders				Minority interests	Total
	Issued share capital	Share Premium	Retained profits	Other reserves		
Balance as at 31 December 2006	**77,712**	**-**	**2,611,841**	**14,322**	**18,489**	**2,722,364**
Translation differences	-	-	-	499	-	**499**
Changes in fair value on hedge transactions	-	-	-	– 4,120	28	**– 4,092**
Changes in fair value on other financial interests	-	-	-	966	-	**966**
Changes recognised directly in equity	-	-	-	– 2,655	28	**– 2,627**
Result	-	-	315,786	-	238	**316,024**
Sum of the result and changes recognised directly in equity	-	-	315,786	– 2,655	266	**313,397**
Dividend paid	-	-	– 79,057	-	– 111	**– 79,168**
Balance as at 31 December 2007	**77,712**	**-**	**2,848,570**	**11,667**	**18,644**	**2,956,593**
Translation differences	-	-	-	– 969	-	**– 969**
Changes in fair value on hedge transactions	-	-	-	– 22,180	– 230	**– 22,410**
Changes in fair value on other financial interests	-	-	-	– 9,922	-	**– 9,922**
Changes recognised directly in equity	-	-	-	– 33,071	– 230	**– 33,301**
Result	-	-	186,876	-	2	**186,878**
Sum of the result and changes recognised directly in equity	-	-	186,876	– 33,071	– 228	**153,577**
Issue shares	6,761	362,811	-	-	-	**369,572**
Dividend paid	-	-	– 593,036	-	– 111	**– 593,147**
Other movements	38	-	– 38	-	-	**-**
Balance as at 31 December 2008	**84,511**	**362,811**	**2,442,372**	**– 21,404**	**18,305**	**2,886,595**

Consolidated Cash Flow Statement for 2008

(in thousands of euros)	2008	2007
Cash flow from operating activities:		
Cash flow from operations	**503,805**	**462,677**
Corporate income tax paid	**– 51,249**	– 125,260
Interest paid	**– 53,705**	– 46,227
Interest received	**14,029**	11,923
Dividend received	**7,849**	10,357
	– 83,076	**– 149,207**
Cash flow from operating activities	**420,729**	**313,470**
Cash flow from investing activities:		
Investment in intangible assets	**– 18,309**	– 10,613
Investment in property, plant and equipment	**– 331,543**	– 339,452
Proceeds from disposals of investment property	**10,330**	8,942
Proceeds from disposals of property, plant and equipment	**70**	259
Acquisitions	**– 584,006**	– 25,203
Contributions of share capital to associates	**– 532**	– 343
New loans to associates	**– 7,809**	-
New other loans	**– 444**	-
Repayment on other loans	**26**	-
New long leases purchased	**– 5,214**	-
Finance lease instalments received	**2,922**	2,860
Cash flow from investing activities	**– 934,509**	**– 363,550**
Free cash flow	**– 513,780**	**– 50,080**
Cash flow from financing activities:		
New borrowings	**937,734**	135,094
Repayment of borrowings	**– 91,287**	– 120,737
Settlement derivative financial instruments	**-**	– 37,104
Issue shares	**369,572**	-
Dividend paid	**– 593,147**	– 79,168
New long leases purchased	**-**	7,940
Finance lease instalments paid	**– 13,216**	– 13,357
Cash flow from financing activities	**609,656**	**– 107,332**
Net cash flow	**95,876**	**– 157,412**
Opening balance of cash and cash equivalents	**141,704**	299,255
Net cash flow	**95,876**	– 157,412
Exchange differences	**– 397**	– 139
Closing balance of cash and cash equivalents	**237,183**	**141,704**

(in thousands of euros)	2008	2007
Cash and cash equivalents	**398,429**	141,786
Bank overdrafts	**– 161,246**	– 82
	237,183	**141,704**