

## Substantial investments in response to rapid growth

### Forward-looking framework of agreements required for growth beyond 2020

Schiphol, 17 February 2017

Today, Royal Schiphol Group presents its results for 2016, which are characterised by a significant increase in passenger numbers and the associated operational measures required to facilitate this substantial growth. Revenue increased by 0.8% to 1,435 million euros. The effect of the 11.6% fall in airport charges at Amsterdam Airport Schiphol effective 1 April 2016 was largely offset by the rise in passenger numbers (+9.2%). The net result is 306 million euros (2015: 374 million euros). Last year the result was positively influenced by the revenue of 50 million euros from the sale of a stake in Schiphol Airport Retail. As in the previous year, market developments in the real estate sector were positive, leading to a 71 million euro increase in the value of the real estate portfolio (2015: 67 million euros). In addition, the result includes an amount of approximately 52 million euros that will be settled in the airport charges in 2018 (2015: 55 million euros).

Jos Nijhuis, President and CEO of Royal Schiphol Group: 'The fast growth in passenger numbers to 63.6 million means that Schiphol is now nearing the limits of its capacity. The number of Schengen passengers has even increased by 17%. We are responding to this effectively by building a temporary departure hall that will provide the required capacity in the short term. In the longer term, further investments in accessibility, quality and a new pier and terminal are essential. The aviation sector is one of the main engines of prosperity in the Netherlands, both in an economic and social sense. Aviation connects the Netherlands with the rest of the world. If we want to keep this engine running, it is vital for the aviation sector, the government and the local community to jointly arrive at a solid framework of agreements for growth beyond 2020. We need to strike a sustainable balance between noise mitigation, Mainport development and quality of life in the environs of the airport.'

#### Most important developments

- Royal Schiphol Group has achieved solid financial results, with a return on equity of 8.2%. When adjusted for unrealised changes in the value of our property investments and the airport charges to be settled, the return on equity is approximately 6%.
- Passenger volumes at Amsterdam Airport Schiphol rose by 9.2% to 63.6 million. The number of Schengen passengers rose by 17%. The number of air transport movements at Amsterdam Airport Schiphol rose by 6.3% to 478,864. Cargo volumes increased by 2.5% to 1,662 thousand tonnes.
- As of 1 April 2017, airport charges will drop further by 7.1%. Over 2015-2017, the cumulative decrease is 23%. However, due to the substantial investments being made, airport charges are expected to rise again with effect from 2018.
- The opening of Lelystad Airport has been delayed for about a year, due to the fact that the required air traffic control services cannot be arranged in time.
- With the agreed limit of 500,000 air transport movements per year until 2020 now approaching fast, this will possibly slow down growth at Schiphol over the next few years. This may affect the competitive position of the Mainport.
- Average retail spending per departing passenger in the shops behind security control at Amsterdam Airport Schiphol has fallen from 14.45 euros to 13.65 euros (-5.5%). The renovated Departure Lounge 2, which was opened on 1 July 2016, has enhanced the retail offering and is driving the steady growth in average spending in this lounge. Average spending per passenger on food and drinks has increased from 3.98 euros to 4.32 euros (+8.5%).

- At 67 million euros, the share in results of associates, mainly driven by Groupe ADP and Brisbane Airport Corporation, accounts for 22% of the net result.
- In 2016, Royal Schiphol Group hosted the leading Airports Going Green congress. At this event, Schiphol Group emphasised that airports can and must take the lead in the move towards sustainability. To that end, 18 airports signed the Airports Sustainability Declaration to join forces in order to become more sustainable.

## Key figures

EUR million unless stated otherwise	2016	2015	%
<b>Results</b>			
Revenue	1,435	1,423	0.8
Other income and results from investment property	71	67	7.1
Other income	-	50	-100.0
Operating expenses (excluding depreciation, amortisation and impairment)	848	804	5.4
EBITDA <sup>1</sup>	658	735	-10.4
Depreciation and amortisation	237	223	6.2
Impairment	2	8	-78.8
<b>Operating result</b>	420	505	-16.8
Financial income and expenses	-91	-89	2.3
Share in results of associates	67	60	11.6
Result before tax	397	477	-16.7
Corporate income tax	-86	-99	-12.7
Result after tax	311	378	-17.7
<b>Net result</b>	306	374	-18.1
<b>Total equity</b>	3,860	3,716	3.9
Investments in (in)tangible fixed assets	303	439	-30.8
Cash flow from operating activities	438	508	-13.7
Proposed dividend	148	187	-20.7
<b>Ratios</b>			
RONA after tax <sup>2</sup>	7.1%	8.3%	
Return on equity (ROE) <sup>3</sup>	8.2%	10.4%	
Leverage <sup>4</sup>	34.9%	37.0%	
FFO / total debt <sup>5</sup>	22.8%	22.0%	
FFO interest coverage ratio <sup>6</sup>	6.8	6.7	
Earnings per share <sup>7</sup>	1,645	2,010	
Dividend per share	797	1,006	
<b>Business volume (in numbers)</b>			
Air transport movements <sup>8</sup>	527,285	498,580	5.8
Passenger movements (x 1,000) <sup>8</sup>	70,001	64,309	8.9
Cargo (x 1,000 tonnes) <sup>8</sup>	1,662	1,621	2.5
Workforce in full-time equivalents	2,063	2,000	3.2

1) Operating result plus depreciation, amortisation and impairment

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

3) Net result attributable to shareholders / average total equity

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

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

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

7) Based on net result attributable to shareholders

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

## Revenue

Revenue increased by 12 million euros (+0.8%) in 2016, from 1,423 million euros in 2015 to 1,435 million euros. <sup>1</sup>

EUR million	2016	2015	%
Airport charges	<b>848</b>	869	-2.4
Concessions	<b>187</b>	168	11.3
Rent and leases	<b>157</b>	155	1.3
Parking fees	<b>116</b>	108	7.1
Retail sales	<b>3</b>	29	-90.9
Advertising	<b>18</b>	17	5.0
Services and activities on behalf of third parties	<b>23</b>	22	5.3
Hotelactivities	<b>29</b>	2	>100
Other	<b>54</b>	54	1.7
<b>Net Revenue</b>	<b>1,435</b>	<b>1,423</b>	<b>0.8</b>

The total revenue from airport charges generated by Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport fell by 2.4% to 848 million euros in 2016. This is mainly attributable to the 11.6% decrease in airport charges at Schiphol as of 1 April 2016. However, the fall in airport charges is largely offset by the rise in passenger numbers, which increased by 9.2% to 63.6 million at Schiphol, while the number of air transport movements rose by 6.3% to 478,864. The increase was mainly seen in the segment of passengers using Schiphol as their point of departure or final destination. Another striking feature is the 17% rise in the number of passengers in the Schengen area. Cargo volumes were up 2.5% to 1,662 million tonnes. Eindhoven Airport, a regional airport, likewise recorded growth in passenger numbers, which rose by 9.3% to a total of 4.7 million passengers despite a two-week runway closure for major maintenance. The number of passengers served by Rotterdam The Hague Airport remained virtually unchanged in 2016 at 1.6 million. The number of air transport movements at Eindhoven increased by 7.2% to 30,991. At Rotterdam the number of movements remained about the same at 17,510.

The total revenue generated by concessions increased by 11.3% in 2016 to 187 million euros, due to the growth in passenger numbers and Schiphol Airport Retail (SAR) concession income. Total revenue from rents and leases rose by 1.3% to 157 million euros. This increase can be attributed largely to a positive trend in the lease of office buildings. The occupancy rate of commercial real estate was 88.7% (2015: 88.8%).

Total parking revenue increased by 7.1% to 116 million euros due to the rise in the number of passengers departing from Schiphol.

The fall in revenue from retail sales was due to the sale of 60% of the shares in SAR. As a result of this sale, Amsterdam Airport Schiphol has no longer received revenue from retail sales since 1 May 2015. The revenue from the remaining 40% stake in SAR is accounted for as a share in the results of associates.

The revenue generated from hotel activities was 29 million euros in 2016 (2015: 2 million euros), resulting from the opening of the Hilton Hotel in December 2015.

#### Other revenues and other results from investment property

In 2015, the one-off result on the sale of a 60% stake in SAR of 50 million euros was recognised under this item. No such transaction took place in 2016.

Other results from investment property amounted to 71 million euros (2015: 67 million euros). This can be attributed to positive market developments and lower vacancy rates in the offices at Schiphol-Centre and the logistics buildings. This result concerns a fair value change, and does not reflect any actual cash receipts or realised income.

#### Operating expenses

Operating expenses rose by 51 million euros (4.9%) from 1,035 million euros in 2015 to 1,086 million euros in 2016. This increase has to do with the substantial growth in the number of passengers and the associated operational measures required to facilitate this growth. Outsourcing and other external costs also rose as a result of the opening of the Hilton Hotel at the end of 2015, the launch of our Digital Airport Programme, the increase in IT security costs and the additional deployment of supervisors to counter nuisance caused by taxi touts. Despite the increase in passenger numbers, security costs fell by 2.1%. This was caused by the implementation of central security throughout the terminal as of June 2015.

EUR million	2016	2015	%
Outsourcing and other external costs	<b>482</b>	434	11.1
Depreciation and amortisation	<b>237</b>	223	6.2
Employee benefits	<b>184</b>	185	-0.1
Security	<b>179</b>	183	-2.1
Impairments	<b>2</b>	8	-78.8
Other operating expenses	<b>2</b>	4	-30.7
<b>Operating expenses</b>	<b>1,086</b>	<b>1,035</b>	<b>4.9</b>

Depreciation charges increased by 6.2%, from 223 million to 237 million euros, due to the launch of new central security assets in June 2015.

### Operating result

The operating result fell by 85 million euros from 505 million euros in 2015 to 420 million euros in 2016.

EUR million	2016	2015	%
Aviation	37	104	-64.0
Consumer Products & Services	197	238	-17.1
Real Estate	148	129	14.8
Alliances & Participations	38	34	11.2
<b>Operating result</b>	<b>420</b>	<b>505</b>	<b>-16.8</b>

The decline in the operating result can be attributed to a one-off result for Consumer Products & Services in 2015 of 50 million euros due to the sale of a 60% stake in SAR, and to a fall of 67 million euros in the operating result for Aviation. The operating result for the Aviation business area decreased due to the 11.6% fall in airport charges as of 1 April 2016 and the increase in operating expenses following the implementation of additional operational measures.

The Real Estate result rose due to the positive development in the lease of office buildings and the fair value gain on property (2016: 71 million euros, 2015: 67 million euros). The opening of the Hilton Hotel at the end of 2015 also made a positive contribution towards the Real Estate result in 2016.

### Financial income and expenses

The net financial expense rose by 2 million euros to 91 million euros in 2016. Much of the increase in financial expense is caused by the fact that part of the interest expense in 2015 was attributed as construction period interest to large-scale investment projects that have since been capitalised.

### Share in results of associates

The share in the results of associates increased from 60 million euros to 67 million euros and represents 22% of the total net result (2015: 16%).

### Corporate income tax

Corporate income tax amounted to 86 million euros in 2016 compared with 99 million euros in 2015. The effective tax burden in 2016 was 21.6%, up 0.9 percentage points from 2015 (20.7%). The lower than nominal tax burden in both 2016 and 2015 is mainly attributable to the application of the participation exemption to the results of associates. Another one-off effect is the exempted result on the sale of the stake in SAR in 2015 for 50 million euros.

### Net result

The net result recorded for 2016 is 306 million euros (2015: 374 million). The positive effect of the growth in passenger numbers is offset by the 11.6% fall in airport charges as of 1 April 2016. There was also a fall in other revenues owing to the sale of a 60% stake in SAR and an increase in operating expenses due to the operational measures required to streamline the increased passenger flows. Pursuant to the Aviation Act, approximately 52 million euros will be settled in the airport charges that take effect on 1 April 2018. The return on equity (ROE) amounted to 8.2% in 2016 (2015: 10.4%) and RONA after tax to 7.1% (2015: 8.3%).

Following adjustment for the fair value gain on property and the part of the result that must be settled in the 2018 airport charges, the return on equity amounted to approximately 6%.

#### **Movements in the consolidated statement of financial position**

Royal Schiphol Group's balance sheet total rose by 0.4% to 6,426 million euros (2015: 6,399 million euros). Shareholders' equity increased by 144 million euros to 3,860 million euros, largely on account of the addition of the 2016 net result of 306 million euros, after payment of the 187 million euro dividend for 2015.

Associates and joint ventures posted an increase of 38 million euros arising from the favourable development of the results of Brisbane Airport and Groupe ADP.

Investment property rose by 76 million euros largely due to the unrealised fair value gains on buildings.

Cash and cash equivalents dropped by 155 million euros to 239 million euros, mainly due to repayment on loans. At the end of 2016 the current liabilities for borrowings amounted to 5 million euros (2015: 284 million euros).

In 2016 a private placement of 150 million euros was issued under the EMTN programme with a 12-year maturity period and 1.12% interest.

#### **Cash flow developments**

The cash flow from operating activities fell by 70 million euros to 438 million euros as a result of the lower operating result. The cash flow from investing activities amounted to 301 million euros negative, compared with 411 million euros negative in 2015. This was mainly due to the lower investment level of 303 million euros versus 439 million euros in 2015.

The net cash flow from operating and investing activities – the free cash flow – amounted to 137 million in 2016 compared with 97 million in 2015. The cash flow from financing activities is 323 million euros negative (2015: 157 million euros positive) as a result of a 288 million euro repayment on loans and a total dividend payment of 187 million euros. The net cash flow in 2016 amounted to 187 million euros negative (2015: 254 million euros positive). Consequently, the net amount of cash balances declined from 394 million euros at the end of 2015 to 239 million euros at the end of 2016.

#### **Investments**

In 2016 Schiphol invested 303 million euros in fixed assets (2015: 439 million euros), 31% less than in 2015 due to the completion of central security for non-Schengen destinations in that year.

Departure Lounge 2 was officially opened on 1 July 2016. This completely renovated departure lounge at the heart of the terminal marks a major investment by Schiphol in quality and visitor comfort. The P3 car park was opened in April 2016, while December 2016 saw investments in the purchase of land for the further development of Lelystad Airport. The construction of a temporary departure hall on top of Baggage Hall South also commenced in late 2016, in order to accommodate the growing number of Schengen passengers.

#### **Financing**

The total amount of outstanding loans and lease liabilities fell by 118 million euros in 2016 to 2,067 million euros. In 2016, a 12-year private placement of 150 million euros was issued under the EMTN programme. The resulting revenue was used to finance loan repayments. Royal Schiphol Group has access to a 300 million euro

committed facility with a term to June 2020. Royal Schiphol Group also has access to a bilateral committed credit facility agreed with BNG Bank in the Netherlands. In 2016 this 100 million euro credit facility was extended until 1 January 2020. In addition, Royal Schiphol Group has two bilateral uncommitted credit facilities, amounting to 75 million euros each, which were both undrawn at year-end 2016.

#### **Ratios**

The most important financing ratios set out in our financing policy are the 'FFO/total debt' and 'FFO/interest coverage ratio'.

Funds from operations (FFO) is the cash flow from operating activities adjusted for operating capital. The FFO fell slightly from 482 million euros to 471 million euros in 2016.

The FFO/total debt ratio amounted to 22.8% in 2016 (2015: 22.0%). The FFO/interest coverage ratio in 2016 was 6.8x, a modest improvement over the 6.7x recorded in 2015. In addition to these two ratios, we apply the leverage ratio (ratio of interest-bearing debt to total equity plus interest-bearing debt). At the end of the financial year, Royal Schiphol Group's leverage ratio stood at 34.9% (2015: 37.0%).

These financial ratios meet the minimum requirements laid down in Royal Schiphol Group's financing policy: an FFO/total debt ratio of at least 20.0% and a leverage ratio between 30.0% and 50.0%.



## **Other developments**

### **Airport charges**

Following the 11.6% reduction in airport charges as of 1 April 2016, charges will be further lowered by another 7.1% effective 1 April 2017. This will involve an average 8.7% reduction in aviation charges and a 4.2% drop in security charges. This reduction is mainly the result of the growth of traffic and transport in 2016 and 2017, the settlement for 2015 of the airport charges and the low cost of capital. Due to substantial investment projects, airport charges are expected to rise starting in 2018.

### *Airports Sustainability Declaration*

In 2016, Royal Schiphol Group hosted the Airports Going Green congress, which is widely recognised as the most important sustainability event in the aviation industry. During the congress, 18 airports signed the Airports Sustainability Declaration in which they commit to intensify collaboration so as to make major strides forward in the effort to enhance sustainability. The Declaration, an initiative of Schiphol Group, links up with other initiatives such as the Sustainable Development Goals. By pursuing these SDGs we are investing in the future of the aviation sector and ensuring that the growth of airports can go hand in hand with the growth of metropolitan regions.

### *Appointments and reappointments*

On 1 April André van den Berg, previously director of Schiphol Real Estate B.V., succeeded Maarten de Groof as a Management Board member and CCO. In February 2016 the Supervisory Board decided to appoint Els de Groot for a second, four-year term of office as a Management Board member and CFO effective 1 May 2016. At the time of her appointment, Ms De Groot already indicated that she might not stay for her full four-year term. In October 2016, Ms De Groot announced that she would step down as CFO of Royal Schiphol Group in the spring of 2017. In June 2016 the Supervisory Board decided to reappoint Jos Nijhuis for a period of two years, with effect from 1 January 2017.

Initially, Groupe ADP had nominated Patrick Jeantet to succeed Laurent Galzy, who had already stepped down as Supervisory Board member in December 2015. However, Mr Jeantet left Groupe ADP shortly afterwards and therefore stepped down from the Supervisory Board of Royal Schiphol Group. Groupe ADP then nominated Edward Arkwright as Supervisory Board member, who was appointed in that role by the General Meeting of Shareholders in August 2016. Joop Wijn was reappointed during the General Meeting of Shareholders in April 2016 as a Supervisory Board member for a second term of office effective April 2016.

**Most important risks**

Royal Schiphol Group is permanently exposed to various risks associated with its business activities. These risks can be of a strategic, operational or financial nature and also include compliance risks. Risk management is an integral part of our business operations. In addition, the risks differ per business activity. In 2016 we updated the list of identified key risks, adding development of capacity and changing consumer behaviour. Our risk profile deteriorated slightly in 2016, and we devoted special attention to risks associated with the expansion of Amsterdam Airport Schiphol, cybercrime, safety and the environment.

**Proposed dividend**

The proposed dividend decreased by 20.7% to 148 million euros (2015: 187 million euros), or 797 euros per share (2015: 1,006 euros per share).

**Outlook for 2017**

Barring unforeseen circumstances, we expect to see passenger numbers grow by 2% to 4%, and to record a lower net result than in 2016. This outlook incorporates a substantial drop in airport charges as of 1 April 2017, combined with the assumption that the value of our real estate remains stable.

Royal Schiphol Group's annual report is expected to become available in early March. The General Meeting of Shareholders (which is not open to the public) will be held on 18 April 2017.

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

S. Theeuwes

Manager Investor Relations

## Consolidated statement of income for 2016

(in thousands of euros)

	2016	2015
<b>Revenue</b>	<b>1,434,675</b>	1,423,152
Other income and results from investment property	<b>71,390</b>	66,687
Other income	-	49,847
<b>Other income and results from investment property</b>	<b>71,390</b>	116,534
Cost of outsourced work and other external costs	<b>660,531</b>	616,233
Employee benefits	<b>184,523</b>	184,695
Depreciation, amortisation and impairment	<b>238,115</b>	230,305
Other operating expenses	<b>2,579</b>	3,507
<b>Total operating expenses</b>	<b>1,085,748</b>	1,034,740
<b>Operating profit</b>	<b>420,317</b>	504,946
Financial income	<b>8,931</b>	9,936
Financial expenses	<b>-99,536</b>	-98,490
<b>Financial income and expenses</b>	<b>-90,605</b>	-88,554
Share of profit of associates and joint ventures	<b>67,485</b>	60,474
<b>Profit before income tax</b>	<b>397,197</b>	476,866
Income tax	<b>-85,962</b>	-98,510
<b>Profit</b>	<b>311,235</b>	378,356
Attributable to:		
<b>Non-controlling interests</b>	<b>4,979</b>	4,193
<b>Shareholders (net result)</b>	<b>306,256</b>	374,163
<b>Earnings per share (in euros)</b>	<b>1,645</b>	2,010

*This press release may contain certain forward-looking statements subject to risks associated with the financial condition, results of operations and business of Royal 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 depend on future events and/or circumstances and there are 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 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.*

## Consolidated statement of comprehensive income for the year ended 31 December 2016

(in thousands of euros)

	2016	2015
<b>Result</b>	<b>311,235</b>	378,356
Foreign operations – foreign currency translation differences	<b>4,286</b>	3,310
Changes in fair value on hedge transactions	<b>19,629</b>	16,675
Share of OCI of associates after taxes	<b>-943</b>	1,141
	<hr/>	<hr/>
<b>Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:</b>	<b>22,972</b>	21,126
Remeasurements of defined benefit liability	<b>-970</b>	963
Share of OCI of associates after taxes	<b>-800</b>	1,280
	<hr/>	<hr/>
<b>Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:</b>	<b>-1,770</b>	2,243
	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	<b>21,202</b>	23,369
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>332,437</b>	401,725
Attributable to:		
<b>Non-controlling interests</b>	<b>4,979</b>	4,193
<b>Shareholders (net result)</b>	<b>327,458</b>	397,532

## Consolidated statement of financial position as at 31 December 2016

(in thousands of euros)

	31 December 2016	31 December 2015
<b>Non-current assets</b>		
Intangible assets	<b>80,274</b>	78,623
Assets used for operating activities	<b>2,828,246</b>	2,802,499
Assets under construction or development	<b>244,419</b>	211,425
Investment property	<b>1,453,482</b>	1,377,161
Deferred tax assets	<b>165,219</b>	193,330
Equity-accounted associates and joint ventures	<b>895,345</b>	857,814
Loans to associates	<b>74,200</b>	66,596
Other non-current receivables	<b>76,875</b>	55,310
	<b>5,818,060</b>	<b>5,642,758</b>
<b>Current assets</b>		
Trade and other receivables	<b>224,476</b>	223,519
Current income tax assets	<b>6,179</b>	3,293
Cash and cash equivalents	<b>238,691</b>	394,045
Assets held for sale	<b>138,956</b>	135,486
	<b>608,302</b>	<b>756,343</b>
	<b>6,426,362</b>	<b>6,399,101</b>

(in thousands of euros)

	<b>31 December 2016</b>	<b>31 December 2015</b>
<b>Equity and liabilities</b>		
Issued share capital	<b>84,511</b>	84,511
Share premium	<b>362,811</b>	362,811
Retained profits	<b>3,438,838</b>	3,319,818
Other reserves	<b>-62,930</b>	-83,032
<b>Equity attributable to owners of the Company</b>	<b>3,823,230</b>	<b>3,684,108</b>
Non-controlling interests	<b>36,357</b>	31,601
<b>Total equity</b>	<b>3,859,587</b>	<b>3,715,709</b>
<b>Non-current liabilities</b>		
Loans and borrowings	<b>2,010,773</b>	1,847,520
Employee benefits	<b>39,655</b>	38,446
Other provisions	<b>17,679</b>	17,399
Deferred tax liabilities	<b>22,924</b>	22,666
Other non-current liabilities	<b>138,671</b>	147,526
	<b>2,229,702</b>	<b>2,073,557</b>
<b>Current liabilities</b>		
Borrowings	<b>4,927</b>	283,909
Current income tax liabilities	<b>423</b>	383
Trade and other payables	<b>324,971</b>	313,725
Liabilities held for sale	<b>6,752</b>	11,818
	<b>337,073</b>	<b>609,835</b>
	<b>6,426,362</b>	<b>6,399,101</b>

## Consolidated statement of changes in equity

(in thousands of euros)	Attributable to shareholders					Non controlling interests	Total
	Issued share capital	Share Premium	Retained profits	Other reserves			
<b>Balance as at 1 January 2015</b>	<b>84,511</b>	<b>362,811</b>	<b>3,084,111</b>	<b>- 106,401</b>	<b>27,631</b>	<b>3,452,663</b>	
Profit after income tax	-	-	374,163	-	4,193	<b>378,356</b>	
Other comprehensive income	-	-	-	23,369	-	<b>23,369</b>	
Comprehensive income	-	-	374,163	23,369	4,193	<b>401,725</b>	
Dividend paid	-	-	- 138,456	-	- 223	<b>- 138,679</b>	
<b>Balance as at 31 December 2015</b>	<b>84,511</b>	<b>362,811</b>	<b>3,319,818</b>	<b>- 83,032</b>	<b>31,601</b>	<b>3,715,709</b>	
Profit after income tax	-	-	306,256	-	4,979	<b>311,235</b>	
Other comprehensive income	-	-	-	21,202	-	<b>21,202</b>	
Comprehensive income	-	-	306,256	21,202	4,979	<b>332,437</b>	
Dividend paid	-	-	- 187,236	-	- 223	<b>- 187,459</b>	
Other	-	-	-	- 1,100	-	<b>- 1,100</b>	
<b>Balance as at 31 December 2016</b>	<b>84,511</b>	<b>362,811</b>	<b>3,438,838</b>	<b>- 62,930</b>	<b>36,357</b>	<b>3,859,587</b>	

	dividend for 2015, paid in 2016	dividend for 2014, paid in 2015
Dividend attributable to shareholders (in euros)	<b>187,236,000</b>	138,456,138
Average number of shares in issue during the year	<b>186,147</b>	186,147
Dividend per share (in euros)	<b>1,006</b>	744

The dividend was adopted in the General Meeting of Shareholders of 12 April 2016, and on 3 May 2016 a gross dividend totalling 187.2 million euros (or 1,006 euros per share) was distributed.

## Abridged consolidated statement of cash flow for 2016

(in thousands of euros)

	2016	2015
<b>Cash flow from operating activities</b>		
Cash flow from operations	<b>555,544</b>	<b>638,727</b>
Paid income tax, interest and dividends received	<u><b>-117,349</b></u>	<u><b>-130,986</b></u>
<b>Cash flow from operating activities</b>	<b>438,195</b>	<b>507,741</b>
Cash flow from investing activities	<u><b>-301,367</b></u>	<u><b>-410,626</b></u>
<b>Free cash flow</b>	<b>136,828</b>	<b>97,115</b>
Cash flow from financing activities	<u><b>-323,399</b></u>	<u><b>156,956</b></u>
<b>Net cash flow</b>	<b>-186,571</b>	<b>254,071</b>
Opening balance of cash and cash equivalents	<b>437,308</b>	183,253
Net cash flow	<b>-186,571</b>	254,071
Exchange and translation differences	<u><b>30</b></u>	<u><b>-16</b></u>
<b>Closing balance of cash and cash equivalents</b>	<b>250,767</b>	<b>437,308</b>
Cash and cash equivalents from continuing operations	<b>238,691</b>	394,045
Cash equivalents other receivables	-	-
Cash and cash equivalents held for sale	<u><b>12,076</b></u>	<u><b>3,263</b></u>
	<b>250,767</b>	<b>437,308</b>