

Annual Results 2019

Schiphol invests in quality and innovation

Today, 14 February 2020, Royal Schiphol Group publishes its results for 2019.

The number of passengers at Amsterdam Airport Schiphol increased by 0.9% to a total of 71.7 million in 2019. Schiphol continues to be one of the best connected airports in Europe and grew its network to 332 direct destinations (2018: 327), of which 138 were intercontinental (2018: 135). The number of air transport movements at Schiphol was 496,826, a decrease of 0.5% compared with 2018. Cargo volumes continued to show a decline with 8.5% to 1.57 million tonnes.

In 2019, Schiphol invested 860 million euros to implement the Roadmap Safety Improvement Schiphol and to increase airport capacity, customer experience, operational efficiency and sustainability (2018: 581 million euros). These investments included the development of the new pier, the redevelopment of Terminal 1, extension of apron capacity and runway maintenance, new business lounges in the terminal, the extension of the P3 parking garage and office building The Base D. Our investments in quality of service resulted in a higher overall customer appreciation, while our investments in sustainability included investments to enable the preparation of Europe's first bio-kerosene plant and in a study of the production of synthetic kerosene based on solar electricity and CO₂ obtained from the air. Our commitment towards operating zero-emission airports by 2030 continues as we invest in electric bus transport, electrical equipment such as e-GPUs and solar panels.

A number of malfunctions and disruptions impacted our business continuity. In July, a fault in the power system of the fuel supplier caused a major disruption of flight operations with many cancellations of flights and stranded passengers. TNO has conducted investigations in this disruption, and their recommendations are implemented as well as the recommendations and lessons learned from the power outage in 2018.

In 2019 Schiphol achieved solid financial results. The net result increased to 355 million euros (2018: 279 million euros). Normalised for fair value gains and several one-off results in both 2018 and 2019, the net result was 226 million euros (2018: 214 million euros). Revenue increased by 7.0% to 1,615 million euros (2018: 1,509 million euros), mainly driven by increased airport charges, parking fees and other revenue from passenger related activities. Operating expenses increased 6.8% to 1,332 million euros (2018: 1,248 million euros).

2020 will be a crucial year as political decisions are made regarding the opening of Lelystad Airport, the continued development of Schiphol in the mid-term and the shape of aviation as we progress towards 2050. Lelystad Airport is nearly complete for opening for commercial air traffic. The Cabinet's chosen course is the way forward: moderate and controlled growth offset by a reduction in the number of people affected by severe noise disturbance. Together with Air Traffic Control the Netherlands (LVNL) and the airlines, we have prepared important initiatives on noise reduction, environmental impact and ultra-fine particulate matter. We are ready to launch these initiatives together with our neighbours.

Key developments

- The total number of passengers at all the airports of Royal Schiphol Group grew by 1.7% to 80.5 million (79.2 million). Passenger volumes increased further by 8.7% to 6.7 million at Eindhoven Airport and by 7.8% to 2.1 million at Rotterdam The Hague Airport.

- With 332 direct destinations, Schiphol continues to be Europe's second-best connected airport in the direct connectivity ranking and dropped to third place in the ranking of transfer airports with the best worldwide connectivity.
- Amsterdam Airport Schiphol and Eindhoven Airport achieved 3+ status in the ACI's Airport Carbon Accreditation benchmark for the sixth consecutive year. Schiphol Group has published its Most Sustainable Airports roadmap, which sets out the actions for zero-waste airports and zero emissions airports in 2030, and circular, energy positive airports in 2050. Our aim is to contribute to net-zero carbon aviation in 2050.
- In 2019, Royal Schiphol Group strengthened its position in Australia by increasing its shareholding in Brisbane Airport by 0.9% to 19.6% and acquiring a 35% stake in Hobart International Airport.
- During the year, Schiphol launched innovations, of which many digital, to improve service and efficiency, such as the self-service passenger information desks, WeChat services and the fully automatic dual passenger bridge. We have entered into collaborations to accelerate innovation with Delft University of Technology and the Dutch Drone Delta coalition.
- In 2019, Schiphol was named the Best European Airport by Business Traveller UK for the 30th consecutive year, and the Best Airport in Europe by Global Traveler USA. The Labour Foundation (Stichting van de Arbeid) awarded Schiphol for its diversity in business. The airport also received various awards for customer services in the area of retail, food & beverage and other facilities.
- The proposed dividend to shareholders is 151 million euros (2018: 117 million euros).

Key figures

EUR million unless stated otherwise	2019	2018	%
Revenue	1,615	1,509	7.0
Other results from investment property	113	107	5.5
Operating expenses (excluding depreciation, amortisation and impairment)	1,039	981	5.9
EBITDA¹	689	635	8.5
Depreciation, amortisation and impairment	294	267	10.1
Operating result	395	368	7.3
Financial income and expenses	-84	-90	6.5
Share in results of associates	127	98	29.2
Profit before tax	438	376	16.4
Corporate income tax	-76	-90	15.7
Profit for the year	362	286	26.4
Attributable to non-controlling interests	7	7	0.0
Profit for the year attributable to shareholders	355	279	27.1
Total equity	4,372	4,136	5.7
Investments in intangible and tangible assets	860	581	48.1
Cash flow from operating activities	523	526	-0.7
Proposed dividend	151	117	29.0
Return on equity (ROE) ²	8.3%	7.0%	
Leverage ³	38.9%	38.9%	
FFO / total debt ⁴	19.2%	18.7%	
FFO interest coverage ratio ⁵	7.5	6.6	
Earnings per share (in EUR) ⁶	1,908	1,501	
Dividend per share (in EUR)	813	631	
Air transport movements ⁷	554,947	553,735	0.2
Passenger movements (x 1,000) ⁷	80,521	79,181	1.7
Cargo (x 1,000 tonnes) ⁸	1,570	1,716	-8.5
Employees in full-time equivalents ⁹	2,519	2,324	8.4

1) EBITDA: Earnings before interest, tax, depreciation and amortisation

2) Net result attributable to shareholders / average total equity

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

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

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

6) Based on net result attributable to shareholders

7) Totals Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport

8) Amsterdam Airport Schiphol only

9) Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport

Revenue

Revenue increased by 106 million euros (7.0%), from 1,509 million euros in 2018 to 1,615 million euros in 2019. Higher revenue was mainly driven by increased airport charges, parking fees and other revenue from passenger-related activities.

EUR million	2019	2018	%
Airport charges	972	890	9.2
Concessions	217	212	2.3
Rent and leases	171	168	1.3
Parking fees	130	125	4.5
Advertising	20	19	4.8
Services and activities on behalf of third parties	24	23	6.5
Other	81	72	17.9
Net Revenue	1,615	1,509	7.0

Revenue from airport charges is generated by Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport. In 2019, revenue from airport charges at Amsterdam Airport Schiphol increased by 10.5% to 908 million euros. This is attributable to a 10.7% increase in airport charges as of 1 April 2019 and a 0.9% increase in passenger numbers compared to 2018. Pursuant to the Aviation Act, Schiphol Group must settle surplus income or deficits from specified income and expenses with the industry. For 2019, it is expected that the amount to be settled will be a deficit between 15 to 19 million euros, which will be reflected proportionately within the airport charges set for the 2021-2023 period. The number of air transport movements at Amsterdam Airport Schiphol decreased slightly from 499,444 in 2018 to 496,826 in 2019, thereby remaining below the permitted maximum of 500,000. Cargo volumes fell by a further 8.5% to 1.57 million tonnes.

Passenger numbers at Eindhoven Airport continued to develop positively in 2019, with an increase of 8.7% to 6.7 million. The number of air transport movements in Eindhoven rose by 7.2% to 41,438. Revenue from airport charges at Eindhoven Airport decreased by 15.8% to 34.8 million euros as a result of aircraft handling no longer being part of the charges as from 1 April.

The number of passengers served by Rotterdam The Hague Airport rose by 7.8% to 2.1 million, while the number of air transport movements increased by 6.6% to 16,683. These positive developments caused revenue from airport charges at Rotterdam The Hague Airport to increase by 7.4% to 28.8 million euros.

The total revenue generated by concessions increased by 2.3% in 2019, reaching 217 million euros. This was mainly due to the growth in passenger numbers at Amsterdam Airport Schiphol and the regional airports. Average retail spending per departing passenger at Amsterdam Airport Schiphol fell by 1.8%, from 13.13 euros in 2018 to 12.90 euros in 2019. By contrast, average spending per departing passenger on food and beverage rose from 4.81 euros to 4.89 euros (1.7%).

Total revenue from rents and leases rose by 1.3% to 171 million euros. This increase is mainly attributable to a positive trend in the lease of office buildings at Schiphol-Centre. The commercial real estate occupancy rate in 2019 was 93.8% (2018: 91.7%).

Total parking revenue increased by 4.5% to 130 million euros in 2019. The increase in parking revenue at Amsterdam Airport Schiphol by 4.6 million euros was attributable to the rise in the number of passengers combined with a different mix of parking products. The growth in passenger numbers at Eindhoven Airport and Rotterdam The Hague Airport led parking revenues outside Amsterdam Airport Schiphol to increase by 1.2 million euros.

Other revenue increased by 9 million euros primarily driven by passenger related services for persons with reduced mobility.

Other results from investment property

Other results from investment property amounted to 113 million euros (2018: 107 million euros). The large increase in the value of our investment property from 2015 onwards can be attributed to ongoing favourable market developments, high-quality property developments (e.g. The Base D, P22), new leases and higher occupancy rates, especially for the offices at Schiphol-Centre.

Operating expenses

Total operating expenses rose by 84 million euros (6.8%), from 1,248 million to 1,332 million euros. This increase in operating expenses was mainly due to the existing infrastructure operating at full capacity as well as to the measures implemented to facilitate the increase in investing activities, as a result of which the costs of workforce and outsourced activities rose. Higher costs were also incurred with regard to maintenance in order to ensure the optimum operational availability of intensively used assets and as a result of the transition to the new main contractors, for which one-off transition costs were incurred in 2019. Finally, further focus on digitisation caused IT costs to increase as well.

EUR million	2019	2018	%
Outsourcing and other external costs	605	546	10.8
Employee benefits	242	229	5.9
Security	197	205	-3.7
Other operating expenses	-6	1	>-100
Operating expenses (excl. Depreciation, amortisation and impairment)	1,039	981	5.9
Depreciation, amortisation and impairment	294	267	10.1
Operating expenses	1,332	1,248	6.8

Depreciation, amortisation and impairment increased by 27 million euros to 294 million euros in 2019. The major increase in capital expenditure continued in 2019. Most of the new, large assets that will provide additional capacity will come into operation during the next few years.

Employee benefits rose by 13 million euros due to an 8.4% increase in the number of employees, an increase in pension premiums (increase compared with 2018 of 1.4 percentage point, to 17.4%) and the movement in negotiated wages (increase of 2.75% as per 1 April 2019) partly offset by lower termination benefits.

Security costs decreased by 8 million euros mainly due to the implementation of several efficiency measures, including the discontinuation of the High Risk Flight process after implementing CT scanners.

Operating result

The operating result from Aviation increased from 39 million euros negative in 2018 to 7 million euros negative in 2019. An increase in revenues of 96 million euros (mainly due to the increase in airport charges as of 1 April 2019 and the increase in passenger numbers) was partly offset by increased expenses, which were mainly attributable to operational measures taken to facilitate an increase in investing activities (costs of workforce and outsourced activities) and higher maintenance costs due to the transition to the new main contractors, but also to IT costs and depreciation.

The operating result posted by Consumer Products & Services fell by 3 million euros in 2019, largely as a consequence of higher depreciation due to the commissioning of the new P3 parking facility. Revenue increased by 11 million euros to 349 million euros in 2019, driven by strong growth in revenue from parking fees, food & beverage concessions, car rental concessions, and advertising and Premium Services. The impact of redevelopment activities and (security-related) relocation projects on the sales of the retail locations at Airside was partly offset by the successful opening of temporary (pop-up) stores.

EUR million	2019	2018	%
Aviation	-7	-39	81.9
Consumer Products & Services	206	209	-1.8
Real Estate	183	172	6.2
Alliances & Participations	13	26	-47.2
Operating result	395	368	7.3

The operating result from Real Estate increased by 11 million euros (6.2%). When adjusted for fair value gains on investment property and the one-off release due to the reversal of the provision for an onerous contract in 2019, the operating result from Real Estate decreased by 1 million euros in 2019, mainly due to higher depreciation of operational buildings.

The operating result for Alliances & Participations decreased by 13 million euros. When adjusted for the other results from investment property, the operating result attributable to Alliances & Participations decreased by 9 million euros in 2019 driven by higher costs related to IT and preparations at Lelystad Airport for the opening of the airport to commercial flights.

Financial income and expenses

The net financial income and expenses decreased by 6 million euros to 84 million euros in 2019. In 2018, a one-off loss of 9 million euros was recognised in connection with the early repayment and settlement of the financial lease obligation with respect to The Base office building in 2018.

Share in results of associates

The share in the results of associates increased from 98 million euros to 127 million euros. The increase in the share in the results of associates was mainly driven by an increase in Dutch associates to the amount of 18 million euros, largely due to the reversal of an impairment recorded in previous years for Schiphol Trade Park as a result of changing market conditions. Results from international activities increased by 10 million euros largely driven by fair value gains on investment property.

Corporate income tax

Corporate income tax amounted to 76 million euros in 2019, compared with 90 million euros in 2018. The effective tax rate in 2019 was 17.3%, down 6.7 percentage points from 2018 (24.0%). End of 2018 the House of Representatives and the Senate approved the *Belastingplan 2019* including a phased reduction of the nominal income tax rate from 25.0% in 2019 to 20.5% in 2021. End of 2019 part of the reduction of the nominal income tax rate applicable from 2021 was reversed under the *Belastingplan 2020* with the income tax rate changed from 20.5% to 21.7%. The rate at which an important part of the deferred tax assets and liabilities will be settled differs from the current rate of 25%. The subsequent changes in the nominal income tax rate applicable as from 2021 caused revaluations of deferred tax assets and liabilities. The lower rate at which differences will be settled and the changes in this rate resulted in an increase in the income tax expense of 17 million euros in 2018 and a decrease in the income tax expense of 9 million euros in 2019. As was the case in prior years, the application of the participation exemption to the results of associates meant a reduction of the effective tax rate.

Of the tax burden totalling 76 million euros, 74 million euros comprises Dutch corporate income tax (2018: 88 million euros) and 2 million euros US corporate income tax (2018: 2 million euros).

Net result

As a result of the developments mentioned above, the net result for 2019 increased by 76 million euros to 355 million euros (2018: 279 million euros). The return on equity (ROE) amounted to 8.3% in 2019 (2018: 7.0%).

When adjusted for results from investment property (mainly fair value gains) and several other one-off results in both 2018 and 2019, the net result increased by 6.0%.

Movement in the consolidated statement of financial position

Schiphol Group's balance sheet total increased by 5.7% to 7,797 million euros (2018: 7,373 million euros). Total equity increased by 236 million euros to 4,372 million euros, largely on account of the addition of the 2019 net result of 355 million euros, after deduction of the 117-million-euro dividend for 2018.

Non-current assets increased by 935 million euros, mainly within assets used for operating activities (266 million euros) and assets under construction or development (279 million euros due to high capital expenditure), investment property (116 million euros due to an increase in fair values) and associates (194 million euros mainly due to investments in Brisbane and Hobart combined with the share in the results of associates less dividends received).

Current assets decreased by 511 million euros, largely as a result of a decrease in deposits of 455 million euros. As of 31 December 2019, Schiphol Group had no deposits outstanding.

Cash flow developments

Cash flow from operating activities decreased by 4 million euros to 523 million euros as a result of 13 million lower cash flow from operations largely offset by an increase in cash flow from interest and dividends.

Cash flow from investing activities amounted to 782 million euros negative in 2019, compared to 620 million euros negative in 2018. This increase of 162 million euros in 2019 was mainly caused by higher investments in fixed assets of 251 million euros combined with investments of 244 million euros in Brisbane and Hobart, and partly offset by lower net investments in deposits of 340 million euros.

Net cash flow from operating and investing activities – free cash flow – amounted to 259 million euros negative in 2019, compared with 94 million euros negative in 2018. Cash flow from financing activities was 27 million euros positive (2018: 311 million euros positive), mainly as a result of 188 million euros in net new financing (balance of repayments and borrowings) and a total dividend payment of 117 million euros. Net cash flow in 2019 amounted to 232 million euros negative (2018: 217 million euros positive). Consequently, the net amount of cash balances decreased from 387 million euros at the end of 2018 to 155 million euros at the end of 2019.

Investments

In 2019, Schiphol invested 860 million euros mainly in property, plant and equipment, up 48.1% compared with 2018 (581 million euros). Of the total investment in 2019, 256 million euros related to the development of the new pier and terminal as well as the associated infrastructure, 72 million euros to terminal redevelopment and 46 million euros to Lelystad Airport.

Financing

The total amount of outstanding loans and lease liabilities rose by 163 million euros in 2019 to 2,785 million euros. The increase was mainly the result of 355 million in Australian dollar bonds launched by Schiphol Group in 2019 to invest in Brisbane Airport and Hobart International Airport.

Schiphol Group has a Euro Medium Term Note (EMTN) programme, making it possible at present to raise funds of up to 3.0 billion euros, of which 1,936 million euros was outstanding as of 31 December 2019. In addition, Schiphol Group has a Euro Commercial Paper (ECP) programme with a current limit of 1 billion euros, of which 50 million euros was outstanding as of 31 December 2019. Schiphol Group also has committed undrawn facilities of 765 million euros. This strong liquidity position is an important asset in view of Schiphol's increased financing needs in the years ahead as a result of the current and envisaged high level of investment.

Ratios

The most important financing ratios set out in our financing policy are the FFO/total debt and FFO/interest coverage ratios. Funds From Operations (FFO) is the cash flow from operating activities adjusted for operating working capital. In 2019, FFO increased from 491 million euros to 536 million euros. The FFO/total debt ratio increased to 19.2% at the end of 2019, compared with 18.7% at the end of 2018.

The FFO/interest coverage ratio in 2019 was 7.5x, an improvement relative to the 6.6x recorded in 2018. In addition to these two ratios, we apply the leverage ratio (ratio of interest-bearing debt to total equity plus interest-bearing debt). At the end of the financial year, Schiphol Group's leverage ratio stood at 38.9% (2018: 38.9%). Both FFO/interest coverage ratio and leverage satisfy the internal requirements of a value higher than 4.0x as well as between 30.0% and 50.0%, respectively.

Other developments

Sustainability

In December 2019, Schiphol Group published its Most sustainable airports roadmap. Building on its new Vision 2050 and the ambition to create the world's most sustainable, high quality airports, this roadmap sets out the actions required to achieve our 2030 objectives of zero-waste airports and zero-emissions airports.

Beyond 2030, we aim to have circular airports and energy positive airports in 2050, and to facilitate a sustainable passenger journey towards net-zero carbon aviation in 2050. Schiphol will work closely together with its business and sector partners to achieve these objectives. See www.schiphol.nl/duurzaamheid

Changes to the Management Board

The first term of Mr A. van den Berg as Chief Commercial Officer expires on 31 March 2020. Mr Van den Berg has chosen not to be reappointed for a second term. The company has started the search for his successor. Mr Van den Berg has indicated to be available for a transition period, depending on the start date of his successor.

Risk management

Royal Schiphol Group is exposed to various risks associated with its business activities. These risks can be of a strategic, operational, financial and compliance nature. Risk management is an integral part of our business operations. The risks differ depending on the type of business activity. The following were part of our top 10 key risks:

- **Airport Accessibility:** The airport's desired minimum accessibility by rail and road may be temporarily or permanently unavailable.
- **Airport Capacity:** Airport capacity may be insufficient to accommodate all airlines and passengers during peak times, not meeting the desired quality of service
- **Business Continuity:** Critical business processes or functions may be disrupted due to loss of key facilities, assets, utilities, IT infrastructure or key suppliers and services.
- **Environmental regulatory changes:** New environmental and regulations may severely reduce maximum allowed air transportation movements, obstruct/delay construction projects or affect airport operations.
- **Project Execution:** Construction projects may fail to deliver project benefits on time, within budget and required quality.

More information on the key risks can be found in the Annual Report 2019, which will be published in March 2020.

Dividend proposal

The proposed dividend is 151 million euros (2018: 117 million euros), which works out at 813 euros per share (2018: 631 euros per share).

Outlook

Barring unforeseen circumstances, in 2020 we expect to see a limited growth in passenger volume and a stable normalised net result compared with 2019.

Royal Schiphol Group's annual report is expected to be published in March 2020. The General Meeting of Shareholders, which is not open to the public, will be held on 14 April 2020.

This press release contains parts of the financial statements 2019. These financial statements have been authorized for issue. The financial statements have not yet been published by law and still have to be adopted by the Annual General Meeting of shareholders. In accordance with Article 393 of Book 2 of the Dutch Civil Code, KPMG Accountants N.V. has issued an unqualified auditor's opinion on these financial statements.

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

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

S. Theeuwes MSc RC - Senior Manager Corporate Treasury and Investor Relations

Royal Schiphol Group 2019 condensed consolidated financial statements

(in thousands of euros)	2019	2018
Revenue	1,614,674	1,508,988
Other income from investment property	112,858	106,964
Cost of outsourced work and other external costs	802,126	750,783
Employee benefits	242,466	229,041
Depreciation, amortisation and impairment	293,664	266,660
Other operating expenses	-5,828	<u>1,343</u>
Total operating expenses	1,332,427	1,247,827
Operating profit	395,105	368,125
Financial income	10,523	10,303
Financial expenses	-94,844	<u>-100,467</u>
Financial income and expenses	-84,321	-90,164
Share of profit of associates and joint ventures	127,192	<u>98,412</u>
Profit before income tax	437,976	376,373
Income tax	-75,913	<u>-89,999</u>
Profit	362,062	286,374
Attributable to:		
Non-controlling interests	6,952	<u>6,923</u>
Shareholders (net result)	355,110	279,451
Earnings per share (in euros)	1,908	1,501

Consolidated statement of comprehensive income for the year ended 31 December 2019

(in thousands of euros)

	2019	2018
Result	362,062	286,374
Foreign currency translation differences	5,997	-5,928
Changes in fair value on hedge transactions	443	14,934
Share of OCI of associates after taxes	<u>-6,321</u>	<u>-399</u>
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:	119	8,607
Remeasurements of defined benefit liability	-4,011	-1,938
Share of OCI of associates after taxes	<u>-4,160</u>	<u>-1,616</u>
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:	-8,171	-3,554
Other comprehensive income for the year	<u>-8,052</u>	<u>5,053</u>
Total comprehensive income for the year	354,011	291,427
Attributable to:		
Non-controlling interests	6,952	6,923
Shareholders (net result)	347,059	284,504

Consolidated statement of financial position as at 31 December 2019

(in thousands of euros)

	31 December 2019	31 December 2018
Assets		
Intangible assets	136,425	101,376
Assets used for operating activities	3,122,072	2,855,652
Assets under construction or development	978,734	700,043
Investment property	1,758,111	1,642,285
Deferred tax assets	68,245	95,989
Equity-accounted associates and joint ventures	1,170,447	976,395
Loans to associates	133,622	50,678
Other non-current receivables	<u>78,690</u>	<u>89,427</u>
Non-current assets	7,446,346	6,511,845
Trade and other receivables	180,573	460,573
Current income tax assets	14,560	13,983
Cash and cash equivalents	<u>155,072</u>	<u>386,556</u>
Current assets	350,205	861,112
Total assets	7,796,551	7,372,957

(in thousands of euros)	31 December 2019	31 December 2018
Equity and liabilities		
Issued share capital	84,511	84,511
Share premium	362,811	362,811
Retained profits	3,954,697	3,716,968
Other reserves	<u>-85,368</u>	<u>-76,606</u>
Equity attributable to owners of the Company	4,316,650	4,087,684
Non-controlling interests	<u>55,386</u>	<u>48,673</u>
Total equity	4,372,036	4,136,357
Loans and borrowings	2,609,582	2,366,235
Employee benefits	55,202	50,465
Other provisions	48,777	55,900
Deferred tax liabilities	13,359	14,977
Other non-current liabilities	<u>98,351</u>	<u>92,683</u>
Non-current liabilities	2,825,270	2,580,260
Borrowings	162,880	200,655
Current income tax liabilities	1,672	155
Trade and other payables	<u>434,693</u>	<u>455,530</u>
Current liabilities	599,245	656,340
Total liabilities	3,424,515	3,236,600
Total equity and liabilities	7,796,551	7,372,957

Condensed consolidated statement of changes in equity

(in thousands of euros)	Attributable to shareholders				Non	Total
	Issued share capital	Share Premium	Retained profits	Other reserves	controlling interests	
Balance as at 31 December 2017	84,511	362,811	3,570,069	-81,179	41,972	3,978,184
IFRS 9 adjustment	-	-	-296	-	-	-296
Restatement due to accounting error	-	-	18,000	-	-	18,000
Balance as at 1 January 2018	84,511	362,811	3,587,773	-81,179	41,972	3,995,888
Profit for the year	-	-	279,451	-	6,923	286,374
Other comprehensive income	-	-	-	5,053	-	5,053
Comprehensive income	-	-	279,451	5,053	6,923	291,427
Payments of dividends	-	-	-150,256	-	-222	-150,478
Other	-	-	-	-480	-	-480
Balance as at 31 December 2018	84,511	362,811	3,716,968	-76,606	48,673	4,136,357
Profit for the year	-	-	355,110	-	6,952	362,062
Other comprehensive income	-	-	-	-8,052	-	-8,052
Comprehensive income	-	-	355,110	-8,052	6,952	354,011
Payments of dividends	-	-	-117,381	-	-222	-117,603
Other	-	-	-	-711	-17	-728
Balance as at 31 December 2019	84,511	362,811	3,954,697	-85,368	55,386	4,372,036

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

Condensed consolidated statement of cash flow for 2019

(in thousands of euros)

	2019	2018
Cash flow from operations	560,423	573,676
Paid income tax, interest and dividends received	<u>-37,904</u>	<u>-47,391</u>
Cash flow from operating activities	522,520	526,286
Cash flow from investing activities	<u>-781,610</u>	<u>-620,264</u>
Free cash flow	-259,091	-93,978
Cash flow from financing activities	<u>27,495</u>	<u>311,149</u>
Net cash flow	-231,596	217,170
Opening balance of cash and cash equivalents	386,556	170,370
Net cash flow	-231,596	217,171
Exchange and translation differences	<u>112</u>	<u>-985</u>
Closing balance of cash and cash equivalents	155,072	386,556