Mainport strengthened

New growth, an expanded network and a gradual return to profitability

Persbericht

Schiphol, 17 February 2011

Highlights:

- Further strengthening of the Main Port, with continued growth in the passenger and cargo segments and further expansion of the network.
- The network expanded and now includes 301 destinations (+17) of which 139 are ICA destinations (129 in 2009); we welcomed 7 new airlines.
- Further strengthened our position at JFK following expansion of Terminal 4 for Delta Airlines.
- Demonstrated operational robustness under difficult circumstances (volcanic ash cloud, wintry weather).
- New baggage system components commissioned.
- Reorganisation now in final stages (-17% FTE since start in 2009).

Key results:

- Net revenue of EUR 1,180 million
- Net result of EUR 169 million
- One-off result of JFK transaction: EUR 28 million (before tax)
- Negative impact of volcanic ash cloud and wintry weather in European airspace: EUR 20 million (before tax)
- One-off financial expense of EUR 19 million (before tax) due to buy-back of bonds resulting in lower future interest expenses
- Spend per passenger up by 4.7% to EUR 15.84
- Direct result on real estate portfolio stabilised; EUR 22 million in unrealised value changes, mainly due to new external valuations of land

Jos Nijhuis, President Schiphol Group:
We've made significant headway in further strengthening the Main Port. We are seeing clear growth in terms of both passenger numbers and cargo volumes. Our network has been expanded with 17 new destinations, including 10 intercontinental destinations. We further strengthened our position at JFK International Airport and established closer ties with Delta Airlines, one of Air France-KLM's most important SkyTeam partners. We also effectively coped with a series of difficult circumstances, such as the volcanic ash cloud and wintry weather conditions. In doing so, our employees and business partners demonstrated a great deal of dedication and flexibility. The year also saw continued investment in maintaining our competitive position and improving the efficiency of operational processes and quality standards. We will continue along our chosen path in 2011. This is in line with our brand values: reliability, efficiency, hospitality, inspiration and sustainability.

Schiphol Group Corporate Affairs Postbus 7501 1118 ZG Schiphol
Tel: 020 601 26 73 Fax 020 601 22 53 http://www.schiphol.nl
Buiten kantooruren: Tel 020 601 26 73

EUR million unless stated otherwise	2010	2009	+/-
Results			
Revenue	1,180	1,154	2.3%
Result on sale of investment property	0	0	
Fair value gains on investment property	22	-40	
Operating expenses	-905	-927	-2.3%
Operating result	297	187	58.6%
Result before tax	239	239	0.0%
Net result , adjusted for purposes of dividend calculation [1]	152	129	18.0%
Results attributable to shareholders (net result)	169	132	27.9%
Depreciation, amortisation and impairment	186	196	-5.0%
EBITDA[2]	483	383	26.1%
Capital expenditure (investments in property, plant and equipment)	248	215	15.5%
Cash flow from operating activities	351	327	7.2%
Ratios			
RONA after tax [3]	5.9%	3.8%	
Return on equity (ROE) [4]	5.6%	4.5%	
Leverage [5]	37.2%	40.5%	
FFO / total debt [6]	17.0%	18.5%	
FFO interest coverage ratio [7]	3.8	4.4	
Earnings per share [8]	908	710	
Business volume (in numbers)			
Air transport movements [9]	415,883	418,742	-0.7%
Passenger movements (x 1,000) [9]	48,324	46,246	4.5%
Cargo (x 1,000 tonnes) [9]	1,512	1,286	17.6%
Workforce in full-time equivalents	2,093	2,395	-12.6%

[1] Net result attributable to shareholders minus value changes in investement property and non-recurring tax income in 2009

[2] Operating result plus depreciation, amortisation and impairment

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

[4] Net result attributable to shareholders / average total equity

[5] Leverage: interest-bearing debt / (total equity + interest-bearing debt)

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

[7] Funds from operations plus gross interest expense / gross interest expense

[8] Based on net result attributable to shareholders. The net result is adjusted to establish the dividend per share

The net result is adjusted to establish the dividend per share

[9] Schiphol Group: Amsterdam Airport Schiphol, Rotterdam Airport and Eindhoven Airport

Financial performance

In 2010, our total revenue went up by EUR 26 million, from EUR 1,154 million in 2009 to EUR 1,180 million in 2010. The increase in revenue is primarily attributable to the activities within the Aviation and Consumers business areas, partly due to a 3.8% increase in passenger numbers at Amsterdam Airport Schiphol. The revenue of the Real Estate business area remained virtually the same, while the revenue of Alliances & Participations increased moderately.

In 2010, the fair value gain on the property portfolio (that consists of property and grounds) was EUR 22 million (as opposed to a loss of EUR 40 million in 2009).
Land given out in ground lease or rent increased in value by EUR 36 million in 2010 (a decrease of EUR 1 million in 2009). The amount in 2010 includes a one time increase of EUR 26 million as a consequence of an appraisal change such that it is now more in line with methods more commonly used by independent appraisers.
Property developments caused a fair value gain of EUR 4 million (EUR 3 million in 2009), while the existing property and grounds portfolio went down in value by EUR 18 million (down EUR 42 million in 2009).

Operating expenses fell by 2.3% (up 5.2% in 2009), from EUR 927 million in 2009 to EUR 905 million in 2010. A significant part of this decrease is attributable to a decline in the reorganisation costs by EUR 22 million and in the impairment costs by EUR 13 million.

The operating result went up by 58.6% in 2010 (down 36.4% in 2009), from EUR 187 million to EUR 297 million. Excluding fair value gains on the property portfolio, the operating result increased by 20.8% (down 17.4% in 2009), from EUR 227 million in 2009 to EUR 275 million in 2010. The air space closures on account of the volcanic ash cloud and the wintry weather at the beginning and end of 2010 reduced the 2010 result by approximately EUR 20 million in total.

The result for 2010 attributable to the shareholders (net result) is EUR 169 million (EUR 132 million in 2009). The net result, calculated for dividend purposes and excluding the fair value gains on our property portfolio and in 2009 excluding non-recurring tax income of EUR 33 million, is EUR 152 million (EUR 129 million in 2009).

The return on equity (ROE) amounted to 5.6% (4.5% in 2009).

Revenue

(in EUR million)	**2010**	**2009**	**%**
Aviation	697	688	1.4%
Consumers	299	284	5.1%
Real Estate	173	172	0.8%
Alliances & Participations	147	143	2.9%
Total revenue	1,316	1,286	2.3%
Intercompany revenue	136-	133-	2.5%
Revenue	**1,180**	**1,154**	**2.3%**

The Aviation business area accounted for 58.4% of revenue in 2010. The total revenue of the business area went up by 1.4% (5.0% in 2009). This increase is primarily attributable to a growth in passenger numbers by 3.8% and a rise in cargo transport by 17.6%. On 1 April 2009, the airport charges of Aviation increased by 2.3% but those of Security decreased by 26%. In 2010, the airport charges remained unchanged in comparison with 2009. As a result of the foregoing, the revenue from airport charges rose by a mere EUR 10 million in 2010.

The total revenue of the Consumers business area went up by 5.1% (down 12.1% in 2009). This was due to higher concession revenue and retail sales on account of the growth in passenger numbers and higher average passenger spending; the latter went up by 4.7% to EUR 15.84. The rise in parking revenue was less sharp than that in passenger numbers.

The total revenue of the Real Estate business area went up by 0.8% in 2010 (down by 0.2% in 2009). This rise was caused by an increase in revenue relating to assignments carried out for tenants in our buildings, which was partly cancelled out by a slight fall in rental revenue. Despite a 5.4% increase in the total lettable floor area, among other things because of the completion of the Transport building and Cargo Building 19, rental income fell by 1.5% as a result of a lower occupancy rate and lease incentives. The decline in the occupancy rate, by 2.9 percentage points to 86.5%, was nevertheless limited in a difficult market.

The total revenue of the Alliances & Participations business area went up by 2.9% in 2010 (up 4.3% in 2009). This was caused in particular by a strong growth in traffic and transport at Eindhoven Airport.

Operating expenses

(in EUR million)	**2010**	**2009**	**%**
Costs of outsourced work and other external charges	522.1	509.1	2.6%
Employee benefits	183.7	186.5	-1.5%
Depreciation and amortisation	185.8	182.9	1.6%
Impairment	0.5	13.2	-96.5%
Restructuring	9.1	31.3	-70.8%
Other operating expenses	4.2	3.8	11.2%
Total operating expenses	**905.5**	**926.7**	**-2.3%**

The total operating expenses of the four business areas add up to EUR 1,041 (EUR 1,059 in 2009). After elimination of intercompany costs, the operating expenses amount to EUR 905 million (EUR 927 million in 2009).

Outsourcing and other external charges

The costs of outsourced work and other external charges went up by 2.6% in 2010 (down 1.2% in 2009), from EUR 509 million to EUR 522 million. At EUR 242 million, the total costs of security at Amsterdam Airport Schiphol, being the costs of the Security reporting segment, remained virtually unchanged in relation to 2009. This is equivalent to 37.0% of the operating expenses of the Aviation business area (2009: 37.7%). The total costs of security are included in various operating expense categories, the most important of which are the costs of outsourced work and other external charges, employee benefits, and depreciation and amortisation.

The costs of outsourced work and other external charges also include costs such as the following:

- Maintenance (EUR 79 million); a rise of EUR 12 million owing to changes to the schedule;
- Cleaning (EUR 27 million); a fall of EUR 1 million;
- Hiring of external personnel (EUR 24 million); a rise of EUR 2 million owing to the wintry weather, among other things;
- Energy and water (EUR 26 million); a fall of EUR 2 million owing to a lower purchase price of electricity and lower consumption;
- Purchasing costs for retail sales (EUR 30 million); a rise of EUR 2 million compensated by higher sales (EUR 5 million).

Employee costs

Employee benefits fell by 1.5% in 2010 (up 2.3% in 2009), from EUR 187 million to EUR 184 million. Excluding the capitalisation of internal hours, employee benefits went down by 2.5% in 2010, from EUR 200 million to EUR 195 million. The costs of salaries, social security contributions and pension contributions went down because of a 6.7% decline in the average workforce (from an average of 2,496 FTEs in 2009 to an average of 2,328 FTEs in 2010). The effect of the average workforce reduction was partly cancelled out by higher costs on account of a general pay rise from 1 April 2010 of 0.9%, individual pay rises from 1 April 2010 and a liberalisation of the profit-sharing scheme under the new collective agreement.

Depreciation and amortisation

Depreciation and amortisation rose by 1.6% in 2010 (up 6.3% in 2009), from EUR 183 million to EUR 186 million. This increase by EUR 3 million is primarily attributable to investments in new baggage and security systems that were put into use in 2009 and 2010.

Impairment

The impairment losses in 2010 amounted to EUR 0.5 million (EUR 13 million in 2009). The 2009 impairment losses concerned write-downs of contract-related assets and a number of abandoned projects.

Reorganisation

In 2010, further substance was given to the reorganisation resulting from the strategy recalibration in 2009. As at the end of 2010, this resulted in the outsourcing of non-core activities and a decrease in staff numbers by around 5% in 2009 and around 13% in 2010. The total costs in this respect amount to EUR 9 million in 2010 (EUR 31 million in 2009). Most of the employees made redundant found alternative employment via the mobility centre, or took advantage of the arrangements offered by the Redundancy Plan.

Results

The operating result for 2010 amounted to EUR 297 million (EUR 187 million in 2009); a rise of 58.6% in comparison with 2009. This increase of EUR 110 million can be explained by factors such as the difference of EUR 62 million in fair value gains/losses on our property portfolio (a gain of EUR 22 million in 2010 and a loss of EUR 40 million in 2009), the difference of EUR 22 million in one-off reorganisation costs (EUR 9 million in 2010 compared with EUR 31 million in 2009) and the impairment losses of EUR 13 million in 2009.

EBITDA, the result before interest, tax, depreciation and amortisation and impairment, amounted to EUR 483 million, which is up 26.1% from the figure of EUR 383 million in 2009.

The net financial expense rose from EUR 91 million in 2009 to EUR 115 million in 2010. This increase can be attributed especially to the buy-back at the end of 2010 of EMTN bonds for a nominal amount of EUR 150 million, which generated a non-recurring financial expense of EUR 19 million, which will be more than compensated by a lower interest expense in the years to come.

The share in results for 2010 amounted to EUR 57 million. This is EUR 30 million up from the figure of EUR 27 million for 2009, which increase can be attributed primarily to the transaction concerning JFK IAT member LLC, generating a one-off share in results of EUR 28.1 million (before tax).

Corporate income tax amounts to EUR 67 million in 2010 compared to EUR 10 million positive in 2009 and accounts for a change in result of EUR 77 million. The effective tax burden for 2010 was 28.0%, which is higher than the nominal corporate income tax rate of 25.5%, primarily on account of a relatively high tax rate on the aforesaid one-off share in results and an expense of EUR 5 million caused by a write-down of deferred tax liabilities in connection with the adjustment of the tax rate to 25% as at 1 January 2011. The effective tax burden for 2009 had been -8.1%, especially as a result of the non-recurring tax income in that year of EUR 33 million.

In 2010, RONA after tax amounted to 5.9% (3.8% in 2009). Excluding the fair value gains on the property portfolio, RONA amounted to 5.3% in the year under review (4.3% in 2009).

Cash flow developments

The cash flow from operating activities rose slightly in 2010, from EUR 327 million to EUR 351 million. This is due primarily to an increase in operating result, the abolition of the imposition and remittance payment of Air Passenger Tax, which had a negative effect of EUR 60 million on the 2009 cash flow, and an increase in 2010 of the interest paid on loans of EUR 65 million.

The cash flow from investment activities went up from EUR 213 million in 2009 to EUR 250 million in 2010. Of this increase, EUR 10 million was due to an investment in fixed assets in connection with the extension of our stake in JFK IAT.

The main investment projects in 2010 were:

- EUR 100 million for the 70 MB baggage programme;
- EUR 20 million for ICT;
- EUR 19 million for renovation of airport infrastructure;
- EUR 10 million for businesscontinuity and fire safety;
- EUR 10 million for Schiphol Excellence Parking;
- EUR 10 million for security
- EUR 6 million for Hold Baggage Security.

With EUR 164 million (EUR 143 in 2009), the Aviation business area accounted for the largest share of the overall investments in fixed assets. The Real Estate business area is the next largest contributor with EUR 52 million (EUR 43 million in 2009), followed by Consumers with EUR 26 million (EUR 16 million in 2009) and Alliances & Participations with EUR 6 million (EUR 13 million in 2009).

The net cash flow from operating and investing activities – the free cash flow – amounted to EUR 101 million in 2010, as opposed to EUR 114 million in 2009.

The cash flow from financing activities fell slightly in 2010, from EUR 173 million to EUR 321 million negative, especially because no new long-term loans were raised (EUR 394 million in 2009). In 2010, the cash flow from financing activities comprised the buy-back of EMTN bonds with a nominal amount of EUR 150 million for a total amount of EUR 169 million. The difference of EUR 19 million is compensation for the difference between market and coupon interest rate over the remaining term and is accounted for in the profit and loss of 2010. In 2010, a dividend of EUR 65 million was distributed (EUR 69 million in 2009).

The net cash flow was EUR 220 million negative in 2010 (EUR 287 million in 2009), which reduced the net cash balances and current bank overdrafts from EUR 524 million at the end of 2009 to EUR 304 million at the end of 2010.

Balance sheet developments

Schiphol Group’s balance sheet total fell by 0.4% to EUR 5,506 million at year-end 2010 (EUR 5,528 million at year-end 2009).
The fixed assets went up by 4.2% to EUR 5,000 million, especially because of an increase in investment property, associates, loans to associates and derivatives. An important development in the current assets is the decline in net cash balances, from EUR 524 million at year-end 2009 to EUR 304 million at year-end 2010.
Shareholders’ equity increased by EUR 134 million to EUR 3,109 million, primarily because of the addition of the net result of EUR 172 million to the retained earnings and movements in the other reserves of EUR 27 million, which was compensated by the distribution of EUR 65 million in regular dividend in 2010.

Financing

The total amount of outstanding loans and lease liabilities fell by EUR 180 million in 2010, from EUR 2,026 million to EUR 1,846 million. This decrease was caused primarily by a buy-back of EUR 150

million nominal in bonds issued in 2008 under the EMTN programme with a term until 2014. The buy-back, which was motivated by the expectation that a lower refinancing rate will be available, will reduce the repayment peak in 2014.
At year-end 2010, a total amount of EUR 1,361 million had been drawn under the EMTN programme (EUR 1,506 million at year-end 2009) through a placement of public bonds with terms ranging from 2013 to 2038. In addition, in 2009 Schiphol Group issued so-called Schuldschein notes (fixed-interest loans with terms of 7 and 10 years) for a nominal amount of EUR 195 million. In 2010 no changes occurred in the total of Schuldschein loans.

Apart from the EMTN programme, since June 2008 Schiphol Group also has a Euro-Commercial Paper (ECP) programme, under which it can attract debts up to a maximum of EUR 750 million at current market interest rates for short-term paper. This facility was not used in 2010, and no liabilities are outstanding under this programme at present.
Schiphol Group extended its existing credit facility with five banks for a total amount of EUR 175 million. In addition, it entered into a 20-year loan agreement with the European Investment Bank for a facility under which a maximum of EUR 350 million can be drawn on favourable conditions. The European Investment Bank granted Schiphol Group this facility in view of its significant infrastructural investments in new baggage handling systems (the 70 MB programme). The first drawdowns on this facility will be made in 2011.

The average interest expense, excluding the non-recurring financial expense of EUR 19 million in connection with the early repayment of EMTN bonds, amounted to 5.9% in 2010, which equals the level in 2009.

Dividend proposal

The current dividend policy permits a maximum payout of 50% of the financial result attributable to shareholders (net result), excluding the changes in value of investment property (after tax). In 2010, the financial result (attributable to shareholders) amounted to EUR 169 million, giving earnings per share of EUR 908. The adjusted result for the purposes of dividend calculation is EUR 152 million. Accordingly, the proposed per share dividend distribution is EUR 409, equal to a 50% pay-out.

Outlook

The current geopolitical and economic situation and the myriad of uncertainties in the world make it particularly difficult to give a reliable forecast of future developments.

We expect further growth in various areas in 2011. Traffic and transport volumes via Amsterdam Airport Schiphol are projected to grow 4% to 7% in number of passengers and air transport movements. Also a rise in cargo volumes is expected.

In view of the recovery of consumer confidence, it seems reasonable to predict an increase in spend per passenger. We nevertheless remain cautious in this respect, because the question remains whether this recovery is permanent and how it will impact on our revenue from concessions, retail sales and parking fees. With retail areas in the airport terminal currently in a remodelling phase, per passenger spending is likely to experience some temporary pressure.
The value of property at the airport is expected to stabilise. Note however that the negative trend in the property market, and especially in the Amsterdam region, does not appear to have been reversed yet.

At around EUR 400 million, our planned investments are considerably higher than in 2010 (EUR 248 million). Of these investments, approximately 57% will be injected in the Aviation business area, particularly in the baggage system, its maintenance and security, as well as in activities aimed at raising quality levels and enhancing the passenger experience. These aims are also behind the Consumers business area's decision to rebuild Departure Lounge 3 in 2011. Initial work will also get underway on the construction of a new Hilton hotel at Amsterdam Airport Schiphol. Investments in real estate development are also planned at the Rotterdam and Eindhoven locations.

Financing for 2011 has been arranged, partly by a loan facility from the European Investment Bank.

In 2011, finalisation of the reorganisation will result in a further, minor decrease in the workforce.

Barring unforeseen circumstances, the net result will more or less equal the 2010 figure of EUR 169 million.

Amsterdam Airport Schiphol, 16 February 2011

The Management Board

Annual Report 2010
Early April, the Annual Report 2010 can be viewed and downloaded from the corporate website www.schiphol.nl / Schiphol Group.

Press information:
Press conference on 17 February 2010: starts 09.30 hours (CET)

Appended are the results per Business Area, the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Statement of Changes in Shareholders' Equity and Consolidated Cash Flow Statement for 2010

Results per business area

Aviation business area

EUR million	**2010**	2009	+/-
Total revenue	**697**	688	1.4%
Operating expenses	**652**	642	1.5%
EBITDA	**180**	176	2.7%
Operating result	**45**	45	-0.5%
Average fixed assets	**2,051**	2,011	2.0%
RONA before tax	**2.2%**	2.3%	
RONA after tax	**1.7%**	1.7%	
Investments in fixed assets	**164**	143	14.2%

Reporting Segment Aviation

EUR million	**2010**	2009	+/-
Total revenue	**456**	441	3.3%
Operating expenses	**411**	401	2.4%
EBITDA	**153**	147	4.1%
Operating result	**45**	40	12.2%
Investments in fixed assets	**155**	105	47.3%
RONA after tax	**1.9%**	1.7%	

Reporting Segment Security

EUR million	**2010**	2009	+/-
Total revenue	**241**	246	-2.1%
Operating expenses	**242**	242	0.0%
EBITDA	**27**	28	-4.5%
Operating result	**-**	5	-106.3%
Investments in fixed assets	**9**	38	-77.1%
RONA after tax	**-0.1%**	1.7%	

Consumers business area

EUR million	2010	2009	+/-
Total revenue	**299**	284	5.1%
Operating expenses	**166**	181	-8.3%
EBITDA	**155**	134	15.3%
Operating result	**133**	104	28.5%
Average fixed assets	**239**	241	- 0.9%
RONA before tax	**55.7%**	42.9%	
RONA after tax	**41.5%**	31.9%	
Investments in fixed assets	**26**	16	66.8%

Real Estate business area

EUR million	2010	2009	+/-
Total revenue	**173**	172	0.8%
Result on sale of investment property	**-**	-	
Fair value gains on property	**21**	- 39	
Operating expenses	**98**	103	-5.5%
EBITDA	**113**	51	121.9%
Operating result	**97**	29	233.3%
Average fixed assets	**1,524**	1,511	0.8%
RONA before tax	**6.5%**	2.1%	
RONA after tax	**4.8%**	1.5%	
Investments in fixed assets	**52**	43	19.6%

Alliances & Participations business area

EUR million	2010	2009	+/-
Total revenue	**147**	143	2.9%
Fair value gains and losses on property	**1**	- 1	
Operating expenses	**125**	132	-5.3%
EBITDA	**35**	22	58.2%
Operating result	**22**	9	139.2%
Average fixed assets	**844**	780	8,2%
RONA before tax	**10.1%**	5.1%	
RONA after tax	**8.0%**	4.7%	
Investments in fixed assets	**6**	13	-48.8%

Consolidated Profit and Loss Account 2010

(in thousands of euros)	2010	2009
Revenue	1,180,148	1,153,846
Sales of property	2,715	944
Cost of sales of property	2,866	849
Result on sales of property	– 151	95
Fair value gains and losses on property	22,180	– 40,135
Other income, from property	22,029	– 40,040
Costs of outsourced work and other external charges	522,072	509,057
Employee benefits	183,737	186,501
Depreciation and amortisation	185,829	182,863
Impairment	467	13,235
Restructuring	9,135	31,278
Other operating expenses	4,229	3,803
Total operating expenses	– 905,469	– 926,737
Operating result	296,708	187,069
Financial income and expenses	– 115,181	– 91,228
Share in results of associates	57,076	26,939
Result before tax	238,603	122,780
Corporate income tax	– 66,889	9,929
Result	171,714	132,709
Attributable to:		
Minority interests	2,754	586
Shareholders (net result)	168,960	132,123
Earnings per share (in euros)	908	710
Diluted earnings per share (in euros)	908	710

Consolidated statement of comprehensive income

(in thousands of euros)	2010	2009
Result	171,714	132,709
Translation differences	9,697	9,487
Changes in fair value on hedge transactions	13,790	15,183
Changes in fair value on other financial interests	3,450	641
Total other income and expenses	26,937	25,311
Total comprehensive income	198,651	158,020
Attributable to:		
Minority interests	2,773	439
Shareholders (net result)	195,878	157,581

Consolidated Balance Sheet 2010

Assets (in thousands of euros)	**31 December 2010**	**31 December 2009**
Non-current assets		
Intangible assets	**43,200**	**42,121**
Assets used for operating activities	**2,376,031**	**2,198,568**
Assets under construction or development	**390,695**	**548,281**
Investment property	**1,053,313**	**982,439**
Deferred tax	**228,647**	**256,990**
Investments in associates	**689,413**	**629,815**
Loans to associates	**88,221**	**66,541**
Other financial interests	**10,758**	**7,309**
Lease receivables	**3,300**	**5,522**
Other loans	**4,260**	**4,087**
Derivative financial instruments	**89,415**	**37,907**
Other non-current receivables	**23,170**	**18,768**
	5,000,423	**4,798,348**
Current assets		
Lease receivables	**2,223**	**1,967**
Other loans	**84**	**83**
Assets held for sale	**38,242**	**36,625**
Trade and other receivables	**161,004**	**166,386**
Cash and cash equivalents	**304,202**	**524,403**
	505,755	**729,464**
	5,506,178	**5,527,812**

Equity and liabilities (in thousands of euros)	**31 December 2010**	**31 December 2009**
Share capital and reserves attributable to shareholders		
Issued share capital	**84,511**	**84,511**
Share premium	**362,811**	**362,811**
Retained profits	**2,609,827**	**2,505,423**
Other reserves	**30,973**	**4,054**
	3,088,122	**2,956,799**
Minority interests	**21,295**	**18,633**
Total equity	**3,109,417**	**2,975,432**
Non-current liabilities		
Borrowings	**1,609,317**	**1,847,114**
Lease liabilities	**57,917**	**113,409**
Employee benefits	**35,525**	**38,334**
Other provisions	**29,573**	**30,792**
Derivative financial instruments	**1,464**	**3,826**
Other non-current liabilities	**93,786**	**96,912**
	1,827,582	**2,130,387**
Current liabilities		
Borrowings	**122,756**	**60,750**
Lease liabilities	**55,731**	**4,368**
Derivative financial instruments	**16,413**	**10,477**
Corporate income tax	**11,582**	**3,507**
Trade and other payables	**362,697**	**342,891**
	569,179	**421,993**
	5,506,178	**5,527,812**

Consolidated Cash Flow Statement for 2010

(in thousands of euros)

	2010	2009
Cash flow from operating activities:		
Cash flow from operations	**486,538**	388,542
Corporate income tax paid	**– 35,595**	– 34,611
Interest paid	**– 114,651**	– 49,386
Interest received	**2,544**	2,974
Dividend received	**11,753**	19,410
	– 135,949	– 61,613
Cash flow from operating activities	**350,589**	326,929
Cash flow from investing activities:		
Investment in intangible assets	**– 11,628**	– 11,398
Investment in property, plant and equipment	**– 236,316**	– 203,340
Proceeds from disposals of investment property	**2,715**	944
Proceeds from disposals of property, plant and equipment	**41**	123
Acquisitions	**– 9,708**	-
Sales of associates	**2,157**	-
Share capital contributions to / repayment by associates	**-**	750
Repayment on other loans	**85**	112
New long leases purchased	**-**	– 3,004
Finance lease instalments received	**3,025**	2,983
Other non-current receivables received	**-**	25
Cash flow from investing activities	**– 249,629**	– 212,805
Free cash flow	**100,960**	114,124
Cash flow from financing activities:		
New borrowings	**116**	394,193
Repayment of borrowings	**– 211,942**	– 178,992
Interest difference buy-back of EMTN bonds	**– 19,328**	-
Settlement derivative financial instruments	**– 11,723**	5,371
Dividend paid	**– 64,666**	– 69,183
Other non-current liabilities received	**-**	4,383
New long leases purchased	**-**	30,491
Finance lease instalments paid	**– 13,644**	– 13,493
Cash flow from financing activities	**– 321,187**	172,770
Net cash flow	**– 220,227**	286,894
Opening balance of cash and cash equivalents	**524,403**	237,183
Net cash flow	**– 220,227**	286,894
Exchange differences	**26**	326
Closing balance of cash and cash equivalents	**304,202**	524,403

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 2008	**84,511**	**362,811**	**2,442,372**	**– 21,404**	**18,305**	**2,886,595**
Result	-	-	132,123	-	586	**132,709**
Other comprehensive income	-	-	-	25,458	– 147	**25,311**
Comprehensive income	-	-	132,123	25,458	439	**158,020**
Dividend paid	-	-	– 69,072	-	– 111	**– 69,183**
Balance as at 31 December 2009	**84,511**	**362,811**	**2,505,423**	**4,054**	**18,633**	**2,975,432**
Result	-	-	168,960	-	2,754	**171,714**
Other comprehensive income	-	-	-	26,919	18	**26,937**
Comprehensive income	**-**	**-**	**168,960**	**26,919**	**2,772**	**198,651**
Dividend paid	-	-	– 64,556	-	– 110	**– 64,666**
Balance as at 31 December 2010	**84,511**	**362,811**	**2,609,827**	**30,973**	**21,295**	**3,109,417**