

Alliances & Participations

The Alliances & Participations business area focuses on the operation of regional airports and the development of international business activities. Our regional airports connect their regions with the rest of the world. Our international activities focus on delivering operational knowledge and expertise to New York JFK, Brisbane and Groupe ADP. With our regional and international activities, we generate income and gain new insights to reinvest in Mainport Schiphol.

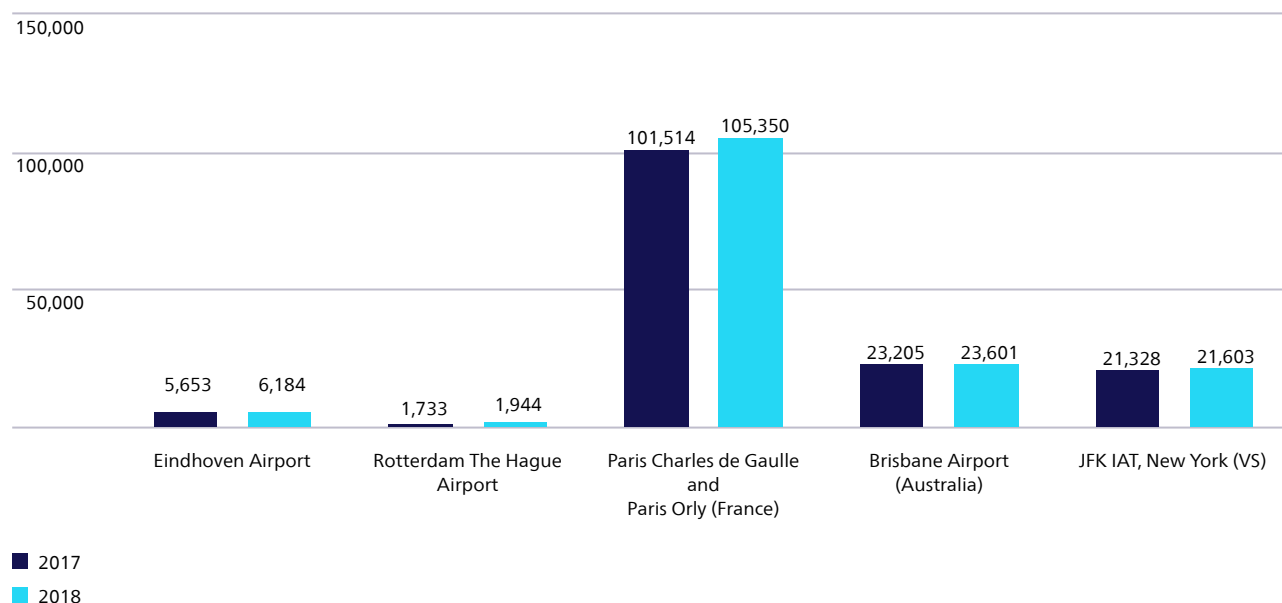
Key figures

EUR million	2018	2017	%
Total revenue	204	184	10.7
Other income and results from investment property	3	13	-76.9
Operating expenses	156	133	17.4
EBITDA	50	64	-20.7
Depreciation	25	21	20.2
Operating result	26	43	-40.5
Share in result of associates	96	78	23.2
Average fixed assets	1,233	1,156	6.6

EUR million	International airports		Domestic airports		Other participations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenue	12	13	111	100	81	71	204	184
Operating result	8	22	19	16	-1	5	26	43
Share in result of associates including interest	95	77	-	-	-	1	95	78
Total result	103	98	19	16	-1	6	121	121
Average asset base	922	901	250	201	61	54	1,233	1,156

Number of passengers

(x 1,000)



Economic regulation

Our income differentiates between regulated and non-regulated flows in what is known as a dual-till system. Rates for aviation activities at Amsterdam Airport Schiphol are regulated. The amounts that Schiphol Group can charge are restricted to the costs associated with primary airport operations and related infrastructure, and security.

In accordance with the new Aviation Act governing the operation of Schiphol, which took effect on 1 July 2017, the charges will no longer be fixed annually, but every three years. This change will take effect for the 2019-2021 period. Another change is the introduction of a mandatory contribution from non-aviation activities to aviation activities, the level of which is determined by Schiphol's shareholders.

The return on aviation assets, the regulatory asset base, has been capped at the regulated average weighted cost of capital (WACC) determined for the next three-year period, on which the ten-year interest rate on Dutch government bonds has a considerable impact. This means that Schiphol Group's return on aviation investments depends on the general development of the interest rate. In 2018, the regulated WACC was 2.16%. For the 2019-2021 charges period, this WACC is set at 2.71% (after tax).

Non-aviation activities at Schiphol are not subject to the economic regulation of Amsterdam Airport Schiphol. This includes all activities in the areas of retail, food and beverage, media, real estate development and leases, and parking charges.

The operation of our regional airports remains unregulated as long as they do not exceed five million passengers per annum. Eindhoven Airport reached this limit in 2017, meaning that its airport charges will be regulated with effect from 2019. Some of

