

## Segment information

An operating segment is a clearly identifiable part of a company that engages in business activities with associated revenues, costs and operating results, and about which separate financial information is available that is regularly reviewed by the Management Board in order to assess the performance of the segment and make decisions about the resources to be allocated to it. Schiphol Group identifies fourteen operating segments, which have been combined into nine segments for reporting purposes in view of the size and characteristics of the operating segments.

Information relating to alliances specifically associated with a particular business area is presented under the segments of that business area. The information relating to other alliances is presented under the reporting segments of the Alliances & Participations business area.

The Management Board and Corporate Treasury review liabilities and financial income and expenses at group level rather than segment level. The same rationale applies to the incomes taxes which are also reviewed and monitored at group level rather than at segment level. Transactions between the segments have been consistently conducted at arm's length over the years. Group overhead costs are allocated to the segments largely on the basis of their relative share in the direct costs of Schiphol Group. The system of allocations and settlements has been applied consistently over the past years.

Since Schiphol Group's current activities are concentrated almost entirely in the Netherlands (approximately 99% of consolidated revenue in 2018), there is no geographical segmentation. Around 31% (approx. 473 million euros) of revenue relates to one external customer and is generated primarily in the Aviation and Security segments.

### Aviation

The Aviation business area operates at Amsterdam Airport Schiphol and provides services and facilities to airlines, passengers and handling agents. It is subdivided into two segments: Aviation and Security. Aviation generates most of its revenue from airport charges (charges related to aircraft and passengers) and concession fees (paid by oil companies for the provision of aircraft refuelling services). The source of revenue for Security consists of airport charges (security-related charges).

### Consumer Products & Services

The activities of the Consumer Products & Services business area consist of granting and managing concessions for shops, food and beverages and service outlets (Concessions segment, generating variable revenue from concessions and fixed revenue from leasing retail locations), operating car parks (Parking segment, generating revenue from parking charges) and advertising opportunities at Amsterdam Airport Schiphol (Other segment, generating revenue from providing advertising space). Only the majority of parking revenues comes from passengers and visitors to the airport directly (business to consumers), with a minor part

being generated online through parking space being reserved ahead. All other revenues, including the revenues from the other reporting segments, come from services to other companies (business to business).

### Real Estate

The Real Estate business area, which is also a segment, develops, manages, operates and invests in property at and around domestic and foreign airports. The major part of the portfolio, comprising both airport buildings and commercial properties, is located at and around Amsterdam Airport Schiphol. Sources of revenue include income from developing and leasing out land and buildings. The business area also makes a major contribution to Schiphol Group results with other income from property (sales, fair value gains or losses on property and granting land leases).

### Alliances & Participations

The Alliances & Participations business area comprises the Domestic Airports, International Airports and Other Participations segments. Airport charges and parking charges are the main sources of revenue of the regional airports (Rotterdam The Hague, Eindhoven and Lelystad). The airports abroad contribute to the group result through their results and dividends as accounted for in share in results and through the interest paid on loans. This includes stakes in Groupe ADP and Brisbane Airport Corporation Holdings Ltd. The stake in JFKIAT Member LLC is recognised as a contract-related asset and contributes to the group result through management fees that are recognised as part of revenue from other activities. The other participations segment consists of, among others, Schiphol Telematics and Utilities. Schiphol Telematics provides telecommunication services at and around the airport. Utilities generates revenue from the transmission of electricity and gas and from the supply of water.

**2018**

(in thousands of euros)	Aviation	Consumer Products & Services	Real Estate	Alliances & Participations	Total
Airport charges	821,438	-	-	68,849	<b>890,287</b>
Concessions	15,660	186,008	1,168	9,336	<b>212,172</b>
Rent and leases	304	17,761	171,701	4,510	<b>194,277</b>
Parking fees	-	100,860	4,874	20,723	<b>126,457</b>
Other activities	35,984	33,674	4,408	100,322	<b>174,388</b>
<b>Total revenue</b>	<b>873,386</b>	<b>338,304</b>	<b>182,151</b>	<b>203,741</b>	<b>1,597,581</b>
Intercompany revenue	-2,248	-2,240	-26,622	-57,483	<b>-88,593</b>
<b>Revenue</b>	<b>871,138</b>	<b>336,064</b>	<b>155,529</b>	<b>146,258</b>	<b>1,508,988</b>
Other income and results from investment property	-	-	104,049	2,915	<b>106,964</b>
Depreciation and amortisation <sup>1</sup>	-192,055	-31,316	-20,465	-24,810	<b>-268,646</b>
Impairment	-	-	2,300	-	<b>2,300</b>
Operating profit	-39,148	209,372	172,377	25,524	<b>368,125</b>
Share in results of associates <sup>2</sup>	908	813	7,118	95,625	<b>104,464</b>
Total assets	2,984,483	496,324	2,418,659	1,454,491	<b>7,353,957</b>
Total non-current assets (excl. deferred tax)	2,596,850	431,860	2,104,518	1,263,628	<b>6,396,856</b>
Investments in associates and other financial interests	3,492	18,654	96,400	838,848	<b>957,395</b>
Capital expenditure <sup>3</sup>	360,558	86,287	69,204	64,554	<b>580,602</b>

<sup>1</sup> This amount is excluding expected credit losses

<sup>2</sup> The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

<sup>3</sup> These capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

## 2017

(in thousands of euros)	Aviation	Consumer Products & Services	Real Estate	Alliances & Participations	Total
Airport charges	769,367	-	-	62,645	<b>832,012</b>
Concessions	15,186	181,160	1,275	8,209	<b>205,830</b>
Rent and leases	253	17,212	168,124	4,803	<b>190,392</b>
Parking fees	-	102,499	4,402	18,612	<b>125,513</b>
Other activities	31,443	30,197	33,389	89,788	<b>184,817</b>
<b>Total revenue</b>	<b>816,249</b>	<b>331,068</b>	<b>207,190</b>	<b>184,057</b>	<b>1,538,564</b>
Intercompany revenue	-1,826	-2,002	-30,722	-46,472	<b>-81,022</b>
<b>Revenue</b>	<b>814,423</b>	<b>329,066</b>	<b>176,468</b>	<b>137,585</b>	<b>1,457,542</b>
Other income and results from investment property	-	-	67,830	12,604	<b>80,434</b>
Depreciation and amortisation	-188,797	-29,751	-24,527	-20,640	<b>-263,715</b>
Impairment	-	-	-	-	-
Operating profit	-38,876	216,373	138,295	42,869	<b>358,661</b>
Share in results of associates <sup>1</sup>	868	501	1,711	77,641	<b>80,721</b>
Total assets	2,717,847	415,099	2,172,595	1,349,451	<b>6,654,992</b>
Total non-current assets (excl. deferred tax)	2,417,016	369,152	1,932,375	1,176,942	<b>5,895,485</b>
Investments in associates and other financial interests	3,339	19,770	94,727	803,481	<b>921,317</b>
Capital expenditure <sup>2</sup>	301,217	53,566	51,297	83,720	<b>489,800</b>

<sup>1</sup> The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

<sup>2</sup> These capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

## Aviation

(in thousands of euros)	Aviation		Security		Total	
	2018	2017	2018	2017	2018	2017
Airport charges	503,541	480,512	317,897	288,855	821,438	769,367
Concessions	15,660	15,186	-	-	15,660	15,186
Rent and leases	94	91	210	162	304	253
Other activities	29,825	27,238	6,159	4,205	35,984	31,443
<b>Total revenue</b>	<b>549,120</b>	<b>523,027</b>	<b>324,266</b>	<b>293,222</b>	<b>873,386</b>	<b>816,249</b>
Intercompany revenue	-1,386	-1,146	-862	-680	-2,248	-1,826
<b>Revenue</b>	<b>547,734</b>	<b>521,881</b>	<b>323,404</b>	<b>292,542</b>	<b>871,138</b>	<b>814,423</b>
Depreciation and amortisation	-149,264	-146,823	-42,791	-41,974	-192,055	-188,797
Operating profit	-20,515	-12,770	-18,633	-26,106	-39,148	-38,876
Share in results of associates <sup>1</sup>	908	868	-	-	908	868
Total assets	2,607,327	2,349,616	377,155	368,231	2,984,483	2,717,847
Total non-current assets (excl. deferred tax)	2,268,681	2,089,544	328,169	327,472	2,596,850	2,417,016
Investments in associates and other financial interests	3,492	3,339	-	-	3,492	3,339
Capital expenditure	317,363	262,279	43,195	38,938	360,558	301,217

<sup>1</sup> The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

## Consumer Products & Services

(in thousands of euros)	Concessions		Parking		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Concessions	178,960	175,063	7,048	6,097	-	-	186,008	181,160
Rent and leases	17,258	16,780	503	432	-	-	17,761	17,212
Parking fees	-	-	100,860	102,499	-	-	100,860	102,499
Other activities	975	281	1,736	1,952	30,964	27,964	33,674	30,197
<b>Total revenue</b>	<b>197,192</b>	<b>192,124</b>	<b>110,147</b>	<b>110,980</b>	<b>30,964</b>	<b>27,964</b>	<b>338,304</b>	<b>331,068</b>
Intercompany revenue	-393	-428	-1,613	-1,367	-233	-207	-2,240	-2,002
<b>Revenue</b>	<b>196,799</b>	<b>191,696</b>	<b>108,534</b>	<b>109,613</b>	<b>30,731</b>	<b>27,757</b>	<b>336,064</b>	<b>329,066</b>
Depreciation and amortisation	-14,575	-13,870	-13,619	-12,794	-3,122	-3,087	-31,316	-29,751
Operating profit	147,064	147,901	52,793	59,686	9,515	8,786	209,372	216,373
Share in results of associates <sup>1</sup>	813	501	-	-	-	-	813	501
Total assets	223,702	183,704	253,970	213,541	18,652	17,854	496,324	415,099
Total non-current assets (excl. deferred tax)	194,647	163,371	220,983	189,904	16,229	15,877	431,860	369,152
Investments in associates and other financial interests	18,654	19,770	-	-	-	-	18,654	19,770
Capital expenditure	42,598	17,192	41,303	34,307	2,386	2,067	86,287	53,566

<sup>1</sup> The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

## Real Estate

(in thousands of euros)	2018	2017
Concessions	1,168	1,275
Rent and leases	171,701	168,124
Parking fees	4,874	4,402
Other activities	4,408	33,389
<b>Total revenue</b>	<b>182,151</b>	<b>207,190</b>
Intercompany revenue	-26,622	-30,722
<b>Revenue</b>	<b>155,529</b>	<b>176,468</b>
Other income and results from investment property	104,049	67,830
Depreciation and amortisation	-20,465	-24,527
Impairment	2,300	-
Operating profit	172,377	138,295
Share in results of associates <sup>1</sup>	7,118	1,711
Total assets	2,418,659	2,172,595
Total non-current assets (excl. deferred tax)	2,104,518	1,932,375
Investments in associates and other financial interests	96,400	94,727
Capital expenditure	69,204	51,297

<sup>1</sup> The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

## Alliances & Participations

(in thousands of euros)	International airports		Domestic airports		Other subsidiaries		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Airport charges	-	-	68,849	62,645	-	-	68,849	62,645
Concessions	-	-	9,336	8,209	-	-	9,336	8,209
Rent and leases	-	-	4,506	4,797	4	6	4,510	4,803
Parking fees	-	-	20,723	18,612	-	-	20,723	18,612
Other activities	11,843	13,062	7,946	5,311	80,534 <sup>1</sup>	71,415	100,322	89,788
<b>Total revenue</b>	<b>11,843</b>	<b>13,062</b>	<b>111,361</b>	<b>99,574</b>	<b>80,538</b>	<b>71,421</b>	<b>203,741</b>	<b>184,057</b>
Intercompany revenue	-66	-3	-1,481	-1,621	-55,936	-44,848	-57,483	-46,472
<b>Revenue</b>	<b>11,776</b>	<b>13,059</b>	<b>109,879</b>	<b>97,953</b>	<b>24,602</b>	<b>26,573</b>	<b>146,258</b>	<b>137,585</b>
Other income and results from investment property	-	11,918	2,915	686	-	-	2,915	12,604
Depreciation and amortisation	-1,311	-1,365	-11,006	-10,361	-12,492	-8,914	-24,810	-20,640
Operating profit	8,009	21,829	18,688	16,364	-1,174	4,676	25,524	42,869
Share in results of associates <sup>2</sup>	95,154	76,642	-	-	470	999	95,625	77,641
Total assets	1,070,763	1,026,822	306,588	261,562	77,140	61,067	1,454,491	1,349,451
Total non-current assets (excl. deferred tax)	929,874	912,473	266,633	232,610	67,121	31,859	1,263,628	1,176,942
Investments in associates and other financial interests	835,572	800,878	-	-	3,277	2,603	838,848	803,481
Capital expenditure	-	-	40,536	70,167	24,018	13,553	64,554	83,720

<sup>1</sup> The other activities include revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

<sup>2</sup> The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

## Notes to the consolidated statement of income

### 1. Revenue

#### Airport charges

(in thousands of euros)	2018	2017
Passenger service charges	374,574	346,346
Security service charges	328,270	302,079
Aircraft-related fees	182,960	178,951
Aircraft parking fees	4,483	4,636
<b>Total airport charges</b>	<b>890,287</b>	<b>832,012</b>

The activities of the Aviation business area (at Amsterdam Airport Schiphol) are regulated. Under the Aviation Act, Schiphol Group must settle surpluses and deficits from specified income and expenses with the airlines. In accordance with the accounting policies, surpluses and deficits eligible for settlement in the airport charge rates are not presented as assets and liabilities in the balance sheet. There was a surplus for the 2016 financial year of 54.5 million euros, which was included in the charges as from 1 April 2018. For the 2017 financial year the surplus amounted to 22.2 million euros, which will be included in the charges for the 2019-2021 period. An amount to the value of approximately plus or minus 2 million euros will be reflected within the airport charges set for the 2020-2022 period.

#### Concessions

(in thousands of euros)	2018	2017
Shops Retail Airside	113,159	111,596
Food and beverage	47,443	45,110
Oil companies	15,660	15,186
Shops Plaza	9,148	8,109
Other	26,762	25,829
<b>Total concessions</b>	<b>212,172</b>	<b>205,830</b>

Schiphol Group's Concessions reporting segment, which is part of the Consumer Products & Services business area, had 111 effective concession contracts in 2018 (2017: 106) for a range of commercial activities at Amsterdam Airport Schiphol. The following table provides an overview of the period to expiry of these contracts:

	2019	2020	2021	2022	2023	>2023
Percentage of contracts that will expire	39%	13%	13%	11%	6%	18%

Revenue of 15.7 million euros from concessions included in the Aviation segment (15.2 million euros in 2017) and 7.0 million euros in the Parking segment (6.1 million euros in 2017) relates to concession agreements for the third-party supply of aviation fuel and car rental services at the airport respectively. Concession revenue received from Schiphol Airport Retail B.V. is 28.5 million euros (2017: 29.2 million euros).

#### Rent and leases

(in thousands of euros)	2018	2017
Investment property: buildings, including service charges	98,694	89,329
Operating property, including service charges	41,706	41,632
Investment property: land	27,950	29,285
Intercompany revenue	25,927	30,146
<b>Total rent and leases</b>	<b>194,277</b>	<b>190,392</b>

The average occupancy in the Real Estate segment was 91.1% 2018 (89.6% in 2017). The following table provides an overview of the moment at which the current rent and lease contracts will expire for activities at Amsterdam Airport Schiphol:

	2019	2020	2021	2022	2023	>2023
Percentage of contracts that will expire	42%	20%	15%	8%	7%	8%

Property management expenses divided into occupied and unoccupied buildings can be broken down as follows:

(in thousands of euros)	2018	2017
Occupied buildings	43,826	34,652
Unoccupied buildings	4,276	4,470
<b>Total property management expenses</b>	<b>48,102</b>	<b>39,122</b>

If buildings are partially leased, the property management expenses have been apportioned based on floor area.

#### Parking fees

(in thousands of euros)	2018	2017
Short-stay parking	39,253	48,936
Long-stay parking	40,851	34,112
Business parking	23,755	21,706
	<b>103,858</b>	<b>104,754</b>
Parking at other locations	20,723	18,612
Intercompany revenue	1,876	2,147
<b>Total parking fees</b>	<b>126,457</b>	<b>125,513</b>

Parking revenues at other locations relate to parking at the airports in Rotterdam, Eindhoven and Lelystad and are included in the Domestic Airports segment.

As part of the business parking fees an amount of 4.9 million euros (2017: 4.4 million euros) is obtained from investment properties of the Real Estate business area. The income is related to the objects included in note 11. [Investment property](#).